

Transactions Between Foreign-Owned Corporations and Related Foreign Persons, 1990

Data Release

Since 1960, U.S. parent corporations have been required to report transactions with and between their foreign affiliates [1]. However, prior to the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), no similar reporting requirements existed for transactions between U.S. subsidiaries of foreign corporations and their foreign affiliates. Concerned that these related party transactions could be manipulated to avoid U.S. taxation, Congress added new reporting requirements as part of TEFRA to provide the Internal Revenue Service with more information about the nature and amount of the transactions between foreign-owned domestic corporations (owned 25 percent or more by a foreign person) and their related foreign "persons."

For 1990, based on these reporting requirements, 187 large foreign-owned domestic corporations (with total receipts of \$1 billion or more) reported receipts of \$69.1 billion and payments of \$138.1 billion in transactions with related foreign persons, increases from 1989 of 160 percent and 35 percent, respectively [2]. These foreign-owned domestic corporations also reported ending balances in outstanding loans of \$49.0 billion (borrowed from related foreign persons) and \$10.2 billion (loaned to related foreign persons).

During 1990, these 187 large foreign-owned domestic corporations reduced their borrowing from related foreign persons by nearly half; loan balances declined from \$90.7 billion (beginning balances) to \$49.0 billion (ending balances). This large decrease was principally due to U.S. manufacturing corporations, which cut back their loan balances to related persons with United Kingdom residences. Overall, based on ending balances, foreign-owned corporations borrowed (\$49.0 billion) almost five times the amount they loaned (\$10.2 billion) to related foreign persons for 1990. Both interest expense and income reflected these borrowing differences; interest paid to related foreign persons of \$5.2 billion exceeded the \$0.6 billion of interest received from related foreign persons by nearly nine-fold. Overall, transactions with related foreign persons whose "primary country" or "residence" (see *Primary Country and Residence of Related Person* in the Explanation of Selected Terms) was the United Kingdom accounted for \$18.4 billion (nearly 38 percent) of the ending balance in amounts borrowed and \$6.3 billion (approximately 62 percent) of the \$10.2 billion ending balance in amounts loaned.

The bulk of the transactions (excluding ending loan balances) with related foreign persons was for sales or

purchases of stock in trade. Approximately \$124.4 billion (90 percent) of the \$138.1 billion foreign-owned domestic corporations paid to related foreign persons was for purchases of stock in trade. Receipts from sales of stock in trade to related foreign persons amounted to nearly \$60.9 billion (88 percent) of the \$69.1 billion received from related foreign persons.

Over 70 percent of the growth in receipts (which grew from \$26.5 billion to \$69.1 billion for 1990) and payments (which grew from \$102.7 billion for 1989 to \$138.1 billion for 1990) was related to U.S. corporations classified in finance, insurance, and real estate. The receipts from related foreign persons reported by these corporations increased from \$0.3 billion for 1989 to \$30.8 billion for 1990, while payments increased from \$2.3 billion to \$29.5 billion. More than 95 percent of these receipts and payments associated with U.S. corporations classified in finance, insurance, and real estate was due to transactions in stock in trade, primarily with foreign corporations whose "residence" was in the United Kingdom or Switzerland. Nearly \$19.7 billion in sales of stock in trade and \$19.4 billion in purchases of stock in trade were with related foreign persons whose residence was the United Kingdom. Sales and purchases of stock in trade with related foreign persons whose residence was Switzerland were \$9.5 billion and \$9.1 billion, respectively [3].

Nearly two-thirds of the 3,734 related foreign persons with which the 187 largest foreign-owned domestic corporations reported transactions were residents of Europe, Canada, or Japan (Table 1). Nearly 40 percent of all related foreign persons were residents of just five countries: the United Kingdom (14 percent), West Germany (9 percent), Japan (7 percent), Canada (6 percent), and Switzerland (4 percent). Nearly 88 percent (\$60.6 billion) of the \$69.1 billion in receipts was due to transactions with related foreign persons in these five countries: the United Kingdom (\$25.1 billion), Japan (\$19.6 billion), Switzerland (\$10.6 billion), Canada (\$3.5 billion), and West Germany (\$1.8 billion). Foreign-owned domestic corporations also paid nearly 83 percent (\$113.9 billion) of the total payments (\$138.1 billion) to related foreign persons that were residents of the same five countries: Japan (\$52.3 billion), the United Kingdom (\$29.7 billion), West Germany (\$13.6 billion), Switzerland (\$12.1 billion), and Canada (\$6.3 billion).

Overall, for 1990, transactions with related foreign persons whose country of residence was Japan accounted for \$19.6 billion (28 percent) and \$52.3 billion (38 percent) of receipts and payments, respectively. In percentage terms, this reflects a decrease from 1989 levels. For 1989, related foreign persons that were residents of Japan

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Transactions Between Foreign-Owned Corporations and Related Foreign Persons, 1990

accounted for \$11.3 billion (43 percent) of the \$26.5 billion in receipts reported and \$52.8 billion (67 percent) of the payments reported (\$78.9 billion) [4]. However, in absolute terms, payments to these related foreign persons remained relatively constant, falling slightly from \$52.8 billion for 1989 to \$52.3 billion for 1990.

Nearly half of the 187 largest foreign-owned domestic corporations were manufacturers (Table 2). These 91 corporations reported transactions with 2,642 (71 percent) of the 3,734 related foreign persons and engaged in the majority of the loan transactions (based on ending balances) with related foreign persons. Among U.S. manufacturers, the bulk of the outstanding loan (ending) balances resulted from transactions with related foreign persons whose country of residence was the United Kingdom. Nearly \$15.7 billion (44 percent) of the \$35.6 billion borrowed from, and \$5.6 billion (68 percent) of the \$8.2 billion loaned to, related foreign persons, were to related foreign persons that were residents of the United Kingdom. Transactions with Canadian related foreign persons accounted for the largest percentage share of the sales of stock in trade reported by U.S. manufacturers, while the largest percentage share of purchases of stock in trade was associated with Japanese related foreign persons. Approximately \$2.2 billion (31 percent) of the \$7.2 billion of sales of stock in trade was to related foreign persons that were residents of Canada and \$6.8 billion (22 percent) of the \$31.5 billion of purchases of stock in trade was associated with related foreign persons that were residents of Japan [5].

Stock in trade transactions for foreign-owned domestic corporations classified in wholesale and retail trade, and finance, insurance, and real estate were dominated by related foreign persons in Japan and the United Kingdom, respectively. About two-thirds of both the sales and purchases of stock in trade reported by foreign-owned domestic corporations classified as wholesalers and retailers was attributable to transactions with related foreign persons whose country of residence was Japan. Transactions with these Japanese related foreign persons accounted for approximately \$15.6 billion (65 percent) of the \$23.9 billion in sales of stock in trade and \$42.1 billion (67 percent) of the \$63.3 billion in purchases of stock in trade. Within finance, insurance, and real estate, approximately \$19.7 billion (67 percent) of the \$29.4 billion in sales of stock in trade and \$19.4 billion (68 percent) of the \$28.7 billion in purchases of stock in trade were with related foreign persons that were residents of the United Kingdom [6].

Data Sources and Limitations

Under Internal Revenue Code section 6038A, domestic

corporations, which were 25-percent or more owned by a foreign person, and foreign corporations engaged in a U.S. trade or business must report transactions with related foreign persons [7]. For 1990, these transactions were reported on Form 5472, *Information Return of a 25% Foreign Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business*.

The foreign-owned corporation statistics, collected annually starting with 1988, include data from Forms 5472 for all U.S. corporations with total receipts of \$1 billion or more that were owned (25-percent or more) by a foreign person and reported transactions with related foreign persons, and that were included in the corporation *Statistics of Income* sample of U.S. corporation income tax returns with accounting periods ending July 1990 through June 1991 [8]. The corporation *Statistics of Income* sample included approximately 82,600 corporation income tax returns chosen from the 3,716,650 returns filed for Tax Year 1990. These returns were selected after administrative processing was complete, but before any audit examinations [9].

The statistics for 1990 also include a small number (9 out of 187) of corporations with \$1 billion or more in total receipts for 1989, but with less than \$1 billion in total receipts for 1990. Once a corporation has met the criteria for inclusion in the statistics for a specific year, it is included for subsequent years as well, as long as it reports transactions with related foreign persons and is part of the *Statistics of Income* corporate sample of returns. Foreign corporations engaged in a U.S. trade or business with Forms 5472 attached to their U.S. income tax returns were excluded from the 1990 statistics altogether because so few met the \$1 billion-or-more in total receipts requirement. Thus, the statistics for 1990 include only domestic corporations that were 25-percent or more owned by a foreign person.

The statistics in this article augment the data for a portion of the returns included in the *Statistics of Income* data for domestic corporations "controlled" by foreign persons [10]. The "control" requirement for the two sets of statistics differs in that "control" for the foreign-controlled domestic corporation data is defined as ownership by any foreign person, directly or indirectly, of 50 percent or more of a U.S. corporation's voting stock at the end of the tax year, a more stringent requirement than for the foreign-owned corporation statistics reported herein, which include domestic corporations that were 25-percent or more owned by a foreign person. However, beginning with Tax Year 1991, the corporation income tax return requirements were changed to call for identification of corporations that were 25-percent-or-more foreign controlled. It is estimated that the 187 foreign-owned corporations included in the

Transactions Between Foreign-Owned Corporations and Related Foreign Persons, 1990

foreign-owned corporation statistics represented approximately 0.4 percent of returns, but 47 percent of the estimated total assets of \$1.7 trillion, and 57 percent of the estimated total receipts of \$1.1 trillion reported by the domestic corporations 25-percent or more "controlled" by foreign persons for 1990.

These statistics provide additional information about the nature and amount of the transactions between related U.S. and foreign persons and supplement the data available from the statistics on Controlled Foreign Corporations (also included in this issue of the *Bulletin*). The Controlled Foreign Corporation statistics are for the largest 7,500 (in total assets) foreign subsidiaries of U.S. parent corporations with total assets of \$500 million or more, while the statistics on foreign-owned U.S. corporations provide information on domestic corporations which are 25-percent or more foreign-owned with total receipts of \$1 billion or more (for either 1989 or 1990) that report transactions with related foreign persons. These two studies provide information about both the inbound (foreign to United States) and outbound (United States to foreign) transactions of these related parties. However, the statistics are not altogether comparable. The reported "amounts received" in the foreign-owned corporation statistics reflect receipts from foreign persons by the related foreign-owned corporations with operations in the United States (inbound transactions). In contrast, the "amounts received" from related persons in the Controlled Foreign Corporation statistics reflect amounts received from U.S. persons (as well as from other related persons) by the related controlled foreign corporation (outbound transactions).

Explanation of Selected Terms

Amounts borrowed and loaned.--Both the beginning and ending balances of amounts borrowed and loaned by foreign-owned corporations from and to, respectively, their related foreign persons, are presented in Tables 1 and 2. The ending balances are also included in the total amounts received and paid in Tables 1 and 2. However, because the ending balance reflects only the amounts outstanding at the end of the year, these amounts may not equal the actual amounts borrowed and loaned during Tax Year 1990.

Foreign Person.--The term "foreign person" generally includes (1) any partnership, association, company or corporation that was not created or organized under the laws of the United States or the laws of any State; (2) any individual who is not a citizen or resident of the United States; (3) any individual who is a citizen of a U.S. possession, but is not otherwise a U.S. citizen or resident; and (4) any foreign trust, estate or government. For the most

part, most of the foreign persons for purposes of these statistics are corporations.

Foreign-Owned Corporation.--For purposes of these statistics, a corporation was considered foreign-owned if at least 25 percent of the total voting power of all classes of stock entitled to vote, or 25 percent of the total value of all classes of stock of the corporation, was owned, directly or indirectly, at any time during the tax year by one foreign shareholder (usually a foreign parent corporation). This is in contrast to the other Statistics of Income data on foreign-owned domestic corporations which are based on 50-percent or more ownership by a foreign person.

Number of Persons.--The data shown in Tables 1 and 2 generally represent the number of Forms 5472 attached to the 187 income tax returns filed by corporations with total receipts of \$1 billion or more that were owned 25-percent or more by a foreign person. Member corporations of an affiliated group that filed a consolidated income tax return could also join in filing a consolidated Form 5472 for transactions with a given foreign related person. However, some affiliated corporations that could have filed consolidated Forms 5472 filed separate forms instead. When these forms were identified during statistical processing, the information on them was combined and the result treated as a single Form 5472. To this extent, the "number of persons" understates the actual number of Forms 5472 attached to the 187 income tax returns included in the statistics.

OPEC Countries.--Summary statistics are provided (Table 1) for the following Asian countries that were members of the Organization of Petroleum Exporting Countries (OPEC) for 1990: Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates. The other OPEC countries were: Algeria, Ecuador, Gabon, Indonesia, Libya, Nigeria, and Venezuela. Some of these countries are shown individually in Table 1.

Primary Country.--In almost all instances, the U.S. corporation filing a Form 5472 reported only one country of residence for the 25-percent-or-more foreign owner. However, approximately 1.4 percent of all Forms 5472 reported two or more countries of residence. For these Forms 5472, the primary country of residence was determined based on a comparison of the address and country where business was conducted.

Related Person.--Persons related to the corporation that filed a Form 5472 include the 25-percent foreign shareholder, any person that was related to the reporting corporation or the 25-percent shareholder (as described in Internal Revenue Code section 267(b) or 707(b)(1)), or any other person that was related to the reporting corporation within the meaning of Internal Revenue Code section 482 and the associated regulations.

Transactions Between Foreign-Owned Corporations and Related Foreign Persons, 1990

Residence of Related Person.--The income tax regulations under Code section 6038A require that "each country in which each 25-percent shareholder files an income tax return as a resident under the tax laws of that country" be reported on Form 5472 for each related foreign person (Regulation Section 1.6038A-2). The statistics in Table 1 are based on this reported residence of the related foreign person and, within this meaning, the related foreign person is a "resident" of a particular foreign country.

Notes and References

- [1] As part of Public Law 86-780, enacted in 1960, a U.S. corporation was required to furnish, as part of its tax return, information on its controlled foreign corporations. For data on these transactions for 1990, see Nutter, Sarah E., "Controlled Foreign Corporations, 1990," in this issue of the *SOI Bulletin*.
- [2] Tables 1 and 2 include total amounts "received" from and "paid" to related foreign persons of \$118.0 billion and \$148.2 billion, respectively. However, these totals include outstanding loans (ending balances) which are conceptually different from the other types of amounts reported on Form 5472, *Information Return of a 25% Foreign Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business*. Ending loan balances reflect amounts held as either liabilities or assets on the balance sheets of the foreign-owned corporation. As such, they do not necessarily reflect current-year payments or receipts, but rather a balance at a particular point in time.

Therefore, all references to "total" amounts "received" or "paid" exclude outstanding loans (ending balances) of \$49.0 billion (amounts borrowed) and \$10.2 billion (amounts loaned) from the total amounts "received" and "paid," respectively. The remaining amounts received (\$69.1 billion) and paid (\$138.1 billion), which were for items such as sales or purchases of stock and trade, represented receipts or expenditures for 1990.

- [3] Based on unpublished data.
- [4] See also, Latzy, John, "Transactions Between Foreign Controlled Corporations and Related Foreign Persons, 1989," *Statistics of Income Bulletin*, Spring, 1993, Volume 12, Number 4.
- [5] Based on unpublished data.
- [6] Based on unpublished data.
- [7] Internal Revenue Code sections 267 (b), 482, and 707(b) (1) define a "related person."
- [8] For Tax Year 1991, the basis for inclusion in the statistics will be total receipts of \$500 million or more.
- [9] For more information on the sample of corporation income tax returns for 1990, see *Statistics of Income -- 1990, Corporation Income Tax Returns*.
- [10] The statistics on domestic corporations controlled by foreign persons for 1990 are reported in Hobbs, James R., "Domestic Corporations Controlled by Foreign Persons, 1990," *Statistics of Income Bulletin*, Fall 1993, Volume 13, Number 2.

Transactions Between Foreign-Owned Corporations and Related Foreign Persons, 1990

Table 1.—Foreign-Owned Corporations with Total Receipts of \$1 Billion or More: Transactions Between Foreign-Owned Corporations and Related Foreign Persons, by Selected Country of Residence of Related Foreign Person

[Money amounts are in thousands of dollars]

Selected country	Reporting corporations ¹			Transactions between foreign-owned corporations and related foreign persons			
	Number of foreign-owned corporations	Total assets	Total receipts	Number of related foreign persons	Amounts received from related foreign persons		
					Total	Sales of stock in trade	Sales of tangible property other than stock in trade
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
All countries.....	187	814,514,404	616,625,608	3,734	118,036,425	60,869,560	2,476,118
Canada.....	103	508,317,862	407,651,135	221	4,401,665	2,861,539	35,571
Latin America, total.....	81	405,660,732	357,674,373	463	1,203,295	358,585	5,556
Brazil.....	50	226,639,584	234,719,187	89	48,391	43,612	1,341
Ecuador.....	14	105,696,535	103,051,013	14	8,605	7,597	—
Mexico.....	45	222,833,631	230,289,268	82	310,077	111,624	2,536
Panama.....	17	133,123,513	124,593,518	29	225,959	64,801	587
Venezuela.....	31	169,003,671	174,926,827	48	492,426	62,676	1
Other Western Hemisphere, total.....	35	271,467,917	138,412,397	53	4,256,778	80,579	79,130
Bermuda.....	16	117,926,167	82,456,465	22	229,863	58,653	39,978
Netherlands Antilles.....	17	95,601,057	49,982,150	22	3,852,967	21,093	—
Europe, total.....	155	733,006,406	540,107,725	1,969	78,412,568	36,822,876	214,893
Austria.....	20	91,577,008	69,441,693	34	23,874	20,373	—
Belgium.....	44	252,811,653	237,559,108	76	624,128	292,412	4,065
Denmark.....	23	143,594,227	109,483,247	34	18,192	12,546	4
France (including Andorra).....	70	371,681,185	321,868,549	210	1,233,077	412,854	12,516
Italy (including San Marino).....	52	286,179,048	244,422,555	108	140,659	70,193	1,141
Luxembourg.....	8	151,040,709	59,185,052	8	22,423	19,993	52
Netherlands.....	82	482,468,610	335,273,238	191	12,987,050	534,417	1,000
Norway.....	19	106,834,760	90,767,245	32	234,387	3,792	351
Spain.....	42	254,195,920	220,878,386	73	88,483	56,938	16,694
Sweden.....	30	168,574,569	148,713,663	96	465,296	123,393	989
Switzerland.....	49	271,008,228	206,846,881	134	13,253,484	10,247,077	1,339
United Kingdom.....	112	590,971,266	428,807,616	536	43,496,723	23,847,052	82,070
West Germany.....	82	324,941,557	309,398,594	329	5,263,596	1,097,627	92,966
Africa, total.....	33	197,791,458	142,383,851	97	65,680	51,934	1,325
Liberia.....	3	15,829,032	19,066,608	10	1,407	—	—
South Africa.....	23	139,026,735	103,348,349	38	21,888	21,068	34
Asia, total.....	112	573,612,542	441,937,447	687	25,853,067	18,489,299	2,115,934
Hong Kong.....	59	337,539,648	269,207,483	85	1,680,007	1,524,791	1,019
Indonesia.....	10	102,924,223	77,297,793	14	16,775	7,182	4,664
Japan.....	85	465,998,293	358,084,693	255	22,602,541	16,223,498	2,104,053
Middle East countries (except OPEC) ³	8	87,820,168	62,127,729	13	44,028	38,586	641
OPEC countries (excluding Indonesia) ⁴	7	76,217,349	57,907,362	14	243,662	95,365	65
Philippines.....	16	138,095,122	101,656,489	20	1,518	1,375	—
Oceania, total.....	73	386,962,917	319,113,692	201	891,936	250,521	4,948
Puerto Rico and U.S. Possessions.....	13	138,089,649	107,827,453	16	71,230	38,449	77

Footnotes at end of table.

Transactions Between Foreign-Owned Corporations and Related Foreign Persons, 1990

Table 1.—Foreign-Owned Corporations with Total Receipts of \$1 Billion or More: Transactions Between Foreign-Owned Corporations and Related Foreign Persons, by Selected Country of Residence of Related Foreign Person—Continued

[Money amounts are in thousands of dollars]

Selected country	Transactions between foreign-owned corporations and related foreign persons—Continued						
	Amounts received from related foreign persons—Continued						
	Rents and royalties	Sales and leases of intangible property rights	Consideration received for services	Commissions received	Amounts borrowed		Interest received
					Beginning balance	Ending balance	
(8)	(9)	(10)	(11)	(12)	(13)	(14)	
All countries.....	145,937	293,096	2,082,969	347,174	90,680,302	48,956,334	594,570
Canada.....	11,110	4,231	84,841	2,792	587,793	921,339	11,262
Latin America, total.....	1,085	4,846	66,252	1,475	326,530	575,230	3,179
Brazil.....	38	43	78	763	6,169	2,250	148
Ecuador.....	--	5	874	45	--	--	89
Mexico.....	564	2,968	3,137	60	1,912	2,296	242
Panama.....	64	793	58,317	32	198,057	101,231	7
Venezuela.....	--	--	1,265	5	115,336	428,179	264
Other Western Hemisphere, total.....	--	--	107,507	--	5,274,222	3,859,185	17,088
Bermuda.....	--	--	37,805	--	127,293	80,841	12,584
Netherlands Antilles.....	--	--	1,488	--	5,146,929	3,778,343	3,200
Europe, total.....	85,430	186,109	1,023,937	71,359	74,957,098	38,579,376	370,035
Austria.....	--	--	807	87	--	(?)	(?)
Belgium.....	460	2,709	5,575	609	74,746	315,076	2,895
Denmark.....	--	1,540	155	15	3,050	3,899	33
France (including Andorra).....	7,123	13,998	72,773	2,916	793,872	699,356	9,733
Italy (including San Marino).....	3,305	2,302	9,347	45	78,977	19,631	2,788
Luxembourg.....	--	--	1,630	--	166	746	2
Netherlands.....	6,598	6,507	118,910	676	10,076,425	12,136,703	57,896
Norway.....	410	1,128	559	22	207,092	207,884	20,240
Spain.....	412	8,345	1,826	356	10,718	3,868	3
Sweden.....	674	3,461	11,184	16,378	262,512	274,674	9,193
Switzerland.....	--	30,996	78,703	8,841	2,357,559	2,603,714	29,064
United Kingdom.....	58,416	20,915	344,952	29,552	57,850,921	18,364,881	193,390
West Germany.....	4,267	92,009	369,785	11,001	3,057,225	3,494,429	38,721
Africa, total.....	1,917	175	8,569	1,588	451	15	158
Liberia.....	--	--	920	479	--	9	--
South Africa.....	365	122	75	99	49	--	125
Asia, total.....	20,680	84,317	645,787	247,456	7,912,081	3,666,445	142,154
Hong Kong.....	12	11,474	3,578	2,185	12,827	134,501	2,098
Indonesia.....	2	9	3,944	110	6,410	826	--
Japan.....	9,828	69,215	507,755	232,968	4,046,707	3,033,064	139,091
Middle East countries (except OPEC) ³	253	--	4,548	--	--	(?)	--
OPEC countries (excluding Indonesia) ⁴	9,832	--	95,759	9,755	709,857	32,885	--
Philippines.....	33	--	86	--	--	--	--
Oceania, total.....	6,551	13,377	15,638	761	770,091	550,046	49,940
Puerto Rico and U.S. Possessions.....	51	42	32,472	--	6,135	--	139

Footnotes at end of table.

Transactions Between Foreign-Owned Corporations and Related Foreign Persons, 1990

Table 1.--Foreign-Owned Corporations with Total Receipts of \$1 Billion or More: Transactions Between Foreign-Owned Corporations and Related Foreign Persons, by Selected Country of Residence of Related Foreign Person--Continued

[Money amounts are in thousands of dollars]

Selected country	Transactions between foreign-owned corporations and related foreign persons--Continued						
	Amounts received from related foreign persons--Continued		Amounts paid to related foreign persons				
	Premiums received for insurance or reinsurance	Other amounts received	Total	Purchases of stock in trade	Purchases of tangible property other than stock in trade	Rents and royalties	Purchases and leases of intangible property rights
(15)	(16)	(17)	(18)	(19)	(20)	(21)	
All countries.....	495,501	1,775,166	148,241,930	124,350,900	4,176,009	572,903	802,076
Canada.....	453,424	15,559	6,778,540	5,671,963	94,403	3,930	5,334
Latin America, total.....	35	187,052	4,794,913	4,495,743	26,805	1,322	178
Brazil.....	--	118	229,081	184,032	13,854	--	(?)
Ecuador.....	--	--	610	227	--	--	--
Mexico.....	--	186,649	515,000	486,774	12,947	124	82
Panama.....	--	126	415,163	398,188	--	1,197	--
Venezuela.....	35	--	3,435,608	3,409,452	--	--	--
Other Western Hemisphere, total.....	1	113,289	879,694	79,037	--	--	--
Bermuda.....	1	--	205,141	64,192	--	--	--
Netherlands Antilles.....	--	48,842	645,291	1,892	--	--	--
Europe, total.....	40,208	1,018,345	70,746,150	54,591,536	1,645,745	322,028	789,380
Austria.....	3	2,604	3,044	2,167	--	--	--
Belgium.....	--	327	548,362	452,747	239	344	21,312
Denmark.....	--	--	1,631	697	--	4	11
France (including Andorra).....	--	1,808	2,895,634	1,242,159	1,285,696	12,708	3,511
Italy (including San Marino).....	--	31,907	63,582	45,716	--	--	1,189
Luxembourg.....	--	(?)	67,490	67,326	119	--	--
Netherlands.....	21	124,322	2,356,570	505,738	1,263	66,329	30,538
Norway.....	--	--	15,617	12,735	--	4	1
Spain.....	--	42	26,051	22,316	--	288	--
Sweden.....	--	25,352	2,047,259	1,956,021	1	3,309	92
Switzerland.....	21,728	232,022	12,648,355	11,258,292	151,145	27,476	249,885
United Kingdom.....	18,434	537,062	36,034,793	25,944,536	142,222	78,747	468,010
West Germany.....	23	62,769	13,861,383	13,014,682	64,963	124,113	14,666
Africa, total.....	--	--	53,906	49,299	--	--	5
Liberia.....	--	--	648	--	--	--	--
South Africa.....	--	--	44,142	43,981	--	--	5
Asia, total.....	1,180	439,814	61,503,261	56,795,232	2,342,297	240,849	5,324
Hong Kong.....	--	349	1,704,573	1,418,687	18,057	38	--
Indonesia.....	--	38	4,098	4,054	--	--	--
Japan.....	1,009	282,058	52,980,184	49,108,384	2,241,439	240,793	5,297
Middle East countries (except OPEC) ³	--	--	33,233	11,386	--	--	--
OPEC countries (excluding Indonesia) ⁴	--	--	4,338,115	4,062,589	--	--	--
Philippines.....	24	--	2,556	2,501	--	--	--
Oceania, total.....	150	4	1,198,736	604,917	65,680	3,596	1,855
Puerto Rico and U.S. Possessions.....	--	--	317,034	306,526	--	--	--

Footnotes at end of table.

Transactions Between Foreign-Owned Corporations and Related Foreign Persons, 1990

Table 1.—Foreign-Owned Corporations with Total Receipts of \$1 Billion or More: Transactions Between Foreign-Owned Corporations and Related Foreign Persons, by Selected Country of Residence of Related Foreign Person—Continued

(Money amounts are in thousands of dollars)

Selected country	Transactions between foreign-owned corporations and related foreign persons—Continued						
	Amounts paid to related foreign persons—Continued						
	Consideration paid for services	Commissions paid	Amounts loaned		Interest paid	Premiums paid for insurance	Other amounts paid
			Beginning balance	Ending balance			
(22)	(23)	(24)	(25)	(26)	(27)	(28)	
All countries.....	1,401,564	166,110	9,515,401	10,158,250	5,215,131	411,709	987,277
Canada.....	342,691	13,507	93,308	492,192	65,152	63,416	25,954
Latin America, total.....	10,246	5,407	5,861	54,284	30,020	167,956	2,953
Brazil.....	--	1,167	410	27,841	2,149	--	38
Ecuador.....	--	164	100	219	--	--	--
Mexico.....	595	2,726	1,024	8,459	438	--	2,855
Panama.....	7,689	23	2,590	7,364	680	--	21
Venezuela.....	(²)	648	33	546	24,959	--	2
Other Western Hemisphere, total.....	33,200	22	277,114	156,698	558,547	52,190	1
Bermuda.....	492	--	209,215	126,033	5,139	9,284	--
Netherlands Antilles.....	16,398	22	67,899	30,665	553,408	42,906	--
Europe, total.....	455,652	77,009	8,190,180	7,859,082	4,219,862	123,256	662,600
Austria.....	207	13	1,327	657	--	--	--
Belgium.....	9,999	880	14,348	42,444	19,486	564	347
Denmark.....	(²)	5	222	491	423	--	--
France (including Andorra).....	54,103	38,082	839,752	177,497	76,740	--	5,139
Italy (including San Marino).....	9,416	177	2,417	5,425	8	1	1,649
Luxembourg.....	--	--	--	--	44	--	--
Netherlands.....	84,344	3,237	370,048	349,901	1,146,975	1,366	166,879
Norway.....	354	106	140	1,502	916	--	--
Spain.....	7	183	200	2,028	1,227	--	2
Sweden.....	2,849	329	3,751	2,515	29,541	48,883	3,719
Switzerland.....	87,808	11,761	364,717	559,146	253,181	38,353	11,306
United Kingdom.....	169,822	20,115	6,209,167	6,338,636	2,373,986	30,225	468,495
West Germany.....	30,849	2,045	299,003	301,471	300,258	3,865	4,472
Africa, total.....	1,497	4	2,036	1,515	3	1,583	--
Liberia.....	--	--	1,283	648	--	--	--
South Africa.....	--	4	371	153	--	--	--
Asia, total.....	418,598	52,424	528,246	1,115,195	237,438	1,516	294,389
Hong Kong.....	2,689	9,208	22,646	251,794	3,956	--	144
Indonesia.....	30	--	103	13	--	--	2
Japan.....	108,262	37,177	391,027	723,433	223,435	1,516	290,450
Middle East countries (except OPEC) ³	21,843	4	--	--	--	--	--
OPEC countries (excluding Indonesia) ⁴	266,625	12	--	1	8,888	--	--
Philippines.....	--	13	--	--	41	--	(¹)
Oceania, total.....	9,345	272	417,479	475,898	35,129	1,472	572
Puerto Rico and U.S. Possessions.....	--	8,070	--	1,514	924	--	--

¹ Number of reporting corporations is not additive because a given corporation could have related foreign persons in more than one country.

² Less than \$500.

³ Includes Bahrain, Cyprus, Gaza Strip, Israel, Jordan, Lebanon, Oman, Syria, and Yemen (including the former Yemen Arab Republic).

⁴ Includes Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates.

NOTE: Detail may not add to totals because of rounding.

Transactions Between Foreign-Owned Corporations and Related Foreign Persons, 1990

Table 2.--Foreign-Owned Corporations with Total Receipts of \$1 Billion or More: Transactions Between Foreign-Owned Corporations and Related Foreign Persons, by Industrial Division of Foreign-Owned Corporation

[Money amounts are in thousands of dollars]

Industrial division	Reporting corporations			Transactions between foreign-owned corporations and related foreign persons			
	Number of foreign-owned corporations	Total assets	Total receipts	Number of related foreign persons	Amounts received from related foreign persons		
					Total	Sales of stock in trade	Sales of tangible property other than stock in trade
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All Industries.....	187	814,514,404	616,625,608	3,734	118,036,425	60,869,560	2,476,118
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--
Mining.....	3	13,448,130	7,793,714	141	555,992	318,598	38,472
Construction.....	4	3,745,901	5,937,746	22	7,839	237	--
Manufacturing.....	91	410,569,990	298,316,863	2,642	45,380,801	7,185,597	150,210
Transportation and public utilities.....	**	**	**	**	**	**	**
Wholesale and retail trade.....	67	130,403,981	259,853,644	810	36,158,489	23,927,361	2,245,574
Finance, insurance and real estate.....	18	242,916,647	37,180,952	94	33,210,737	29,434,119	41,861
Services.....	**	**	**	**	**	**	**

Industrial division	Transactions between foreign-owned corporations and related foreign persons--Continued						
	Amounts received from related foreign persons--Continued						
	Rents and royalties	Sales and leases of intangible property rights	Consideration received for services	Commissions received	Amounts borrowed		Interest received
	(8)	(9)	(10)	(11)	Beginning balance	Ending balance	(14)
All Industries.....	145,937	293,096	2,082,969	347,174	90,680,302	48,956,334	594,570
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--
Mining.....	6,636	519	164,791	2,394	17,636	19,751	20
Construction.....	472	--	2,866	--	33,412	605	3,404
Manufacturing.....	116,230	241,170	1,039,824	95,895	75,052,161	35,564,090	350,448
Transportation and public utilities.....	**	**	**	**	**	**	**
Wholesale and retail trade.....	6,000	51,407	862,916	211,015	10,589,843	8,291,695	112,069
Finance, insurance and real estate.....	16,599	--	12,295	37,869	1,849,634	2,361,977	128,205
Services.....	**	**	**	**	**	**	**

Footnote at end of table.

Transactions Between Foreign-Owned Corporations and Related Foreign Persons, 1990

Table 2.--Foreign-Owned Corporations with Total Receipts of \$1 Billion or More: Transactions Between Foreign-Owned Corporations and Related Foreign Persons, by Industrial Division of Foreign-Owned Corporation--Continued

(Money amounts are in thousands of dollars)

Industrial division	Transactions between foreign-owned corporations and related foreign persons--Continued						
	Amounts received from related foreign persons--Continued		Amounts paid to related foreign persons				
	Premiums received for insurance or reinsurance	Other amounts received	Total	Purchases of stock in trade	Purchases of tangible property other than stock in trade	Rents and royalties	Purchases and leases of intangible property rights
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
All industries.....	495,501	1,775,166	148,241,930	124,350,900	4,176,009	572,903	802,076
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--
Mining.....	3	4,807	696,679	500,479	2,504	--	5,124
Construction.....	--	254	477,876	328,260	--	--	--
Manufacturing.....	12,691	624,646	46,971,684	31,497,151	456,300	383,249	790,402
Transportation and public utilities.....	**	**	**	**	**	**	**
Wholesale and retail trade.....	233	450,220	69,306,979	63,322,028	3,717,205	188,559	5,216
Finance, insurance and real estate.....	482,574	695,238	30,400,734	28,702,981	--	902	--
Services.....	**	**	**	**	**	**	**

Industrial division	Transactions between foreign-owned corporations and related foreign persons--Continued						
	Amounts paid to related foreign persons--Continued						
	Consideration paid for services	Commissions paid	Amounts loaned		Interest paid	Premiums paid for insurance	Other amounts paid
			Beginning balance	Ending balance			
(22)	(23)	(24)	(25)	(26)	(27)	(28)	
All industries.....	1,401,564	166,110	9,515,401	10,158,250	5,215,131	411,709	987,277
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--
Mining.....	39,324	54,318	--	--	83,394	8,148	3,390
Construction.....	20,040	--	81,884	121,028	8,051	--	496
Manufacturing.....	1,179,672	45,259	7,792,200	8,157,383	3,907,853	100,054	454,360
Transportation and public utilities.....	**	**	**	**	**	**	**
Wholesale and retail trade.....	98,891	60,882	858,429	954,724	607,014	54,766	297,694
Finance, insurance and real estate.....	58,652	5,647	738,096	911,950	293,872	195,393	231,338
Services.....	**	**	**	**	**	**	**

**Not shown to avoid disclosure about specific corporations. However, data are included in totals for "All industries."

NOTE: Detail may not add to totals because of rounding.