

## ANNUAL SURVEY OF U.S. DIRECT INVESTMENT ABROAD – 2003 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 2002 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 2002 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, 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 28, 2004, as required.

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

- **Form BE-11A** – Report for nonbank U.S. Reporters;
- **Form BE-11B(LF) (Long Form)** – Report for majority-owned nonbank foreign affiliates with assets, sales, or net income greater than \$100 million (positive or negative);
- **Form BE-11B(SF) (Short Form)** – Report for majority-owned nonbank foreign affiliates with assets, sales, or net income greater than \$30 million, but not greater than \$100 million (positive or negative);
- **Form BE-11C** – Report for minority-owned nonbank foreign affiliates with assets, sales, or net income greater than \$30 million.
- **BE-11 Claim for Not Filing**

For definition of terms, see Section II of these instructions.

**A. Who must report** – A BE-11 report is required of any **non-bank** U.S. person that had a nonbank foreign affiliate at the end of the U.S. person's 2003 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 for nonbank U.S. Reporter

- a. Basic requirements** – Each U.S. Reporter that is not a bank must complete a BE-11A report. If the U.S. Reporter is a corporation, Form BE-11A must cover the fully consolidated U.S. domestic business enterprise. See *I.B.1.b* for the definition of "fully consolidated U.S. domestic business enterprise."

The nonbank U.S. Reporter must file a **complete** Form BE-11A if **any one** of the following three items of the fully consolidated U.S. **domestic** business enterprise was greater than \$100 million (positive or negative) at the end of, or for, the Reporter's 2003 fiscal year:

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

The nonbank U.S. Reporter must file a **partial** Form BE-11A if **no one** of the three items listed above for the fully consolidated U.S. **domestic** business enterprise was greater than \$100 million (positive or negative) at the end of, or for, the Reporter's 2003 fiscal year.

The nonbank U.S. Reporter, whether filing a complete or partial BE-11A report, must also complete a Form BE-11B(LF), BE-11B(SF), or BE-11C, as appropriate, for **each** nonexempt foreign affiliate. See *I.B.2 and I.C.*

- 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.**

In rare instances, conditions may exist that cause 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 held, 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 the U.S. Reporter holds an ownership interest in another foreign business enterprise that, in turn, owns the given foreign business enterprise. The U.S. Reporter must sum all direct and indirect lines of ownership interest in the foreign business enterprise to determine its ownership interest. **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 that the U.S. Reporter has 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 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 not 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-12(LF) Benchmark Survey of Foreign Direct Investment in the United States – 2003 (Long Form), should only complete items 1–6, 9–20, and 29–35 of Form BE-11A.

**(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.

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

Form Types	Requirements	Ownership percent	U.S. Dollar Amount (Exemption level items*)
BE-11B Report for majority-owned foreign affiliate	(LF)	> 50%	At least one of the three items* is greater than \$100 million (+ or -).
	(SF)	> 50%	At least one of the three items* is greater than \$30 million (+ or -), but no item is greater than \$100 million (+ or -).
BE-11C Report for minority-owned foreign affiliate		20%–50%	At least one of the three items* is greater than \$30 million (+ or -).

\* Exemption level items – Total assets, sales or gross operating revenues excluding sales taxes, net income (loss) after provision for foreign income taxes.

**Note** – Unless otherwise stated, whenever reference is made to the financial or operating data of a foreign affiliate, such as assets, sales, or net income, the data are to represent 100 percent of the foreign affiliate and not just the portion, if less than 100 percent, owned by the U.S. Reporter(s). Also, do not eliminate an affiliate's receivables due from its parent or from other affiliated persons from the affiliate's total assets when applying the exemption criteria for this report.

**a. Form BE-11B(LF) or (SF)** – Report for majority-owned nonbank 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 \$100 million (positive or negative) at the end of, or for, the affiliate's 2003 fiscal year:

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

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 \$30 million (positive or negative) but for which no one of these items was greater than \$100 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 (a) 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 **any one** of the three items listed in I.B.2.a. above was greater than \$30 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** – Use the following rules to determine which foreign business enterprises may be consolidated into one foreign affiliate report:

**(a) FOREIGN BUSINESS ENTERPRISES LOCATED IN DIFFERENT COUNTRIES MAY NOT, UNDER ANY CIRCUMSTANCES, BE CONSOLIDATED.**

**(b)** Foreign business enterprises located in the same country that are integral parts of the same business operation **may** be consolidated into one affiliate report.

**(c)** Foreign business enterprises located in the same country and in the same BEA 4-digit industry, as defined in the **Guide to Industry and Foreign Trade Classifications for International Surveys**, 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 with the highest percentage of ownership (direct and indirect combined) in the foreign affiliate must file a **complete** form, on which all items have been completed. The other U.S. Reporter(s) must file a **partial** form, on 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 which one will file the complete form. Note, however, that in Part II, Sections B and E, and Part III of Form BE-11B(LF) and Part II, Section B, and Part III of Form BE-11B(SF), data must be reported by transactor. For example, in Part II, Section B, of Form BE-11B(LF), and Part II, Section B, 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** – A foreign affiliate is exempt from being reported if it meets any one of the following criteria:

1. None of its exemption level items exceeds \$30 million (positive or negative).
2. It is less than 20 percent owned, directly and/or indirectly, by all U.S. Reporters of the affiliate combined.
3. Its U.S. parent (U.S. Reporter) is a bank.
4. It is a bank.

Banks are defined as business enterprises classified in International Surveys Industry (ISI) code 5221 or 5229.

Note that a minority-owned affiliate that is owned by more than one U.S. Reporter, 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.

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 2002 that is exempt in 2002 according to C.1. above, and for which you received a pre-printed form, submit the report, and enter the amounts for total assets (in item 49 on the BE-11B(LF), in item 27 on the BE-11B(SF), or in item 11 on the BE-11C); annual sales or gross operating revenues (in item 23 on the BE-11B(LF), in item 23, column (1), on the BE-11B(SF), or in item 12 on the BE-11C); and annual net income (loss) (in item 33 on the BE-11B(LF), in item 22 on the BE-11B(SF), or in item 13 on the BE-11C). If the affiliate is exempt in 2003 according to C.2 above, submit the report and enter the ownership percentages at the close of fiscal year 2003 in items 6, 7, and 8. If **all** of your affiliates are exempt in 2003, submit a "Claim for Not Filing".

## II. DEFINITIONS

**A. 2003 fiscal year** is the U.S. Reporter's or the foreign affiliate's financial reporting year that has an ending date in calendar year 2003. U.S. Reporters or affiliates having a "52/53 week" fiscal year that ended within the first week of January 2004, are considered to have a 2003 fiscal year for purposes of filing this survey, and should report December 31, 2003 as their 2003 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 2003, is deemed to have a fiscal year identical to calendar year 2003. (U.S. Reporters and foreign affiliates that changed the ending date of their financial reporting year in 2003 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 associated groups –

1. Members of the same family,
2. A business enterprise and one or more of its officers or directors,
3. Members of a syndicate or joint venture, or
4. 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.

**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 percent.

**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 percent or more, but the combined direct and indirect ownership interests of all U.S. Reporters of the affiliate is 50 percent 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 percent 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. It has separate financial records 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 from the sale, or it receives funds from customers for its own account for services it performs.

The following characteristics would indicate that the operation or activity is probably **not** a foreign affiliate:

1. It engages only in sales promotion or public relations activities on behalf of the U.S. person.
2. It conducts business abroad only for the U.S. person's account, not for its own account.
3. It has no separate financial records that allow the preparation of financial statements.
4. Its expenses are paid by the U.S. parent.
5. It pays no foreign income taxes.
6. It has limited physical assets or few 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 — 2003. This could be the case if the U.S. business enterprise owns foreign affiliates and is also 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 for any foreign business enterprise it owns or controls, directly or indirectly, at least 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, consider 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), as 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. File a single BE-11B(LF) or (SF) or BE-11C report for the entity in the country of operation 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 considered 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 business operations from, and is located in, the United States, you must file a Form BE-11B to report the equity investment in the affiliate and the affiliate's income. Show country of incorporation as country of location **and report the affiliate as a holding company (ISI code 5512)**. You must report the operating business enterprise located in the United States on the BE-12, Benchmark Survey of Foreign Direct Investment in the United States.

**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.

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** — Follow generally accepted U.S. accounting principles unless otherwise specified. Corporations should generally use the same methods and records that are used to generate reports to stockholders, except where otherwise instructed. Generate reports for unincorporated persons on an equivalent basis.

Financial Accounting Standards Board statements are referred to as "FAS -- (statement number)" in the instructions.

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

**1. Financial statements** — Translate foreign affiliate financial statements, i.e., balance sheets and income statements, not maintained in U.S. dollars from the host country currency to U.S. dollars using FAS 52, as would be required to incorporate foreign statements into the U.S. Reporter's financial statements for reports to shareholders.

**2. Other financial and operating data of foreign affiliate** — According to FAS 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, must be reported. Translate these transactions in a manner 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, provide totals and an estimated breakdown of the totals.

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 III, Section A — Distribution of sales or gross operating revenues by whether the sales were goods, services, or investment income;
- BE-11A, Part IV, — Exports and imports of the U.S. Reporter on a shipped basis;
- BE-11B(LF), Part II, Section B — Distribution of sales or gross operating revenues, by transactor and by whether the sales were goods, services, or investment income;
- BE-11B(LF), Part II, Section E — Composition of external finances by transactor; and
- BE-11B(LF), Part III, and BE-11B(SF), Part III, — Exports and imports of the foreign affiliate on a shipped basis.

Data provided in these sections may be reasonable estimates based upon the informed judgement of persons in the responding organization, sampling techniques, prorations based on related data, etc. The procedures used should be consistently applied from one BEA survey to the next.

- E. Space on form insufficient** — When space on a form is insufficient to permit a full answer to any item, submit the required information on supplementary sheets, appropriately labeled and referenced to the item number and the form.

#### V. U.S. EXPORTS AND IMPORTS OF GOODS

When 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 approximate a "shipped" basis, then BEA will require the data to be refiled.

Differences between the "charged" and "shipped" bases may be substantial. A major difference arises when the U.S. Reporter buys goods in country A and sells them in country B, but the goods are shipped directly from country A to country B. Because the goods did not physically enter or leave the United States, they are not U.S. trade. However, when the U.S. Reporter records the transactions on its books, it shows a purchase charged to it from country A and a sale charged by it to country B. If the U.S. Reporter's trade data in this survey were prepared on the "charged" basis, the purchase and sale would appear incorrectly as a U.S. import and a U.S. export, respectively. Other differences arise when the U.S. Reporter charges the sale of its products to a foreign affiliate in one country, but ships the goods directly from the United States to an unaffiliated foreigner in another country. If the data are on the "shipped" basis, this is a U.S. export to an unaffiliated foreigner, not to the foreign affiliate and should not be recorded on the BE-11B of the foreign affiliate.

If a material difference exists between the "charged" and "shipped" bases, trade must be reported on the "shipped" basis. To do this, 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.



Exclude from exports and imports the value of 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 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).

**A. Timing.** Only include goods actually shipped between the United States and the affiliate during FY 2003 regardless of when the goods were charged or consigned. For example, include goods shipped by the U.S. Reporter to the affiliate in FY 2003 that were charged or consigned in FY 2004 but exclude goods shipped to the affiliate in FY 2002 that were charged or consigned to the affiliate in FY 2003.

**B. Trade of the U.S. Reporter.** Goods shipped by, or to, the U.S. Reporter, whether or not actually charged or consigned by, or to, the U.S. Reporter, are considered to be trade of the U.S. Reporter.

**C. Trade of a foreign affiliate.** Goods shipped by, or to, a foreign affiliate, whether or not actually charged or consigned by, or to, the foreign affiliate are considered to be trade of the foreign affiliate.

**D. By (or to) whom goods were shipped.** Shipment by, or to, an entity refers to the physical movement of goods to or from the U.S. customs area by, or to, that entity regardless of by, or to whom the goods were charged or consigned. Thus, for example, 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. exports shipped by the U.S. Reporter on the Form BE-11B(LF), (SF) or BE-11C, of the Italian affiliate, but 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 a U.S. export shipped by "other U.S. persons," not by the U.S. Reporter, on the affiliate's Form BE-11B(LF), (SF) or BE-11C.

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

**E. Valuation of exports and imports.** Value U.S. exports and imports f.a.s. (free alongside ship) at the port of exportation. This includes all costs incurred up to the point of loading the goods aboard the export carrier at the U.S. or 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. and foreign import duties, and freight and insurance from the port of exportation to the port of entry.

## VI. 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 28, 2004.

**B. Extensions** — For the timely dissemination of the survey results, it is important that your report be filed by the due date. However, 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, or e-mail BEA at [be10/11@bea.gov](mailto:be10/11@bea.gov).

**D. Number of copies** — File a single original copy of the report 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 at least 3 years after the report's original due date.

**E. Where to send the report** — Send reports filed by mail through the U.S. Postal Service to:

U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-69(A)  
Washington, DC 20230

Send reports filed by direct private delivery 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. 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).

**G. Annual stockholders' report and Form 10K** —

Business enterprises issuing annual reports to stockholders and completing Securities and Exchange Commission's Form-10K should furnish copies of these reports for FY 2003 when filing the BE-11 report.



## 2003 BE-11 ORDER FORM

To obtain additional copies of BE-11 forms and instructions, go to BEA's website at [www.bea.gov](http://www.bea.gov) or complete this order form and return it to BEA. See the instructions in the box at the bottom to access the forms from the BEA website.

*Enter the quantity of each item you require:*

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

<i>PLEASE COMPLETE BELOW</i>	
Name of U.S. Reporter	
Attention:	
Street Address	
City, State, ZIP Code	
<b>RETURN TO</b>	U.S. Department of Commerce Bureau of Economic Analysis, BE-69(A) Washington, DC 20230

Telephone: 202-606-5566  
 FAX: 202-606-5312/7  
 E-mail: [be10/11@bea.gov](mailto:be10/11@bea.gov)  
 Visit our website: [www.bea.gov](http://www.bea.gov)  
 Click International – More – For Survey Respondents –  
 U.S. Direct Investment Abroad –  
 2003 Annual Survey of U.S. Direct Investment Abroad – to download  
 and print survey forms.



FORM **BE-11A (Report for Nonbank U.S. Reporter)**  
(REV. 11/2003)

U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS

**MANDATORY — CONFIDENTIAL**  
**ANNUAL SURVEY OF U.S. DIRECT INVESTMENT ABROAD — 2003**

<p><b>MAIL REPORTS TO:</b> U.S. Department of Commerce Bureau of Economic Analysis BE-69(A) Washington, DC 20230</p> <p style="text-align: center;"><b>OR</b></p> <p><b>DELIVER REPORTS TO:</b> U.S. Department of Commerce Bureau of Economic Analysis BE-69(A) Shipping and Receiving, Section M-100 1441 L Street, NW Washington, DC 20005</p>	<p><b>1. Name and address of U.S. Reporter</b></p>
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**IMPORTANT**

Please review the **Instruction Booklet**, which contains definitions and reporting requirements, before completing this form. **"Additional" Instructions** specific to line items and **"Special" Instructions** for dealers in financial instruments and finance, insurance, and real estate companies are provided at the back of this form.

- **Who must report** — Form BE-11A must be filed by each nonbank U.S. person that has a foreign affiliate reportable in this survey. Data on Form BE-11A pertain to the fully consolidated U.S. domestic business enterprise. **DO NOT FULLY CONSOLIDATE OPERATIONS OF FOREIGN AFFILIATES ON FORM BE-11A.** Report data pertaining to the operations of foreign affiliates on Forms BE-11B(LF), BE-11B(SF), or BE-11C. See **Instruction Booklet**, Part I, for detailed reporting requirements.
- **U.S. Reporter's 2003 fiscal year** — The U.S. Reporter's financial reporting year that has an ending date in calendar year 2003. See **Instruction Booklet**, Part II.A.
- **Due date** — A completed BE-11 report is due May 28, 2004.

Bil.	Mil.	Thous.	Dols.
	1	335	

- **Currency amounts** — Report 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

If an item is between + or - \$500.00, enter "0." Use parenthesis ( ) to indicate negative numbers.

- **Contact us for help** — Telephone: 202-606-5566; FAX: 202-606-5312 or -5317; E-mail: be10/11@bea.gov.

Public reporting burden for this BE-11 report (comprising Form BE-11A and Form(s) BE-11B(LF), BE-11B(SF) and/or BE-11C) is estimated to vary from 4 to 3,000 hours per response, with an average of 68.4 hours per response. This burden includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Management and Budget, Paperwork Reduction Project 0608-0053, Washington, DC 20503.

**MANDATORY** ▶ This survey is being conducted under the International Investment and Trade in Services Survey Act (P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3101-3108, as amended - hereinafter "the Act"), and the filing of reports is mandatory under Section 5(b)(2) of the Act (22 U.S.C. 3104).

**CONFIDENTIALITY** ▶ The Act provides that your report to this Bureau is CONFIDENTIAL and may be used only for analytical or statistical purposes. Without your prior written permission, the information filed in your report CANNOT be presented in a manner that allows it to be individually identified. Your report CANNOT be used for purposes of taxation, investigation, or regulation. Copies retained in your files are immune from legal process.

**PENALTIES** ▶ Whoever fails to report shall 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 violations, upon conviction, may be punished by a like fine, imprisonment or both. (22 U.S.C. 3105)

Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number.

**PERSON TO CONSULT CONCERNING QUESTIONS ABOUT THIS REPORT**

Name and title			
Address			
Telephone	Area code	Number	Extension
FAX Number			
E-mail Address			

**CERTIFICATION** — The undersigned official certifies that this report (consisting of Form BE-11A and Form(s) BE-11B(LF), BE-11B(SF), and/or BE-11C) has been prepared in accordance with the applicable instructions, is complete, and is substantially accurate except that, in accordance with Part IV.D. of the **Instruction Booklet**, estimates have been provided where data are not available from customary accounting records or precise data could not be obtained without undue burden.

Authorized official's signature	Date		
Print or type name and title			
Telephone	Area code	Number	Extension
FAX Number			



**Part I – IDENTIFICATION OF U.S. REPORTER**

See *Additional Instructions* for Part I on page 6 at the back of this form.

**2. If the U.S. Reporter is a corporation, is the corporation owned to the extent of more than 50% of its voting stock by another U.S. business enterprise?**

- 1003  **1**  Yes — Complete the "BE-11, CLAIM FOR NOT FILING." On the claim, mark (X) box number B.3 and enter the name and address of U.S. business enterprise with whose data your data will be consolidated in accordance with the definition of fully consolidated U.S. domestic business enterprise. (See *Instruction Booklet*, Part I.B.1.b.) Submit the claim to BEA and forward the remainder of the BE-11 survey packet to the U.S. business enterprise with whose data your data will be consolidated. If this cannot be done, please contact us for further instructions.
- 2**  No — Complete the remainder of this form.

**3. Employer Identification Number(s) used by U.S. Reporter to file income and payroll taxes. Show additional numbers on a separate sheet if necessary.**

1004 

1																				
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2																				
---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**4. The number of foreign affiliate reports (Form BE-11B(LF), BE-11B(SF), and BE-11C) that you are required to file.**

1005 **1** \_\_\_\_\_ Number of foreign affiliate BE-11B(LF) and BE-11B(SF) reports submitted.

**2** \_\_\_\_\_ Number of foreign affiliate BE-11C reports submitted.

**5. The ending date of this U.S. Reporter's 2003 fiscal year.**

1006 

Month	Day	Year
1		2003

**6. Is the U.S. Reporter named in item 1 a U.S. affiliate of a foreign person and required to file a Form BE-15(LF), Annual Survey of Foreign Direct Investment in the United States — 2003 (Long Form)?**

- 1010  **1**  Yes — Complete **only** items 9 through 20, and 29 through 35 on the remainder of this BE-11A form. Also complete BE-11B/C form(s), as required.
- 2**  No — Continue with item 7 (Major activity of fully consolidated domestic U.S. Reporter).

**7. Major activity of fully consolidated domestic U.S. Reporter — Mark (X) one.**

A list, and 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 U.S. Reporter, base the activity on its last active period.

- 1013  **1**  **Production of goods** — The U.S. Reporter is primarily engaged in construction, mining or extracting (including exploration and development), manufacturing, fabricating, assembling, processing, or growing a good. These activities are coded in 1110 through 1140, 2111 through 2127, 2330 through 2350, and 3111 through 3399 of the list of ISI codes.
- 2**  **Sales of goods** — The U.S. Reporter is primarily engaged in selling (at wholesale or retail) goods that it does not produce. These activities are coded in 4211 through 4540 of the list of ISI codes.
- 3**  **Services** — The U.S. Reporter is primarily engaged in providing a service such as utilities, transportation and warehousing; information (including newspaper, periodical, book, and database publishers, and software publishers), finance and insurance; professional, scientific, and technical services; holding companies; administrative and support, waste management and remediation; accommodations and food services (including restaurants, and eating places), etc. These activities are coded in 1150, 2132, 2133, 2211 through 2213, and 4810 through 8130 of the list of ISI codes.

**8. What is the MAJOR product or service involved in this activity? If a product, briefly state what is done to it, i.e., whether it is mined, manufactured, sold at wholesale, packaged, transported, etc. (For example, "Manufacture widgets to sell at wholesale.") — Please print.**

1014 \_\_\_\_\_

Remarks



**Part I – IDENTIFICATION OF U.S. REPORTER — Continued**

Sales or gross operating revenues of fully consolidated domestic U.S. Reporter, by industry of sales or gross operating revenues. Enter in columns (1) and (2) respectively, the 4-digit ISI code(s) and the amount of sales or gross operating revenues associated with each code. For an inactive U.S. Reporter, enter an ISI code based on its last active period. See the <b>Guide to Industry and Foreign Trade Classification for International Surveys</b> for a full explanation of each code. (Holding companies (ISI code 5512) should use total income.)	ISI code (1)	Sales or gross operating revenues (2)			
		Bil.	Mil.	Thous.	Dols.
9. Largest sales or gross operating revenues	1015	2			
10. 2nd largest sales or gross operating revenues	1016	2			
11. 3rd largest sales or gross operating revenues	1017	2			
12. 4th largest sales or gross operating revenues	1018	2			
13. 5th largest sales or gross operating revenues	1019	2			
14. 6th largest sales or gross operating revenues	1020	2			
15. 7th largest sales or gross operating revenues	1021	2			
16. 8th largest sales or gross operating revenues	1022	2			
17. 9th largest sales or gross operating revenues	1023	2			
18. 10th largest sales or gross operating revenues	1024	2			
19. Sales or gross operating revenues not accounted for above	1026	2			
<b>20. TOTAL SALES OR GROSS OPERATING REVENUES —</b> Sum of items 9 through 19. Must equal item 29.	1027	2			
<b>21. BEA USE ONLY</b>	1029	1	2	3	4
<b>22.</b>	1129	1	2	3	4

**23. Are (1) total assets, (2) sales or gross operating revenues, excluding sales taxes and (3) net income (loss), all less than or equal to \$100 million at the end of, or for, the U.S. Reporter's 2002 fiscal year?**

1028  1  Yes — Complete Part II **and** Part IV on the remainder of this Form BE-11A.  
 2  No — Complete Part III **and** Part IV on the remainder of this Form BE-11A.

**Part II – SELECTED FINANCIAL AND OPERATING DATA OF U.S. REPORTER**  
Complete ONLY if the answer to item 23 is "Yes."

	Amount				
		Bil.	Mil.	Thous.	Dols.
24. Net income (loss)	2031	\$			
25. Total assets	2032	1			
26. Total liabilities	2033	1			
27. Total number of employees — Report the total number of employees for the year. (See Part III, Section C, page 5, for explanation of "number of employees.")	2030	Number of employees			
28. BEA USE ONLY	2036	1			

**IMPORTANT** ▶ If the answer to item 23 is "Yes" and you completed Part II, complete Part IV on the remainder of this form; do not complete Part III of this form.



**Part III — FINANCIAL AND OPERATING DATA OF U.S. REPORTER**  
 See *Additional Instructions for Part III* on page 6 at the back of this form.

Dealers in financial instruments and finance, insurance, and real estate companies see **Special Instructions** on page 6.

**Section A — Distribution of Sales or Gross Operating Revenues**

Distribute sales or gross operating revenues among three categories — sales of goods, sales of services, and investment income. For the purpose of this distribution, "goods" are economic outputs that are tangible and "services" are outputs that are intangible. Sales of goods are usually associated with industry codes 1110 through 1140, 2111 through 2127, and 2330 through 4540. Report sales of structures as goods when sold by a real estate firm (code 5310). Sales of services are usually associated with industry codes 1150, 2132 through 2213, and 4810 through 8130. Some companies, such as finance and insurance companies (industry codes 5223, 5224, 5231 through 5252, and 5331), include services (e.g., commissions and premiums) and investment income (e.g., interest and dividends) in gross operating revenues. Allocate sales for such companies between their services and investment income components on lines 34 and 35. The disaggregation of sales by industry in this section should be consistent with that used in items 9 through 18. (Insurance companies also see **Special Instructions**, B.2.a., c., and d., page 6.)

					Amount					
					Bill.	Mil.	Thous.	Dols.		
<b>29. Sales or gross operating revenues</b> — Gross sales minus returns, allowances, and discounts, or gross operating revenues, both exclusive of sales or consumption taxes levied directly on the consumer and excise taxes levied on manufacturers, wholesalers, and retailers. — <b>Equals the sum of items 30, 31, and 32 and the sum of items 33, 34, and 35.</b>					3147	\$				
<b>• BY TRANSACTOR</b>										
<b>30.</b>	Sales to U.S. persons				3101					
<b>31.</b>	Sales to foreign affiliates of this U.S. Reporter				3102					
<b>32.</b>	Sales to other foreign persons				3103					
<b>• BY TYPE</b>										
<b>33.</b>	Sales of goods				3148					
<b>34.</b>	Sales of services				3149					
<b>35.</b>	Investment income				3150					
<b>Section B — Net Income, Realized and Unrealized Gains (Losses), Taxes, and Interest</b>										
<b>36. Net income (loss)</b> — After provision for U.S. income taxes. Also include: a. Income from equity investments in unconsolidated business enterprises (domestic and foreign); for those owned less than 20 percent report dividends. b. Non-operating income and extraordinary items (as defined by GAAP). c. Gains (losses) from the sale or liquidation of foreign affiliates. In accordance with FAS 52, these gains (losses) must be adjusted to include the closing balance in the foreign affiliate's translation adjustment account.					3046					
<b>37. Certain realized and unrealized gains (losses) included in the determination of net income, item 36</b> — Include gains (losses) net of income tax effect resulting from: a. Sale, disposition, or revaluation of investment securities. ( <i>Dealers in financial instruments and finance and insurance companies see <b>Special Instructions</b>, A.1, page 6;</i> ) b. Sale, disposition, or revaluation of land, other property, plant and equipment, or other assets. ( <i>Real estate companies see <b>Special Instructions</b>, A.2, page 6;</i> ) c. Remeasurement of the U.S. Reporter's foreign-currency-denominated assets and liabilities due to changes in foreign exchange rates during the reporting period; d. Extraordinary items (except those resulting from legal judgments, and accidental damage to fixed assets) and other unusual or infrequently occurring items. e. Impairment losses from goodwill and other intangible assets in accordance with FAS 142.					3039					
<b>38. U.S. income taxes</b> — Provision for U.S. Federal, State, and local income taxes. <i>Exclude production royalty payments.</i>					3043					
<b>39. Taxes (other than income and payroll taxes) and nontax payments (other than production royalty payments)</b> — 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 Federal, State, and local governments, their subdivisions and agencies for: a. Sales, consumption, and excise taxes; 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 or accruals of nontax liabilities (except production royalty payments).					3691					
<b>40. Interest received</b> — Interest received by the U.S. Reporter from, or credited to U.S. Reporter by, all payors (including foreign affiliates), net of tax withheld at the source. <i>Do not net against interest paid, item 41.</i>					3685					
<b>41. Interest paid</b> — Interest paid, or credited, to all payees (including foreign affiliates) by the U.S. Reporter, gross of tax withheld. <i>Do not net against interest received, item 40.</i>					3686					
<b>42. BEA USE ONLY</b>	1	2	3	4	5					
3692										

Remarks



**Part III – FINANCIAL AND OPERATING DATA OF U.S. REPORTER – Continued**  
 See Additional Instructions for Part III on page 6 at the back of this form.

**Section C – Number of Employees and Employee Compensation**

**NUMBER OF EMPLOYEES** — Employees on the payroll at the end of FY 2003, including part-time employees, but excluding temporary and contract employees not included on your payroll records. A count taken at some other date during the reporting period may be given provided it is a reasonable estimate of employees on the payroll at the end of FY 2003. If the number of employees at the end of FY 2003 (or when the count was taken) was unusually high or low due to temporary factors (e.g., a strike), enter the number of employees that reflects normal operations. If the number of employees fluctuates widely during the year due to seasonal business variations, report the average number of employees on the payroll during FY 2003. Base such an average on the number of employees on the payroll at the end of each pay period, month or quarter. If precise figures are not available, give your best estimate.

**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 including those mandated by government statute, such as the employer's share of Social Security taxes. Base compensation data on payroll records. Report compensation which relates to activities that occurred during the reporting period regardless of whether the 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.

		Number of employees			
43. Total number of employees — Report the total number of employees for the year.		3253			
44. Total employee compensation — Report, for all employees, the sum of		Amount			
a. Wages and salaries — Employees' gross earnings (before payroll deductions), and direct and in-kind payments by the employer to employees; and		Bil. Mil. Thous.  Dols.			
b. Employee benefit plans — Employer expenditures for all employee benefit plans.		3256 \$			
<b>Section D – Balance Sheet Items</b>		Balance at close of fiscal year			
<b>NOTE</b> — Do not fully consolidate your foreign operations. Include investment in foreign affiliates, including branches, on either a cost or equity basis.		Bil. Mil. Thous.  Dols.			
45. Total assets		3366 \$			
46. Total liabilities		3370			
47. Total owners' equity		3371			
<b>Section E – Property, Plant, and Equipment (PP&amp;E) Expenditures</b>		Amount			
PP&E includes land, timber, mineral 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, but excludes other types of intangible assets, and land held for resale. (Insurance companies see <b>Special Instructions</b> , B.2.e., page 6).		Bil. Mil. Thous.  Dols.			
48. Expenditures for new and used property, plant, equipment (PP&E)		3577 \$			
<b>Section F – Research and Development (R&amp;D) Expenditures</b>		Amount			
Include all costs incurred in performing R&D, including depreciation, amortization, wages and salaries, taxes, materials and supplies, allocated overhead, and indirect costs.		Bil. Mil. Thous.  Dols.			
49. R&D performed by this U.S. Reporter — All R&D performed by this U.S. Reporter, whether for its own account or for others. Include the cost of R&D performed by this U.S. Reporter and allocated to its foreign affiliates. (DO NOT report such allocated R&D costs on Form BE-11B(LF), item 71, or Form BE-11B(SF), item 32.) Also, include R&D financed by the Federal Government. Exclude the cost of any R&D funded by the Reporter but performed by others.		3793 \$			
50. BEA USE ONLY	1	2	3	4	5
3800					

**Part IV – EXPORTS AND IMPORTS BY THE U.S. REPORTER**  
 Goods only valued f.a.s. at port of exportation; do not include services

**IMPORTANT NOTES**

This section requires the reporting of exports and imports of goods by the U.S. Reporter in FY 2003. Report data on a "shipped" basis, i.e., on the basis of when and to (or by) whom the goods were shipped. This is the same basis as official U.S. trade statistics to which these data will be compared. Do not record a U.S. import or export if the goods did not physically enter or leave (i.e., were not physically shipped to or from) the United States, even if they were charged to the U.S. Reporter by, or charged by the U.S. Reporter to, a foreign person.

U.S. Reporters 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, the "shipped" basis must be used or adjustments made to data on a "charged" basis to approximate a "shipped" basis, as discussed in the **Instruction Booklet**, Part V. Data in this section cover all goods that physically left or entered the U.S. customs area in FY 2003, 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 goods. 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.

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

4101  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.

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 BY THIS U.S. REPORTER (Value f.a.s. U.S. port)	<b>TOTAL</b>				Shipped to its foreign affiliates				Shipped to other foreigners			
	(1)				(2)				(3)			
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
52. Total goods shipped in FY 2003 by this U.S. Reporter to foreigners	1				2				3			
4102	\$				\$				\$			
• IMPORTS BY THIS U.S. REPORTER (Value f.a.s. foreign port)	<b>TOTAL</b>				Shipped by its foreign affiliates				Shipped by other foreigners			
	(1)				(2)				(3)			
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
53. Total goods shipped in FY 2003 to this U.S. Reporter by foreigners	1				2				3			
4103	\$				\$				\$			



ANNUAL SURVEY OF U.S. DIRECT INVESTMENT ABROAD — 2003  
FORM BE-11A

ADDITIONAL INSTRUCTIONS BY LINE ITEM

Part I — IDENTIFICATION OF U.S. REPORTER

9.—19.

**Sales or gross operating revenues of fully consolidated domestic U.S. Reporter by industry of sales or gross operating revenues.** (Dealers in financial instruments and finance, insurance, and real estate companies see **Special Instructions**. Also see *Additional Instructions* item 29.)

**Holding companies** — Holding companies (ISI code 5512) must show total income. A conglomerate must determine its 4-digit ISI code(s) based on the activities of the fully consolidated U.S. domestic business enterprise. The "holding company" classification is often an invalid classification for a conglomerate. Please call BEA for further assistance before using code 5512.

Part III — FINANCIAL AND OPERATING DATA OF U.S. REPORTER

• **Section A — Distribution of Sales or Gross Operating Revenues (Items 29—35)**

Distribute sales consistent with the industry codes reported in column (1) of items 9—18. When a sale consists of both goods and services and cannot be unbundled (i.e., the goods and services are not separately billed), classify it as a good or service based on whichever accounts for a majority of the value. If actual figures are not available, give best estimates.

**29. Sales or gross operating revenues, excluding sales taxes** — Report gross operating revenues or gross sales minus returns, allowances, and discounts. Exclude sales or consumption taxes levied directly on the consumer. Exclude net value-added taxes and excise taxes levied on manufacturers, wholesalers, and retailers. Companies with ISI codes 5223, 5224, 5231, 5238, 5252 and 5331 should include interest income on this line. Insurance companies with ISI codes 5243 and 5249 should include gross investment income on this line. (Dealers in financial instruments and finance, insurance, and real estate companies see **Special Instructions**.)

• **Section C — Number of Employees and Employee Compensation**

**44. Wages and salaries** — Report gross earnings of all employees before deduction of employees' payroll withholding taxes, social insurance contributions, group insurance premiums, union dues, etc. Include time and piece rate payments, cost of living adjustments, overtime pay and shift differentials, bonuses, profit sharing amounts, and commissions. Exclude commissions paid to independent personnel who are not employees.

Include direct payments by employers for vacations, sick leave, severance (redundancy) pay, etc. Exclude payments made by, or on behalf of, benefit funds rather than by the employer. (Include employer contributions to benefit funds in "employee benefit plans.")

Include in-kind payments, valued at their cost, that are clearly and primarily of benefit to the employees as consumers. Do not include expenditures that benefit employers as well as employees, such as expenditures for plant facilities, employee training programs, and reimbursement of business expenses.

**Employee benefit plans** — Report employer expenditures for all employee benefit plans, including those mandated by government statute, those resulting from collective bargaining contracts, and those that are voluntary. Include Social Security and other retirement plans, life and disability insurance, guaranteed sick leave, workers' compensation insurance, medical insurance, family allowances, unemployment insurance, severance pay, etc. Also, include deferred postemployment and post retirement expenses per FAS 106. If plans are financed jointly by the employer and the employee, include only the contributions of the employer.

• **Section E — Property, Plant, and Equipment (PP&E)**

**48. Expenditures for property, plant, and equipment (PP&E)** — Include items leased from others (including land) under capital leases. Also include the capitalized value of timber, mineral, and similar rights leased by the U.S. Reporter from others. Do not include items the U.S. Reporter has sold under a capital lease.

Exclude from expenditures all changes in PP&E, resulting from a change in the entity (e.g., due to mergers, acquisitions, divestitures, etc.) or accounting principles during FY 2003.

**For U.S. Reporters engaged in exploring for, or developing, natural resources**, include exploration and development expenditures made during FY 2003 that were capitalized, including capitalized expenditures to acquire or lease mineral rights. Do not include adjustments for expenditures charged against income in prior years but subsequently capitalized during FY 2003.

• **Section F — Research and Development Expenditures**

**49. R&D performed by the U.S. Reporter** — Research and development (R&D) includes basic and applied research in science and engineering, and the design and development of prototypes and processes, if the purpose of such activity is to:

1. Pursue a planned search for new knowledge whether or not the search has reference to a specific application;
2. Apply existing knowledge to the creation of a new product or process, including evaluation of use; or
3. Apply existing knowledge to the employment of a present product or process.

R&D includes the activities described above, whether assigned to separate R&D organizational units of the company or conducted by company laboratories and technical groups that are not a part of a separate R&D organization.

Include all costs incurred to support R&D, including R&D depreciation and overhead. Exclude capital expenditures, routine product testing and quality control conducted during commercial production, geological and geophysical exploration, market research and surveys, and legal work pertaining to patents.

**SPECIAL INSTRUCTIONS FOR DEALERS IN FINANCIAL INSTRUMENTS, FINANCE COMPANIES, INSURANCE COMPANIES AND REAL ESTATE COMPANIES**

**A. Certain realized and unrealized gains (losses) for dealers in financial instruments and finance, insurance, and real estate companies.**

**1. Dealers in financial instruments (including securities, currencies, derivatives, and other financial instruments) and finance and insurance companies** — Include in item 37 (1) impairment losses, (2) realized gains or losses on trading or dealing, and (3) unrealized gains or losses due to changes in the valuation of financial instruments that flow through the income statement. **Do not include** in item 37 unrealized gains or losses due to changes in the valuation of financial instruments that are taken directly to retained earnings. (Report income attributable to fees or commissions in items 20 and 29.)

**2. Real estate companies**

Gains or losses from the sale, disposition, or revaluation of land, other property, plant and equipment, or other assets:

Realized gains and losses

Include gains or losses from the sale of real estate in the ordinary course of trade or business in item 20 and 29.

Impairment of long-lived assets

Include impairment losses, as defined by FAS 121, recognized during the period in item 37.

Unrealized gains

Include gains recognized due to the revaluation of real estate assets in item 47. Do not include these unrealized gains in item 37.

**B. Special instructions for insurance companies**

**1.** When there is a difference between the financial and operating data reported to stockholders and the data reported in the annual statement to an insurance department, prepare the BE-11 on the same basis as in the annual report to the stockholders. Valuation should be according to normal commercial accounting procedures, not at 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. Include mandatory securities valuation reserves that are appropriations of retained earnings in the owners' equity section of the balance sheet, not in the liability section.

**2. Instructions for reporting specific items**

**a. Sales or gross operating revenues, excluding sales taxes (item 29)** — Include items such as earned premiums, annuity considerations, gross investment income, and items of a similar nature. Exclude income from equity investments in unconsolidated business enterprises and exclude certain realized and unrealized gains or losses that are to be reported in item 37.

**b. Certain realized and unrealized gains (losses) (item 37)** See **Special Instruction A.1.**

**c. Sales of services (item 34)** — Include premium income and income from other services, if any.

**d. Investment income (item 35)** — Report that portion of sales or gross operating revenues that is investment income. However, report any gains or losses on investments in accordance with **Special Instruction A.1.**

**e. Expenditures for property, plant, and equipment (item 48)** — Include expenditures wherever classified in the balance sheet.



FORM **BE-11B(LF) (Long Form) (Report for Majority-Owned Foreign Affiliate)**  
(REV. 11/2003)

U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS

**MANDATORY — CONFIDENTIAL**

**ANNUAL SURVEY OF U.S. DIRECT INVESTMENT ABROAD — 2003**

<b>MAIL REPORTS TO:</b> U.S. Department of Commerce Bureau of Economic Analysis BE-69(A) Washington, DC 20230  <b>OR</b> <b>DELIVER REPORTS TO:</b> U.S. Department of Commerce Bureau of Economic Analysis BE-69(A) Shipping and Receiving, Section M-100 1441 L Street, NW Washington, DC 20005	1. Name of U.S. Reporter of foreign affiliate — <i>Same as item 1, Form BE-11A</i>
	2. Name of foreign affiliate being reported — <i>Use the same name on all reports filed subsequently for this affiliate with the Bureau of Economic Analysis, e.g., Form BE-577.</i>

**IMPORTANT**

Please review the **Instruction Booklet**, which contains definitions and reporting requirements, before completing this form. **"Additional" Instructions** specific to line items and **"Special" Instructions** for dealers in financial instruments and finance, insurance, and real estate companies are provided at the back of this form.

- Who must report** — The U.S. Reporter must file Form BE-11B(LF) 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 taxes was greater than \$100 million (positive or negative) at the end of or for the affiliate's 2003 fiscal year. See **Instruction Booklet**, Part I, for detailed reporting requirements.
- Foreign affiliate's 2003 fiscal year** — The foreign affiliate's financial reporting year that has an ending date in calendar year 2003. See **Instruction Booklet**, Part II.A.
- Due date** — A complete BE-11 report (consisting of Form BE-11A and Form(s) BE-11B(LF), BE-11B(SF), and/or BE-11C) is due May 28, 2004.
- Translation of foreign currency financial and operating data into U.S. dollars** — Use U.S. generally accepted accounting principles (FAS 52). See **Instruction Booklet**, Part IV.B.
- Currency amounts** — Report 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	

  
If an item is between + or - \$500.00, enter "0." Use parenthesis () to indicate negative numbers.
- Contact us for help** — Telephone: 202-606-5566; FAX: 202-606-5312 or -5317; E-mail: be10/11@bea.gov.

**Part I — IDENTIFICATION OF MAJORITY-OWNED FOREIGN AFFILIATE**  
*See Additional Instructions for Part I on page 6 at the back of this form.*

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

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

**4. The ending date of this foreign affiliate's 2003 fiscal year.**

	Month	Day	Year
1009	1		2003

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

1010  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?  
 **1 2**  No

} Enter date → 

Month	Year
3	

Ownership interest in this Foreign Affiliate by U.S. Reporter named in item 1	Percent of ownership at close of fiscal year 2003	
	Equity interest (1)	Voting interest (2)
<b>6. Direct ownership interest held by U.S. Reporter named in item 1</b> <span style="float: right;">1012</span>	%	%
<b>7. Indirect ownership interest held through U.S. Reporter's other foreign affiliates</b> — See <b>Instruction Booklet</b> , Part I.B.1.c., on how to calculate indirect ownership interest. (If entry is made here, complete item 9.) <span style="float: right;">1019</span>		%
<b>8. Total ownership interests of U.S. Reporter — Sum of items 6 and 7</b> <span style="float: right;">1050</span>		%



Part I — IDENTIFICATION OF MAJORITY-OWNED FOREIGN AFFILIATE — Continued

**9. Identification of foreign affiliate parent(s)** — If there is an entry in item 7, column (2) — 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. Also, for each foreign affiliate in column (a) that is below the first tier in its ownership chain, enter in column (c) the name of the foreign affiliate that holds a direct ownership interest in it.

Foreign affiliate holding direct ownership interest in this foreign affiliate			Name of foreign affiliate, if any, in ownership chain that holds direct interest in foreign affiliate named in column (a)  (c)
Name and ID Number <i>Enter name and BEA ID Number of foreign affiliate(s) holding a direct ownership interest in this foreign affiliate.</i>  (a)	BEA USE ONLY	Percent direct ownership in this foreign affiliate  Close FY 2003 (b)	
a. 1191	1	2 %	
b. 1192	1	2 %	
c. 1193	1	2 %	
d. TOTAL	1020	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

**11. Major activity of foreign affiliate — Mark (X) one**  
 A list, and explanation, of the International Surveys Industry (ISI) codes used below are given in the **Guide to Industry and Foreign Trade Classifications for International Surveys**. A list of ISI codes is also provided on pages 8 and 9 of this form. For an inactive foreign affiliate, base the activity on its last active period. For "start-up" companies, show the intended activity.

1028  **1**  **Production of goods** — The foreign affiliate is primarily engaged in construction, mining or extracting (including exploration and development), manufacturing, fabricating, assembling, processing, or growing a good. These activities are coded in 1110 through 1140, 2111 through 2127, 2330 through 2350, and 3111 through 3399 of the list of ISI codes.

**2**  **Sales of goods** — The foreign affiliate is primarily engaged in selling (at wholesale or retail) goods that it does not produce. These activities are coded in 4211 through 4540 of the list of ISI codes.

**3**  **Services** — The foreign affiliate is primarily engaged in providing a service such as utilities, transportation and warehousing; information (including newspaper, periodical, book, and database publishers, and software publishers), finance and insurance; professional, scientific, and technical services; holding companies; administrative and support, waste management and remediation; accommodations and food services (including restaurants, and eating places), etc. These activities are coded in 1150, 2132, 2133, 2211 through 2213, and 4810 through 8130 of the list of ISI codes.

**12. What is the MAJOR product or service involved in this activity?** If a product, briefly state what is done to it, i.e., whether it is mined, manufactured, sold at wholesale, packaged, transported, etc. (For example, "Manufacture widgets to sell at wholesale.")

1029

Sales or gross operating revenues of foreign affiliate, by industry of sales or gross operating revenues. Enter in columns (1) and (2) respectively, the 4-digit ISI code(s) and the amount of sales or gross operating revenues associated with each code. For an inactive affiliate enter a 4-digit ISI code based on its last active period. See the <b>Guide to Industry and Foreign Trade Classifications for International Surveys</b> for a full explanation of each code. (Holding companies (ISI code 5512) must show total income as reported in item 28.)	ISI code  (1)	Sales or gross operating revenues  (2)			
		Bil.	Mil.	Thous.	Dols.
13. Largest sales or gross operating revenues	1030	2	\$		
14. 2nd largest sales or gross operating revenues	1031	2			
15. 3rd largest sales or gross operating revenues	1032	2			
16. 4th largest sales or gross operating revenues	1033	2			
17. 5th largest sales or gross operating revenues	1034	2			
18. 6th largest sales or gross operating revenues	1035	2			
19. 7th largest sales or gross operating revenues	1036	2			
20. Sales or gross operating revenues not accounted for above	1037	2			
21. TOTAL SALES OR GROSS OPERATING REVENUES — Sum of items 13 through 20	1038	2	\$		

22. BEA USE ONLY	1	2	3	4	5
1039					



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

Section A — Income Statement — See Additional Instructions for Part II, Section A, on page 6 at the back of this form.	Amount			
	Bil.	Mil.	Thous.	Dols.
<b>• INCOME</b>				
<b>23. Sales or gross operating revenues, excluding sales taxes</b> — Must equal item 34, column (1). (Dealers in financial instruments see <b>Special Instructions</b> , A.1., page 8; insurance companies see <b>Special Instructions</b> , B.3.a., page 8.)				
	2041	\$		
<b>24. Income from equity investments in foreign affiliates</b> — For foreign affiliates owned 20 percent or more (including those that are majority-owned), report equity in earnings during the reporting period; for those owned less than 20 percent, report dividends. Do not include interest income.				
	2042			
<b>25. Income from other equity investments</b>				
	2043			
<b>26. Certain realized and unrealized gains (losses)</b> — Include gains (losses) net of income tax effects resulting from:				
a. Sale, disposition, or revaluation of investment securities (Dealers in financial instruments and finance and insurance companies see <b>Special Instructions</b> , A.1., page 8);				
b. Sale, disposition, or revaluation of land, other property, plant and equipment, or other assets. (Real estate companies see <b>Special Instructions</b> , A.2., page 8);				
c. Remeasurement of the U.S. Reporter's foreign-currency-denominated assets and liabilities due to changes in foreign exchange rates during the reporting period;				
d. Extraordinary items (except those resulting from legal judgments and accidental damage to fixed assets) and other unusual or infrequently occurring items;				
e. Impairment losses from goodwill and other intangible assets in accordance with FAS 142.				
	2044			
<b>27. Other income</b> — Specify				
	2045			
<b>28. TOTAL INCOME</b> — Sum of items 23 through 27	2046	\$		
<b>• COSTS AND EXPENSES</b>				
<b>29. Cost of goods sold or services rendered and selling, general, and administrative expenses</b> — (Insurance companies see <b>Special Instructions</b> , B.3.c., page 8)				
	2047			
<b>30. Foreign income taxes</b> — Provision for foreign income taxes for FY 2003				
	2048			
<b>31. Other costs and expenses not included above, including minority interests in income (loss) that arise out of consolidation</b> — Specify				
	2049			
<b>32. TOTAL COSTS AND EXPENSES</b> — Sum of items 29 through 31	2050	\$		
<b>• NET INCOME</b>				
<b>33. NET INCOME (LOSS)</b> — Item 28 minus item 32	2051	\$		

**Section B — Distribution of Sales or Gross Operating Revenues** — See Additional Instructions for Part II, Section B, on page 7 at the back of this form.

Distribute the foreign affiliate's sales or gross operating revenues among three categories — sales of goods, sales of services, and investment income. For the purpose of this distribution, "goods" are economic outputs that are tangible and "services" are outputs that are intangible. Sales of goods are usually associated with industry codes 1110 through 1140, 2111 through 2127, and 2330 through 4540. Report sales of structures as goods when sold by a real estate firm (code 5310). Sales of services are usually associated with industry codes 1150, 2132 through 2213, and 4810 through 8130. Some companies such as finance and insurance companies (industry codes 5223, 5224, 5231 through 5252, and 5331) include services (e.g., commissions and premiums) and investment income (e.g., interest and dividends) in gross operating revenues. Allocate sales in these industries between their services and investment income components on lines 36 and 37. The disaggregation of sales by industry in this section should be consistent with that used in items 13 through 20. (Insurance companies also see **Special Instructions**, B.3.d. and e., page 8.)

34. Sales or gross operating revenues, excluding sales taxes	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
		(2)	(3)	(4)	(5)	(6)	(7)
a. Column (1) equals item 23.	(1)						
b. Each column of line 34 equals the sum of items 35, 36 and 37.	Bil. Mil. Thous. Dols.						
	1	2	3	4	5	6	7
	2052	\$	\$	\$	\$	\$	\$
<b>• BY TYPE</b>							
<b>35. Sales of goods</b>	1	2	3	4	5	6	7
	2053						
<b>36. Sales of services</b>	1	2	3	4	5	6	7
	2054						
<b>37. Investment income</b>	1	2	3	4	5	6	7
	2055						



**Section C — Number of Employees and Employee Compensation** — See *Additional Instructions* for Part II, Section C, on page 7 at the back of this form.

**NUMBER OF EMPLOYEES** — Employees on the payroll at the end of FY 2003 including part-time employees, but excluding temporary and contract employees not included on your payroll records. A count taken at some other date during the reporting period may be given provided it is a reasonable estimate of employees on the payroll at the end of FY 2003. If the number of employees at the end of FY 2003 (or when the count was taken) was unusually high or low due to temporary factors (e.g., a strike), enter the number of employees that reflects normal operations. If the number of employees fluctuates widely during the year due to seasonal business variations, report the average number of employees on the payroll during FY 2003. Base such an average on the number of employees on the payroll at the end of each pay period, month or quarter. If precise figures are not available, give your best estimate.

**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 including those required by statute. Base compensation data on payroll records. Report compensation which relates to activities that occurred during the reporting period regardless of whether the 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.

**38. Total number of employees\*** — Report the total number of employees for the year. 2068

**39. Total employee compensation\*** — Report, for all employees, the sum of

**a. Wages and salaries** — Employees' gross earnings (before payroll deductions), and direct and in-kind payments by the employer to employees; **AND**

**b. Employee benefit plan** — Employer expenditures for all employee benefit plans 2072

\*Note — If total number of employees, item 38, or total employee compensation, item 39, is zero — Explain

**40. BEA USE ONLY**

1	2	3	4	5
2065				

**Section D — Balance Sheet** — See *Additional Instructions* for Part II, Section D, on page 7 at the back of this form.

Disaggregate all asset and liability items in the detail shown. Show accounts receivable and payable between the U.S. Reporter and its foreign affiliate in the proper asset and liability accounts of the foreign affiliate. Do not report them as a net amount.

• **ASSETS** (Insurance companies see **Special Instructions**, B.2., page 8)

**41. Cash items** 2076

**42. Inventories** 2079

**43. Other current assets** 2080

**44. Property, plant, and equipment — Gross** 2082

**45. Accumulated depreciation and depletion** 2083

**Equity investments in other foreign affiliates of which this affiliate is a parent** — Report on an equity basis foreign affiliates owned 20 percent and more (including majority-owned affiliates). Report at cost those owned less than 20 percent.

**46.** That portion reported using the equity method 2084

**47.** That portion reported using the cost method 2085

**48. Other noncurrent assets** — Other noncurrent assets not reported elsewhere 2087

**49. TOTAL ASSETS** — Sum of items 41 through 48 2088

• **LIABILITIES** (Insurance companies see **Special instructions**, B.3.f., page 8)

**50. Trade accounts and trade notes payable, current** 2089

**51. Other current liabilities and long-term debt** 2090

**52. Other noncurrent liabilities** 2091

**53. TOTAL LIABILITIES** — Sum of items 50 through 52 2092

• **OWNERS' EQUITY** — INCORPORATED AFFILIATE ONLY, complete items 54 through 58

**54. Capital stock and additional paid-in capital** 2093

**55. Retained earnings (deficit)** 2094

**56. Translation adjustment** — Cumulative amount at year end (per FAS 52) 2095

**57. Other** — Include treasury stock and involuntarily (or legally) restricted earnings — Specify 2096

**58. TOTAL OWNERS' EQUITY (INCORPORATED FOREIGN AFFILIATE)** — Equals item 49 minus item 53 and, equals the sum of items 54 through 57. 2097

• **OWNERS' EQUITY** — UNINCORPORATED AFFILIATE ONLY, complete items 59 and 60

**59. TOTAL OWNERS' EQUITY (UNINCORPORATED FOREIGN AFFILIATE)** — Equals item 49 minus item 53. 2098

**60. Of which: Translation adjustment** — Cumulative amount at year end (per FAS 52) — That portion of item 59 representing the affiliate's cumulative translation adjustment account. 2099

Number of employees			
1			
Amount			
Bil.	Mil.	Thous.	Dols.
1			

Balances at close of fiscal year			
Bil.	Mil.	Thous.	Dols.
1			



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

Section E — Composition of External Finances

• CLOSE FY 2003 61. Current and noncurrent receivables and financial investments — Column (1) equals those accounts included in item 43 and 48 that are trade accounts and trade notes receivable and other receivables, net of allowances for doubtful items; marketable securities; stocks; bonds; and other investments 2100	TOTAL Equals sum of columns (2) through (5) (1)				With U.S. Reporter(s) of this affiliate (2)			With other U.S. persons (3)			With persons in this affiliate's country of location (4)			With other foreign persons (5)		
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Bil.	Mil.	Thous.	Bil.	Mil.	Thous.	Bil.	Mil.	Thous.
	1				2			3			4			5		
62. Current liabilities and long-term debt — Column (1) equals the sum of items 50 and 51. 2101																
63. BEA USE ONLY 2138																

Section F — Property, Plant, and Equipment (PP&E) Expenditures — See Additional Instructions for Part II, Section F on page 7 at the back of this form.

PP&E includes land, timber, mineral and like rights owned, structures, machinery, equipment, special tools, and other depreciable property, construction in progress, and capitalized and expensed tangible and intangible exploration and development costs, but excludes other types of intangible assets, and land held for resale. (Insurance companies see Special Instructions, B.3.g., page 8.)

64. Expenditures for new and used property, plant, and equipment (PP&E) 2106	Amount			
	Bil.	Mil.	Thous.	Dols.
65. Current-period depreciation and depletion — Current-period charges against property, plant, and equipment included in item 44. 2108				

Section G — Selected Data for Current Period (Do not report cumulative amounts.)

66. Certain unrealized gains (losses) not included in the determination of net income — Enter net unrealized gains (losses) that are not included in the determination of net income and, therefore, excluded from item 26 that were taken directly to retained earnings for an incorporated affiliate, or to owners' equity for an unincorporated affiliate. Report amount net of income tax effects, if any, on the gains (losses). Do not include translation adjustments. 2117				
67. Dividends or net income remitted to owners Incorporated affiliate — Enter amount of dividends declared, before deduction of withholding taxes, out of current- and prior-period income on common and preferred stock. Exclude stock and liquidating dividends. Unincorporated affiliate — Enter amount of current- and prior-period net income remitted to owners during FY 2003. 2115				

Section H — Interest and taxes

68. Interest received — Interest received by affiliate from, or credited to affiliate by, all payors, net of tax withheld at the source. Include all interest receipts included in items 23 and 27. Do not net against interest paid, item 69. 2120					T65
69. Interest paid — Interest paid, or credited, to all payees by the affiliate, gross of tax withheld. Do not net against interest received, item 68. 2121					T64
70. 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 subdivision 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 or accruals of nontax liabilities (other than production royalty payments). 2123					

Section I — Technology — See Additional Instructions for Part II, Section I, on page 7 at the back of this form.

• RESEARCH AND DEVELOPMENT (R&D) EXPENDITURES — Include all costs incurred in performing R&D, including depreciation, amortization, wages and salaries, taxes, materials and supplies, allocated overhead, and indirect costs.					
71. R&D performed BY the affiliate — All R&D performed by this foreign affiliate, including R&D performed by the affiliate for others (including the U.S. Reporter or its other foreign affiliates) under contract. 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 49). 2126					
72. BEA USE ONLY 2139					
2140					
2141					

Remarks



**Part III — U.S. EXPORTS TO AND U.S. IMPORTS FROM MAJORITY-OWNED FOREIGN AFFILIATE**  
 Goods only valued f.a.s. at port of exportation; do not include services  
 See Instruction Booklet, Part V.

**IMPORTANT NOTES**

This section requires the reporting of U.S. exports of goods to and U.S. imports of goods from the foreign affiliate in FY 2003. Report data on a "shipped" basis, i.e., on the basis of when and to (or by) whom the goods were shipped. This is the same basis as official U.S. trade statistics to which these data will be compared. Do **not** record a U.S. import or export if the goods did not physically enter or leave (i.e., were not physically shipped to or from) the United States, even if they were charged to the foreign affiliate by, or charged by the foreign affiliate to, a U.S. person.

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, the "shipped" basis must be used or adjustments made to the data on a "charged" basis to approximate a "shipped" basis as discussed in the **Instruction Booklet**, Part V. Data in this section cover all goods that physically left or entered the U.S. customs area in FY 2003, 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 goods. Consigned goods must be included in the trade figures when shipped or received, even though not normally recorded as sales or purchased, or entered into intercompany accounts when initially consigned. The data should include goods only; they should **exclude** services.

Exclude from exports and imports the value of 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 that country(ies) only because that country(ies) is along the shipping lines between the exporting and importing countries. In-transit imports are goods enroute 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).

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

- 4172  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.

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.

• U.S. EXPORTS TO THIS FOREIGN AFFILIATE (Valued f.a.s. U.S. port)	TOTAL				Shipped by U.S. Reporter(s)				Shipped by other U.S. persons			
	(1)				(2)				(3)			
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
<b>74. Total goods shipped in FY 2003 from the U.S. to this affiliate</b>												
4173	\$				\$				\$			
• U.S. IMPORTS FROM THIS FOREIGN AFFILIATE (Valued f.a.s. foreign port)	TOTAL				Shipped to U.S. Reporter(s)				Shipped to other U.S. persons			
	(1)				(2)				(3)			
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
<b>75. Total goods shipped in FY 2003 to the U.S. by this affiliate</b>												
4188	\$				\$				\$			

**ANNUAL SURVEY OF U.S. DIRECT INVESTMENT ABROAD — 2003**  
**FORM BE-11B(LF)**  
**ADDITIONAL INSTRUCTIONS BY LINE ITEM**

**Part I — IDENTIFICATION OF MAJORITY-OWNED FOREIGN AFFILIATE**

**3. Country of location** — If the affiliate is engaged in petroleum shipping, other water transportation, or oil and gas drilling, and has operations spanning more than one country, use country of incorporation for country of location. For example, classify in country of incorporation an oil drilling rig that moves from country to country during the year.

**6. Ownership interest held by U.S. Reporter named in item 1.**

**Equity interest** is the U.S. Reporter's direct ownership in the total equity (voting and nonvoting) of the affiliate. Examples of nonvoting equity include nonvoting stock and a limited partner's interest in a partnership.

**Voting interest** is the U.S. Reporter's direct ownership in just the voting equity of the affiliate. Examples of voting equity include voting stock and a general partner's interest in a partnership. Thus, a U.S. Reporter could have a 100 percent direct voting interest in an affiliate but own less than 100 percent of the affiliate's total equity.

**13.—21.**

**Sales or gross operating revenues of foreign affiliate, by industry of sales or gross operating revenues.** Dealers in financial instruments and finance, insurance, and real estate companies see **Special Instructions** on page 8. Also see **Additional Instructions** for Part II, Section A, item 23.

Holding companies (ISI code 5512) must show total income as reported in item 28. To be considered a holding company, income from equity investments (items 24 and 25) must be more than 50 percent of total income (item 28). In addition, normally at least 50 percent of total assets must consist of investments in affiliates. ISI code 5512 (holding company) is an invalid classification if more than 50 percent of the income generated, or expected to be generated, by an affiliate is from non-holding company activities.

**Part II — FINANCIAL AND OPERATING DATA OF FOREIGN AFFILIATE**

**• Section A — Income Statement of Foreign Affiliate**

**23. Sales or gross operating revenues, excluding sales taxes** — Report gross operating revenues or gross sales minus returns, allowances, and discounts. Exclude sales or consumption taxes levied directly on the consumer. Exclude net value-added and excise taxes levied on manufacturers, wholesalers, and retailers. Affiliates classified in ISI codes 5223, 5224, 5231, 5238, 5252 and 5331 report interest income on this line. Insurance companies with ISI codes 5243 and 5249 should include gross investment income on this line. (Dealers in financial instruments and finance, insurance, and real estate companies see **Special Instructions** on page 8.)

**24. Income from equity investments in foreign affiliates** — Report income from equity investments shown on lines 46 and 47 of all foreign affiliates whether or not they are required to file a form BE-11B. Do not report interest income here. Report interest on lines 23 or 27 as appropriate.

**25. Income from other equity investments** — Report income from equity investments included on line 48. For investments carried on the equity basis, report equity in earnings during the reporting period. For investments carried on the cost basis, report dividends. Do not include interest income here. Report interest on lines 23 or 27 as appropriate.

**27. Other income** — Report non-operating and other income not included above.

**29. Cost of goods sold or services rendered and selling, general, and administrative expenses** — Report operating expenses that relate to sales or gross operating revenues (item 23) and selling, general, and administrative expenses. Include production royalty payments to governments, their subdivisions and agencies, and to other persons. Include depletion charges representing the amortization of the actual cost of capital assets but exclude all other depletion charges. Do not include tax or percentage depletion charges. Companies with ISI codes 5223, 5224, 5231, 5238, 5252 and 5331 should include interest expense.



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

**30. Foreign income taxes** — Exclude production royalty payments and U.S. income taxes.

**31. Other costs and expenses not included above, including minority interests in income (loss) that arise out of consolidation** — Report income and expenses on lines 23 through 30 at their full amounts. Do not report amounts net of minority interest. Instead, include the net impact of any minority interest in the income and expense items as a lump sum on this line.

• **Section B — Distribution of Sales or Gross Operating Revenues**

**34.—37.**

**Distribution of sales or gross operating revenues** —

Distribute sales consistent with the industry codes reported in column 1 of items 13–19. When a sale consists of both goods and services and cannot be unbundled (i.e., the goods and services are not separately billed), classify it as a good or service based on whichever accounts for a majority of the value. If actual figures are not available, give best estimates.

**36. Sales of services** — Report the source of real estate rental income in columns 2 through 7 based on the location of the property.

**37. Investment income** — Finance or insurance companies that include investment income in gross operating revenues should report the source of such investment income in columns 2 through 7 based on the location of the issuer of the financial instrument whether publicly issued or privately placed. If the location of the issuer is unknown, then substitute the nationality of the issuer. If 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) use the country of location of the intermediary.

• **Section C — Number of Employees and Employee Compensation**

**39. Employee compensation** — Consists of wages and salaries of employees and employer expenditures for all employee benefit plans.

**Wages and salaries** — Consists of gross earnings of all employees before deduction of employees' payroll withholding taxes, social insurance contributions, group insurance premiums, union dues, etc. Include time and piece rate payments, cost of living adjustments, overtime pay and shift differentials, bonuses, profit sharing amounts, and commissions. Exclude commissions paid to independent personnel who are not employees.

Include direct payments by employers for vacations, sick leave, severance (redundancy) pay, etc. Exclude payments made by, or on behalf of, benefit funds rather than by the employer. (Include employer contributions to benefit funds in "employee benefit plans" as discussed below.)

Include in-kind payments, valued at their cost, that are clearly and primarily of benefit to the employees as consumers. Do not include expenditures that benefit employers as well as employees, such as expenditures for plant facilities, employee training programs, and reimbursement of business expenses.

**Employee benefit plans** — Consists of employer expenditures for all employee benefit plans, including those mandated by government statute, those resulting from collective bargaining contracts, and those that are voluntary. Include Social Security and other retirement plans, life and disability insurance, guaranteed sick leave, workers' compensation insurance, medical insurance, family allowances, unemployment insurance, severance pay, etc. Also, include deferred post employment and post retirement expenses per FAS 106. For plans financed jointly by the employer and the employee, include only the contributions of the employer.

• **Section D — Balance Sheet**

**41. Cash items** — Include deposits in financial institutions and other cash items. Do NOT include overdrafts as negative cash. Instead, report overdrafts in item 51 (other current liabilities and long-term debt). Exclude certificates of deposits (CDs) of the affiliate held by others. Instead, report CDs in item 43 (other current assets) or 48 (other noncurrent assets) as appropriate.

**42. Inventories** — Land development companies should exclude land held for resale (include in item 43). Finance and insurance companies should exclude inventories of marketable securities (include in item 43 or 48, as appropriate).

**43. Other current assets** — 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 41 or 42.

**44. Property, plant, and equipment, gross** — Report gross book value of land, timber, mineral rights and similar rights owned. Also include structures, machinery, equipment, special tools, deposit containers, construction in progress, and capitalized tangible and intangible exploration and development costs of the foreign affiliate. Include items on capital leases from others, per FAS 13. Exclude all other types of intangible assets, and land held for resale. (Unincorporated affiliates include items owned by the U.S. Reporter(s) but in the affiliate's possession whether or not carried on the affiliate's books or records. However, insurance companies see **Special Instructions B.2.**, page 8.)

**46.—47.**

**Equity investments in other foreign affiliates of which this affiliate is a parent** — Report this affiliate's equity investment in other foreign affiliates of the U.S. Reporter(s), including branches of this affiliate. (If one of these lines has an entry, item 24 should contain data.)

**48. Other noncurrent assets** — Include the noncurrent portion of CD's held by others; other equity investments, whether carried at cost or on the equity basis; noncurrent marketable securities; other noncurrent investments; noncurrent trade accounts and trade notes receivable net of allowance for doubtful items; intangible assets net of amortization; and any other noncurrent assets not reported elsewhere. Report credit balances in these accounts in item 52, other noncurrent liabilities.

**51. Other current liabilities and long-term debt** — Include overdrafts, other current liabilities not included in item 50, and long-term debt. Include intercompany debt as well as debt with unaffiliated parties. Also include lease obligations capitalized per FAS 13 with an original maturity of more than one year or with no stated maturity.

**52. Other noncurrent liabilities** — Include noncurrent items but exclude long-term debt. Include deferred taxes and minority interest in consolidated subsidiaries.

**54. Capital stock and additional paid-in capital** — Include common and preferred, voting and nonvoting capital stock and additional paid-in capital.

**55. Retained earnings (deficit)** — Include earnings retained by the corporation and legally available for dividends; earnings voluntarily restricted; and the cumulative balance of unrealized holding gains and losses due to changes in the valuation of available-for-sale securities per FAS 115.

• **Section F — Property, Plant and Equipment (PP&E) Expenditures**

**64.—65.**

Include items leased from others (including land) under capital leases. Also include the capitalized value of timber, mineral and similar rights leased by the affiliate from others. Do not include items the affiliate has sold under a capital lease.

Exclude from expenditures (item 64) all changes in PP&E, resulting from a change in the entity (e.g., mergers, acquisitions, divestitures, etc.) or accounting principles during FY 2003.

**For foreign affiliates engaged in exploring for or developing natural resources**, include in item 64 exploration and development expenditures made during FY 2003 whether capitalized or expensed, including capitalized expenditures to acquire or lease mineral rights. Do not include adjustments for expenditures charged against income in prior years but subsequently capitalized during FY 2003.

• **Section I — Technology**

**71. Research and development expenditures** — Research and development (R&D) includes basic and applied research in science and engineering, and the design and development of prototypes and processes, if the purpose of such activity is to:

1. Pursue a planned search for new knowledge whether or not the search has reference to a specific application;
2. Apply existing knowledge to the creation of a new product or process, including evaluation of use; or
3. Apply existing knowledge to the employment of a present product or process.

R&D includes the activities described above, whether assigned to separate R&D organizational units of the company or conducted by company laboratories and technical groups that are not a part of a separate R&D organization.

Include all costs incurred to support R&D, including R&D depreciation and overhead. Exclude capital expenditures, routine product testing and quality control conducted during commercial production, geological and geophysical exploration, market research and surveys, and legal work pertaining to patents.



## SPECIAL INSTRUCTIONS FOR DEALERS IN FINANCIAL INSTRUMENTS, FINANCE COMPANIES, INSURANCE COMPANIES AND REAL ESTATE COMPANIES

### A. Certain realized and unrealized gains (losses) for dealers in financial instruments and finance, insurance, and real estate companies.

**1. Dealers in financial instruments (including securities, currencies, derivatives, and other financial instruments) and finance and insurance companies** — Include in item 26 (1) impairment losses, (2) realized gains or losses on trading or dealing, and (3) unrealized gains or losses due to changes in the valuation of financial instruments that flow through the income statement. Include unrealized gains or losses due to changes in the valuation of financial instruments that are taken directly to retained earnings in item 66. (Report income attributable to fees or commissions in items 21 and 23.)

#### 2. Real estate companies

Gains or losses from the sale, disposition, or revaluation of land, other property, plant and equipment, or other assets:

##### Realized gains and losses

Include gains or losses from the sale of real estate in the ordinary course of trade or business in items 21 and 23.

##### Impairment of long-lived assets

Include impairment losses, as defined by FAS 121, recognized during the period in item 26.

##### Unrealized gains

Include gains recognized due to the revaluation of real estate assets in item 55 (59 if unincorporated). Do not include these unrealized gains in item 26.

### B. Special instructions for insurance companies

**1.** When there is a difference between the financial and operating data reported to stockholders and the data reported in the annual statement to an insurance department, prepare the BE-11 on the same basis as the annual report to the stockholders. Valuation should be according to normal commercial accounting procedures, not at 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. Include mandatory securities valuation reserves that are appropriations of retained earnings in the owners' equity section of the balance sheet, not in the liability section.

**2.** Do not include assets of the U.S. Reporter held in the country of location of the affiliate that are for the benefit of the U.S. Reporter's policyholders in the data reported for the affiliate.

### 3. Instructions for reporting specific items

- a. Sales or gross operating revenues, excluding sales taxes (item 23)** — Include items such as earned premiums, annuity considerations, gross investment income, and items of a similar nature. Exclude income from equity investments in unconsolidated business enterprises that is to be reported in item 24 and exclude certain realized and unrealized gains or losses that are to be reported in item 26.
- b. Certain realized and unrealized gains (losses) (item 26)** See **Special Instruction A.1.**
- c. Costs of goods sold or services rendered and selling, general, and administrative expenses (item 29)** — Include costs relating to sales or gross operating revenues, such as policy losses incurred, death benefits, matured endowments, other policy benefits, increases in liabilities for future policy benefits, and other underwriting expenses.
- d. Sales of services (item 36, column 1)** — Include premium income and income from other services, if any.
- e. Investment income (item 37, column 1)** — Report that portion of sales or gross operating revenues that is investment income. However, report any gains or losses on investments in accordance with **Special Instructions, A.1.** See Additional Instructions for Part II, Section B, item 37, on page 7 to determine the location of the transactor of investment income.
- f. Current liabilities and long-term debt (items 50 and 51)** — Include current items such as loss liabilities, policy claims, commissions due, and other current liabilities arising from the ordinary course of business, and long-term debt. Include policy reserves in "Other noncurrent liabilities," (item 52) unless they are clearly current liabilities.
- g. Expenditures for property, plant, and equipment (PP&E) (item 64)** — Include expenditures WHEREVER CLASSIFIED IN THE BALANCE SHEET (e.g., include expenditures that have been classified in "other noncurrent assets").

## SUMMARY OF INDUSTRY CLASSIFICATIONS

<p><b>AGRICULTURE, FORESTRY, FISHING, AND HUNTING</b></p> <p>1110 Crop production 1120 Animal production 1130 Forestry and logging 1140 Fishing, hunting, and trapping 1150 Support activities for agriculture and forestry</p> <p style="text-align: center;"><b>MINING</b></p> <p>2111 Oil and gas extraction 2121 Coal 2123 Nonmetallic minerals 2124 Iron ores 2125 Gold and silver ores 2126 Copper, nickel, lead, and zinc ores 2127 Other metal ores 2132 Support activities for oil and gas operations 2133 Support activities for mining, except for oil and gas operations</p> <p style="text-align: center;"><b>UTILITIES</b></p> <p>2211 Electric power generation, transmission, and distribution 2212 Natural gas distribution 2213 Water, sewage, and other systems</p> <p style="text-align: center;"><b>CONSTRUCTION</b></p> <p>2330 Building, developing, and general contracting 2340 Heavy construction 2350 Special trade contractors</p> <p style="text-align: center;"><b>MANUFACTURING</b></p> <p>3111 Animal foods 3112 Grain and oilseed milling 3113 Sugar and confectionery products 3114 Fruit and vegetable preserving and specialty foods 3115 Dairy products 3116 Meat products</p>	<p>3117 Seafood product preparation and packaging 3118 Bakeries and tortillas 3119 Other food products 3121 Beverages 3122 Tobacco 3130 Textile mills 3140 Textile product mills 3150 Apparel 3160 Leather and allied products 3210 Wood products 3221 Pulp, paper, and paperboard mills 3222 Converted paper products 3231 Printing and related support activities 3242 Integrated petroleum refining and extraction 3243 Petroleum refining without extraction 3244 Other petroleum and coal products 3251 Basic chemicals 3252 Resins, synthetic rubbers, and artificial and synthetic fibers and filaments 3253 Pesticides, fertilizers, and other agricultural chemicals 3254 Pharmaceuticals and medicines 3255 Paints, coatings, and adhesives 3256 Soap, cleaning compounds, and toilet preparations 3259 Other chemical products and preparations 3261 Plastics products 3262 Rubber products 3271 Clay products and refractories 3272 Glass and glass products 3273 Cement and concrete products 3274 Lime and gypsum products 3279 Other nonmetallic mineral products 3311 Iron and steel mills and ferroalloys 3312 Steel products from purchased steel 3313 Alumina and aluminum production and processing 3314 Nonferrous metal (except aluminum) production and processing</p>	<p>3315 Foundries 3321 Forging and stamping 3322 Cutlery and hand tools 3323 Architectural and structural metals 3324 Boilers, tanks, and shipping containers 3325 Hardware 3326 Spring and wire products 3327 Machine shops, turned products, and screws, nuts, and bolts 3328 Coating, engraving, heat treating, and allied activities 3329 Other fabricated metal products 3331 Agriculture, construction, and mining machinery 3332 Industrial machinery 3333 Commercial and service industry machinery 3334 Ventilation, heating, air conditioning, and commercial refrigeration equipment 3335 Metalworking machinery 3336 Engines, turbines, and power transmission equipment 3339 Other general purpose machinery 3341 Computer and peripheral equipment 3342 Communications equipment 3343 Audio and video equipment 3344 Semiconductors and other electronic components 3345 Navigational, measuring, electro-medical, and control instruments 3346 Manufacturing and reproducing magnetic and optical media 3351 Electric lighting equipment 3352 Household appliances 3353 Electrical equipment 3359 Other electrical equipment and components 3361 Motor vehicles 3362 Motor vehicle bodies and trailers 3363 Motor vehicle parts 3364 Aerospace products and parts 3365 Railroad rolling stock 3366 Ship and boat building 3369 Other transportation equipment 3370 Furniture and related products 3391 Medical equipment and supplies 3399 Other miscellaneous manufacturing</p>
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**SUMMARY OF INDUSTRY CLASSIFICATIONS — Continued**

<b>WHOLESALE TRADE</b>	<b>INFORMATION</b>	<b>MANAGEMENT OF COMPANIES AND ENTERPRISES</b>
<b>DURABLE GOODS</b>		
4211 Motor vehicles and motor vehicle parts and supplies	5111 Newspaper, periodical, book, and database publishers	5512 Holding companies, except bank holding companies
4212 Furniture and home furnishings	5112 Software publishers	5513 Corporate, subsidiary, and regional management offices
4213 Lumber and other construction materials	5121 Motion picture and video industries	
4214 Professional and commercial equipment and supplies	5122 Sound recording industries	<b>ADMINISTRATIVE AND SUPPORT, WASTE MANAGEMENT, AND REMEDIATION SERVICES</b>
4215 Metals and minerals (except petroleum)	5131 Radio and television broadcasting	5611 Office administrative services
4216 Electrical goods	5132 Cable networks and program distribution	5612 Facilities support services
4217 Hardware, and plumbing and heating equipment and supplies	5133 Telecommunications	5613 Employment services
4218 Machinery, equipment, and supplies	5141 Information services	5614 Business support services
4219 Miscellaneous durable goods	5142 Data processing services	5615 Travel arrangement and reservation services
	<b>FINANCE AND INSURANCE</b>	5616 Investigation and security services
<b>NONDURABLE GOODS</b>	5221 Depository credit intermediation (Banking)	5617 Services to buildings and dwellings
4221 Paper and paper products	5223 Activities related to credit intermediation	5619 Other support services
4222 Drugs and druggists' sundries	5224 Non-depository credit intermediation	5620 Waste management and remediation services
4223 Apparel, piece goods, and notions	5229 Non-depository branches and agencies	
4224 Grocery and related products	5231 Securities and commodity contracts intermediation and brokerage	<b>EDUCATIONAL SERVICES</b>
4225 Farm product raw materials	5238 Other financial investment activities and exchanges	6110 Educational services
4226 Chemical and allied products	5242 Agencies, brokerages, and other insurance related activities	
4227 Petroleum and petroleum products	5243 Insurance carriers, except life insurance carriers	<b>HEALTH CARE AND SOCIAL ASSISTANCE</b>
4228 Beer, wine, and distilled alcoholic beverages	5249 Life insurance carriers	6210 Ambulatory health care services
4229 Miscellaneous nondurable goods	5252 Funds, trusts and other financial vehicles, except REITs	6220 Hospitals
	<b>REAL ESTATE AND RENTAL AND LEASING</b>	6230 Nursing and residential care facilities
<b>RETAIL TRADE</b>		6240 Social assistance
4410 Motor vehicle and parts dealers	5310 Real estate	
4420 Furniture and home furnishings stores	5321 Automotive equipment rental and leasing	<b>ARTS, ENTERTAINMENT, AND RECREATION</b>
4431 Electronics and appliance stores	5329 Other rental and leasing services	7110 Performing arts, spectator sports, and related industries
4440 Building material and garden equipment and supplies dealers	5331 Lessors of non-financial intangible assets (except copyrighted works)	7121 Museums, historical sites, and similar institutions
4450 Food and beverage stores		7130 Amusement, gambling, and recreation industries
4461 Health and personal care stores	<b>PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES</b>	
4471 Gasoline stations	5411 Legal services	<b>ACCOMMODATIONS AND FOOD SERVICES</b>
4480 Clothing and clothing accessories stores	5412 Accounting, tax preparation, bookkeeping, and payroll services	7210 Accommodations
4510 Sporting goods, hobby, book, and music stores	5413 Architectural, engineering, and related services	7220 Foodservices and drinking places
4520 General merchandise stores	5414 Specialized design services	
4530 Miscellaneous store retailers	5415 Computer systems design and related services	<b>OTHER SERVICES</b>
4540 Nonstore retailers	5416 Management, scientific, and technical consulting services	8110 Repair and maintenance
	5417 Scientific research and development services	8120 Personal and laundry services
<b>TRANSPORTATION AND WAREHOUSING</b>	5418 Advertising and related services	8130 Religious, grantmaking, civic, professional, and similar organizations
4810 Air transportation	5419 Other professional, scientific, and technical services	
4821 Rail transportation		<b>PUBLIC ADMINISTRATION</b>
4833 Petroleum tanker operations		9200 Public administration
4839 Other water transportation		
4840 Truck transportation		
4850 Transit and ground passenger transportation		
4863 Pipeline transportation of crude oil, refined petroleum products, and natural gas		
4868 Other pipeline transportation		
4870 Scenic and sightseeing transportation		
4880 Support activities for transportation		
4920 Couriers and messengers		
4932 Petroleum storage for hire		
4939 Other warehousing and storage		