MAIN FINDINGS

- In 1998, the percentage of industrial production generated by firms under foreign control varied from 70% in Ireland and Hungary, to less than 2% in Japan. In most other European countries this was between 25 and 30%, while in the United States, it was18% (Figure 3).

- The United States attracted more than 40% of the direct investments made in the OECD area[1] and almost 48% of the industrial production generated by these investments within this area (Figure 2).

- In some countries, notably Japan, Ireland, France, the United Kingdom and the United States, the great majority of investments, and the related industrial production, were concentrated (between 60 and 80%) in high-technology sectors (Figure 4). In other countries (*e.g.* Norway, Poland) they were concentrated in the medium- and low-technology sectors.

- The compensation per employee of firms under foreign control in all countries was substantially higher than the average for national firms (Figure 8).

- In 1998, the United States attracted to their territory R&D investments worth more than USD 20 billions from foreign firms, that is approximately 55% of the investments of R&D made by these firms in the OECD area (Figure 10).

- Between 1991 and 1998, the United States was the country with the greatest increase in number of people employed by foreign affiliates, with more than 400 000 additional persons (including creations via greenfields and post transferrals via acquisitions). During the same period, the number of people employed by foreign affiliates of Hungary and Poland increased by 350 000 and 220 000, respectively. In other countries, the number of people employed also progressed with the exception of Germany (Figure 6), which lost almost 240 000 jobs in the same period.

- In certain countries, notably the United States, Japan and Finland, the level of production achieved by foreign subsidiaries' of national firms was far greater than total exports for these countries. This phenomenon highlights the importance of direct investment in capturing overseas markets (Figure 13).

1. The United States' GDP represents 30% in the OECD area.