

# 5. Foreign Affiliates: Gross Product and Assets

Because U.S.-European commerce rests on the foundation of foreign direct investment, the European-based subsidiaries of U.S. companies and the U.S.-based subsidiaries of European firms play an outsized role in the transatlantic economy. They are among the largest and most advanced economic forces in the world. We can get a sense of their importance by looking at their gross product and their assets.

Gross product is essentially the added value that European economies gain every year from the output of U.S. companies operating in their countries, and how much the United States gains from European companies based in America. A look at affiliate assets, in turn, tells us what size footprint U.S. companies have in Europe and European companies have in the United States, and how those footprints compare to their assets in other parts of the world. It reflects the relative importance a company assigns to a country hosting

its affiliates. Both metrics underscore the deep economic ties that bind Europe and America.



## GROSS PRODUCT OF U.S. AFFILIATES IN EUROPE

The total output of U.S. company affiliates in Europe (estimated \$835 billion) and of European company affiliates in the United States (estimated \$900 billion) in 2024 was greater than the total gross domestic product of most countries. Combined transatlantic affiliate output totaled an estimated \$1.75 trillion in 2024 – larger than the GDP of Spain, Indonesia, or Türkiye.

On a global basis, the aggregate output of U.S. foreign affiliates was around \$1.65 trillion in 2023, with Europe (broadly defined) accounting for 47% of the global total. According to the latest figures from the BEA, U.S. affiliate output

of \$782 billion in Europe broadly defined was 1.7 times larger than U.S. affiliate output in the Asia-Pacific region of \$459 billion in 2023. U.S. affiliate output in the EU of \$494 billion (30% of the global total) was 7% larger (Table 1). U.S. affiliate output in the UK was \$198 billion, 12% of the global total.



## GROSS PRODUCT OF EUROPEAN AFFILIATES IN THE UNITED STATES

According to the latest available data (2023), European affiliates accounted for 60% (EU affiliates 39%) of the \$1.47 trillion that foreign affiliates of foreign multinationals contributed to total U.S. GDP, 3 times more than the output of Asia-Pacific firms in the United States. EU affiliates accounted for 39%, double the output of Asia-Pacific firms based in the United States (Table 2).



### TOTAL OUTPUT OF FOREIGN AFFILIATES (est. 2024)

The U.S. in Europe:  
**\$835 billion**

Europe in the U.S.:  
**\$900 billion**

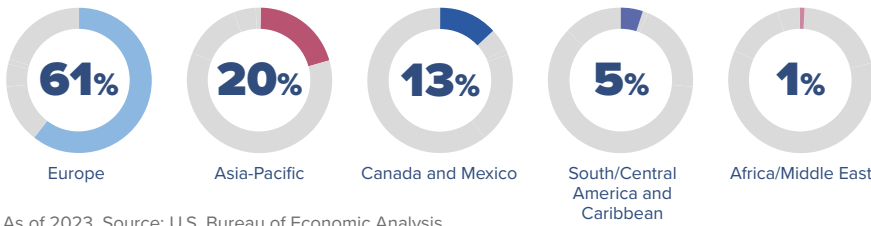
TABLE 1.

Gross Product of U.S. Foreign Affiliates, by Region



As of 2023. Source: U.S. Bureau of Economic Analysis.

**TABLE 2.**  
Gross Product of Foreign Affiliates in the United States, by Region



As of 2023. Source: U.S. Bureau of Economic Analysis.

British, Japanese, and German firms are the largest foreign affiliate producers in the United States. In 2023 British firms' output in the U.S. topped \$212 billion, 14% of all foreign affiliate output and 24% of all European affiliates producing in the United States. Japanese companies' output of \$187 billion represented 13% of the global total. That equates to roughly 26% of the European total. German affiliate output totaled \$179 billion, 12% of the global total and 20% of the European total.

FDI from China has dropped sharply over the past few years due to U.S.-Sino tensions. Chinese affiliate output in the U.S. totaled just \$19 billion in 2023, less than that of Sweden (\$29.1 billion) or Spain (\$19.2 billion).



## ASSETS OF U.S. AFFILIATES IN EUROPE

U.S. foreign assets in Europe totaled a staggering \$18.6 trillion in 2023, according to the latest figures from the BEA. That represents 64% of corporate America's global footprint based on foreign assets (Table 3). The EU accounted for 36%, the UK for 23%, and Switzerland for 4%. For 2024, we estimate that U.S. foreign assets in Europe rose 5% to over \$19.5 trillion.

The UK accounted for 35% (\$6.6 trillion) of U.S. assets in Europe in 2023. U.S. assets in the UK were more than U.S. assets in the Asia-Pacific, Middle East and Africa combined. U.S. assets in the Netherlands (\$3.3 trillion) were the second largest in Europe, reflecting the strategic role the country plays for U.S. firms looking to export to the rest of Europe. More than half of U.S. affiliate sales in the Netherlands are for export, notably within the EU. U.S. assets in the Netherlands were more than U.S. assets throughout South/Central America and the Caribbean.

America's asset footprint in Germany topped \$1.34 trillion in 2023, slightly more than its asset base in Canada of \$1.33 trillion. U.S. assets in Poland, the Czech Republic, and Hungary (\$249 billion) were about the same

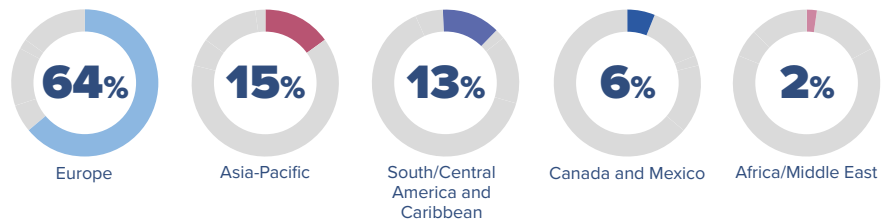
as U.S. assets in India (\$252 billion). America's assets in Ireland of \$1.9 trillion in 2023 were 4 times higher than its assets in China of \$500 billion.



## ASSETS OF EUROPEAN AFFILIATES IN THE UNITED STATES

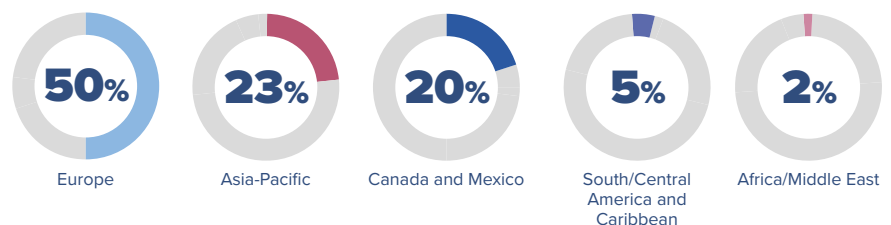
European companies continue to expand their asset base in the United States, by far their largest anywhere. Total assets of European affiliates in the United States were valued at \$9.4 trillion in 2024, by our estimation. UK firms ranked first, followed by German, French, and Swiss companies. In 2023, the last year of available data, European assets in the U.S. of \$8.9 trillion accounted for half of all foreign-owned assets in the United States (Table 4). EU assets accounted for 31% and those from the UK and Switzerland represented another 17% of the total. In contrast, companies from the Asia-Pacific region accounted for 23%, and firms from Canada and Mexico another 20%, of the corporate world's footprint in the United States.

**TABLE 3.**  
The Global Footprint of Corporate America, by Region (Foreign Assets)



As of 2023. Source: U.S. Bureau of Economic Analysis.

**TABLE 4.**  
The World's Footprint in the United States, by Region (Foreign Assets in the U.S.)



As of 2023. Source: U.S. Bureau of Economic Analysis.