

**ANNUAL SURVEY OF  
U.S. DIRECT INVESTMENT ABROAD  
1996  
INSTRUCTIONS**

The Annual Survey of U.S. Direct Investment Abroad is conducted to secure current economic data on the operations of U.S. parent companies and their foreign affiliates. Reports filed in this survey should be consistent with those filed in the 1995 BE-11 annual survey as concerns concepts and definitions, accounting methods, affiliate and reporter consolidation, etc. However, filing this report is not contingent upon having filed a 1995 BE-11.

**I. REPORTING REQUIREMENTS**

Section 806.4 of 15 CFR, Chapter VIII, requires that all persons subject to the reporting requirements of the BE-11 survey respond, whether or not they are contacted by BEA. It also requires that a person, or their agent, who is contacted by BEA about reporting in this survey, either by sending them report forms or by written inquiry, must respond in writing. They may respond by: 1) certifying in writing, within 30 days of being contacted by BEA, to the fact that the person had no direct investment within the purview of the reporting requirements of the BE-11 survey; 2) completing and returning the "BE-11 Claim for Not Filing" within 30 days of receipt of the BE-11 survey report forms; or 3) filing the properly completed BE-11 report by May 30, 1997, as required.

For definition of terms, see Part II.

**Forms comprising a BE-11 report are:**

1. **Form BE-11A** for reporting by a U.S. Reporter that is not a bank;
2. **Form BE-11B(LF) (Long Form)** for reporting majority-owned nonbank foreign affiliates with assets, sales, or net income greater than \$50 million (positive or negative);
3. **Form BE-11B(SF) (Short Form)** for reporting majority-owned nonbank foreign affiliates with assets, sales, or net income greater than \$20 million, but not greater than, \$50 million (positive or negative);
4. **Form BE-11C** for reporting minority-owned nonbank foreign affiliates; and
5. **BE-11 Claim for Not Filing**

**A. Who must report** – A BE-11 report is required of any nonbank U.S. person that had a nonbank foreign affiliate at the end of the U.S. person's 1996 fiscal year that is not exempt as detailed in I.C.

**B. Forms for U.S. Reporter and foreign affiliates**

**1. Form BE-11A** – Report U.S. Reporter

- a. Basic requirements** – A BE-11A report must be completed by a U.S. Reporter that is not a bank. If the U.S. Reporter is a corporation, Form BE-11A is required to cover the fully consolidated U.S. domestic business enterprise.

If the U.S. Reporter had any foreign affiliates owned at least 20 percent by all U.S. Reporters of the affiliate combined, whether held directly or indirectly, for which any one of the following three items was greater than \$20 million (positive or negative) at the end of, or for, the affiliate's 1996 fiscal year:

- (1) total assets,
- (2) sales or gross operating revenues excluding sales taxes, or
- (3) net income after provision for foreign income taxes,

the U.S. Reporter must file a Form BE-11A for itself and a Form BE-11B(LF), BE-11B(SF), or BE-11C, as appropriate, for each nonexempt foreign affiliate.

- b. Definition of "fully consolidated U.S. domestic business enterprise"** – The fully consolidated U.S. domestic business enterprise is defined as: 1) the U.S. corporation whose voting securities are not owned more than 50 percent by another U.S. corporation, and 2) proceeding down each ownership chain from that U.S. corporation, any U.S. corporation (including Foreign Sales Corporations located in the United States) whose voting securities are more than 50 percent owned by the U.S. corporation above it. **This consolidation excludes foreign branches and all other foreign affiliates.**

It is recognized that, in rare instances, conditions may exist that would lead a U.S. parent company to exclude a domestic subsidiary from its consolidation. If a U.S. Reporter cannot consolidate all of its domestic subsidiaries in its Form BE-11A, **it must request and be granted** permission from BEA to file on an unconsolidated basis prior to filing the report. The U.S. parent is responsible for ensuring that the required Form BE-11A and related Forms BE-11B(LF), BE-11B(SF), and BE-11C, for itself and any unconsolidated domestic subsidiaries are filed with BEA. The filing deadline for an unconsolidated domestic subsidiary is the same as that for its U.S. parent.

- c. Calculation of ownership percentage** – A U.S. Reporter's ownership interest in a foreign business enterprise may be directly or indirectly held, or both. It is directly held if the U.S. Reporter itself holds the ownership interest in the foreign business enterprise. It is indirectly held if, for example, the U.S. Reporter holds an ownership interest in another foreign business enterprise that, in turn, owns the given foreign business enterprise. In determining a U.S. Reporter's ownership interest, all direct and indirect lines of ownership interest in the foreign business enterprise must be summed. **Note – An associated group is deemed to be one U.S. Reporter.**

A U.S. Reporter's percentage of indirect ownership interest in a given foreign business enterprise is the product of the direct ownership percentage of the U.S. Reporter in the first foreign business enterprise in the ownership chain, multiplied by that first enterprise's direct ownership percentage in the second enterprise in the chain, multiplied by the corresponding direct ownership percentages for all other intervening enterprises in the ownership chain, multiplied by the last intervening enterprises's direct ownership percentage in the given foreign business enterprise.

**d. Other requirements for filing Form BE-11A**

- (1) **Foreign affiliate is owned by only part of the fully consolidated U.S. domestic business enterprise** – The U.S. Reporter is deemed to be the fully consolidated U.S. domestic business enterprise even if only one entity in the consolidated U.S. enterprise directly owns the foreign affiliate.
- (2) **U.S. Reporter that is an individual, estate, trust, or nonprofit organization** – A U.S. Reporter that is an individual, estate, trust, or religious, charitable, or other nonprofit organization, and that owns a nonexempt foreign affiliate directly, rather than through a U.S. business enterprise, should complete only items 1 and 4 of Form BE-11A and attach an explanatory note attesting to its status. Required Forms BE-11B(LF), BE-11B(SF), and BE-11C must be filed as appropriate.
- (3) **U.S. business enterprise owned by an individual, estate, trust, or nonprofit organization** – If a U.S. individual, estate, trust, or nonprofit organization owns more than 50 percent of a U.S. business enterprise that, in turn, owns a foreign affiliate, then the U.S. Reporter is deemed to be the U.S. business enterprise, not the individual, etc. The BE-11 report should be filed by, and Form BE-11A should be for, the U.S. business enterprise rather than the individual, etc. However, direct financial transactions or positions, if any, by the individual, etc., with the foreign affiliate must be included in the business enterprise's report.
- (4) **U.S. Reporter owned by a foreign person** – A U.S. Reporter that is a U.S. affiliate of a foreign person and that is filing a BE-15(LF) Annual Survey of Foreign Direct Investment in the United States-1996 (Long Form), should only complete items 1 through 4, 19 through 22, and 35 of Form BE-11A. If the U.S. Reporter is filing a BE-15(SF) (Short Form), in lieu of the BE-15(LF), all of Form BE-11A must be completed. See also III.B.
- (5) **Joint ownership of foreign affiliate** – If two or more U.S. Reporters jointly own, directly or indirectly, a foreign affiliate, each U.S. Reporter must file a Form BE-11A. See I.B.2.c.(2).

**2. Forms BE-11B(LF), BE-11B(SF), and BE-11C** – Report for foreign affiliate

- a. Form BE-11B(LF) or (SF)** – Report for majority-owned foreign affiliate

A BE-11B(LF) (Long Form) must be filed by the U.S. Reporter for each majority-owned nonbank foreign affiliate, whether held directly or indirectly, for which **any one** of the following three items was greater than \$50 million (positive or negative) at the end of, or for, the affiliate's 1996 fiscal year:

- (1) total assets,
- (2) sales or gross operating revenues excluding sales taxes, or
- (3) net income after provision for foreign income taxes.



## I. REPORTING REQUIREMENTS — Continued

A BE-11B(SF) (Short Form) must be filed for each majority-owned nonbank foreign affiliate, whether held directly or indirectly, for which **any one** of the three items listed above was greater than \$20 million (positive or negative) but for which no one of these items was greater than \$50 million (positive or negative) at the end of, or for the affiliate's fiscal year.

**NOTE** — An affiliate is majority-owned by virtue of being owned more than 50 percent by all U.S. Reporters of the affiliate combined. Such affiliates that meet the reporting requirements must be reported on Form BE-11(LF) or Form BE-11B(SF).

### b. Form BE-11C — Report for minority-owned foreign affiliate

A Form BE-11C must be filed for each minority-owned nonbank foreign affiliate that is owned at least 20 percent, but no more than 50 percent, directly and/or indirectly, by all U.S. Reporters of the affiliate combined, and for which **any one** of the three items listed in I.B.2.a. above was greater than \$20 million (positive or negative), at the end of, or for, the affiliate's fiscal year.

### c. Other requirements for filing Forms BE-11B(LF), BE-11B(SF), and BE-11C

(1) **Rules for consolidation of foreign affiliate** — The following rules should be used in determining which foreign business enterprises may be consolidated into one foreign affiliate:

- FOREIGN BUSINESS ENTERPRISES LOCATED IN DIFFERENT COUNTRIES MAY NOT UNDER ANY CIRCUMSTANCES BE CONSOLIDATED;
- Foreign business enterprises located in the same country that are integral parts of the same business operation may be consolidated into one affiliate (example: German enterprise A manufactures automobile engines and a majority of its sales are to German enterprise B which produces complete automobiles); and
- Foreign business enterprises located in the same country and in the same BEA 3-digit industry, as defined in the **Guide to Industry and Foreign Trade Classifications for International Survey, Part I**, may be consolidated.

**Note** — A U.S. Reporter who participates in BEA's BE-577 quarterly survey of U.S. direct investment abroad, Direct Transactions of a U.S. Reporter with Foreign Affiliate, should consolidate foreign business enterprises on Forms BE-11B(LF), BE-11B(SF), and BE-11C in the same manner as on Form BE-577.

### (2) Reporting of foreign affiliates owned by more than one U.S. Reporter

— If two or more U.S. Reporters jointly own, directly or indirectly, a foreign affiliate that is required to be reported on Form BE-11B(LF) or (SF), each U.S. Reporter must submit a Form BE-11B(LF) or (SF) for the affiliate. The U.S. Reporter having the highest percentage ownership (direct and indirect combined) in the foreign affiliate must file a form in which all items have been completed. The other U.S. Reporter(s) must file a form in which only items 1,2,6,7,8,9, and 10 of Part I have been completed. If the ownership percentages are the same, the U.S. Reporters must decide among themselves which one will submit the complete report. Note, however, that in Part II, Sections C, D, and E, of Form BE-11B(LF) and Part II, Sections C and D, of Form BE-11B(SF), data must be reported by transactor. For example, in Part II, Section D, of Form BE-11B(LF), and Part II, Section C, of Form BE-11B(SF), Distribution of Sales or Gross Operating Revenues, one transactor category is "to U.S. Reporter(s)" of this affiliate. If the U.S. Reporter filing the complete Form BE-11B(LF) or (SF) cannot, or prefers not to, secure from the affiliate and report the data concerning the other U.S. Reporters of the affiliate, then each U.S. Reporter is required to report its own data in those sections of Part II. The U.S. Reporter filing the complete Form BE-11B(LF) or (SF) must attach a note to the form stating that it is not reporting data for the other U.S. Reporter(s) and must so inform the other U.S. Reporter(s).

If two or more Reporters jointly own a foreign affiliate that is required to be reported on Form BE-11C, only the U.S. Reporter having the highest percentage ownership (direct and indirect combined) in the foreign affiliate must file the form.

### (3) Reporting when there is more than one foreign affiliate in a chain of ownership

— A Form BE-11B(LF), BE-11B(SF), or BE-11C must be filed for a foreign affiliate of the U.S. Reporter that owns another nonexempt foreign affiliate of that U.S. Reporter, even if the foreign affiliate parent is otherwise exempt, i.e., a Form BE-11B(LF) or (SF) or BE-11C must be filed for all affiliates upward in a chain of ownership.

### (4) Relationship between Forms BE-11A, BE-11B(LF) or (SF), and BE-11C

— The term "U.S. Reporter" is defined to mean the fully consolidated U.S. domestic business enterprise; therefore, on Forms BE-11B(LF), BE-11B(SF), and BE-11C, when data on trade and financial relationships between the U.S. Reporter and the foreign affiliate are requested, the data must reflect the foreign affiliate's relationship with the entire U.S. enterprise, not merely with one division, operating unit, or part.

**C. Exempt affiliates** — Based on the preceding, a foreign affiliate is exempt from being reported if it meets any one of the following criteria:

- None of its exemption level items exceeds \$20 million (positive or negative).
- It is less than 20 percent owned, directly and/or indirectly, by all U.S. Reporters of the affiliate combined. Note that a minority-owned affiliate that is owned 20 percent or more by all U.S. Reporters of the affiliate combined, and that otherwise meets the reporting requirements, must be reported on Form BE-11C even if no one U.S. Reporter owns 20 percent or more.
- Its U.S. parent (U.S. Reporter) is a bank.
- It is a bank.

Banks are defined as business enterprises classified in International Surveys Industry (ISI) codes 600 and 603.

An affiliate's receivable due from its parent or from other affiliated persons may not be eliminated from total assets when applying the exemption criteria for preparing this report.

If you filed a Form BE-11B(LF) or (SF) or BE-11C for an affiliate in 1995 that is exempt in 1996 according to C.1. above, and for which you received a label, affix the affiliate label to either the BE-11B(SF) or BE-11C report, as appropriate, and enter the amounts for total assets (in item 18 on the BE-11B(SF) or in item 11 on the BE-11C), annual sales or gross operating revenues (in item 27, column (1), on the BE-11B(SF), or in item 12 on the BE-11C), annual net income (loss) (in item 22 on the BE-11B(SF) or in item 13 on the BE-11C). If the affiliate is exempt in 1996 according to C.2 above, affix the affiliate label to the BE-11C report and enter the ownership percentages at the close of fiscal year 1996 in items 6, 7, and 8. If all of your affiliates are exempt in 1996, a "Claim for Not Filing" should be filed.

## II. DEFINITIONS

- A. 1996 fiscal year** is the U.S. Reporter's or the foreign affiliate's financial reporting year that has an ending date in calendar year 1996. Those U.S. Reporters or affiliates having a "52/53 week" fiscal year that ends within the first week of January 1997, are considered to have a 1996 fiscal year for purposes of filing this survey, and should report December 31, 1996 as their 1996 fiscal year end. A business enterprise that does not have a financial reporting year, or does not have a financial reporting year ending in calendar year 1996 is deemed to have a fiscal year identical to calendar year 1996. (U.S. Reporters and foreign affiliates that changed the ending date of their financial reporting year in 1996 should contact BEA to determine what reporting period should be used.)
- B. Affiliate** means a business enterprise located in one country which is directly or indirectly owned or controlled by a person of another country to the extent of 10 percent or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.
- C. Associated group** means two or more persons who, by the appearance of their actions, by agreement, or by an understanding, exercise their voting privileges in a concerted manner to influence the management of a business enterprise. Each of the following are deemed to be an associated group —
- Members of the same family,
  - A business enterprise and one or more of its officers or directors,
  - Members of a syndicate or joint venture, or
  - A corporation and its domestic subsidiaries.
- D. Branch** means the operations or activities conducted by a person in a different location in its own name rather than through an incorporated entity.
- E. Business enterprise** means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate.



## II. DEFINITIONS — Continued

- F. Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.
- G. Foreign affiliate** means an affiliate located outside the United States in which a U.S. person has direct investment.
- H. Foreign affiliate parent** means a U.S. Reporter's foreign affiliate which has an equity interest in another foreign affiliate of the U.S. Reporter.
- I. Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.
- J. Fully consolidated U.S. domestic business enterprise means** 1) the U.S. corporation whose voting securities are not owned more than 50 percent by another U.S. corporation, and 2) proceeding down each ownership chain from that U.S. corporation, any U.S. corporation (including Foreign Sales Corporations located in the United States) whose voting securities are more than 50 percent owned by the U.S. corporation above it. This consolidation excludes foreign branches and all other foreign affiliates.
- K. Intermediary** means an agent, nominee, manager, custodian, trust, or any person acting in a similar capacity.
- L. Majority-owned foreign affiliate** means a foreign affiliate in which the combined direct and indirect ownership interest of ALL U.S. REPORTERS of the affiliate exceeds 50 per centum.
- M. Minority-owned foreign affiliate** means a foreign affiliate in which the combined direct and indirect ownership interest of at least one U.S. Reporter is 10 per centum or more, but the combined direct and indirect ownership interests of all U.S. Reporters of the affiliate is 50 per centum or less.
- N. Person** means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government-sponsored agency).
- O. U.S. direct investment abroad** means the ownership or control, directly or indirectly, by one U.S. person of 10 per centum or more of the voting securities of an incorporated foreign business enterprise or an equivalent interest in an unincorporated foreign business enterprise, including a branch.
- P. U.S. person** means any person resident in the United States or subject to the jurisdiction of the United States.
- Q. U.S. Reporter** means the U.S. person which has direct investment in a foreign business enterprise, including a branch. If the U.S. person is an incorporated business enterprise, the U.S. Reporter is the fully consolidated U.S. domestic enterprise. See II.J.
- R. United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all territories and possessions of the United States.

## III. CLARIFICATION OF COVERAGE

- A. Determining existence of a foreign affiliate** — In general, a U.S. person's foreign operation or activity is considered a foreign affiliate if it is legally or functionally separable from the domestic operations or activities of the U.S. person. In most cases, it is clear whether the foreign operation or activity constitutes an affiliate. For example, if the operation or activity is incorporated abroad, as is true in the majority of cases, it is always considered a foreign affiliate. Even if it is unincorporated, the foreign operation or activity is usually legally or functionally separable from the U.S. person's domestic operations or activities. In cases where it is not clearly separable, the determination of whether the operation or activity constitutes a foreign affiliate is made on a case-by-case basis, depending on the weight of the evidence.
- Factors that would tend to indicate that the operation or activity is a foreign affiliate are:
1. It pays foreign income taxes.
  2. It has a substantial physical presence abroad, as evidenced by plant and equipment, or employees, permanently located abroad.
  3. Separate financial records are kept on the foreign operation or activity that would allow preparation of financial statements, including a balance sheet and income statement. (A mere record of disbursements to, or receipts from, the foreign operation or activity would not constitute a "financial statement" for this purpose.)
  4. It takes title to the goods it sells and receives revenues therefrom.
  5. It receives funds for its own account from customers for services it performs.

Factors that would tend to indicate that it is **not** a foreign affiliate are:

1. It engages only in sales promotion, public relations types of activities, or otherwise conducts business abroad for the U.S. Reporter's account and not for its own account. See III.E.
  2. It has no separate financial statements.
  3. It receives funds to cover its expenses only from the U.S. Reporter.
  4. It pays no foreign income taxes.
  5. It has limited property, plant, and equipment, or no employees, permanently located abroad.
- B. U.S. Reporter owned by a foreign person** — A U.S. business enterprise that is a U.S. Reporter in this BE-11 survey may also be a U.S. affiliate of a foreign person that must report in the BE-15, Annual Survey of Foreign Direct Investment in the United States — 1996. This could be the case if the U.S. business enterprise both owns foreign affiliates and is owned 10 percent or more, directly or indirectly, by a foreign person. In such cases, the U.S. business enterprise should report in this survey with respect to any foreign business enterprise it owns or controls, directly or indirectly, to the extent of 10 percent or more, but should not report other property of its foreign owner. (A foreign business enterprise that is jointly owned by the U.S. Reporter and the foreign owner of the U.S. Reporter should be considered a foreign affiliate of the U.S. Reporter provided the U.S. Reporter has a 10 percent or more ownership interest.) For purposes of the BE-11 survey, the foreign owner of the U.S. Reporter and the directly and indirectly owned foreign affiliates of the foreign owner (other than those held through the U.S. Reporter), are to be considered unaffiliated foreign persons.
- C. Foreign affiliate operating completely outside its country of incorporation** — If a foreign affiliate conducts all its operations from, and is located in, a single foreign country that is different from its country of incorporation, it is deemed to be operating totally outside its country of incorporation. A single BE-11B(LF) or (SF) or BE-11C report for the entity in the country of operation must be filed, treating it as an incorporated foreign affiliate; do not file a separate BE-11B(LF) or (SF) or BE-11C report for the entity in the foreign country of incorporation. If, however, the foreign affiliate has any of the following in the country of incorporation:
1. bank account,
  2. employees,
  3. property, plant, or equipment, or
  4. sales,
- it is deemed to have operations in its foreign country of incorporation and, therefore, a separate BE-11B(LF) or (SF) or BE-11C report must be filed for the entity in that country.

If a foreign affiliate incorporated abroad conducts its operations from, and has locations in, more than one foreign country, a separate Form BE-11B(LF) or (SF) or BE-11C must be filed for each country in which it has operations, and a separate Form BE-11B(LF) or (SF) or BE-11C must be filed for the entity in the foreign country of incorporation, treating the entity as an incorporated foreign affiliate in that country.

If a foreign affiliate incorporated abroad conducts its operations from, and is located in, the United States, a Form BE-11B(LF) or (SF) or BE-11C must be filed for the entity in the country of incorporation, treating it as an incorporated foreign affiliate in that country.

- D. Real estate** — The ownership of foreign real estate is defined to be a business enterprise and, if foreign real estate is owned by a U.S. person, it is a foreign affiliate of a U.S. Reporter. A Form BE-11B(LF) or (SF) or BE-11C is required unless the enterprise is otherwise exempt.

Real estate that is normally included in the property, plant, and equipment account of a foreign affiliate is not to be reported as a separate affiliate.

Residential real estate held exclusively by a U.S. person for personal use and not for profitmaking purposes is not subject to the reporting requirements. A primary residence abroad that is leased to others while the owner is a U.S. resident, but which the owner intends to reoccupy, is considered real estate held for personal use.

Ownership of foreign residential real estate by a business enterprise, the sole purpose of which is to hold the real estate for the personal use of the owner(s) of the business enterprise, is considered to be real estate held for personal use and therefore not subject to the reporting requirements.



### III. CLARIFICATION OF COVERAGE — Continued

If a U.S. person has a direct or indirect voting ownership interest of 10 percent or more in a joint venture, partnership, etc., that is formed to own and hold, develop, or operate real estate, the joint venture, partnership etc., in its entirety, not just the U.S. person's share, is a foreign affiliate and must be reported unless otherwise exempt.

- E. Airlines and ship operators** — U.S. airlines' and ship operators' foreign stations, ticket offices, and terminal and port facilities that provide services **only** to their own operations are not foreign affiliates and are not subject to the reporting requirements. Reports are required when such facilities produce significant revenues from services provided to unaffiliated persons.

### IV. GENERAL INSTRUCTIONS

- A. Accounting methods and records** — Generally accepted U.S. accounting principles should be followed, unless otherwise specified. Corporations should generally use the same methods and records that are used to generate reports to stockholders, except where instructions indicate a variance. Reports for unincorporated persons must be generated on an equivalent basis.

References to Financial Accounting Standards Board statements are referred to as "FASB" statements.

- B. Translation of foreign currency financial and operating data into U.S. dollars**

- 1. Financial statements** — Foreign affiliate financial statements, such as the balance sheet and income statement, should be translated into U.S. dollars using FASB 52.
- 2. Other financial and operating data of foreign affiliate** — According to FASB 52, "Revenue and expense transactions shall be translated in a manner that produces approximately the same dollar amounts that would have resulted had the underlying transactions been translated into dollars on the dates they occurred." Since separate translation of each transaction is usually impractical, the specific result can be achieved by using an average rate for the period.

On Forms BE-11B(LF) and (SF) and BE-11C, certain revenue and expense transactions which may not be translated separately for the financial statements, such as employee compensation and exports and imports, are required to be reported. These transactions should be translated in a manner that is consistent with that used to translate the financial statements to U.S. dollars.

- C. Industry classification** — A list and explanation of the industry classifications used are given in the **Guide to Industry and Foreign Trade Classifications for International Surveys**, BE-799, which is included as part of the BE-11 report package.

- D. Estimates** — If actual data are not available, or only partial data are available, estimates should be supplied and labeled as such. When data items cannot be fully subdivided as required, totals and an estimated breakdown of the totals should be supplied.

Certain sections of Forms BE-11A and BE-11B(LF) and (SF) require data that may not normally be maintained in a company's customary accounting records. Provision of precise data in these areas may present the respondent with a substantial burden beyond what is intended by BEA. This may be especially true for:

- BE-11A, Part II, Section B — Distribution of sales or gross operating revenues by whether the sales were goods, services, or investment income;
  - BE-11A, Part II, Section D — Exports and imports of the U.S. Reporter on a shipped basis;
  - BE-11B(LF), Part II, Section C — Composition of external finances by transactor;
  - BE-11B(LF), Part II, Section D — Distribution of sales or gross operating revenues, by transactor, and by whether the sales were goods, services, or investment income; and
  - BE-11B(LF), Part II, Section E and BE-11B(SF), Part II, Section D — U.S. exports and imports of the foreign affiliate on a shipped basis.
- E. Space on form insufficient** — When space on a form is insufficient to permit a full answer to any item, the required information should be submitted on supplementary sheets, appropriately labeled and referenced to the item number and the form.

### V. SPECIAL INSTRUCTIONS

- A. Determining location of transactor (source) for investment income included in sales or gross operating revenues** — Finance or insurance companies that include investment income in gross operating revenues should report the amount of such investment income in item 23 on Form BE-11A and the amount and source of such investment income in item 52, columns (1) through (7), on Form BE-11B(LF) based on the location of the issuer of the financial instrument whether publicly issued or privately placed. (For rental income from real estate, base it on the location of the property.) If the location of the issuer of the financial instrument is unknown, then the nationality of the issuer may be substituted. In those cases where both the location and nationality of the issuer are unknown, and an intermediary (e.g., trustee, custodian, or nominee) is used to manage the investment (financial instrument or real estate) on behalf of the U.S. Reporter or foreign affiliate, the country of location of the intermediary may be used instead.

- B. Reporting for U.S. Reporters and foreign affiliates that are insurance companies**

- 1.** Where there is a difference, the financial and operating data for insurance companies in the BE-11 survey are to be prepared on the same basis as an annual report to stockholders, rather than on the basis of an annual statement to an insurance department. Valuation should be according to normal commercial accounting procedures, **not** at the rates promulgated by national insurance departments, i.e., include assets not acceptable for inclusion in the annual statement to an insurance department. Include **1.** non-trusted or free account assets and **2.** nonadmitted assets, such as furniture and equipment, agents' debit balances, and all receivables deemed to be collectible. Mandatory securities valuation reserves that are appropriations of retained earnings are to be included in the owners' equity section of the balance sheet, **not** in the liability section.
- 2.** Assets of an affiliate's U.S. Reporter that are held in the country of location of the affiliate and that are for the benefit of the U.S. Reporter's policy holders are not to be included in the data reported for the affiliate on Form BE-11B(LF) or (SF) or BE-11C.
- 3.** Instructions for reporting specific items are:
  - a.** Include in total assets (item 16 on Form BE-11A, item 26 on Form BE-11B(LF), item 18 on Form BE-11B(SF), and item 11 on Form BE-11C) and in "other current assets" (item 20 on Form BE-11B(LF)) such items as agents' balances, uncollected premiums, amounts recoverable from reinsurers, and other current notes and accounts receivable (net of allowances for doubtful items) arising from the ordinary course of business.
  - b.** Include in total liabilities (item 17 on Form BE-11A, item 30 on Form BE-11B(LF) and item 20 on Form BE-11B(SF)) and in current liabilities (item 27 or 28 on Form BE-11B(LF)) such items as loss liabilities, policy claims, commissions due, and other current liabilities arising from the ordinary course of business. Include policy reserves in total liabilities and in "other noncurrent liabilities" (item 29 on Form BE-11B(LF)).
  - c.** Include in sales or gross operating revenues, excluding sales taxes (item 19 on Form BE-11A; item 32 on Form BE-11B(LF), item 27, column (1), on Form BE-11B(SF); and item 12, on Form BE-11C), such items as earned premiums, annuity considerations, gross investment income, and items of a similar nature. (Income from foreign affiliates should be reported in item 33, not item 35, on Form BE-11B(LF).)
  - d.** Include realized gains (losses) from the sale or maturity of investments in item 27 on Form BE-11A and item 34 on Form BE-11B(LF) and unrealized gains (losses) from changes in the valuation of investments in item 43 on Form BE-11B(LF).
  - e.** Include in cost of services rendered (item 37 on Form BE-11B(LF)) costs relating to sales or gross operating revenues, excluding sales taxes (item 32 on Form BE-11B(LF)), such as policy losses incurred, death benefits, matured endowments, other policy benefits, increases in liabilities for future policy benefits, other underwriting expenses, and investment expenses.
  - f.** Include in investment income (item 23 on Form BE-11A and item 52, column (1) on Form BE-11B(LF)) that portion of sales or gross operating revenues that is investment income (other than any gain (loss) on the sale or maturity of investments, which should be reported as "certain realized and unrealized gains (losses)" as detailed above). See V.A. for instructions on determining the location of the transactor of investment income.
  - g.** Include in sales of services (item 25 on Form BE-11A and item 54, column (1) on Form BE-11B(LF)) premium income and income from other services, if any.



## VI. INSTRUCTIONS FOR SPECIFIC PARTS OF THE REPORT FORMS

### A. Certain realized and unrealized gains (losses) for securities dealers, finance companies, and real estate companies

**Securities dealers** DO NOT include realized gains (losses) due to sale or maturity of investments in item 27 on Form BE-11A or item 34 on Form BE-11B(LF), rather, include in gross operating revenues. Unrealized gains (losses) due to changes in the valuation of investments that are recognized during the reporting period SHOULD be included in item 43 on Form BE-11B(LF).

**Finance companies (other than dealers in securities and insurance companies)** SHOULD include realized gains (losses) from the sale or maturity of investments in item 27 of Form BE-11A or item 34 on Form BE-11B(LF), and unrealized gains (losses) due to changes in the valuation of investments in item 43 on Form BE-11B(LF).

**B. U.S. merchandise trade** — The data on U.S. merchandise trade between U.S. Reporters and their foreign affiliates are to be reported on a "shipped" basis, i.e., on the basis of when and to (or by) whom the goods were shipped in order for them to be on the same basis as official U.S. trade statistics to which they will be compared. However, it is recognized that U.S. Reporters and their foreign affiliates keep their accounting records on a "charged" basis, i.e., on the basis of when and to (or by) whom the goods were billed or charged. If there is no material difference between the two bases, the "charged" basis may be used. However, if a material difference does exist, then trade must be reported on the "shipped" basis. For this purpose, the U.S. Reporter may have to derive the data from export and import declarations filed with U.S. Customs or from shipping and receiving documents, rather than from accounting records, or may have to otherwise adjust its data from a "charged" to a "shipped" basis. In item 36 on Form BE-11A and item 55 on Form BE-11B(LF), the U.S. Reporter must indicate that the data are in fact being reported essentially on the "shipped" basis. BEA will require the U.S. Reporter to refile the data if it determines that there is a material difference between the "charged" and "shipped" bases, and that the data are not on, or adjusted to, the "shipped" bases.

- 1. Definition of U.S. merchandise trade** — U.S. merchandise trade refers to physical movements of goods between the customs area of the United States and the customs area of a foreign country. Consigned goods must be included in the trade figures when shipped or received, even though not normally recorded as sales or purchases, or entered into intercompany accounts when initially consigned. Exclude the value of ships, planes, railroad rolling stock, and trucks that were temporarily outside the United States; transporting people or merchandise.
- 2. Timing** — Only goods actually shipped between the United States and a foreign country during FY 1996 should be included, regardless of when the goods were charged or consigned. For example, goods shipped by the U.S. Reporter to an affiliate in FY 1996 that were charged or consigned in FY 1997 should be included, but goods shipped to an affiliate in FY 1995 that were charged or consigned to the affiliate in FY 1996 should be excluded.
- 3. Trade of the U.S. Reporter** — Goods shipped by, or to, the U.S. Reporter, whether or not they were actually charged or consigned by, or to, the U.S. Reporter, are considered to be trade of the U.S. Reporter.
- 4. Trade of a foreign affiliate** — Goods shipped by, or to, a foreign affiliate, whether or not they were actually charged or consigned by, or to, the foreign affiliate are considered to be trade of the foreign affiliate.
- 5. By (or to) whom goods were shipped** — Shipment by, or to, an entity refers to the physical movement of merchandise to or from the U.S. customs area by, or to, that entity regardless of by, or to, whom the merchandise was charged or consigned. Thus, for example, if the U.S. Reporter charges goods to a foreign affiliate in France but ships the goods to an unaffiliated foreigner in Switzerland, the goods are considered U.S. merchandise exports by the U.S. Reporter to the unaffiliated foreigner in Switzerland and should be recorded as such on the U.S. Reporter's Form BE-11A. Or if the U.S. Reporter charges goods to a German affiliate but ships them to an Italian affiliate, the goods should be recorded as U.S. merchandise exports by the U.S. Reporter only on the Form BE-11B(LF) or (SF) or BE-11C of the Italian affiliate, not on that of the German affiliate. Similarly, if goods were charged by the U.S. Reporter to an affiliate but shipped to the affiliate by another U.S. person, the goods should be considered an export by "other U.S. persons," not by the U.S. Reporter, on the affiliate's Form BE-11B(LF) or (SF) or BE-11C.

**Note** — Merchandise shipped by an independent carrier or a freight forwarder at the expense of an entity are shipments by that entity.

**6. Valuation of exports** — U.S. merchandise exports should be valued f.a.s. (free alongside ship) at the U.S. port of exportation. This includes all costs incurred up to the point of loading the goods aboard the export carrier at the U.S. Port of exportation, including the selling price at the interior point of shipment (or costs if not sold), packaging costs, and inland freight and insurance. It excludes all subsequent costs, such as loading cost, foreign import duties, and freight and insurance from the U.S. port of exportation to the foreign port of entry.

**7. Valuation of imports** — U.S. merchandise imports should be valued at the actual contract price agreed upon between buyer and seller, adjusted to an f.a.s. foreign port-of-exportation basis. This includes all costs incurred up to the point of loading the goods aboard the export carrier at the foreign port of exportation, including the selling price at the interior point of shipment (or cost if not sold), packaging costs, and inland freight and insurance. It excludes all subsequent costs, such as loading costs, U.S. import duties, and freight and insurance from the foreign port of exportation to the U.S. port of entry.

## VII. FILING THE BE-11

- A. DUE DATE** — A fully completed and certified BE-11 report comprising Form BE-11A and Forms BE-11B(LF), (SF), or C (as required) is due to be filed with BEA not later than May 30, 1997.
- B. Extension** — Requests for an extension of the reporting deadline will not normally be granted. However, in a hardship case, a written request for an extension will be considered provided it is received at least 15 days prior to the due date of the report and enumerates substantive reasons necessitating the extension. BEA will provide a written response to such requests.
- C. Assistance** — For assistance, telephone (202) 606-5566 between 8:00 a.m. and 4:30 p.m., eastern time.
- D. Number of copies** — A single original copy of the report shall be filed with BEA. Each U.S. Reporter must retain a copy of its report to facilitate resolution of problems. These copies should be retained by the U.S. Reporter for a period of not less than 3 years beyond the report's original due date.
- E. Where to send the report** — Reports filed by mail through the U.S. Postal Service should be sent to:  
U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-69(A)  
Washington, DC 20230  
Reports filed by direct private delivery should be directed to:  
U.S. Department of Commerce  
Bureau of Economic Analysis, BE-69(A)  
Shipping & Receiving Section M-100  
1441 L Street, N.W.  
Washington, DC 20005
- F. Annual stockholders' report and Form 10K** — Business enterprises issuing annual reports to stockholders and Form 10K are to furnish copies of these reports for FY 1996 when filing the BE-11 report.
- G. Confidentiality** — The information filed in this report may be used only for analytical and statistical purposes and access to the information shall be available only to officials and employees (including consultants and contractors and their employees) of agencies designated by the President to perform functions under the Act. The President may authorize the exchange of the information between agencies or officials designated to perform functions under the Act, but only for analytical and statistical purposes. No official or employee (including consultants and contractors and their employees) shall publish or make available any information collected under the Act in such a manner that the person to whom the information relates can be specifically identified. Reports and copies of reports prepared pursuant to the Act are confidential and their submission or disclosure shall not be compelled by any person without the prior written permission of the person filing the report and the customer of such person where the information supplied is identifiable as being derived from the records of such customer (22 U.S.C. 3104).
- H. Penalties** — Whoever fails to report may be subject to a civil penalty of not less than \$2,500, and not more than \$25,000, and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violation, upon conviction, may be punished by a like fine, imprisonment, or both. (22 U.S.C. 3105.)

Notwithstanding the above, a U.S. person is not subject to any penalty for failure to report if a valid Office of Management and Budget control number is not displayed on the form; such a number is displayed on this form.



## 1996 BE-11 ORDER FORM

To obtain additional copies of BE-11 Forms and Instructions, complete this order form or telephone (202) 606-5566.  
Enter the quantity of each item you require:

Item	Quantity	Item	Quantity
Form BE-11A		Instructions	
Form BE-11B(LF)			
Form BE-11B(SF)		Guide to Industry and Foreign Trade Classifications for International Surveys	
Form BE-11C		Claim for Not Filing	

*PLEASE COMPLETE BELOW*

Name of U.S. Reporter

Attention:

Street Address

City, State, ZIP Code

**RETURN TO**

U.S. Department of Commerce  
Bureau of Economic Analysis, BE-69(A) or FAX (202) 606-5312/7  
Washington, DC 20230

This historical survey form is no longer valid  
and is for information purposes only.  
Current survey forms are at  
[www.bea.gov/help/information-for-survey-respondents](http://www.bea.gov/help/information-for-survey-respondents).

CUT ALONG THIS LINE

# BE-11B(SF)

OMB No. 0608-0053: Approval Expires 09/30/98

FORM BE-11B(SF) (Report for Majority-Owned Foreign Affiliate)  
(REV. 9/96)

U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS

## MANDATORY ANNUAL SURVEY OF U.S. DIRECT INVESTMENT ABROAD 1996 (Short Form)

Reporter ID Number										Affiliate ID Number									
BEA USE ONLY										F									

**Part I IDENTIFICATION OF MAJORITY-OWNED FOREIGN AFFILIATE**  
If a BEA label has been provided for this affiliate, affix it here. Otherwise, complete items 1 and 2.

**1. Name of U.S. Reporter of affiliate** — Same as item 1, Form BE-11A

**2. Name of foreign affiliate being reported** — Use the same name on all reports filed subsequently for this affiliate with the Bureau of Economic Analysis, e.g., Form BE-577.

**REPORTING REQUIREMENTS** — Form BE-11B(SF) must be filed by the U.S. Reporter for each majority-owned nonbank foreign affiliate for which total assets; sales or gross operating revenues, excluding sales taxes; **OR** net income (loss) after provision for foreign income taxes was greater than \$20 million (positive or negative) but for which no one of these items was greater than \$50 million (positive or negative), at the end of, or for, the affiliate's fiscal year. Read **Instruction Booklet** before completing form; in particular, see Part I.

**DUE DATE** — A completed BE-11 report (consisting of Form BE-11A and Form(s) BE-11B(LF), BE-11B(SF), and/or BE-11C) is due May 30, 1997.

**ASSISTANCE** — Telephone (202) 606-5566 during office hours — 8:00 a.m. to 4:30 p.m., eastern time.

**TRANSLATION OF FOREIGN CURRENCY FINANCIAL AND OPERATING DATA INTO U.S. DOLLARS** — The foreign affiliate's financial and operating data should be translated from its functional currency to U.S. dollars using U.S. generally accepted accounting principles (FASB 52). See **Instruction Booklet**, Part IV.B.

**GENERAL NOTES**

1. Currency amounts should be reported in U.S. dollars rounded to thousands (omitting 000). **Do not enter amounts in the shaded portions of each line.**

**EXAMPLE** — If amount is \$1,334,891.00, report as

Bil.	Mil.	Thous.	Dols.
	1	335	

2. If an item is between + or - \$500.00, enter "0."

3. Use parentheses ( ) to indicate negative numbers.

**3. Country of location** — Country in which foreign affiliate's physical assets are located or where its primary activity is carried out — *Mark (X) one*

1007	<input type="checkbox"/> 601 Australia	<input type="checkbox"/> 307 France	<input type="checkbox"/> 614 Japan	<input type="checkbox"/> 325 Switzerland	<input type="checkbox"/> 1 Other — Specify <input type="checkbox"/>
	<input type="checkbox"/> 202 Brazil	<input type="checkbox"/> 308 Germany	<input type="checkbox"/> 213 Mexico	<input type="checkbox"/> 327 United Kingdom	
	<input type="checkbox"/> 100 Canada	<input type="checkbox"/> 314 Italy	<input type="checkbox"/> 319 Netherlands		

**4. Enter the ending date of this foreign affiliate's 1996 fiscal year**

Month	Day	Year
1		96

1008

**5. Did the foreign business enterprise become a foreign affiliate of the U.S. Reporter during the fiscal year?**

1009  1  Yes

If "Yes," did the U.S. Reporter — *Mark (X) one*

2 1 Establish the foreign affiliate?

2 2 Acquire a voting interest of 10 percent or more in an existing foreign company?

2  No

Enter date →

Month	Year
3	

**Ownership Interest in This Foreign Affiliate by U.S. Reporter Named in Item 1**  
Enter the U.S. Reporter's direct and indirect ownership interest based on voting stock if an incorporated foreign affiliate, or an equivalent interest if an unincorporated foreign affiliate. — *Enter to the nearest tenth of one percent.*

**6. Direct ownership interest** 1011     .  %

**7. Indirect ownership interest held through U.S. Reporter's other foreign affiliates** — See *Instruction Booklet, Part I.B.1.c., on how to calculate indirect ownership interest.* 1018     .  %

**8. Total ownership interest of U.S. Reporter** — *Sum of items 6 and 7* → 1050     .  %

**9. Identification of foreign affiliate parent(s)** — If there is an entry in item 7 — Enter below, the name(s) and percent(s) of ownership of each foreign affiliate of the U.S. Reporter named in item 1 holding a direct ownership interest in this foreign affiliate.

Foreign affiliate holding direct ownership interest in this foreign affiliate		BEA USE ONLY (1)	Percent direct ownership in this foreign affiliate	
Name and ID Number	Close FY (2)			
<i>Enter name from item 2 and ID Number from label of foreign affiliate parent's Form BE-11B(LF) or (SF) or BE-11C.</i>				
a.	1191	1	2	. %
b.	1192	1	2	. %
c.	1193	1	2	. %
d.	1194	1	2	. %
<b>TOTAL</b>	1019		2	. %

**10. Give name(s) and mailing address(es) of other U.S. person(s) having a direct and/or indirect ownership interest of 10 percent or more in this foreign affiliate.**

Name	Mailing address

BEA USE ONLY 1021	1	2	3	4	5
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**Part I IDENTIFICATION OF MAJORITY-OWNED FOREIGN AFFILIATE — Continued**

**11. Major activity of foreign affiliate**

A list, and an explanation of, the International Surveys Industry (ISI) codes used below are given in the **Guide to Industry and Foreign Trade Classifications for International Surveys**. For an inactive foreign affiliate, indicate the activity pertinent to the last active period; for "start-ups," indicate the intended activity.

Mark (X) one:

- 1025  **1**  **Production** – The foreign affiliate is primarily engaged in manufacturing, fabricating, assembling, processing, growing, or mining or extracting (including exploring for or developing) a product. These activities are coded in the 000, 100, 200, or 300 series, except 070, 108, 124, 138, and 148 of the list of ISI codes.
- 2**  **Sales** – The foreign affiliate is primarily engaged in selling (at wholesale or retail) products which it does not produce. These activities are coded in the 500 series of the list of ISI codes.
- 3**  **Services** – The foreign affiliate is primarily engaged in providing a service such as public utilities, transportation, lodging, consulting, accounting, engineering, holding companies, etc. These activities are coded in the 400, 600, 700, or 800 series, or in 070, 108, 124, 138, or 148, of the list of ISI codes.

**Sales of foreign affiliate by industry**

Enter the 3-digit ISI code(s) and the amount of sales (as reported in item 27) associated with each code. If you use fewer than four codes, you must account for total sales. For inactive affiliates, show the industry classification(s) pertinent to the last active period; for "start-ups" with no sales, show the intended activity(ies).

Holding companies should show total income. To be considered a holding company, a company's equity in the net income of affiliates that it holds must constitute a majority of its total income and, in general, it must have a sizable portion (usually, at least 50%) of its total assets invested in affiliates that it holds. ISI code 671, "holding company," is an invalid classification when the foreign affiliate being reported generates, or is expected to generate, more than 50% of total income from other activities.

	ISI code (1)	Sales (2)			
		Bil.	Mil.	Thous.	Dols.
12. Enter code with largest sales	1028	2			
13. Enter code with 2nd largest sales	1029	2			
14. Enter code with 3rd largest sales	1030	2			
15. Enter code with 4th largest sales	1031	2			
16. Sales not accounted for above	1033	2			
17. <b>TOTAL SALES</b> — Sum of items 12 through 16	1034	2			
<b>BEA USE ONLY</b>	1035	1	2	3	4

**Part II SELECTED FINANCIAL AND OPERATING DATA OF MAJORITY-OWNED FOREIGN AFFILIATE**

**Section A – Balance Sheet Items**

**NOTE** — Report equity investments in all foreign affiliates owned 20 percent or more (including majority-owned foreign affiliates) on an equity basis to include equity in undistributed earnings since acquisition; for those owned less than 20 percent, report at cost.

	Balance at close of fiscal year (1)				
		Bil.	Mil.	Thous.	Dols.
18. <b>Total assets</b>	2046	1			
19. <b>Of which: Property, plant, and equipment, net</b> — Land, timber, mineral rights and like rights owned; structures, machinery, equipment, special tools, and other depreciable property; construction in progress; and capitalized tangible and intangible exploration and development costs of the foreign affiliate LESS accumulated depreciation for those items. <i>Include items on capital leases from others, per FASB 13. Exclude all other types of intangible assets, and land held for resale. (For an unincorporated affiliate, include items owned by its U.S. Reporter(s) but that are in the affiliate's possession whether or not carried on the affiliate's own books or records.)</i>	2034	1			
20. <b>Total liabilities</b>	2050	1			
21. <b>Total owners' equity</b> — Item 18 minus item 20	2055	1			

**Section B – Other Financial and Operating Data**

	Amount (1)				
		Bil.	Mil.	Thous.	Dols.
22. <b>Net income (loss)</b> – Net income for the year, after provision for foreign income taxes, but before dividends on common and preferred stock. Include income from equity investments and realized and unrealized gains (losses) (net of income tax effects) included in the determination of net income.	2066	1			
23. <b>Total employment</b> — The total number of full-time and part-time employees on the payroll at the end of the fiscal year, excluding home workers and independent sales personnel who are not employees. A count taken during, rather than at the end of, the fiscal year may be used provided it is a reasonable proxy for the end fiscal year number. If employment at the end of the fiscal year, or the count taken at some other time during the fiscal year, was unusually high or low because of temporary factors (e.g., a strike), the number of employees that reflects normal operations should be given. If the business enterprise's activity involves large seasonal variations, the average number of employees for the fiscal year should be given.	5158	Number of employees			
24. <b>Total employee compensation</b> — Include wages and salaries, i.e., employees' gross earnings (before payroll deductions), all direct and in-kind payments by the employer to employees and employer expenditures for all employee benefit plans, including those required by statute, those resulting from collective bargaining contracts, and those that are voluntary. Include deferred postemployment and post retirement expenses in accordance with FASB 106. Compensation data should be based on payroll records. They should relate to activities during the reporting period regardless of whether such activities were charged as an expense on the income statement, charged to inventories, or capitalized. DO NOT include data related to activities of a prior period, such as those capitalized or charged to inventories in prior periods.	5162	1			
25. <b>Expenditures for property, plant, and equipment (PP&amp;E)</b> — Except for those affiliates that explore for or develop natural resources (see below), include capitalized gross expenditures to acquire, add to, or improve real PP&E, including transfers in. Do not include the cost of PP&E acquired through the acquisition of a majority interest in the capital stock of another business enterprise. Sales, other dispositions, depreciation, amortization, depletion, or reclassifications of fixed assets should not be netted against gross expenditures. Gross expenditures for foreign affiliates engaged in <b>natural resource exploration and development</b> should include the full amount of the exploration and development expenditures made during a given year whether capitalized or expensed. Gross expenditures for foreign affiliates engaged in <b>insurance or financial services</b> should include the full amount of expenditures for PP&E regardless of how these expenditures are classified in financial statements, e.g., include purchases of real estate for investment purposes. Reclassifications of expenditures made in prior years are <b>not</b> to be reported in the period they are reclassified; such expenditures are considered to be expenditures only in the year when initially expended.	4115	1			
<b>Research and development (R&amp;D) expenditures</b> — Include all costs incurred in performing R&D, including depreciation, amortization, wages and salaries, taxes, materials and supplies, overhead of this affiliate whether or not allocated to others, and indirect costs.					
26. <b>R&amp;D performed BY the affiliate</b> — All R&D performed by this foreign affiliate, whether for its own account or for others (including the U.S. Reporter or its other foreign affiliates). Exclude the cost of any R&D funded by the affiliate but performed by others, such as the affiliate's allocated share of R&D performed by the U.S. Reporter (report such R&D on Form BE-11A, item 35).	2078	1			

<b>BEA USE ONLY</b>	2074	1	2	3	4	5
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Section C — Distribution of Sales or Gross Operating Revenues

	TOTAL Column (1) equals the sum of columns (2) through (7)				Local sales		Sales to U.S.		Sales to other countries	
					To other foreign affiliates of the U.S. Reporter(s)	To unaffiliated customers	To U.S. Reporter(s)	To unaffiliated customers	To other foreign affiliates of the U.S. Reporter(s)	To unaffiliated customers
	(1)	(2)	(3)	(4)	(5)	(6)	(7)			
	Bil.	Mil.	Thous.	Dols.						
27. Sales or gross operating revenues excluding sales taxes	1				2	3	4	5	6	7
	5167									

Section D — U.S. Merchandise Trade of Foreign Affiliate – Goods Only, Do NOT Include Services

IMPORTANT NOTES

This section requires the reporting of data on U.S. merchandise trade of the foreign affiliate in FY 1996. The data should be on a "shipped" basis, i.e., on the basis of when and to (or by) whom the goods were shipped, in order for them to be on the same basis as official U.S. trade statistics to which they will be compared. A U.S. import or U.S. export should **not** be recorded here if the goods did not physically enter or leave (i.e., were not physically shipped to or from) the United States, even though they may have been charged to the foreign affiliate by, or charged by the foreign affiliate to, a U.S. person.

However, foreign affiliates normally keep their accounting records on a "charged" basis, i.e., on the basis of when, and to (or by) whom the goods were charged. The "charged" basis may be used if there is no material difference between it and the "shipped" basis. If there is a material difference between the two bases, the "shipped" basis must be used or adjustments must be made to the data on a "charged" basis to approximate a "shipped" basis, as discussed in the **Instruction Booklet**, Part VI.B. Data in this section cover all goods that physically left or entered the U.S. customs area in FY 1996, including capital goods but excluding the value of ships, planes, railroad rolling stock, and trucks that

were temporarily outside the United States transporting people or merchandise. Consigned goods must be included in the trade figures when shipped or received, even though not normally recorded as sales or purchases or entered into intercompany accounts when initially consigned. The data should include goods only; they should **exclude** services. Thus, U.S. merchandise exports and imports of the foreign affiliate to be shown here may not be the same as the foreign affiliate's sales to, or purchases from, U.S. persons because, among other reasons, sales and purchases may include services.

Exclude from exports and imports the value of any goods **that** are in-transit. In-transit goods are **goods that are not** processed or consumed by residents in the intermediate country(ies) through which they transit; the in-transit goods enter those countries only because those countries are along the shipping lines between the exporting and importing countries. In-transit imports are goods that are en route from one foreign country to another via the United States (such as from Canada to Mexico via the United States), and in-transit exports are goods en route from one part of the United States to another part via a foreign country (such as from Alaska to Washington State via Canada).

					Amount (1)			
					Value f.a.s. U.S. port			
					Bil.	Mil.	Thous.	Dols.
<b>• U.S. MERCHANDISE EXPORTS TO AFFILIATE IN FY 1996</b>								
28. Goods shipped to affiliate by U.S. Reporter(s)					1			
				4116				
29. Goods shipped to affiliate by other U.S. persons					1			
				4117				
<b>• U.S. MERCHANDISE IMPORTS FROM AFFILIATE IN FY 1996</b>								
					Value f.a.s. foreign port			
					Bil.	Mil.	Thous.	Dols.
30. Goods shipped by affiliate to the U.S. Reporter(s)					1			
				4118				
31. Goods shipped by affiliate to other U.S. persons					1			
				4119				
BEA USE ONLY	5211	1		2				3
								4
								5
	5212	1		2				3
								4
								5
	5213	1		2				3
								4
								5

Remarks



**SUMMARY OF INDUSTRY CLASSIFICATIONS**

AGRICULTURE, FORESTRY, AND FISHING	MANUFACTURING – Continued	WHOLESALE TRADE – Continued
010 Agricultural production – crops	342 Cutlery, hardware, and screw products	513 Apparel, piece goods, and notions
020 Agricultural production – livestock and animal specialties	343 Heating equipment, plumbing fixtures, and structural metal products	514 Groceries and related products
070 Agricultural services	349 Metal services; ordnance; and fabricated metal products, n.e.c.	515 Farm-product raw materials
080 Forestry	351 Engines and turbines	517 Petroleum and petroleum products
090 Fishing, hunting, and trapping	352 Farm and garden machinery	519 Nondurable goods, n.e.c.
<b>MINING</b>	353 Construction, mining, and materials handling machinery	<b>RETAIL TRADE</b>
101 Iron ores	354 Metalworking machinery	530 General merchandise stores
102 Copper, lead, zinc, gold, and silver ores	355 Special industry machinery	540 Food stores
107 Other metallic ores	356 General industrial machinery	554 Gasoline service stations
108 Metal mining services	357 Computer and office equipment	560 Apparel and accessory stores
120 Coal	358 Refrigeration and service industry machinery	580 Eating and drinking places
124 Coal mining services	359 Industrial and commercial machinery, n.e.c.	590 Retail trade, n.e.c.
133 Crude petroleum extraction (no refining) and natural gas	363 Household appliances	<b>FINANCE, INSURANCE, AND REAL ESTATE</b>
138 Oil and gas field services	366 Household audio and video, and communications equipment	600 Banks
140 Nonmetallic minerals, except fuels	367 Electronic components and accessories	603 Savings institutions and credit unions
148 Nonmetallic minerals services, except fuels	369 Electrical machinery, n.e.c.	612 Other finance
<b>CONSTRUCTION</b>	371 Motor vehicles and equipment	631 Life insurance
150 Construction	379 Other transportation equipment	632 Accident and health insurance
<b>MANUFACTURING</b>	381 Measuring, scientific, and optical instruments	639 Other insurance
201 Meat products	384 Medical instruments and supplies and ophthalmic goods	650 Real estate
202 Dairy products	386 Photographic equipment and supplies	671 Holding companies, except bank holding companies
203 Preserved fruits and vegetables	390 Miscellaneous manufacturing industries	679 Franchising, business — selling or licensing
204 Grain mill products	<b>TRANSPORTATION, COMMUNICATION, AND PUBLIC UTILITIES</b>	<b>SERVICES</b>
205 Bakery products	401 Railroads	700 Hotels and other lodging places
208 Beverages	441 Petroleum tanker operations	731 Advertising
209 Other food and kindred products	449 Other water transportation	734 Services to buildings
210 Tobacco products	450 Transportation by air	735 Equipment rental and leasing, except automobiles and computers
220 Textile mill products	461 Pipelines, petroleum and natural gas	736 Personnel supply services
230 Apparel and other textile products	462 Pipelines, except petroleum and natural gas	741 Computer processing and data preparation services
240 Lumber and wood products	470 Petroleum storage for hire	742 Information retrieval services
250 Furniture and fixtures	472 Passenger transportation arrangement	743 Computer related services, n.e.c.
262 Pulp, paper, and board mills	477 Transportation, n.e.c., warehousing, terminal facilities, and related services	749 Other business services
265 Other paper and allied products	481 Telephone and telegraph communications	751 Automotive rental and leasing, without drivers
271 Newspapers	483 Other communications services	752 Automotive parking, repair, and other services
272 Miscellaneous publishing	490 Electric, gas, and sanitary services	760 Miscellaneous repair services
275 Commercial printing and services	<b>WHOLESALE TRADE</b>	780 Motion pictures, including television tape and film
281 Industrial chemicals and synthetics	501 Motor vehicles and equipment	790 Amusement and recreation services
283 Drugs	503 Lumber and construction materials	800 Health services
284 Soap, cleaners, and toilet goods	504 Professional and commercial equipment and supplies	810 Legal services
287 Agricultural chemicals	505 Metals and minerals, except petroleum	820 Educational services
289 Chemical products, n.e.c.	506 Electrical goods	871 Engineering, architectural, and surveying services
291 Integrated petroleum refining and extraction	507 Hardware, and plumbing and heating equipment and supplies	872 Accounting, auditing, and bookkeeping services
292 Petroleum refining without extraction	508 Machinery, equipment, and supplies	873 Research, development, and testing services
299 Petroleum and coal products, n.e.c.	509 Durable goods, n.e.c.	874 Management and public relations services
305 Rubber products	511 Paper and paper products	890 Other services provided on a commercial basis
308 Miscellaneous plastics products	512 Drugs, proprietaries, and sundries	<b>NONBUSINESS ENTITIES</b>
310 Leather and leather products		900 Government entities
321 Glass products		905 Nonbusiness entities, except government
329 Stone, clay, concrete, gypsum, and other nonmetallic mineral products		
331 Primary metal industries, ferrous		
335 Primary metal industries, nonferrous		
341 Metal cans, forgings, and stampings		

Remarks



# BE-11B(LF)

OMB No. 0608-0053: Approval Expires 09/30/98

FORM **BE-11B(LF)** (Report for Majority-Owned Foreign Affiliate)  
(REV. 9/96)

U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS

## MANDATORY ANNUAL SURVEY OF U.S. DIRECT INVESTMENT ABROAD 1996 (Long Form)

Reporter ID Number										Affiliate ID Number									
BEA USE ONLY										B									

**Part I IDENTIFICATION OF MAJORITY-OWNED FOREIGN AFFILIATE**  
If a BEA label has been provided for this affiliate, affix it here. Otherwise, complete items 1 and 2.

**1. Name of U.S. Reporter of affiliate** — Same as item 1, Form BE-11A

**2. Name of foreign affiliate being reported** — Use the same name on all reports filed subsequently for this affiliate with the Bureau of Economic Analysis, e.g., Form BE-577.

**REPORTING REQUIREMENTS** — Form BE-11B(LF) must be filed by the U.S. Reporter for each majority-owned nonbank foreign affiliate for which total assets; sales or gross operating revenues, excluding sales taxes; **OR** net income (loss) after provision for foreign income taxes was greater than \$50 million, (positive or negative) at the end of, or for, the affiliate's fiscal year. Read **Instruction Booklet** before completing form; in particular, see Part I.

**DUE DATE** — A completed BE-11 report (consisting of Form BE-11A and Form(s) BE-11B(LF), BE-11B(SF), and/or BE-11C) is due May 30, 1997.

**ASSISTANCE** — Telephone (202) 606-5566 during office hours — 8:00 a.m. to 4:30 p.m., eastern time.

**TRANSLATION OF FOREIGN CURRENCY FINANCIAL AND OPERATING DATA INTO U.S. DOLLARS** — The foreign affiliate's financial and operating data should be translated from its functional currency to U.S. dollars using U.S. generally accepted accounting principles (FASB 52). See **Instruction Booklet**, Part IV.B.

**GENERAL NOTES**

1. Currency amounts should be reported in U.S. dollars rounded to thousands (omitting 000). **Do not enter amounts in the shaded portions of each line.**

**EXAMPLE** — If amount is \$1,334,891.00, report as

Bil.	Mil.	Thous.	Dols.
	1	335	

2. If an item is between + or - \$500.00, enter "0."

3. Use parentheses () to indicate negative numbers.

**3. Country of location** — Country in which foreign affiliate's physical assets are located or where its primary activity is carried out — **Mark (X) one**

1007	<input type="checkbox"/> 1601 Australia	<input type="checkbox"/> 1307 France	<input type="checkbox"/> 1614 Japan	<input type="checkbox"/> 1325 Switzerland	<input type="checkbox"/> 1 Other - Specify <input checked="" type="checkbox"/>
	<input type="checkbox"/> 1202 Brazil	<input type="checkbox"/> 1308 Germany	<input type="checkbox"/> 1213 Mexico	<input type="checkbox"/> 1327 United Kingdom	
	<input type="checkbox"/> 1100 Canada	<input type="checkbox"/> 1314 Italy	<input type="checkbox"/> 1319 Netherlands		

**4. Enter the ending date of this foreign affiliate's 1996 fiscal year**

Month	Day	Year
1		96

**5. Did the foreign business enterprise become a foreign affiliate of the U.S. Reporter during the fiscal year?**

1009  1  Yes  
If "Yes," did the U.S. Reporter — **Mark (X) one**

2 1 Establish the foreign affiliate?  
 2 2 Acquire a voting interest of 10 percent or more in an existing foreign company?

Enter date →

Month	Year
3	

1 2  No

**Ownership Interest in This Foreign Affiliate by U.S. Reporter Named in Item 1**  
Enter the U.S. Reporter's direct and indirect ownership interest based on voting stock if an incorporated foreign affiliate, or an equivalent interest if an unincorporated foreign affiliate. — Enter to the nearest tenth of one percent.

Percent of ownership at close of fiscal year 1996 (1)

<b>6. Direct ownership interest</b>	1011	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
<b>7. Indirect ownership interest held through U.S. Reporter's other foreign affiliates</b> — See <i>Instruction Booklet, Part I.B.1.c., on how to calculate indirect ownership interest.</i>	1018	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
<b>8. Total ownership interest of U.S. Reporter</b> — Sum of items 6 and 7	1050	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	%

**9. Identification of foreign affiliate parent(s)** — If there is an entry in item 7 — Enter below, the name(s) and percent(s) of ownership of each foreign affiliate of the U.S. Reporter named in item 1 holding a direct ownership interest in this foreign affiliate.

Foreign affiliate holding direct ownership interest in this foreign affiliate

Name and ID Number <i>Enter name from item 2 and ID Number from label of foreign affiliate parent's Form BE-11B(LF) or (SF) or BE-11C.</i>	BEA USE ONLY (1)	Percent direct ownership in this foreign affiliate	
		Close FY (2)	
a. 1191	1	2	. %
b. 1192	1	2	. %
c. 1193	1	2	. %
d. 1194	1	2	. %
<b>TOTAL</b>	1019	2	. %

**10. Give name(s) and mailing address(es) of other U.S. person(s) having a direct and/or indirect ownership interest of 10 percent or more in this foreign affiliate.**

Name	Mailing address

BEA USE ONLY 1021	1	2	3	4	5
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**Part I IDENTIFICATION OF MAJORITY-OWNED FOREIGN AFFILIATE — Continued**

**11. Major activity of foreign affiliate**

A list, and an explanation of, the International Surveys Industry (ISI) codes used below are given in the **Guide to Industry and Foreign Trade Classifications for International Surveys**. For an inactive foreign affiliate, indicate the activity pertinent to the last active period; for "start-ups," indicate the intended activity.

Mark (X) one:

- 1025  **1**  **Production** — The foreign affiliate is primarily engaged in manufacturing, fabricating, assembling, processing, growing, or mining or extracting (including exploring for or developing) a product. These activities are coded in the 000, 100, 200, or 300 series, except 070, 108, 124, 138, and 148 of the list of ISI codes.
- 2**  **Sales** — The foreign affiliate is primarily engaged in selling (at wholesale or retail) products which it does not produce. These activities are coded in the 500 series of the list of ISI codes.
- 3**  **Services** — The foreign affiliate is primarily engaged in providing a service such as public utilities, transportation, lodging, consulting, accounting, engineering, holding companies, etc. These activities are coded in the 400, 600, 700, or 800 series, or in 070, 108, 124, 138, or 148, of the list of ISI codes.

**Sales of foreign affiliate by industry**

Enter the 3-digit ISI code(s) and the amount of sales (as reported in item 32) associated with each code. If you use fewer than five codes, you must account for total sales. For inactive affiliates, show the industry classification(s) pertinent to the last active period; for "start-ups" with no sales, show the intended activity(ies).

Holding companies should show total income (item 36). To be considered a holding company, a company's equity in the net income of affiliates that it holds must constitute a majority of its total income and, in general, it must have a sizable portion (usually, at least 50%) of its total assets invested in affiliates that it holds. ISI code 671, "holding company," is an invalid classification when the foreign affiliate being reported generates, or is expected to generate, more than 50% of total income from other activities.

	ISI code (1)	Sales (2)			
		Bil.	Mil.	Thous.	Dols.
12. Enter code with largest sales	1028	2			
13. Enter code with 2nd largest sales	1029	2			
14. Enter code with 3rd largest sales	1030	2			
15. Enter code with 4th largest sales	1031	2			
16. Enter code with 5th largest sales	1032	2			
17. Sales not accounted for above	1033	2			
18. <b>TOTAL SALES</b> — Sum of items 12 through 17	1034	2			
<b>BEA USE ONLY</b>	1035	1	2	3	4
					5

**Part II FINANCIAL AND OPERATING DATA OF MAJORITY-OWNED FOREIGN AFFILIATE**  
Insurance affiliates, see Instruction Booklet, Part V.B.

**Section A — Balance Sheet of Foreign Affiliate**

All asset and liability items should be disaggregated in the detail shown; in particular, accounts receivable and payable between the U.S. Reporter and its foreign affiliate should be shown in the proper asset and liability accounts of the foreign affiliate rather than included as a net amount.

**• ASSETS**

		Balance at close of fiscal year (1)			
		Bil.	Mil.	Thous.	Dols.
<b>19. Inventories</b> — Land development companies should exclude land held for resale (include in item 20); finance and insurance companies should exclude inventories of marketable securities (include in item 20 or 25 as appropriate).	2038	1			
<b>20. Other current assets</b> — Cash and cash items; current trade accounts and trade notes receivable, and other current receivables, net of allowances for doubtful items; land held for resale; current marketable securities; and other current assets not included in item 19.	2100	1			
<b>21. Property, plant and equipment, gross</b> — Land, timber, mineral rights and like rights owned; structures, machinery, equipment, special tools, and other depreciable property; construction in progress; and capitalized tangible and intangible exploration and development costs of the foreign affiliate. <i>Include items on capital leases from others, per FASB 13. Exclude all other types of intangible assets, and land held for resale. (For an unincorporated affiliate, include items owned by its U.S. Reporter(s) but that are in the affiliate's possession whether or not carried on the affiliate's own books or records.)</i>	2041	1			
<b>22. Accumulated depreciation and depletion</b>	2042	1			
<b>Equity investments in other foreign affiliates of which this affiliate is a parent</b> — This affiliate's equity investment in other foreign affiliates of the U.S. Reporter(s), including branches of this affiliate. For foreign affiliates owned 20 percent or more (including majority-owned foreign affiliates) report on the equity basis to include equity in undistributed earnings since acquisition; for those owned less than 20 percent, report at cost.		1			
<b>23.</b> That portion of investment in other foreign affiliates that is reported using the equity method	2043				
<b>24.</b> That portion of investment in other foreign affiliates that is reported using cost method	2044				
<b>25. Other noncurrent assets</b> — Include other equity investments, whether carried at cost or on the equity basis; other investments; intangible assets, net of amortization; noncurrent marketable securities; trade accounts and trade notes receivable, noncurrent, net of allowance for doubtful items; and other noncurrent assets not shown in item 21 or items 23 or 24. <i>Credit balances in these accounts should be included in item 29. — Specify</i>	2045	1			
<b>26. TOTAL ASSETS</b> — Sum of items 19 through 21 and 23 through 25 minus item 22	2046	1			
<b>• LIABILITIES</b>		1			
<b>27. Trade accounts and trade notes payable, current</b>	2047				
<b>28. Other current liabilities and long-term debt</b> — Overdrafts, other current liabilities not included in item 27, and long-term debt, including ALL LONG-TERM INTERCOMPANY DEBT and lease obligations that are capitalized in accordance with FASB 13 with an original maturity of more than one year or with no stated maturity.	2048	1			
<b>29. Other noncurrent liabilities</b> — Noncurrent items other than those identifiable as long-term debt, such as deferred taxes and underlying minority interest in consolidated subsidiaries. (However, the equity of a direct minority ownership interest in this foreign affiliate is not to be separated from the normal equity accounts.) <i>Debit balances in these accounts should be included in item 25. Exclude long-term intercompany debt (include in item 28).</i>	2049	1			
<b>30. TOTAL LIABILITIES</b> — Sum of items 27, 28, and 29	2050	1			
<b>• OWNERS' EQUITY</b>		1			
<b>31. TOTAL OWNERS' EQUITY (INCORPORATED OR UNINCORPORATED FOREIGN AFFILIATE)</b> — Equals item 26 minus item 30	2055				



**SUMMARY OF INDUSTRY CLASSIFICATIONS**

**AGRICULTURE, FORESTRY, AND FISHING**

- 010 Agricultural production – crops
- 020 Agricultural production – livestock and animal specialties
- 070 Agricultural services
- 080 Forestry
- 090 Fishing, hunting, and trapping

**MINING**

- 101 Iron ores
- 102 Copper, lead, zinc, gold, and silver ores
- 107 Other metallic ores
- 108 Metal mining services
- 120 Coal
- 124 Coal mining services
- 133 Crude petroleum extraction (no refining) and natural gas
- 138 Oil and gas field services
- 140 Nonmetallic minerals, except fuels
- 148 Nonmetallic minerals services, except fuels

**CONSTRUCTION**

- 150 Construction

**MANUFACTURING**

- 201 Meat products
- 202 Dairy products
- 203 Preserved fruits and vegetables
- 204 Grain mill products
- 205 Bakery products
- 208 Beverages
- 209 Other food and kindred products
- 210 Tobacco products
- 220 Textile mill products
- 230 Apparel and other textile products
- 240 Lumber and wood products
- 250 Furniture and fixtures
- 262 Pulp, paper, and board mills
- 265 Other paper and allied products
- 271 Newspapers
- 272 Miscellaneous publishing
- 275 Commercial printing and services
- 281 Industrial chemicals and synthetics
- 283 Drugs
- 284 Soap, cleaners, and toilet goods
- 287 Agricultural chemicals
- 289 Chemical products, n.e.c.
- 291 Integrated petroleum refining and extraction
- 292 Petroleum refining without extraction
- 299 Petroleum and coal products, n.e.c.
- 305 Rubber products
- 308 Miscellaneous plastics products
- 310 Leather and leather products
- 321 Glass products
- 329 Stone, clay, concrete, gypsum, and other nonmetallic mineral products
- 331 Primary metal industries, ferrous
- 335 Primary metal industries, nonferrous
- 341 Metal cans, forgings, and stampings

**MANUFACTURING – Continued**

- 342 Cutlery, hardware, and screw products
- 343 Heating equipment, plumbing fixtures, and structural metal products
- 349 Metal services; ordnance; and fabricated metal products, n.e.c.
- 351 Engines and turbines
- 352 Farm and garden machinery
- 353 Construction, mining, and materials handling machinery
- 354 Metalworking machinery
- 355 Special industry machinery
- 356 General industrial machinery
- 357 Computer and office equipment
- 358 Refrigeration and service industry machinery
- 359 Industrial and commercial machinery, n.e.c.
- 363 Household appliances
- 366 Household audio and video, and communications equipment
- 367 Electronic components and accessories
- 369 Electrical machinery, n.e.c.
- 371 Motor vehicles and equipment
- 379 Other transportation equipment
- 381 Measuring, scientific, and optical instruments
- 384 Medical instruments and supplies and ophthalmic goods
- 386 Photographic equipment and supplies
- 390 Miscellaneous manufacturing industries

**TRANSPORTATION, COMMUNICATION, AND PUBLIC UTILITIES**

- 401 Railroads
- 441 Petroleum tanker operations
- 449 Other water transportation
- 450 Transportation by air
- 461 Pipelines, petroleum and natural gas
- 462 Pipelines, except petroleum and natural gas
- 470 Petroleum storage for hire
- 472 Passenger transportation arrangement
- 477 Transportation, n.e.c., warehousing, terminal facilities, and related services
- 481 Telephone and telegraph communications
- 483 Other communications services
- 490 Electric, gas, and sanitary services

**WHOLESALE TRADE**

- 501 Motor vehicles and equipment
- 503 Lumber and construction materials
- 504 Professional and commercial equipment and supplies
- 505 Metals and minerals, except petroleum
- 506 Electrical goods
- 507 Hardware, and plumbing and heating equipment and supplies
- 508 Machinery, equipment, and supplies
- 509 Durable goods, n.e.c.
- 511 Paper and paper products
- 512 Drugs, proprietaries, and sundries

**WHOLESALE TRADE – Continued**

- 513 Apparel, piece goods, and notions
- 514 Groceries and related products
- 515 Farm-product raw materials
- 517 Petroleum and petroleum products
- 519 Nondurable goods, n.e.c.

**RETAIL TRADE**

- 530 General merchandise stores
- 540 Food stores
- 554 Gasoline service stations
- 560 Apparel and accessory stores
- 580 Eating and drinking places
- 590 Retail trade, n.e.c.

**FINANCE, INSURANCE, AND REAL ESTATE**

- 600 Banks
- 603 Savings institutions and credit unions
- 612 Other finance
- 631 Life insurance
- 632 Accident and health insurance
- 639 Other insurance
- 650 Real estate
- 671 Holding companies, except bank holding companies
- 679 Franchising, business — selling or licensing

**SERVICES**

- 700 Hotels and other lodging places
- 731 Advertising
- 734 Services to buildings
- 735 Equipment rental and leasing, except automobiles and computers
- 736 Personnel supply services
- 741 Computer processing and data preparation services
- 742 Information retrieval services
- 743 Computer related services, n.e.c.
- 749 Other business services
- 751 Automotive rental and leasing, without drivers
- 752 Automotive parking, repair, and other services
- 760 Miscellaneous repair services
- 780 Motion pictures, including television tape and film
- 790 Amusement and recreation services
- 800 Health services
- 810 Legal services
- 820 Educational services
- 871 Engineering, architectural, and surveying services
- 872 Accounting, auditing, and bookkeeping services
- 873 Research, development, and testing services
- 874 Management and public relations services
- 890 Other services provided on a commercial basis

**NONBUSINESS ENTITIES**

- 900 Government entities
- 905 Nonbusiness entities, except government

Remarks







**Part II FINANCIAL AND OPERATING DATA OF MAJORITY-OWNED FOREIGN AFFILIATE — Continued**

**Section C — Composition of External Finances**

• **CLOSE FY 1996**

**47. Current liabilities and long-term debt**  
 Column (1) equals the sum of items 27 and 28

(1)	TOTAL Equals sum of columns (2) through (5)		With U.S. Reporter(s) of this affiliate		With other U.S. persons		With persons in this affiliate's country of location		With other foreign persons	
	Bil. Mil. Thous.	Dols.	Bil. Mil. Thous.	Dols.	Bil. Mil. Thous.	Dols.	Bil. Mil. Thous.	Dols.	Bil. Mil. Thous.	Dols.
5151	\$		\$		\$		\$		\$	

**48. Current and noncurrent receivables and financial investments —**  
 Column (1) equals those accounts included in items 20 and 25 that are trade accounts and trade notes receivable and other receivables, net of allowances for doubtful items, marketable securities, stocks, bonds, and other investments

5152										
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**INCORPORATED AFFILIATES**  
**49. Capital stock and additional paid-in capital —** Column (1) equals that part of item 31 that is capital stock and additional paid-in capital

5153										
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**UNINCORPORATED AFFILIATES**  
**50. Total owners' equity —** Column (1) equals item 31

5154										
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**BEA USE ONLY**

5155										
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**Section D — Distribution of Sales or Gross Operating Revenues**

This section requires that the foreign affiliate's gross operating revenues be distributed among three categories — investment income, sales of goods, and sales of services. For purposes of this distribution, "goods" are economic outputs that are tangible, and "services" are outputs that are intangible. As a general rule, sales of goods may be identified as those sales associated with industries coded in the 000, 100, 200, 300, and 500 series, except 070, 108, 124, 138, or 148, and sales of services may be identified as those sales associated with industries coded in the 400, 600, 700, or 800 series, or in codes 070, 108, 124, 138, or 148. Thus, except as noted below, the disaggregation of sales by industry in this section should be consistent with the disaggregation used in items 12 through 17 (Sales of foreign affiliate by industry).

One exception to this rule is where goods may be among the products of services industries or services may be among the products of goods industries. For example, sales of mass-produced prepackaged computer software are sales of goods, and should be reported as such, whether they are by a software producer (coded in a services industry, 743, "computer

related services, n.e.c.") or by a retail trade concern (coded in a goods industry, 530, "general merchandise stores"). Also, sales of structures are sales of goods, whether they are by a real estate firm (coded in a services industry, 650) or by a firm in the construction industry (coded in a goods industry, 150). For an explanation of each code — See the *Guide to Industry and Foreign Trade Classifications for International Surveys*.

Another exception is that companies, such as finance and insurance companies, that include investment income (e.g., interest and dividends) in gross operating revenues should include such income in item 52 (investment income) rather than in item 54 (sales of services). See the *Instruction Booklet, Part V.A.*, for instructions on determining the location of the transactor (source) for investment income.

When a sale consists of both goods and services and cannot be unbundled (i.e., the goods and services are not separately billed), classify as a good or service based on whichever accounts for a majority of the value. If actual figures are not available, give best estimates.

**51. Sales or gross operating revenues, excluding sales taxes, total —**  
 a. Column (1) equals item 32.  
 b. For each column, item 51 equals sum of items 52 through 54

(1)	TOTAL Column (1) equals the sum of columns (2) through (7)		Local sales		Sales to U.S.		Sales to other countries	
	Bil. Mil. Thous.	Dols.	To other foreign affiliates of the U.S. Reporter(s)	To unaffiliated customers	To U.S. Reporter(s)	To unaffiliated customers	To other foreign affiliates of the U.S. Reporter(s)	To unaffiliated customers
			(2)	(3)	(4)	(5)	(6)	(7)
5167								

• **By type**  
**52. Investment income**

5168								
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**53. Sales of goods**

5169								
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**54. Sales of services**

5170								
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Remarks



Section E — U.S. Merchandise Trade of Foreign Affiliate — Goods Only, Do NOT Include Services

IMPORTANT NOTES

This section requires the reporting of data on U.S. merchandise trade of the foreign affiliate in FY 1996. The data should be on a "shipped" basis, i.e., on the basis of when and to (or by) whom the goods were shipped, in order for them to be on the same basis as official U.S. trade statistics to which they will be compared. A U.S. import or U.S. export should not be recorded here if the goods did not physically enter or leave (i.e., were not physically shipped to or from) the United States, even though they may have been charged to the foreign affiliate by, or charged by the foreign affiliate to, a U.S. person.

However, foreign affiliates normally keep their accounting records on a "charged" basis, i.e., on the basis of when, and to (or by) whom the goods were charged. The "charged" basis may be used if there is no material difference between it and the "shipped" basis. If there is a material difference between the two bases, the "shipped" basis must be used or adjustments must be made to the data on a "charged" basis to approximate a "shipped" basis, as discussed in the **Instruction Booklet**, Part VI.B. Data in this section cover all goods that physically left or entered the U.S. customs area in FY 1996, including capital goods but excluding the value of ships, planes, railroad rolling stock, and trucks that

were temporarily outside the United States transporting people or merchandise. Consigned goods must be included in the trade figures when shipped or received, even though not normally recorded as sales or purchases or entered into intercompany accounts when initially consigned. The data should include goods only; they should **exclude** services. Thus, U.S. merchandise exports and imports of the foreign affiliate to be shown here may not be the same as the foreign affiliate's sales to, or purchases from, U.S. persons because, among other reasons, sales and purchases may include services.

Exclude from exports and imports the value of any goods that are in-transit. In-transit goods are **goods that are not** processed or consumed by residents in the intermediate country(ies) through which they transit; the in-transit goods enter those countries only because those countries are along the shipping lines between the exporting and importing countries. In-transit imports are goods that are en route from one foreign country to another via the United States (such as from Canada to Mexico via the United States), and in-transit exports are goods en route from one part of the United States to another part via a foreign country (such as from Alaska to Washington State via Canada).

55. On what basis were the trade data in this section prepared? — Mark (X) one

- 5180  1 "Shipped" basis
- 2 "Charged" basis without adjustments, because there is no material difference between the "charged" and "shipped" bases.
- 3 "Charged" basis, with adjustments to correct for material differences between the "charged" and "shipped" bases.

**NOTE** — If it is determined that there is a material difference between the "charged" and "shipped" bases and the data have not been filed on the "shipped" basis, or the necessary adjustments have not been made to put "charged" basis data essentially on a "shipped" basis, then BEA will require that the data be refiled.

• EXPORTS FROM THE U.S. —	Amount (1)			
	Value f.a.s. U.S. port			
	Bil.	Mil.	Thous.	Dols.
56. Merchandise shipped TO this foreign affiliate in FY 1996, total	5181	1		
57. Goods shipped to affiliate by U.S. Reporter(s)	4116	1		
58. Goods shipped to affiliate by other U.S. persons	4117	1		
• IMPORTS INTO THE U.S. —	Value f.a.s. foreign port			
Bil.	Mil.	Thous.	Dols.	
59. Merchandise shipped BY this foreign affiliate in FY 1996, total	5198	1		
60. Goods shipped by affiliate to the U.S. Reporter(s)	4118	1		
61. Goods shipped by affiliate to other U.S. persons	4119	1		

Section F — Other Financial and Operating Data of Foreign Affiliate

	Amount (1)			
	Bil.	Mil.	Thous.	Dols.
62. Production royalty payments for natural resources — Include only amounts paid or accrued for the year to foreign governments, their subdivisions and agencies. Include payments-in-kind at market value.	5134	1		
63. Taxes (other than income and payroll taxes) and nontax payments (other than production royalty payments) — Report all such taxes and nontax payments whether or not included in revenues or expenses in the income statement. Include amounts paid or accrued for the year, net of refunds or credits, to foreign governments, their subdivisions and agencies for — a. Sales, value added, consumption, and excise taxes collected by the affiliate on goods and services that the affiliate sold; b. Property taxes and other taxes on the value of assets or capital; c. Any remaining taxes (other than income or payroll taxes); and d. Import and export duties, license fees, fines, penalties and all other payments and accruals of nontax liabilities (other than production royalty payments).	5135	1		
64. Expenditures for new and used property, plant, and equipment (PP&E) — Except for those affiliates that explore for or develop natural resources (see below), include capitalized gross expenditures to acquire, add to, or improve real PP&E, including transfers in. Do not include the cost of PP&E acquired through the acquisition of a majority interest in the capital stock of another business enterprise. Sales, other dispositions, depreciation, amortization, depletion, or reclassifications of fixed assets should not be netted against gross expenditures. Gross expenditures for foreign affiliates engaged in <b>natural resource exploration and development</b> should include the full amount of the exploration and development expenditures made during a given year whether capitalized or expensed. Gross expenditures for foreign affiliates engaged in <b>insurance or financial services</b> should include the full amount of expenditures for PP&E regardless of how these expenditures are classified in financial statements, e.g., include purchases of real estate for investment purposes. Reclassifications of expenditures made in prior years are <b>not</b> to be reported in the period they are reclassified; such expenditures are considered to be expenditures only in the year when initially expended.	4115	1		

**Employment** — Employment is the number of full-time and part-time employees on the payroll at the end of the fiscal year, excluding home workers and independent sales personnel who are not employees. A count taken during, rather than at the end of, the fiscal year may be used provided it is a reasonable proxy for the end fiscal year number. If employment at the end of the fiscal year or the count taken at some other time during the fiscal year was unusually high or low because of temporary factors (e.g., a strike), the number of employees that reflects normal operations should be given. If the business enterprise's activity involves large seasonal variations, the average number of employees for the fiscal year should be given.

**Employee compensation** — Expenditures made by an employer in connection with the employment of workers, including cash payments, payments-in-kind, and employer expenditures for employee benefit plans. Compensation data should be based on payroll records. They should relate to activities during the reporting period regardless of whether such activities were charged as an expense on the income statement, charged to inventories, or capitalized. DO NOT include data related to activities of a prior period, such as those capitalized or charged to inventories in prior periods.

65. Total employment — Report the total number of employees for the year.	5158	1			
66. Total employee compensation — Report, for all employees, the sum of a. Wages and salaries, i.e., employees' gross earnings (before payroll deductions), and all direct and in-kind payments by the employer to employees; and b. Employee benefit plans, i.e., employer expenditures for all employee benefit plans, including those required by statute, those resulting from collective bargaining contracts, and those that are voluntary. Include deferred postemployment and post retirement expenses in accordance with FASB 106.	5162	\$			
BEA USE ONLY	5211	1	2	3	4
	5212	1	2	3	4
	5213	1	2	3	4



<p>FORM BE-11C (Report for Minority-Owned Foreign Affiliate) (REV. 9/96)</p> <p>U.S. DEPARTMENT OF COMMERCE BUREAU OF ECONOMIC ANALYSIS</p> <p><b>MANDATORY</b></p> <p><b>ANNUAL SURVEY OF U.S. DIRECT INVESTMENT ABROAD 1996</b></p>	<p style="text-align: center;">Reporter ID Number <span style="float: right;">Affiliate ID Number</span></p> <p><b>BEA USE ONLY</b> <span style="float: right;"><b>C</b></span></p> <p><b>Part I IDENTIFICATION OF MINORITY-OWNED FOREIGN AFFILIATE</b> If a BEA label has been provided for this affiliate, affix it here. Otherwise, complete items 1 and 2.</p> <p><b>1. Name of U.S. Reporter of affiliate</b> — Same as item 1, Form BE-11A</p> <p><b>2. Name of foreign affiliate being reported</b> — Use the same name on all reports filed subsequently for this affiliate with the Bureau of Economic Analysis, e.g., Form BE-577.</p>
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<p><b>REPORTING REQUIREMENTS</b> — Form BE-11C must be filed by the U.S. Reporter for each minority-owned nonbank foreign affiliate owned at least 20 percent, but not more than 50 percent, directly and/or indirectly, by all U.S. Reporters of the affiliate combined, for which total assets; sales or gross operating revenues, excluding sales taxes; or net income (loss) after provision for foreign income taxes was greater than \$20 million (positive or negative) at the end of, or for, the affiliate's fiscal year. — Read <b>Instruction Booklet</b> before completing form; in particular, see Part I.</p> <p><b>Note</b> — When the combined ownership interest of all U.S. Reporters exceeds 50 percent, the affiliate must, unless otherwise exempt, be reported on Form BE-11B(LF) or (SF) (as a majority-owned affiliate) and not on Form BE-11C.</p> <p><b>DUE DATE</b> — BE-11 reports are due May 30, 1997.</p> <p><b>ASSISTANCE</b> — Telephone (202) 606-5566 during office hours — 8:00 a.m. to 4:30 p.m., eastern time.</p> <p><b>TRANSLATION OF FOREIGN CURRENCY FINANCIAL AND OPERATING DATA INTO U.S. DOLLARS</b> — The foreign affiliate's financial and operating data should be translated from its functional currency to U.S. dollars using U.S. generally accepted accounting principles (FASB 52). See <b>Instruction Booklet</b>, Part IV.B.</p>	<p><b>GENERAL NOTES</b></p> <p>1. Data for items 11 through 17 should reflect all the operations of the foreign affiliate and NOT just the U.S. Reporter's share.</p> <p>2. Currency amounts should be reported in U.S. dollars rounded to thousands (omitting 000). <b>Do not enter amounts in the shaded portions of each line.</b></p> <p><b>EXAMPLE</b> — If amount is <b>\$1,334,891.00</b>, report as</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Bil.</td> <td>Mil.</td> <td>Thous.</td> <td>Dols.</td> </tr> <tr> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">335</td> <td style="text-align: center;">891</td> </tr> </table> <p>3. If an item is between + or - \$500.00, enter "0."</p> <p>4. Use parentheses ( ) to indicate negative numbers.</p>	Bil.	Mil.	Thous.	Dols.		1	335	891
Bil.	Mil.	Thous.	Dols.						
	1	335	891						

**3. Country of location** — Country in which foreign affiliate's physical assets are located or where its primary activity is carried out — *Mark (X) one*

1007 <input type="checkbox"/> 1 601 Australia	<input type="checkbox"/> 1 307 France	<input type="checkbox"/> 1 614 Japan	<input type="checkbox"/> 1 325 Switzerland	<input type="checkbox"/> 1 Other — Specify <input checked="" type="checkbox"/>
<input type="checkbox"/> 1 202 Brazil	<input type="checkbox"/> 1 308 Germany	<input type="checkbox"/> 1 213 Mexico	<input type="checkbox"/> 1 327 United Kingdom	
<input type="checkbox"/> 1 100 Canada	<input type="checkbox"/> 1 314 Italy	<input type="checkbox"/> 1 319 Netherlands		

**4. Enter the ending date of this foreign affiliate's 1996 fiscal year**

	Month	Day	Year
1008	1		96

**5. Did the foreign business enterprise become a foreign affiliate of the U.S. Reporter during the fiscal year?**

1009  1 Yes

If "Yes," did the U.S. Reporter — *Mark (X) one*

<input type="checkbox"/> 2 1 Establish the foreign affiliate?	}	Enter date →	Month	Year
<input type="checkbox"/> 2 2 Acquire a voting interest of 10 percent or more in an existing foreign company?				

1 2 No

<b>Ownership Interest in This Foreign Affiliate by U.S. Reporter Named in Item 1</b> Enter the U.S. Reporter's direct and indirect ownership interest based on voting stock if an incorporated foreign affiliate, or an equivalent interest if an unincorporated foreign affiliate. — <i>Enter to the nearest tenth of one percent.</i>	Percent of ownership at close of fiscal year 1996 (1)
<b>6. Direct ownership interest</b> <span style="float: right;">1011</span>	1 <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> %
<b>7. Indirect ownership interest held through U.S. Reporter's other foreign affiliates</b> — See <i>Instruction Booklet, Part I.B.1.c., on how to calculate indirect ownership interest.</i> <span style="float: right;">1018</span>	1 <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> %
<b>8. Total ownership interest of U.S. Reporter</b> — <i>Sum of items 6 and 7</i> <span style="float: right;">1050</span>	1 <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> %
<b>9. What is the major product produced or sold, or the major service performed, by this foreign affiliate? If a product, briefly state what is done to it, i.e., whether it is mined, manufactured, sold at wholesale, packaged, etc. (For example, "Manufacture widgets to sell at wholesale.")</b>	

**10. International Survey Industry (ISI) code** — Give the 3-digit ISI code in the affiliate's "major industry group" that accounts for the largest amount of the affiliate's sales. A list, and an explanation of, the ISI codes are given in the **Guide to Industry and Foreign Trade Classifications for International Surveys**. A summary list of industry codes is included on Forms BE-11B(LF) and (SF). 1035

<b>Part II FINANCIAL AND OPERATING DATA OF MINORITY-OWNED FOREIGN AFFILIATE</b>	Amount (1)
	Bil. Mil. Thous. Dols.
<b>11. Total assets — Balance at close of fiscal year</b> <span style="float: right;">2046</span>	1
<b>12. Annual sales or gross operating revenues, excluding sales taxes</b> — Gross sales minus returns, allowances, and discounts, or gross operating revenues, both exclusive of sales or consumption taxes levied directly on the consumer, net value-added taxes, and excise taxes levied on manufacturers, wholesalers, and retailers. For affiliates classified in ISI code 612, include interest income; for affiliates classified in ISI code 631, 632, or 639, include gross investment income. <span style="float: right;">2056</span>	1

<b>BEA USE ONLY</b>	2075	1	2	3	4	5
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**Part II FINANCIAL AND OPERATING DATA OF MINORITY-OWNED FOREIGN AFFILIATE – Continued**

	Amount (1)	Bil. Mil. Thous. Dols.			
		Bil.	Mil.	Thous.	Dols.
<b>13. Net income (loss)</b> – Net income for the year, after provision for foreign income taxes, but before dividends on common and preferred stock. Include income from equity investments and realized and unrealized gains (losses) (net of income tax effects) included in the determination of net income.	2066				
<b>14. Total employment</b> – The total number of full-time and part-time employees on the payroll at the end of the fiscal year, excluding home workers and independent sales personnel who are not employees. A count taken during, rather than at the end of, the fiscal year may be used provided it is a reasonable proxy for the end of fiscal year number. If employment at the end of the fiscal year, or the count taken at some other time during the fiscal year, was unusually high or low because of temporary factors (e.g., a strike), the number of employees that reflects normal operations should be given. If the business enterprise's activity involves large seasonal variations, the average number of employees for the fiscal year should be given.	5158	Number of employees			
<b>15. Total employee compensation</b> – Include wages and salaries, i.e., employees' gross earnings (before payroll deductions), all direct and in-kind payments by the employer to employees and employer expenditures for all employee benefit plans, including those required by statute, those resulting from collective bargaining contracts, and those that are voluntary. Include deferred postemployment and post retirement expenses in accordance with FASB 106. Compensation data should be based on payroll records. They should relate to activities during the reporting period regardless of whether such activities were charged as an expense on the income statement, charged to inventories, or capitalized. DO NOT include data related to activities of a prior period, such as those capitalized or charged to inventories in prior periods.	5162	Amount (1) Bil. Mil. Thous. Dols.			

**• U.S. Merchandise Trade of Foreign Affiliate – Goods Only. Do NOT Include Services**

**IMPORTANT NOTES**

This section requires the reporting of data on U.S. merchandise trade of the foreign affiliate in FY 1996. The data should be on a "shipped" basis, i.e., on the basis of when and to (or by) whom the goods were shipped, in order for them to be on the same basis as official U.S. trade statistics to which they will be compared. A U.S. import or U.S. export should **not** be recorded here if the goods did not physically enter or leave (i.e., were not physically shipped to or from) the United States, even though they may have been charged to the foreign affiliate by, or charged by the foreign affiliate to, a U.S. person.

However, foreign affiliates normally keep their accounting records on a "charged" basis, i.e., on the basis of when, and to (or by) whom the goods were charged. The "charged" basis may be used if there is no material difference between it and the "shipped" basis. If there is a material difference between the two bases, the "shipped" basis must be used or adjustments must be made to the data on a "charged" basis to approximate a "shipped" basis, as discussed in the **Instruction Booklet**, Part VI.B. Data in this section cover all goods that physically left or entered the U.S. customs area in FY 1996, including capital goods but excluding the value of ships, planes, railroad rolling stock, and trucks that

were temporarily outside the United States transporting people or merchandise. Consigned goods must be included in the trade figures when shipped or received, even though not normally recorded as sales or purchases or entered into intercompany accounts when initially consigned. The data should include goods only; they should **exclude** services. Thus, U.S. merchandise exports and imports of the foreign affiliate to be shown here may not be the same as the foreign affiliate's sales to, or purchases from, U.S. persons because, among other reasons, sales and purchases may include services.

Exclude from exports and imports the value of any goods **that** are in-transit. In-transit goods are **goods that are not** processed or consumed by residents in the intermediate country(ies) through which they transit; the in-transit goods enter those countries only because those countries are along the shipping lines between the exporting and importing countries. In-transit imports are goods that are en route from one foreign country to another via the United States (such as from Canada to Mexico via the United States), and in-transit exports are goods en route from one part of the United States to another part via a foreign country (such as from Alaska to Washington State via Canada).

	Amount (1)	Value f.a.s. U.S. port	
		Bil. Mil.	Thous. Dols.
<b>16. U.S. merchandise exports to affiliate</b> – Goods shipped <b>TO</b> this foreign affiliate in FY 1996 by the U.S. Reporter(s) of this affiliate and by other U.S. persons.	5181		

	Amount (1)	Value f.a.s. foreign port	
		Bil. Mil.	Thous. Dols.
<b>17. U.S. merchandise imports from affiliate</b> – Goods shipped <b>BY</b> this foreign affiliate in FY 1996 to the U.S. Reporter(s) of this affiliate and to other U.S. persons.	5198		

BEA USE ONLY	5211	1	2	3	4	5
	5212	1	2	3	4	5
	5213	1	2	3	4	5

REMARKS