

Business Situation

Final Estimates for the Fourth Quarter of 2002

THE picture of the economy shown in the final estimates of the national income and product accounts (NIPAs) for the fourth quarter of 2002 is virtually the same as in the preliminary estimates released last month. Revisions to the components of GDP were offsetting and generally small (see the section “Revisions”).

According to both the final and the preliminary estimates, real gross domestic product (GDP) increased 1.4 percent in the fourth quarter (table 1 and chart 1).¹ (Over the past 20 years, the average revision to GDP growth, without regard to the sign, from the preliminary estimate to the final estimate was 0.3 percentage point.) In the third quarter, real GDP had increased 4.0 percent.

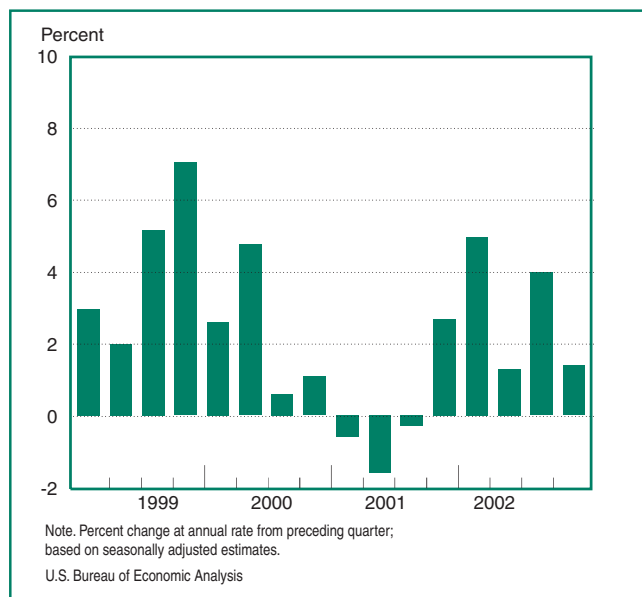
The slowdown in real GDP growth from the third quarter to the fourth was mainly accounted for by consumer spending and exports.²

- Consumer spending contributed 1.19 percentage points to fourth-quarter growth after contributing

1. Quarterly estimates in the NIPAs are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter dollar changes are differences between these published estimates. Percent changes are calculated from unrounded data and annualized. “Real” estimates are in chained (1996) dollars, and price indexes are chain-type measures.

Daniel Larkins and Raymen G. Labella prepared this article.

Chart 1. Real Gross Domestic Product



more than twice as much to third-quarter growth (table 2). Auto and truck purchases decreased after surging in the third quarter in response to aggressive sales-incentive programs that included generous rebates and zero-rate financing. In contrast to the downturn in purchases of durable goods, purchases of nondurable goods accelerated, and purchases of services increased about as much as in the third quarter.

- Exports turned down and subtracted from growth in the fourth quarter after adding to it in the third. (Imports accelerated and subtracted more from growth in the fourth quarter than in the third.)
- Inventory investment also contributed to the slowdown in GDP growth, as inventory stocks grew

2. In this article, “consumer spending” is shorthand for the NIPA series “personal consumption expenditures,” “government spending” is shorthand for “government consumption expenditures and gross investment,” and “inventory investment” is shorthand for “change in private inventories.”

Table 1. Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers
[Seasonally adjusted at annual rates]

	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter							
	2002	2002				2002			
	IV	I	II	III	IV	I	II	III	IV
Gross domestic product	9,518.2	114.4	29.2	93.2	32.6	5.0	1.3	4.0	1.4
Less: Exports of goods and services	1,061.6	8.8	34.9	12.2	-16.1	3.5	14.3	4.6	-5.8
Plus: Imports of goods and services	1,593.8	29.9	75.8	12.8	28.1	8.5	22.2	3.3	7.4
Equals: Gross domestic purchases	10,005.5	132.9	62.6	93.9	70.8	5.6	2.6	3.9	2.9
Less: Change in private inventories	25.8	69.5	33.8	13.9	7.0	.....	.....	.....	.....
Equals: Final sales to domestic purchasers	9,970.1	72.1	31.6	80.1	64.0	3.0	1.3	3.3	2.6
Personal consumption expenditures	6,637.9	49.8	28.6	67.5	28.0	3.1	1.8	4.2	1.7
Durable goods	1,010.6	-16.1	4.8	51.7	-21.8	-6.3	2.0	22.8	-8.2
Nondurable goods	1,950.0	36.4	-0.5	4.9	24.2	7.9	-0.1	1.0	5.1
Services	3,707.0	25.6	24.0	20.8	20.0	2.9	2.7	2.3	2.2
Private fixed investment	1,588.5	-2.0	-3.8	-1.0	16.9	-0.5	-1.0	-0.3	4.4
Nonresidential	1,185.3	-18.0	-7.3	-2.4	6.6	-5.8	-2.4	-0.8	2.3
Structures	212.6	-9.5	-11.5	-13.5	-5.6	-14.2	-17.6	-21.4	-9.9
Equipment and software	992.1	-6.6	7.7	15.8	14.9	-2.7	3.3	6.7	6.2
Residential	395.9	12.6	2.5	1.0	8.8	14.2	2.7	1.1	9.4
Government consumption expenditures and gross investment	1,735.0	22.8	6.0	12.3	19.4	5.6	1.4	2.9	4.6
Federal	631.4	10.6	10.9	6.4	16.3	7.4	7.5	4.3	11.0
National defense	413.2	10.5	7.3	6.7	10.7	11.6	7.8	6.9	11.0
Nondefense	218.3	0.2	3.6	-0.2	5.6	0.4	6.9	-0.3	11.1
State and local	1,104.0	12.2	-4.6	5.9	3.4	4.6	-1.7	2.2	1.2
Addendum: Final sales of domestic product	9,483.1	54.5	-1.5	79.3	25.9	2.4	-0.1	3.4	1.1

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates usually are not additive. Chained (1996) dollar levels and residuals, which measure the extent of nonadditivity in each table, are shown in NIPA tables 1.2, 1.4, and 1.6. Percent changes are calculated from unrounded data. Percent changes in major aggregates are shown in NIPA table S.1. (See “Selected NIPA Tables,” which begins on page D-2 in this issue.)

more slowly than in the third quarter. Inventory investment contributed about half as much to GDP growth in the fourth quarter as in the third.³

The dampening effects of these components on

GDP growth were partly offset by a step-up in Federal Government spending and by an upturn in private fixed investment.

Table 2. Contributions to Percent Change in Real Gross Domestic Product
[Seasonally adjusted at annual rates]

	2002			
	I	II	III	IV
Percent change at annual rate:				
Gross domestic product	5.00	1.30	4.00	1.40
Percentage points at annual rates:				
Personal consumption expenditures	2.22	1.22	2.93	1.19
Durable goods	-0.55	0.16	1.74	-0.72
Nondurable goods	1.57	-0.02	0.22	1.01
Services	1.20	1.08	0.97	0.90
Gross private domestic investment	2.53	1.16	0.55	0.93
Fixed investment	-0.07	-0.15	-0.03	0.65
Nonresidential	-0.66	-0.27	-0.08	0.24
Structures	-0.44	-0.53	-0.62	-0.25
Equipment and software	-0.22	0.26	0.53	0.49
Residential	0.60	0.12	0.05	0.41
Change in private inventories	2.60	1.31	0.58	0.28
Net exports of goods and services	-0.75	-1.40	-0.01	-1.59
Exports	0.33	1.29	0.45	-0.59
Goods	-0.23	0.99	0.28	-0.82
Services	0.56	0.30	0.17	0.23
Imports	-1.08	-2.69	-0.47	-1.00
Goods	-0.40	-2.74	-0.40	-0.71
Services	-0.68	0.05	-0.07	-0.30
Government consumption expenditures and gross investment	1.04	0.27	0.56	0.85
Federal	0.47	0.47	0.29	0.70
National defense	0.46	0.32	0.29	0.46
Nondefense	0.01	0.16	-0.01	0.25
State and local	0.56	-0.21	0.27	0.15

NOTE: More detailed contributions to percent change in real gross domestic product are shown in NIPA table 8.2. Contributions to percent change in major components of real gross domestic product are shown in tables 8.3 through 8.6.

• Federal Government spending increased more than twice as much as in the third quarter; it added 0.70 percentage point to fourth-quarter growth after adding 0.29 percentage point to third-quarter growth. Nondefense spending turned up, and defense spending accelerated. In contrast, spending by state and local governments slowed.

• Private fixed investment increased in the fourth quarter after declining for 2 years. Investment in nonresidential structures continued to be a source of weakness, but it was more than counterbalanced by investment in nonresidential equipment and software, which increased for the third quarter in a row, and by residential investment, which increased for the fourth quarter in a row.

The price index for gross domestic purchases increased 1.8 percent, 0.2 percentage point higher than the preliminary estimate. In the third quarter, the price index had increased 1.2 percent. Food and energy prices accounted for half of the step-up from the third quarter to the fourth.

3. In the NIPA's, the *change* in private inventories (inventory investment) affects the *level* of GDP; the "*change in the change*" in private inventories affects the *change* (or growth) in GDP.

Revisions

The most notable of the small, offsetting revisions to the components of GDP were a downward revision to exports of services and an upward revision to consumer purchases of services (table 3). The downward revision subtracted 0.12 percentage point from real GDP growth; the upward revision added the same amount.

The revision to exports mainly reflected the incorporation (on a "best-change" basis) of revised third-quarter data and newly available fourth-quarter data on services from BEA's international transactions accounts.⁴

The revision to consumer purchases mainly reflected the incorporation of newly available data for November on electricity and gas usage and unit-values from the Energy Information Administration.

The upward revision to the price index for gross domestic purchases primarily reflected a revision to the implicit price for financial services; it reflected the incorporation of newly available "call report" data from the Federal Deposit Insurance Corporation.

The final NIPA estimates for the fourth quarter also include revised third-quarter estimates of wages and salaries, personal taxes, and contributions for social insurance.

- Wages and salaries were revised down, reflecting the incorporation of the most recently available tabulations of private wages and salaries from the state unemployment insurance program by the Bureau of Labor Statistics.

4. The relationship between estimates in the international transactions accounts and corresponding estimates in the NIPA's is shown in Appendix A, table 2, on page D-74.

Incorporating the source data on a best-change basis provides accurate measures of the *change* in the estimates for all periods, but it results in *levels* of estimates that are not fully consistent with the source data. In general, BEA incorporates source data on a best-change basis in order to preserve accurate estimates of growth and consistent time series. (See also the box "Incorporating Source Data on the Basis of Best Change," Eugene P. Seskin and David F. Sullivan, "Annual Revision of the National Income and Product Accounts," SURVEY OF CURRENT BUSINESS 80 (August 2000): 16.)

- Both personal taxes and contributions for social insurance were revised down, reflecting the revision to wages and salaries.

As a result of these revisions, real disposable personal income is now estimated to have increased 1.8 percent in the third quarter (revised down from 3.1 percent) and 2.4 percent in the fourth quarter (revised down from 2.7 percent).

Table 3. Revisions to Change in Real Gross Domestic Product and Prices, Fourth Quarter 2002

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Final estimate minus Preliminary estimate	
	Preliminary estimate	Final estimate	Percentage points	Billions of chained (1996) dollars
Gross domestic product	1.4	1.4	0	-1.3
Less: Exports	-4.4	-5.8	-1.4	-3.9
Goods	-11.1	-11.5	-0.4	-0.8
Services	12.3	8.0	-4.3	-3.0
Plus: Imports	7.2	7.4	0.2	0.7
Goods	6.1	6.2	0.1	0.4
Services	12.4	13.0	0.6	0.3
Equals: Gross domestic purchases	2.8	2.9	0.1	2.7
Less: Change in private inventories				1.1
Equals: Final sales to domestic purchasers	2.5	2.6	0.1	1.8
Personal consumption expenditures	1.5	1.7	0.2	3.8
Durable goods	-8.5	-8.2	0.3	0.9
Nondurable goods	5.1	5.1	0	0.3
Services	1.9	2.2	0.3	2.7
Private fixed investment	4.5	4.4	-0.1	-0.7
Nonresidential	2.5	2.3	-0.2	-0.8
Structures	-9.8	-9.9	-0.1	0
Equipment and software	6.6	6.2	-0.4	-0.7
Residential	9.4	9.4	0	0
Government consumption expenditures and gross investment	4.9	4.6	-0.3	-1.3
Federal	11.2	11.0	-0.2	-0.2
National defense	11.4	11.0	-0.4	-0.3
Nondefense	10.8	11.1	0.3	0.1
State and local	1.6	1.2	-0.4	-1.1
Addendum:				
Final sales of domestic product	1.2	1.1	-0.1	-2.2
Gross domestic purchases price index	1.6	1.8	0.2	
GDP price index	1.6	1.8	0.2	

NOTE: The final estimates for the fourth quarter of 2002 incorporate the following revised or additional major source data that were not available when the preliminary estimates were prepared.

Personal consumption expenditures: Revised retail sales for December, bank services data for the quarter, and electricity and natural gas usage.

Nonresidential fixed investment: Revised construction put-in-place for November and December.

Residential fixed investment: Revised construction put-in-place for November and December.

Change in private inventories: Revised manufacturers' and trade inventories for December.

Exports and imports of goods and services: Revised international transactions accounts data on services for the third quarter and new data on services for the fourth.

Government consumption expenditures and gross investment: Revised State and local construction put-in-place for November and December.

Wages and salaries: Revised private wages and salaries for the third quarter, and revised employment, average hourly earnings, and average weekly hours for December.

GDP prices: Revised export and import prices for October through December, revised unit-value index for petroleum imports for December, and revised prices of single-family houses under construction for the quarter.

Gross National Product

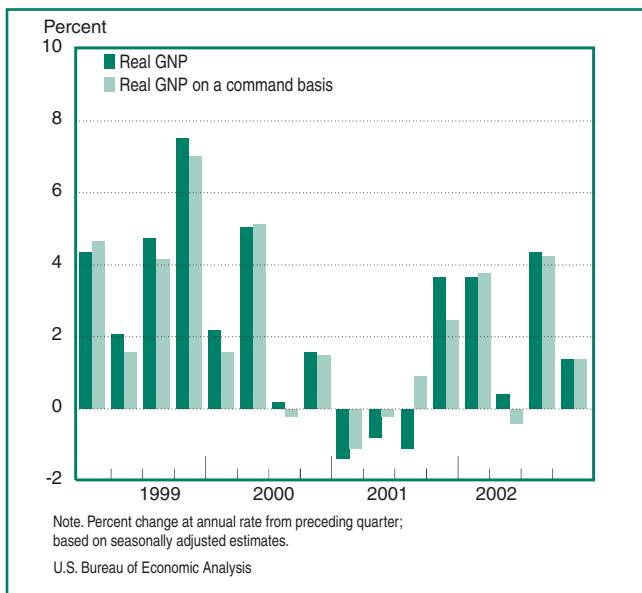
Real gross national product (GNP) increased 1.4 percent in the fourth quarter, the same as real GDP; a decline in receipts from the rest of the world was offset by a decline in payments to the rest of the world (table 4).⁵ The decreases in both receipts and payments were more than accounted for by receipts and payments of interest income.

“Command-basis” GNP also increased 1.4 percent (chart 2). This variant of GNP measures the change in the purchasing power in world markets of the goods and services produced by the U.S. economy—in other words, the change in the quantity of goods and services that could be purchased by the United States as a result of its current production.

Changes in command-basis GNP reflect changes in the prices of traded goods and services as summarized by movements in the “terms of trade”—the ratio of export prices to import prices. In the fourth quarter, the

5. GNP is a measure of goods and services produced by labor and property supplied by U.S. residents. It is equal to GDP plus income receipts from the rest of the world less income payments to the rest of the world.

Chart 2. Real Gross National Product



terms of trade were unchanged.⁶

The national saving rate, which is measured as gross saving as a percentage of GNP, held at 14.6 percent, the same as the revised estimate for the third quarter. The rate had peaked at 18.5 percent in the third quarter of 2000.

6. In the estimates of command-basis GNP, the current-dollar value of the sum of exports of goods and services and income receipts is deflated by the implicit price deflator (IPD) for the sum of imports of goods and services and income payments.

The terms of trade is measured by the following ratio, with the decimal point shifted two places to the right: In the numerator, the IPD for the sum of exports of goods and services and of income receipts; in the denominator, the IPD for the sum of imports of goods and services and of income payments.

Changes in the terms of trade reflect the interaction of several factors, including movements in exchange rates, changes in the composition of the traded goods and services, and changes in producers' profit margins. For example, if the U.S. dollar depreciates against a foreign currency, a foreign manufacturer may choose to absorb this cost by reducing the profit margin on the product it sells to the United States, or it may choose to raise the price of the product and risk a loss in market share.

Table 4. Relation of Real Gross Domestic Product, Real Gross National Product, and Real Command-Basis Gross National Product

[Seasonally adjusted at annual rates]

	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter							
	2002	2002				2002			
	IV	I	II	III	IV	I	II	III	IV
Gross domestic product	9,518.2	114.4	29.2	93.2	32.6	5.0	1.3	4.0	1.4
Plus: Income receipts from the rest of the world.....	257.5	-4.6	9.0	9.5	-3.8	-7.2	15.7	15.9	-5.7
Less: Income payments to the rest of the world.....	264.2	26.1	29.0	1.3	-5.3	58.7	58.2	1.9	-7.6
Equals: Gross national product	9,512.1	84.0	9.2	101.2	34.2	3.7	0.4	4.4	1.4
Less: Exports of goods and services and income receipts from the rest of the world.....	1,314.4	3.3	43.9	22.3	-19.8	1.1	14.6	7.0	-5.8
Plus: Command-basis exports of goods and services and income receipts from the rest of the world ¹	1,345.4	6.3	24.4	20.0	-20.2	1.9	7.6	6.1	-5.8
Equals: Command-basis gross national product	9,543.1	86.9	-10.3	99.0	33.8	3.8	-0.4	4.3	1.4
	Index number								
Addendum:									
Terms of trade ²	102.4	0.2	-1.6	-0.2	0.0	0.8	-6.0	-0.8	0.0

1. Exports of goods and services and income receipts deflated by the implicit price deflator for imports of goods and services and income payments.

2. The terms of trade is the following ratio, with the decimal point shifted two places to the right: In the numerator, the implicit price deflator (IPD) for the sum of exports of goods and services and of income receipts; in the denominator, the IPD for the sum of imports of goods and services and of income payments.

NOTE. See note to table 1 for an explanation of chained (1996) dollar series. Levels of these series are shown in NIPA tables 1.10 and 1.11.

Corporate Profits

Profits from current production increased \$25.1 billion (3.2 percent at a quarterly rate) in the fourth quarter after decreasing in the first three quarters of 2002 (table 5).⁷ The after-tax measure of current-production profits also increased in the fourth quarter after decreasing earlier in the year.

Profits of domestic nonfinancial corporations increased \$26.8 billion (6.0 percent); unit costs decreased, while prices and output increased.⁸ The increase in prices followed four consecutive declines. Profits of domestic financial corporations increased slightly.

Profits from the rest of the world decreased \$2.0 billion.⁹ Both receipts and payments posted modest increases, but the increase in payments was larger.

Cash flow from current production, a profits-related measure of internally generated funds available for investment, increased \$14.0 billion, a little more

than it had decreased in the third quarter.¹⁰ The ratio of cash flow to nonresidential fixed investment, an indicator of the extent to which the current level of investment could be financed by internally generated funds, increased to 86.7 percent from 86.0 percent. (During the expansion of the 1990s, the ratio averaged 82.2 percent.)

Domestic industry profits. The current-production measure of profits is not available at detailed industry levels, because industry detail for the capital consumption adjustment does not exist. Consequently, industry profits are best measured by profits with inventory valuation adjustment.

For nonfinancial industries, the largest increase in this measure of profits was posted by wholesale trade (chart 3). Retail trade profits, in contrast, decreased.

Manufacturing profits increased about as much as in the third quarter. The largest increases were posted

7. Profits from current production is estimated as the sum of profits before tax, the inventory valuation adjustment, and the capital consumption adjustment; it is shown in NIPA tables 1.9, 1.14, 1.16, and 6.16C (see "Selected NIPA Tables," which begins on page D-2) as corporate profits with inventory valuation and capital consumption adjustments.

Percent changes in profits are shown at quarterly, not annual, rates.

8. "Output" here is the gross product of nonfinancial corporations. It measures the contribution, or value added, of these businesses to the Nation's output, and it is measured as the sum of incomes generated by these businesses.

9. Profits from the rest of the world is calculated as (1) receipts by U.S. residents of earnings from their foreign affiliates plus dividends received by U.S. residents from unaffiliated foreign corporations minus (2) payments by U.S. affiliates of earnings to their foreign parents plus dividends paid by U.S. corporations to unaffiliated foreign residents. These estimates include capital consumption adjustments (but not inventory valuation adjustments) and are derived from BEA's international transactions accounts.

10. Cash flow from current production is undistributed profits with inventory valuation and capital consumption adjustments plus the consumption of fixed capital.

Table 5. Corporate Profits

[Quarterly estimates, seasonally adjusted]

	Billions of dollars (annual rate)						Percent change from preceding period ¹			
	Level		Change from preceding period				2001	2002	2002	
	2002	2002	2001	2002	2002				III	IV
		IV			III	IV				
Profits from current production	787.4	796.1	-56.5	55.8	-14.0	25.1	-7.2	7.6	-1.8	3.2
Domestic industries	668.1	682.0	-63.9	87.2	-15.0	27.1	-9.9	15.0	-2.2	4.1
Financial	209.7	207.6	-9.5	36.2	-3.4	0.3	-5.2	20.9	-1.6	0.1
Nonfinancial	458.4	474.4	-54.4	51.0	-11.7	26.8	-11.8	12.5	-2.5	6.0
Rest of the world	119.3	114.1	7.5	-31.5	1.0	-2.0	5.2	-20.9	0.9	-1.8
Receipts (inflows)	177.0	187.3	-31.4	4.6	12.5	1.4	-15.4	2.7	7.2	0.8
Payments (outflows)	57.7	73.3	-38.9	36.1	11.4	3.6	-64.2	166.6	19.6	5.0
IVA	-6.9	-8.5	20.0	-11.9	-9.4	6.6	.....	.....	.....	.....
CCAAdj	129.1	109.7	35.7	72.6	-15.2	-7.9	.....	.....	.....	.....
Profits before tax	665.2	694.9	-112.1	-5.0	10.6	26.4	-14.3	-0.7	1.6	3.9
Profits tax liability	213.3	222.4	-60.1	14.0	1.0	7.7	-23.2	7.0	0.5	3.6
Profits after tax	451.9	472.5	-52.0	-19.0	9.5	18.7	-10.0	-4.0	2.1	4.1
Profits from current production less tax liability	574.1	573.7	3.6	41.8	-15.0	17.4	0.7	7.9	-2.6	3.1
Cash flow from current production	967.3	968.7	38.1	55.5	-12.0	14.0	4.4	6.1	-1.2	1.5
Domestic industry profits:										
Corporate profits of domestic industries with IVA	539.0	572.3	-99.6	14.6	0.2	35.0	-16.0	2.8	0.0	6.5
Financial	217.3	216.5	-10.4	26.7	-2.4	0.4	-5.2	14.0	-1.1	0.2
Nonfinancial	321.7	355.8	-89.3	-12.0	2.6	34.6	-21.1	-3.6	0.8	10.8
Manufacturing	92.6	108.9	-76.4	9.2	8.6	8.4	-47.8	11.0	9.3	8.4
Transportation and public utilities	16.7	21.5	-8.9	-11.0	-3.9	8.3	-24.5	-39.7	-22.9	63.2
Wholesale trade	47.3	58.9	-17.3	2.5	-0.3	14.4	-28.0	5.7	-0.7	32.4
Retail trade	81.2	75.1	5.7	2.1	-3.5	-7.4	7.8	2.6	-4.0	-9.0
Other	83.9	91.5	7.8	-14.9	1.7	10.9	8.6	-15.0	2.2	13.5
Unit price, costs, and profits of nonfinancial corporations:										
Unit price	1.036	1.037	0.012	-0.005	-0.001	0.002	.....	.....	.....	.....
Unit labor cost	0.680	0.679	0.007	-0.015	-0.001	0.000	.....	.....	.....	.....
Unit nonlabor cost	0.269	0.270	0.017	0.002	0.002	-0.001	.....	.....	.....	.....
Unit profits from current production	0.086	0.088	-0.011	0.007	-0.003	0.004	.....	.....	.....	.....

1. Quarterly percent changes are not annualized.

NOTE: Levels of these and other profits series are shown in NIPA tables 1.14, 1.16, 6.16C, and 7.15.

IVA Inventory valuation adjustment

CCAAdj Capital consumption adjustment

by petroleum refiners and by manufacturers of fabricated metal products. The largest decreases were posted by manufacturers of industrial machinery and equipment and by manufacturers of motor vehicles; both industries continued to record losses in the fourth quarter. For industrial machinery, the loss was the 6th in a row; for motor vehicles, the 11th.

Profits in the transportation and public utility group turned up sharply. Transportation registered positive profits after four consecutive losses. In communications, which is included in this industry group, losses continued for the 12th consecutive quarter, but they were not as severe as in the third quarter. Profits of utilities increased after decreasing.

Profits of “other” nonfinancial corporations increased much more than in the third quarter. Producers of crude oil and of services were mainly responsible for the step-up.

For financial industries, increases in the profits of commercial banks and of property and casualty insurance companies were largely offset by lower earnings of Federal Reserve banks.

Profits before and after tax. The fourth-quarter increase in profits before tax (PBT) was similar to the increase in profits from current production, as changes in the inventory valuation and capital consumption adjustments were offsetting.¹¹ (Earlier in the year, the capital consumption adjustment had been bigger—

11. Profits before tax is based on inventory and depreciation practices used in tax accounting, whereas the current-production measure—which excludes nonoperating items, such as special charges and capital gains and losses—is based on depreciation of fixed assets and inventory withdrawals valued at current cost.

that is, more negative—and had not been offset by the inventory valuation adjustment.¹²)

Profits after tax (PBT less profits tax liability) increased 4.1 percent in the fourth quarter, about twice as much as in the third quarter and more than at any time since the end of 1999.

The year 2002. For the year as a whole, profits from current production rebounded \$55.8 billion (7.6 percent), to \$787.4 billion; in 2001, they had decreased about that amount.¹³ Profits of domestic corporations more than accounted for the upturn. Profits of domestic nonfinancial corporations increased \$51.0 billion after decreasing \$54.4 billion, as unit profits and output turned up. Profits of domestic financial corporations increased \$36.2 billion after decreasing \$9.5 billion.

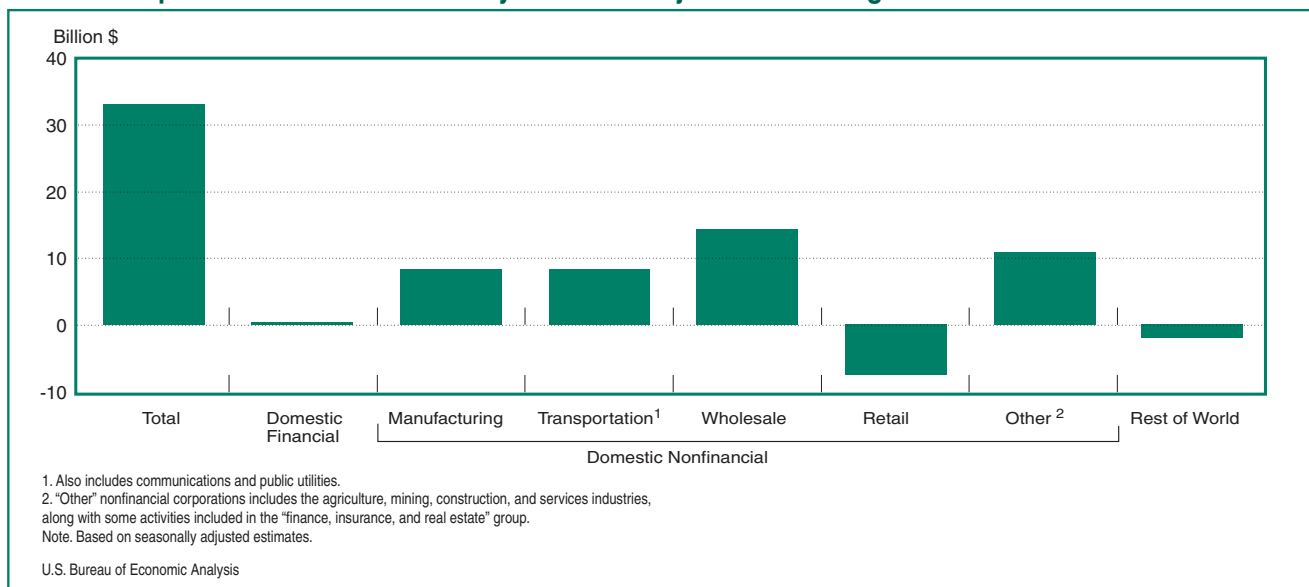
Profits from the rest of the world turned down, as payments by domestic affiliates to foreign parents turned up sharply.

Domestic profits with inventory valuation adjustment increased \$14.6 billion after decreasing \$99.6 billion. Nonfinancial profits decreased much less than in 2001, and financial profits turned up. The improvement in nonfinancial profits was accounted for by manufacturing and, to a lesser extent, by wholesale trade.

12. Since the fourth quarter of 2001, changes in the capital consumption adjustment have been dominated by the effect of tax law changes that allow accelerated depreciation for certain investments. See the box “Effects of the Job Creation and Worker Assistance Act of 2002,” “Business Situation,” SURVEY 82 (June 2002): 14.

13. These changes are calculated from *annual* levels for 2001 and 2002. Current-production profits in the fourth quarter of 2002 were \$15.3 billion (1.9 percent) less than in the fourth quarter of 2001.

Chart 3. Corporate Profits with Inventory Valuation Adjustment: Change from 2002:III to 2002:IV



In contrast to the increase in current-production profits, PBT decreased a little in 2002. The difference between the two measures of profits was more than accounted for by the capital consumption adjustment. The divergent movements in current-production prof-

its and PBT carried through to after-tax profits: PBT less tax liability decreased 4.0 percent in 2002 after decreasing more than twice as much in 2001; current-production profits less tax liability increased 7.9 percent after a much smaller increase.

Government Sector

The combined current deficit of the Federal Government and of state and local governments increased \$33.1 billion, to \$298.3 billion, in the fourth quarter after increasing \$24.5 billion in the third (table 6).¹⁴ The fourth-quarter increase was more than accounted for by the Federal current deficit, which increased more in the fourth quarter than in the third. The state and local current deficit decreased in the fourth quarter after increasing in the third.

Federal

The Federal Government current deficit increased \$37.2 billion in the fourth quarter after increasing \$14.9 billion in the third. Current expenditures turned up more than current receipts.

Current receipts. Federal current receipts increased \$5.6 billion in the fourth quarter after decreasing \$19.6 billion in the third. The upturn reflected a smaller decrease in personal tax and nontax receipts in the fourth quarter than in the third and accelerations in corporate profits accruals and in contributions for social insurance. In contrast, indirect business tax and nontax accruals turned down.

Personal tax and nontax receipts decreased \$6.0 billion after decreasing \$25.3 billion. The smaller decrease in the fourth quarter than in the third was mostly accounted for by personal income taxes. Within personal income taxes, nonwithheld income taxes decreased \$3.6 billion after decreasing \$13.7 billion, and withheld income taxes decreased \$2.3 billion after decreasing \$11.1 billion.

Corporate profits tax accruals increased \$6.4 billion after increasing \$0.9 billion. The acceleration reflected the pickup in domestic corporate profits before tax.

Contributions for social insurance increased \$6.1 billion after increasing \$2.6 billion. The acceleration was more than accounted for by contributions for social security (old-age, survivors, disability, and health

Table 6. Government Sector Current Receipts and Expenditures

(Billions of dollars, seasonally adjusted at annual rates)

	Level		Change from preceding quarter			
	2002	2002				
		IV	I	II	III	IV
Current receipts	2,887.3	-120.4	11.0	-7.3	17.9	
Current expenditures	3,185.6	72.4	50.1	17.2	51.0	
Current surplus or deficit(-)	-298.3	-192.7	-39.1	-24.5	-33.1	
Social insurance funds.....	49.9	-12.4	-14.3	-1.6	1.9	
Other.....	-348.2	-180.4	-24.8	-22.9	-35.0	
Federal Government						
Current receipts	1,869.7	-107.6	-1.0	-19.6	5.6	
Personal tax and nontax receipts.....	825.3	-150.7	-18.2	-25.3	-6.0	
Corporate profits tax accruals.....	187.5	27.6	9.7	0.9	6.4	
Indirect business tax and nontax accruals.....	111.5	1.1	1.8	2.2	-0.9	
Contributions for social insurance.....	745.4	14.5	5.6	2.6	6.1	
Current expenditures	2,117.4	59.5	48.8	-4.7	42.8	
Consumption expenditures	608.9	22.7	14.7	8.8	19.1	
National defense	403.2	16.1	10.4	6.4	14.3	
Nondefense	205.8	6.7	4.4	2.3	4.9	
Transfer payments (net)	948.5	46.0	10.7	6.5	14.4	
To persons	934.0	38.5	22.9	7.4	9.6	
To the rest of the world	14.5	7.5	-12.2	-0.9	4.8	
Grants-in-aid to State and local governments	315.8	2.9	17.3	-4.6	10.8	
Net interest paid.....	202.1	-13.1	6.4	-9.1	-3.7	
Subsidies less current surplus of government enterprises	42.1	1.1	-0.3	-6.4	2.2	
Subsidies	46.3	1.8	0.6	-0.5	1.3	
Of which: Agricultural subsidies.....	22.0	1.0	0.1	-0.8	1.2	
Less: Current surplus of government enterprises	4.2	0.7	1.0	5.7	-0.8	
Less: Wage accruals less disbursements.....	0.0	0.0	0.0	0.0	0.0	
Current surplus or deficit (-)	-247.7	-167.1	-49.8	-14.9	-37.2	
Social insurance funds.....	50.0	-12.3	-14.4	-1.6	1.9	
Other.....	-297.7	-154.8	-35.4	-13.3	-39.1	
State and local governments						
Current receipts	1,333.4	-9.9	29.2	7.8	23.1	
Personal tax and nontax receipts.....	271.4	-22.3	3.3	2.4	3.7	
Corporate profits tax accruals.....	34.9	4.3	1.5	0.2	1.2	
Indirect business tax and nontax accruals.....	701.8	5.3	7.1	9.6	7.3	
Contributions for social insurance.....	9.5	0.1	0.1	0.0	0.1	
Federal grants-in-aid.....	315.8	2.9	17.3	-4.6	10.8	
Current expenditures	1,384.0	15.8	18.5	17.4	19.0	
Consumption expenditures	1,050.1	9.5	12.9	9.0	10.5	
Transfer payments to persons.....	349.5	8.0	7.3	8.0	10.8	
Net interest paid.....	-1.9	-0.1	-0.1	0.0	0.1	
Less: Dividends received by government	0.5	0.0	0.1	0.0	0.0	
Subsidies less current surplus of government enterprises	-13.2	-1.5	-1.6	0.4	-2.4	
Subsidies	-0.4	-1.5	-0.9	1.2	-2.1	
Less: Current surplus of government enterprises	12.8	0.0	0.7	0.8	0.3	
Less: Wage accruals less disbursements.....	0.0	0.0	0.0	0.0	0.0	
Current surplus or deficit (-)	-50.6	-25.6	10.7	-9.6	4.1	
Social insurance funds.....	-0.1	0.0	0.1	0.0	0.0	
Other.....	-50.5	-25.6	10.7	-9.7	4.1	
Addendum:						
Net lending or net borrowing (-) ¹	-398.5	-200.0	-35.7	-20.9	-36.5	
Federal	-271.7	-172.7	-53.7	-10.5	-38.2	
State and local	-126.8	-27.3	18.0	-10.4	1.7	

14. The combined current surplus or deficit of the Federal Government and state and local governments is the NIPA measure of net saving by government. Net saving equals gross saving less consumption of fixed capital. These estimates are shown in NIPA table 5.1.

1. "Net lending or borrowing" is conceptually similar to "net financial investment" in the flow of funds accounts prepared by the Board of Governors of the Federal Reserve System. The two measures differ primarily because government net lending or borrowing is estimated from data for transactions, whereas net financial investment is estimated from data for financial assets. There are also small conceptual differences, such as the classification of the Federal Government's railroad retirement and veterans life insurance programs.

insurance trust funds), which increased \$6.1 billion after increasing \$2.9 billion, reflecting an acceleration in wage and salary disbursements.

Indirect business tax and nontax accruals decreased \$0.9 billion after increasing \$2.2 billion. The downturn was more than accounted for by a downturn in custom duties, which decreased \$1.8 billion after increasing \$3.0 billion. In contrast, nontaxes turned up, increasing \$0.3 billion after decreasing \$0.7 billion.

Current expenditures. Current expenditures increased \$42.8 billion in the fourth quarter after decreasing \$4.7 billion in the third. The upturn was accounted for by upturns in grants-in-aid to state and local governments and in “subsidies less current surplus of government enterprises” and accelerations in consumption expenditures and in transfer payments. In addition, net interest paid decreased less than in the third quarter.

Grants-in-aid to state and local governments increased \$10.8 billion after decreasing \$4.6 billion. Grants for state Medicaid programs, for education, for labor training and services, and for housing and community services all turned up.

“Subsidies less current surplus of government enterprises” turned up, increasing \$2.2 billion after decreasing \$6.4 billion. The upturn was mostly accounted for by a downturn in “current surplus of government enterprises.” The current surplus of the Postal Service turned down, decreasing \$0.8 billion after increasing \$4.9 billion; the third-quarter surplus had been boosted by the postal rate increase for all classes of mail that went into effect on June 30, 2002.

Consumption expenditures increased \$19.1 billion after increasing \$8.8 billion. The acceleration was mostly accounted for by an acceleration in defense consumption expenditures. Within defense consumption expenditures, services increased \$16.0 billion after increasing \$4.7 billion. Within services, “other services” (which includes expenditures for research and development, transportation of materials, travel of persons, and for other services) increased \$17.3 billion after a \$3.5 billion increase; in contrast, compensation of employees turned down, decreasing \$1.9 billion after a \$0.9 billion increase. Durable goods turned down, decreasing \$1.1 billion after a \$1.4 billion increase; spending on parts for aircraft, for ships, for electronics, and for other durable goods turned down, and spending on parts for missiles decelerated.

Nondefense consumption expenditures increased \$4.9 billion after an increase of \$2.3 billion. The acceleration was mostly accounted for by services. Within services, compensation of employees increased \$3.4 billion after increasing \$1.9 billion. The acceleration was the result of increased employment at the Trans-

portation Security Administration: In the third quarter, 16,200 employees were hired, and in the fourth quarter, 35,800 more employees were hired.

“Transfer payments (net)” increased \$14.4 billion after increasing \$6.5 billion. Transfer payments to the rest of the world turned up, increasing \$4.8 billion after decreasing \$0.9 billion. Transfer payments to persons accelerated, increasing \$9.6 billion after increasing \$7.4 billion. The acceleration was accounted for by accelerations in Medicare, food stamps, and social security (old-age, survivors, and disability insurance). The acceleration in food stamps was partly due to a 1.4-percent cost-of-living adjustment that took effect in October.

Net interest paid decreased \$3.7 billion after a decrease of \$9.1 billion. Gross interest paid decreased \$0.9 billion after decreasing \$7.8 billion, primarily reflecting an upturn in interest paid to persons and business.

State and local

The state and local government current deficit decreased \$4.1 billion in the fourth quarter after increasing \$9.6 billion in the third. Current receipts accelerated more than current expenditures.

Current receipts. State and local government current receipts increased \$23.1 billion after increasing \$7.8 billion. The acceleration was more than accounted for by the upturn in Federal grants-in-aid.

Personal tax and nontax receipts increased \$3.7 billion after increasing \$2.4 billion. The acceleration was mostly accounted for by personal income taxes, which increased \$2.8 billion after increasing \$1.5 billion.

Corporate profits tax accruals accelerated, increasing \$1.2 billion after increasing \$0.2 billion.

Indirect business tax and nontax accruals decelerated, increasing \$7.3 billion after increasing \$9.6 billion. The deceleration was more than accounted for by sales taxes, which increased \$1.4 billion after increasing \$6.6 billion. Within sales taxes, the deceleration was accounted for by slowdowns in general sales taxes and tobacco taxes.

Current expenditures. Current expenditures increased \$19.0 billion after increasing \$17.4 billion. Transfer payments to persons and consumption expenditures accelerated, while “subsidies less current surplus of government enterprises” turned down.

Transfer payments to persons increased \$10.8 billion after an increase of \$8.0 billion. The acceleration was mostly accounted for by a pickup in Medicaid payments.

Consumption expenditures increased \$10.5 billion after increasing \$9.0 billion. The acceleration was mostly accounted for by nondurable goods, which

increased \$3.7 billion after increasing \$2.4 billion. Within nondurable goods, petroleum products accelerated.

“Subsidies less current surplus of government enterprises” decreased \$2.4 billion after increasing \$0.4 billion. This downturn was more than accounted for by subsidies, which decreased \$2.1 billion after increasing \$1.2 billion, reflecting California electricity subsidies. (The NIPA’s treat the special purchases of electricity made by California, net of receipts from commercial and residential users, as a subsidy payment.) In the fourth quarter, subsidies turned negative as California recovered subsidies paid in earlier periods.

Net lending or net borrowing

“Net lending or net borrowing(–)” is an alternative measure of the government fiscal position. Net lending is the financing requirement of the government sector and is derived as the current surplus plus the consumption of fixed capital and “capital transfers received (net)” less gross investment and net purchases of nonproduced assets.¹⁵

Net borrowing increased \$36.5 billion in the fourth quarter after increasing \$20.9 billion in the third. Federal net borrowing increased \$38.2 billion as a result of an increase in the current deficit. State and local net borrowing decreased \$1.7 billion, mainly as a result of the decrease in the current deficit.

Government gross investment increased \$0.5 billion after increasing \$3.5 billion. The deceleration was mostly accounted for by state and local government gross investment, which increased \$0.4 billion after increasing \$2.7 billion. Federal Government gross investment also decelerated, increasing \$0.1 billion after increasing \$0.8 billion.

The government sector in 2002

The combined fiscal position of the Federal Government and of state and local governments shifted from a surplus of \$40.7 billion in 2001 to a deficit of \$251.4 billion in 2002. The shift was mostly accounted for by a shift in the Federal fiscal position.

The Federal fiscal position decreased \$271.9 billion in 2002, from a current surplus of \$72.0 billion to a current deficit of \$199.9 billion. Receipts decreased and expenditures increased.

Federal current receipts decreased \$132.8 billion, to \$1,875.6 billion. Personal tax and nontax receipts decreased \$163.9 billion. In contrast, contributions for social insurance increased \$21.2 billion, corporate profit tax accruals increased \$9.6 billion, and indirect business taxes increased \$0.3 billion.

Federal current expenditures increased \$139.1 billion, to \$2,075.5 billion. “Transfer payments (net)” increased \$89.5 billion, consumption expenditures increased \$58.1 billion, and grants-in-aid to state and local governments increased \$28.3 billion. In contrast, net interest paid decreased \$30.3 billion, and “subsidies less current surplus of government enterprises” decreased \$6.6 billion.

The state and local government current deficit increased \$20.2 billion, to \$51.5 billion, in 2002. Current expenditures increased more than current receipts.

State and local current receipts increased \$43.6 billion, to \$1,304.9 billion. Federal grants-in-aid increased \$28.3 billion, indirect business taxes and nontax accruals increased \$25.4 billion, corporate profits tax accruals increased \$4.4 billion, and contributions for social insurance increased \$0.2 billion. In contrast, personal tax and nontax receipts decreased \$14.6 billion.

State and local current expenditures increased \$63.8 billion, to \$1,356.4 billion. Consumption expenditures increased \$40.8 billion, and transfer payments to persons increased \$31.2 billion. In contrast, “subsidies less current surplus of government enterprises” decreased \$8.1 billion, and net interest paid decreased \$0.1 billion.

Total gross investment of the Federal Government and state and local governments increased \$16.0 billion, to \$351.9 billion.

Federal gross investment increased \$7.5 billion, to \$107.2 billion. Defense equipment and software increased \$5.7 billion, and nondefense structures increased \$1.9 billion.

State and local gross investment increased \$8.5 billion, to \$244.7 billion. Structures increased \$10.6 billion, while equipment and software decreased \$2.1 billion.

Net lending or net borrowing. Net borrowing increased \$305.0 billion, to \$351.9 billion, in 2002. Most of the increase was accounted for by a shift in the Federal Government fiscal position from net lending of \$58.9 billion in 2001 to net borrowing of \$224.5 billion in 2002. State and local government net borrowing increased \$21.6 billion, to \$127.4 billion.

15. Net lending or net borrowing estimates are shown in NIPA tables 3.1–3.3.

Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade, 2002:IV

Tables 1, 2, and 3 show quarterly and monthly estimates of real inventories, sales, and inventory-sales ratios, respectively. Table 4 shows real manufacturing inventories by stage of fabrication. Real estimates are in chained (1996) dollars.

Data availability

Estimates for 1967:I to 1997:IV on the basis of the Standard Industrial Classification system and estimates beginning with 1997:IV on the basis of the North American Industry Classification System are available

as downloadable files on BEA's Web site at <www.bea.gov>; click on "GDP and related data" and look under "Supplementary estimates, historical underlying detail," and click on "Change in private inventories."

The most recent estimates are also available from BEA: On diskette as part of the NIPA monthly update (product number NDS-0171) and as separate monthly printouts (product number NLS-0166). To order, call the BEA Order Desk at 1-800-704-0415 (outside the United States, call 202-606-9666).

Table 1B. Real Manufacturing and Trade Inventories, Seasonally Adjusted, End of Period
[Billions of chained (1996) dollars]

	2002		2002					2003
	III	IV	Aug.	Sep.	Oct. ^r	Nov. ^r	Dec. ^r	Jan. ^p
Manufacturing and trade industries	1,145.8	1,151.4	1,142.9	1,145.8	1,144.4	1,148.3	1,151.4	1,152.5
Manufacturing industries	447.5	448.2	447.5	447.5	447.3	446.3	448.2	447.3
Durable goods industries.....	273.9	275.3	274.9	273.9	273.6	272.9	275.3	274.7
Wood product manufacturing.....	8.6	8.5	8.6	8.6	8.6	8.6	8.5	8.5
Nonmetallic mineral product manufacturing.....	9.0	9.1	9.1	9.0	9.1	9.1	9.1	9.1
Primary metal manufacturing.....	20.6	20.9	20.6	20.6	20.6	20.8	20.9	21.0
Fabricated metal product manufacturing.....	30.7	30.7	30.6	30.7	30.7	30.7	30.7	30.5
Machinery manufacturing.....	36.4	36.4	36.6	36.4	36.2	36.1	36.4	36.2
Computer and electronic product manufacturing.....	61.8	61.8	62.2	61.8	61.9	62.3	61.8	61.3
Electrical equipment, appliance, and component manufacturing.....	13.6	13.2	13.7	13.6	13.4	13.3	13.2	13.2
Transportation equipment manufacturing.....	65.4	66.6	65.8	65.4	65.4	64.4	66.6	66.6
Furniture and related product manufacturing.....	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.7
Miscellaneous manufacturing.....	18.2	18.4	18.1	18.2	18.2	18.1	18.4	18.5
Nondurable goods industries.....	173.3	172.7	172.5	173.3	173.5	173.1	172.7	172.5
Food manufacturing.....	37.3	37.1	37.3	37.3	37.3	37.4	37.1	37.1
Beverage and tobacco product manufacturing.....	12.1	11.9	11.9	12.1	12.0	11.8	11.9	11.8
Textile mills.....	5.8	5.7	5.8	5.8	5.7	5.6	5.7	5.7
Textile product mills.....	4.8	4.8	4.8	4.8	4.8	4.7	4.8	4.8
Apparel manufacturing.....	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.2
Leather and allied product manufacturing.....	1.4	1.5	1.4	1.4	1.5	1.5	1.5	1.5
Paper manufacturing.....	16.1	16.1	16.0	16.1	16.1	16.1	16.1	16.2
Printing and related support activities.....	5.9	6.1	6.0	5.9	6.1	6.1	6.1	6.1
Petroleum and coal product manufacturing.....	12.0	12.2	11.9	12.0	12.0	11.8	12.2	12.2
Chemical manufacturing.....	51.8	51.3	51.9	51.8	51.8	52.0	51.3	50.9
Plastics and rubber product manufacturing.....	17.7	17.6	17.1	17.7	17.7	17.7	17.6	17.6
Merchant wholesale industries	303.5	304.5	303.1	303.5	301.4	301.9	304.5	303.5
Durable goods industries.....	183.1	183.6	183.0	183.1	182.6	183.0	183.6	182.9
Nondurable goods industries.....	119.4	120.0	119.1	119.4	118.0	118.0	120.0	119.6
Retail trade industries	394.1	397.9	391.6	394.1	394.9	399.2	397.9	400.7
Motor vehicle and parts dealers.....	127.5	129.4	126.9	127.5	129.8	132.9	129.4	132.4
Furniture and home furnishings, electronics, and appliance stores.....	32.5	32.6	32.0	32.5	32.6	32.6	32.6	32.7
Building materials, garden equipment and supply stores.....	39.3	40.0	38.7	39.3	39.8	39.6	40.0	39.8
Food and beverage stores.....	30.5	30.4	30.2	30.5	29.8	30.1	30.4	30.3
Clothing and accessory stores.....	31.0	31.4	30.7	31.0	30.6	30.9	31.4	32.0
General merchandise stores.....	61.7	63.4	61.6	61.7	61.7	62.6	63.4	63.2
Other retail stores.....	72.0	71.0	71.8	72.0	71.1	71.2	71.0	71.0

^p Preliminary.

^r Revised.

NOTE: Estimates in this table are based on the North American Industry Classification System (NAICS). Chained (1996) dollar inventory series are calculated to ensure that the chained (1996) dollar change in

inventories for 1996 equals the current-dollar change in inventories for 1996 and that the average of the 1995 and 1996 end-of-year chain-weighted and fixed-weighted inventories are equal. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Table 2B. Real Manufacturing and Trade Sales, Seasonally Adjusted at Monthly Rate

[Billions of chained (1996) dollars]

	2002		2002					2003
	III	IV	Aug.	Sep.	Oct. ^r	Nov. ^r	Dec. ^r	Jan. ^p
Manufacturing and trade industries	864.9	866.5	867.4	859.0	861.4	867.3	870.7	874.4
Manufacturing industries	328.7	327.6	328.4	326.2	329.0	327.3	326.4	330.0
Durable goods industries	189.4	186.1	188.8	187.1	189.0	186.4	182.8	188.3
Wood product manufacturing	7.4	7.6	7.4	7.3	7.5	7.7	7.7	7.5
Nonmetallic mineral product manufacturing	7.9	7.9	8.0	7.9	7.8	7.8	7.9	8.1
Primary metal manufacturing	12.1	11.9	12.1	12.0	12.0	11.8	11.8	12.1
Fabricated metal product manufacturing	20.4	20.1	20.4	20.3	20.3	20.1	20.0	19.9
Machinery manufacturing	21.8	21.3	21.8	21.5	21.5	21.4	20.9	21.2
Computer and electronic product manufacturing	42.3	41.8	42.3	41.8	42.1	42.0	41.3	43.6
Electrical equipment, appliance, and component manufacturing	9.0	9.0	8.9	8.9	9.0	9.1	9.0	9.0
Transportation equipment manufacturing	53.6	51.1	52.9	52.7	53.5	51.3	48.7	51.8
Furniture and related product manufacturing	5.2	5.1	5.2	5.1	5.1	5.1	5.3	5.2
Miscellaneous manufacturing	9.6	10.0	9.6	9.4	9.9	10.0	10.1	10.1
Nondurable goods industries	139.0	141.0	139.3	138.7	139.7	140.4	142.8	141.3
Food manufacturing	37.5	39.0	37.9	37.3	39.1	39.0	38.9	38.4
Beverage and tobacco product manufacturing	6.5	6.2	6.5	6.4	6.4	6.2	6.1	6.1
Textile mills	3.8	3.7	3.8	3.7	3.8	3.8	3.6	3.8
Textile product mills	3.0	3.0	2.9	3.0	3.0	3.0	3.0	3.0
Apparel manufacturing	4.7	4.7	4.6	4.6	4.5	4.8	4.7	4.7
Leather and allied product manufacturing	0.7	0.6	0.7	0.7	0.7	0.7	0.6	0.7
Paper manufacturing	12.6	12.4	12.8	12.5	12.5	12.2	12.5	12.6
Printing and related support activities	7.6	7.7	7.7	7.7	7.7	7.6	7.7	7.6
Petroleum and coal product manufacturing	15.9	16.1	16.0	15.4	14.8	15.7	17.8	16.4
Chemical manufacturing	32.7	33.3	32.3	33.5	33.3	33.2	33.4	33.7
Plastics and rubber product manufacturing	14.5	14.7	14.5	14.4	14.6	14.7	14.9	14.8
Merchant wholesale industries	245.0	246.3	246.0	244.0	242.8	248.1	248.0	246.5
Durable goods industries	132.7	131.3	132.9	132.4	130.9	132.0	130.9	131.8
Nondurable goods industries	112.1	114.4	112.8	111.4	111.5	115.5	116.2	114.1
Retail trade industries	299.7	301.0	301.6	297.0	297.7	300.0	305.4	305.9
Motor vehicle and parts dealers	77.6	75.6	79.4	74.9	73.5	74.5	78.9	76.9
Furniture and home furnishings, electronics, and appliance stores	29.6	30.6	29.5	30.1	30.3	30.7	30.8	30.8
Building materials, garden equipment and supply stores	28.2	28.4	28.1	28.3	28.3	28.6	28.2	29.0
Food and beverage stores	36.2	36.4	36.2	36.2	36.3	36.7	36.2	37.1
Clothing and accessory stores	16.6	17.3	16.7	16.3	17.3	17.1	17.4	17.6
General merchandise stores	43.4	44.0	43.5	43.4	44.0	43.8	44.1	44.5
Other retail stores	72.1	73.3	72.1	72.2	72.6	73.1	74.3	74.4

Table 3B. Real Inventory-Sales Ratios for Manufacturing and Trade, Seasonally Adjusted

[Ratio, based on chained (1996) dollars]

	2002		2002					2003
	III	IV	Aug.	Sep.	Oct. ^r	Nov. ^r	Dec. ^r	Jan. ^p
Manufacturing and trade industries	1.33	1.33	1.32	1.33	1.33	1.32	1.32	1.32
Manufacturing industries	1.36	1.37	1.36	1.37	1.36	1.36	1.37	1.36
Durable goods industries	1.45	1.48	1.46	1.46	1.45	1.46	1.51	1.46
Wood product manufacturing	1.16	1.11	1.16	1.18	1.14	1.11	1.11	1.13
Nonmetallic mineral product manufacturing	1.14	1.16	1.14	1.14	1.16	1.16	1.15	1.13
Primary metal manufacturing	1.70	1.76	1.70	1.71	1.71	1.77	1.77	1.74
Fabricated metal product manufacturing	1.51	1.52	1.50	1.51	1.51	1.53	1.53	1.53
Machinery manufacturing	1.67	1.71	1.68	1.69	1.69	1.69	1.74	1.71
Computer and electronic product manufacturing	1.46	1.48	1.47	1.48	1.47	1.49	1.50	1.41
Electrical equipment, appliance, and component manufacturing	1.51	1.46	1.53	1.52	1.49	1.47	1.47	1.48
Transportation equipment manufacturing	1.22	1.30	1.24	1.24	1.22	1.26	1.37	1.29
Furniture and related product manufacturing	1.28	1.29	1.28	1.31	1.29	1.31	1.26	1.28
Miscellaneous manufacturing	1.90	1.84	1.88	1.93	1.84	1.81	1.82	1.82
Nondurable goods industries	1.25	1.23	1.24	1.25	1.24	1.23	1.21	1.22
Food manufacturing	0.99	0.95	0.98	1.00	0.96	0.96	0.96	0.97
Beverage and tobacco product manufacturing	1.87	1.90	1.82	1.90	1.88	1.90	1.94	1.93
Textile mills	1.50	1.53	1.55	1.56	1.52	1.47	1.59	1.50
Textile product mills	1.62	1.58	1.62	1.62	1.59	1.56	1.58	1.61
Apparel manufacturing	1.73	1.73	1.74	1.75	1.79	1.68	1.72	1.73
Leather and allied product manufacturing	2.05	2.31	2.04	2.03	2.22	2.21	2.53	2.25
Paper manufacturing	1.28	1.30	1.25	1.28	1.29	1.33	1.29	1.29
Printing and related support activities	0.78	0.80	0.79	0.77	0.79	0.80	0.80	0.80
Petroleum and coal product manufacturing	0.76	0.76	0.74	0.78	0.81	0.75	0.68	0.74
Chemical manufacturing	1.58	1.54	1.61	1.54	1.55	1.57	1.54	1.51
Plastics and rubber product manufacturing	1.22	1.19	1.18	1.23	1.21	1.20	1.18	1.19
Merchant wholesale industries	1.24	1.24	1.23	1.24	1.24	1.22	1.23	1.23
Durable goods industries	1.38	1.40	1.38	1.38	1.40	1.39	1.40	1.39
Nondurable goods industries	1.07	1.05	1.06	1.07	1.06	1.02	1.03	1.05
Retail trade industries	1.32	1.32	1.30	1.33	1.33	1.33	1.30	1.31
Motor vehicle and parts dealers	1.64	1.71	1.60	1.70	1.77	1.78	1.64	1.72
Furniture and home furnishings, electronics, and appliance stores	1.10	1.07	1.08	1.08	1.08	1.06	1.06	1.06
Building materials, garden equipment and supply stores	1.40	1.41	1.38	1.39	1.41	1.38	1.42	1.37
Food and beverage stores	0.84	0.84	0.83	0.84	0.82	0.82	0.84	0.82
Clothing and accessory stores	1.86	1.82	1.84	1.91	1.77	1.80	1.80	1.82
General merchandise stores	1.42	1.44	1.42	1.42	1.40	1.43	1.44	1.42
Other retail stores	1.00	0.97	1.00	1.00	0.98	0.97	0.96	0.95

^p Preliminary.
^r Revised.

NOTE. Estimates in this table are based on the North American Industry Classification System (NAICS).

Chained (1996) dollar sales are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

^p Preliminary.
^r Revised.

NOTE. Estimates in this table are based on the North American Industry Classification System (NAICS).

**Table 4B. Real Manufacturing Inventories, by Stage of Fabrication, Seasonally Adjusted,
End of Period**

[Billions of chained (1996) dollars]

	2002		2002				2003	
	III	IV	Aug.	Sep.	Oct. ^r	Nov. ^r	Dec. ^r	Jan. ^p
Materials and supplies								
Manufacturing industries	154.6	152.8	155.2	154.6	154.7	154.0	152.8	153.2
Durable goods industries.....	93.7	92.4	94.4	93.7	93.7	92.8	92.4	92.0
Wood product manufacturing	3.6	3.5	3.6	3.6	3.6	3.5	3.5	3.5
Nonmetallic mineral product manufacturing.....	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Primary metal manufacturing	6.8	6.9	6.8	6.8	6.9	6.8	6.9	6.9
Fabricated metal product manufacturing.....	11.8	11.7	11.7	11.8	11.8	11.8	11.7	11.6
Machinery manufacturing.....	13.6	13.5	13.9	13.6	13.6	13.4	13.5	13.3
Computer and electronic product manufacturing....	23.5	23.2	23.8	23.5	23.7	23.6	23.2	22.9
Electrical equipment, appliance, and component manufacturing.....	5.1	5.0	5.2	5.1	5.1	5.1	5.0	5.1
Transportation equipment manufacturing	16.2	15.8	16.2	16.2	16.1	15.8	15.8	15.8
Furniture and related product manufacturing	3.1	3.1	3.2	3.1	3.1	3.1	3.1	3.1
Miscellaneous manufacturing.....	6.5	6.4	6.5	6.5	6.4	6.3	6.4	6.3
Nondurable goods industries.....	60.9	60.3	60.8	60.9	61.0	61.1	60.3	61.1
Food manufacturing	11.2	11.1	11.4	11.2	11.1	11.1	11.1	11.1
Beverage and tobacco product manufacturing.....	6.3	6.3	6.3	6.3	6.4	6.5	6.3	6.1
Textile mills	2.0	1.9	1.9	2.0	1.9	1.9	1.9	1.9
Textile product mills	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Apparel manufacturing	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.1
Leather and allied product manufacturing	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4
Paper manufacturing	8.0	8.1	7.9	8.0	8.1	8.0	8.1	8.1
Printing and related support activities.....	1.9	1.9	1.9	1.9	1.9	2.0	1.9	1.9
Petroleum and coal product manufacturing.....	3.0	3.0	3.0	3.0	3.0	3.1	3.0	3.4
Chemical manufacturing.....	17.0	16.8	17.1	17.0	17.0	17.1	16.8	17.2
Plastics and rubber product manufacturing.....	7.3	7.2	7.2	7.3	7.3	7.3	7.2	7.2
Work-in-process								
Manufacturing industries	128.0	129.1	128.6	128.0	127.3	126.9	129.1	129.1
Durable goods industries.....	98.8	100.6	99.3	98.8	98.3	98.0	100.6	100.7
Wood product manufacturing	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Nonmetallic mineral product manufacturing.....	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Primary metal manufacturing	6.9	6.9	6.9	6.9	6.9	7.0	6.9	7.1
Fabricated metal product manufacturing.....	9.2	9.2	9.1	9.2	9.1	9.2	9.2	9.1
Machinery manufacturing.....	10.8	10.7	10.9	10.8	10.5	10.6	10.7	10.6
Computer and electronic product manufacturing....	21.5	21.7	21.2	21.5	21.3	21.6	21.7	21.6
Electrical equipment, appliance, and component manufacturing.....	4.3	4.3	4.3	4.3	4.2	4.2	4.3	4.3
Transportation equipment manufacturing	34.4	35.8	35.0	34.4	34.4	33.8	35.8	35.8
Furniture and related product manufacturing	1.2	1.1	1.2	1.2	1.2	1.2	1.1	1.2
Miscellaneous manufacturing.....	4.1	4.2	4.1	4.1	4.1	4.1	4.2	4.4
Nondurable goods industries.....	29.2	28.5	29.2	29.2	29.0	28.9	28.5	28.4
Food manufacturing	5.5	5.6	5.5	5.5	5.6	5.6	5.6	5.6
Beverage and tobacco product manufacturing.....	1.6	1.6	1.5	1.6	1.5	1.5	1.6	1.6
Textile mills	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.1
Textile product mills	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Apparel manufacturing	1.5	1.6	1.7	1.5	1.5	1.5	1.6	1.6
Leather and allied product manufacturing	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1
Paper manufacturing	1.5	1.5	1.6	1.5	1.5	1.5	1.5	1.4
Printing and related support activities.....	1.1	1.1	1.2	1.1	1.2	1.2	1.1	1.1
Petroleum and coal product manufacturing.....	3.3	3.4	3.3	3.3	3.3	3.2	3.4	3.4
Chemical manufacturing.....	10.1	9.2	9.8	10.1	9.7	9.8	9.2	9.2
Plastics and rubber product manufacturing.....	2.2	2.2	2.2	2.2	2.3	2.2	2.2	2.2
Finished goods								
Manufacturing industries	164.6	165.9	163.5	164.6	165.0	165.1	165.9	164.7
Durable goods industries.....	81.4	82.1	81.2	81.4	81.7	82.0	82.1	81.9
Wood product manufacturing	3.2	3.2	3.2	3.2	3.2	3.3	3.2	3.2
Nonmetallic mineral product manufacturing.....	4.6	4.7	4.6	4.6	4.6	4.6	4.7	4.7
Primary metal manufacturing	6.8	7.0	6.9	6.8	6.8	7.0	7.0	7.0
Fabricated metal product manufacturing.....	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8
Machinery manufacturing.....	12.0	12.3	11.9	12.0	12.1	12.1	12.3	12.3
Computer and electronic product manufacturing....	16.8	16.8	17.1	16.8	16.8	16.9	16.8	16.6
Electrical equipment, appliance, and component manufacturing.....	4.1	3.9	4.1	4.1	4.1	4.0	3.9	3.9
Transportation equipment manufacturing	15.9	15.9	15.6	15.9	16.0	15.9	15.9	16.0
Furniture and related product manufacturing	2.3	2.4	2.2	2.3	2.3	2.3	2.4	2.4
Miscellaneous manufacturing.....	7.6	7.8	7.5	7.6	7.6	7.7	7.8	7.8
Nondurable goods industries.....	83.1	83.7	82.3	83.1	83.3	83.0	83.7	82.8
Food manufacturing	20.5	20.3	20.3	20.5	20.5	20.6	20.3	20.3
Beverage and tobacco product manufacturing.....	4.2	4.0	4.2	4.2	4.0	3.8	4.0	4.1
Textile mills	2.7	2.7	2.7	2.7	2.7	2.6	2.7	2.7
Textile product mills	2.3	2.4	2.3	2.3	2.3	2.3	2.4	2.4
Apparel manufacturing	4.5	4.4	4.2	4.5	4.4	4.4	4.4	4.5
Leather and allied product manufacturing	0.9	1.0	0.9	0.9	0.9	0.9	1.0	1.0
Paper manufacturing	6.6	6.6	6.5	6.6	6.6	6.6	6.6	6.6
Printing and related support activities.....	2.9	3.1	2.9	2.9	2.9	2.9	3.1	3.1
Petroleum and coal product manufacturing.....	5.7	5.8	5.5	5.7	5.7	5.5	5.8	5.5
Chemical manufacturing.....	24.7	25.3	24.9	24.7	25.0	25.0	25.3	24.5
Plastics and rubber product manufacturing.....	8.1	8.2	7.7	8.1	8.1	8.2	8.2	8.2

^p Preliminary.

^r Revised.

Note. Estimates in this table are based on the North American Industry Classification System (NAICS).

Chained (1996) dollar inventory series are calculated to ensure that the chained (1996) dollar change in inventories for 1996 equals the current-dollar change in inventories for 1996 and that the average of the 1995 and 1996 end-of-year chain-weighted and fixed-weighted inventories are equal. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Income and Outlays of Households and of Nonprofit Institutions Serving Households

By Charles Ian Mead, Clinton P. McCully, and Marshall B. Reinsdorf

IN the national income and product accounts (NIPA's), the personal sector comprises households and nonprofit institutions serving households (NPISH's). Since households and NPISH's are likely to differ in their circumstances and behavior, separate estimates of their income and outlays are of interest to many users of the NIPA's. As part of the comprehensive revision of the NIPA's scheduled for late 2003, BEA plans to introduce two new annual tables—one that provides separate estimates of the income and outlays of the household component and of the NPISH component of the personal sector and another that reconciles the new estimates for NPISH's to estimates in the Internal Revenue Service's (IRS) *SOI Bulletin*. The other NIPA tables will continue to show estimates for the personal sector, which consolidates households and NPISH's. This article provides background information on the new tables and presents some preliminary estimates.

The new estimates will help to distinguish the saving behavior of households and NPISH's in analyses of personal saving. They can also be used to answer questions about the importance of the nonprofit sector in the U.S. economy or in the provision of particular kinds of services, such as health care and recreation. The estimates of transactions between the household sector and the nonprofit institution sector can help to answer questions about the sources of revenue for NPISH's, including charitable giving, and about the NPISH's use of this revenue. Finally, the *System of National Accounts 1993*, which specifies international guidelines for preparing national accounts, places households and NPISH's in separate sectors.¹ The separate estimates for the household and NPISH

sectors will therefore aid in comparisons of the United States with other countries.

Definition of NPISH's

An important criterion for classifying an organization as an NPISH is tax-exempt status, but many kinds of tax-exempt organizations do not qualify for treatment as an NPISH in the NIPA's. Some nonprofit institutions—such as chambers of commerce, trade associations, and homeowners' associations—are considered to serve businesses rather than households. These nonprofit institutions serving business are included in the business sector in the NIPA's. Some other nonprofit institutions that sell goods and services in the same way as for-profit businesses are also classified in the business sector. For example, tax-exempt cooperatives, credit unions, mutual financial institutions, and tax-exempt manufacturers—such as university presses—are treated as businesses.

The nonprofit institutions that are recognized as NPISH's provide services in one of the following five categories:

1. Religious and welfare, including social services, grant-making foundations, political organizations, museums and libraries, and some civic and fraternal organizations;
2. Medical care;
3. Education and research;
4. Recreation, including cultural, athletic, and some civic and fraternal organizations; and
5. Personal business, including labor unions, legal aid, and professional associations.

Almost all public charities are included in the first three categories, but a few are in the last two categories.

1. See Commission of the European Communities, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, and the World Bank, *System of National Accounts 1993* (Brussels/Luxembourg, New York, Paris, and Washington, DC, 1993).

The authors are indebted to Helen Stone Tice, an economist whose work while she was at BEA provided much of the conceptual groundwork for the research presented in this paper.

Table 1. NAICS Industries with Nonprofit Activity in Personal Consumption Expenditures, 1997

1997 NAICS code	Description	Percent of private industry output that comes from NPISH's
513	Broadcasting and telecommunications	0.4
514	Information and data processing services	1.9
541	Professional, scientific and technical services	1.9
611	Education services	83.1
621	Ambulatory health care services	11.1
622	Hospitals	85.0
623	Nursing and residential care facilities	38.0
624	Social assistance	64.4
711	Performing arts, spectator sports, and related industries	8.8
712	Museums, historical sites, and similar institutions	89.0
713	Amusement, gambling, and recreation industries	11.1
721	Accommodations	0.5
813	Religious, grant-making, civic, professional, and similar organizations ¹	89.9

1. Excludes business associations, which are nonprofit institutions serving business.
 NAICS North American Industry Classification System
 NPISH Nonprofit institutions serving households

Table 1 shows the industries in the North American Industrial Classification System (NAICS) that contain NPISH's. NPISH's account for more than half of the output in the following industries: Education; hospitals; social assistance; museums, historical sites, and similar institutions; and religious, grant-making, civic, professional, and similar organizations.

Measurement of output and income of NPISH's

Most of the output of NPISH's is considered to be purchased by persons, and the personal consumption expenditures (PCE) component of gross domestic product (GDP) includes the value of this output. The output of NPISH's is valued at its cost of production, an approach that distinguishes the treatment of NPISH's from the treatment of businesses in the NIPA's. Business output that is sold to customers is valued at the amount that they pay.

For businesses, sales generally exceed operating expenses, which include compensation of employees, purchases of intermediate inputs, indirect business taxes, and consumption of fixed capital (depreciation). For NPISH's, on the other hand, the relationship between sales and expenses is often the reverse: receipts from sales of program services are usually not expected to cover operating expenses. Instead, most nonprofit institutions rely on contributions, government grants, or dividend and interest income to cover at least a portion of their operating expenses. Because revenues from sales of services may be far below the cost of producing the services, sales are not a good measure of the value of NPISH output. However, the expenses that NPISH's incur to produce their output are a meaningful measure of the value of this output.²

The treatment of the income that helps NPISH's to fund the gap between their expenses and their sales depends on its source and nature. Transfers that NPISH's

2. See Paula Cullen Young, "Nonprofit Institutions in an Input-Output Framework," *Voluntas* 4 (February 1993): 465-485.

receive from households—or make to them—are excluded from personal income because they are intra-sector transfers in the consolidated accounts of households and NPISH's. On the other hand, transfers that NPISH's receive from business and government are included in personal income, as is the property income that NPISH's receive as rental income, dividends, and interest.³

The primary data sources used for the NIPA's do not provide separate measures of the property income of NPISH's and the property income of households. In the NIPA's, personal income from dividends, interest, and tenants' rents are calculated as residuals on the basis of accounting identities. Personal dividend income is measured as dividends paid by domestic corporations, plus dividends paid by foreign corporations to U.S. residents, less dividends received by domestic corporations from U.S. and foreign businesses and by foreign residents from U.S. businesses, less dividends received by government. Personal interest income is measured as interest paid by domestic business, government, persons, and the rest of the world less interest received by domestic business, government, and the rest of the world. Personal rental income received from tenant-occupied housing is measured by subtracting an estimate of the amount received by business and government from an estimate of total rental income from tenant-occupied structures.⁴ Our estimates of the share of personal income attributable to NPISH's must therefore depend on additional sources, such as data from the *SOI Bulletin*.

Data sources

The primary sources of data used to estimate the expenditures of nonprofit institutions included in PCE are the Census Bureau's quinquennial economic census and annual economic surveys that collect information on the expenses of NPISH's.⁵ In addition, a few kinds of NPISH's—such as labor organizations, political organizations, religious organizations, and educational organizations other than technical and trade schools—are not covered in Census Bureau surveys. Estimates of their expenses come from alternative data

3. Note that capital gains are not part of the income concept that the NIPA's measure. See Maria G. Perozek and Marshall B. Reinsdorf, "Alternative Measures of Personal Saving," *SURVEY OF CURRENT BUSINESS* 82 (April 2002): 13-24.

4. For additional information, see "Updated Summary Methodologies," *SURVEY* 82 (October 2002): 20-38. See also U.S. Bureau of Economic Analysis, *State Personal Income, 1929-97* (Washington, DC: U.S. Government Printing Office, May 1999).

5. For a description of how these data are used to create the estimates, see U.S. Bureau of Economic Analysis, *Personal Consumption Expenditures*, Methodology paper no. 6 (Washington, DC: U.S. Government Printing Office, June 1990), and "Updated Summary Methodologies," 20-38. The Census Bureau occasionally uses data from administrative sources, including the IRS, to fill in missing information about NPISH's.

sources, such as the National Center for Education Statistics, the National Council of Churches, and the Bureau of Labor Statistics. Estimates of transfer payments by households and nonprofit institutions to the rest of the world (which are not part of PCE but are part of personal outlays) are from the international transactions accounts.

Additional data sets that help to complete the new estimates of the NPISH sector and to improve their accuracy have also recently become available. The National Center for Charitable Statistics at the Urban Institute has produced data sets based on the information that tax-exempt institutions file with the IRS. These data sets include information on the type of service that the nonprofit institution performs, which is important for identifying the tax-exempt institutions that belong in the NPISH sector. Further, the American Association of Fundraising Council Trust for Philanthropy produces estimates of transfers and bequests from households to nonprofit institutions based on surveys and tax data. Finally, at least two surveys of charitable contributions to religious organizations have been primarily sponsored by the Lilly Endowment, Inc., and conducted by the Independent Sector—one in 1992 and a second in 1998.

Preliminary estimates of income and outlays

On average, from 1992 to 2001, over 50 percent of the expenditures of nonprofit institutions were for the provision of medical care, about 25 percent were for religious and welfare activities, and almost 15 percent were for the provision of education (chart 1). These shares vary only slightly over the years.

Table 2 provides preliminary estimates of the income and outlays of NPISH's and households from 1992 to 2001. These estimates do not reflect additional data that will be available in the upcoming comprehensive revision of the NIPAs. For comparison, the first panel of table 1 (lines 1–16) reproduces the income and outlays of the personal sector published in NIPA table 2.1. Corresponding items for the household portion of the personal sector appear in the second panel (lines 17–37), and estimates for NPISH's appear in the third panel.

Receipts from sales of program services (line 45) generally cover more than three-fourths of the expenses of nonprofit institutions (line 49), but this ratio declined slightly in 1998–2001. Medical care providers whose fees cover much of their costs are an important reason for the high expense-coverage ratio.

In table 2, the sum of household income (line 17) and the receipts of NPISH's (line 38) is larger than personal income (line 1) because one item in household income—transfers from NPISH's—and two items in

the receipts of NPISH's—transfers from households and sales by NPISH's of program services—are removed when households and NPISH's are consolidated into a single sector.⁶ The sum of household saving and NPISH saving does, however, equal personal saving. The transfers between households and NPISH's have no effect on the combined saving of these two sectors, because they count both as income and as outlays. The sales to households by NPISH's have no effect on the combined saving of these sectors, because they add the same amount to NPISH saving as they subtract from household saving.⁷

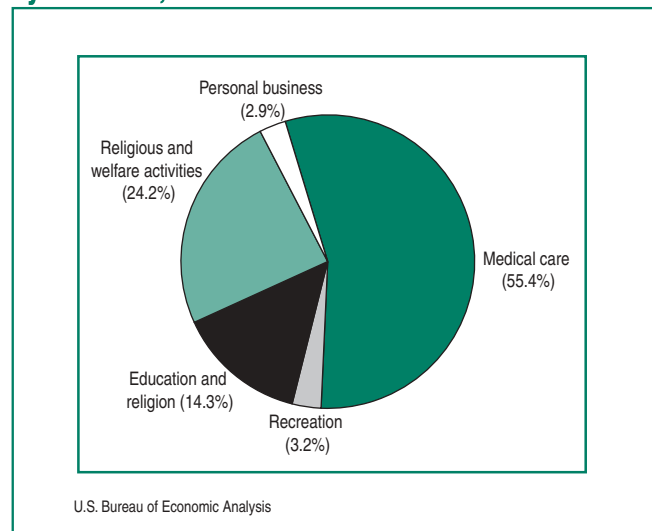
The preliminary estimates in table 2 suggest that households alone are responsible for the decline in personal saving from 1992 to 1998 but that NPISH's play an important role in the decline thereafter. From 1998 to 2001, NPISH saving dropped by more than \$15 billion as the gap between the expenses and the sales of nonprofit institutions grew from \$125.4 billion to \$166.9 billion.⁸ The use of capital gains to help fund

6. The household portion of personal income consists of transfers from government or business, wages and salaries, benefits, proprietors' income, rental income, interest, and dividends. Pension plan reserves and life insurance reserves are considered to be owned by persons.

7. Sales to business and government by NPISH's are excluded from their receipts and subtracted from their expenses in table 2 because these sales are not included in PCE.

8. Under the assumption of no change in investment in tangible assets, table F.100a in the Federal Reserve Board's flow of funds accounts also implies an abrupt drop in saving by nonprofit institutions. It shows that net investment in financial assets less liabilities by nonprofit institutions fell from \$48–\$86 billion in 1994–96 to less than \$10 billion in 1997–99. Unlike the NPISH sector in the NIPAs, the nonprofit sector covered by table F.100a includes nonprofit institutions serving business and excludes religious institutions.

Chart 1. Average Shares of Expenditures of Nonprofit Institutions Serving Households by Function, 1992–2001



operations probably played a role in the decline in saving.

A comparison of line 58 to line 1 in table 2 shows that less than 1 percent of personal income is received by NPISH's from business, government, or the rest of the world. However, the income received by NPISH's that is included in personal income is not a meaningful indicator of their importance in the personal sector,

because it excludes the large amounts that NPISH's receive from households as transfers or as payments for services. Measured by the operating expenses on line 49, services of NPISH's constitute nearly 10 percent of PCE. In addition, some nonprofit institutions have sales from secondary activities (such as a restaurant operated by a golf club or by a hospital) and sales to business and government. These sales, which generally

Table 2. Preliminary Estimates of Personal Income and Its Disposition by Type, 1992–2001

(Billions of dollars)

Line		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
1	Personal income.....	5,390.4	5,610.0	5,888.0	6,200.9	6,547.4	6,937.0	7,426.0	7,786.5	8,406.6	8,685.3
2	Wage and salary disbursements.....	2,982.6	3,085.2	3,236.7	3,424.7	3,626.5	3,888.9	4,192.8	4,470.4	4,836.3	4,950.6
3	Other labor income.....	449.5	482.8	507.5	497.0	490.0	475.4	490.6	510.2	544.2	570.4
4	Proprietors' income with inventory valuation and capital consumption adjustments.....	434.3	461.8	476.6	497.7	544.7	581.2	623.8	678.4	714.8	727.9
5	Rental income of persons with capital consumption adjustment.....	63.3	90.9	110.3	117.9	129.7	128.3	138.6	149.1	146.6	137.9
6	Personal dividend income.....	185.3	203.0	234.7	254.0	297.4	334.9	348.3	328.0	375.7	409.2
7	Personal interest income.....	750.1	725.5	742.4	792.5	810.6	864.0	964.4	969.2	1,077.0	1,091.3
8	Transfer payments to persons.....	751.7	798.6	833.9	885.9	928.8	967.2	983.7	1,018.5	1,070.3	1,170.4
9	Less: Personal contributions for social insurance.....	226.6	237.8	254.1	268.8	280.4	297.9	316.3	337.4	358.4	372.3
10	Less: Personal tax and nontax payments.....	635.8	674.6	722.6	778.3	869.7	968.8	1,070.4	1,159.1	1,286.4	1,292.1
11	Equals: Disposable personal income.....	4,754.6	4,935.3	5,165.4	5,422.6	5,677.7	5,968.2	6,355.6	6,627.4	7,120.2	7,393.2
12	Less: Personal outlays.....	4,340.9	4,584.5	4,849.9	5,120.2	5,405.6	5,715.3	6,054.1	6,453.3	6,918.6	7,223.5
13	Personal consumption expenditures.....	4,209.7	4,454.7	4,716.4	4,969.0	5,237.5	5,529.3	5,856.0	6,246.5	6,683.7	6,987.0
14	Interest paid by persons.....	118.7	115.4	117.9	134.7	149.9	164.8	173.7	179.5	205.4	205.4
15	Personal transfer payments to the rest of the world (net).....	12.5	14.4	15.6	16.5	18.2	21.2	24.3	27.3	29.5	31.1
16	Equals: Personal saving.....	413.7	350.8	315.5	302.4	272.1	252.9	301.5	174.0	201.5	169.7
17	Household Income.....	5,364.0	5,579.3	5,851.5	6,161.1	6,505.0	6,892.1	7,384.8	7,746.6	8,370.1	8,647.2
18	Wage and salary disbursements.....	2,982.6	3,085.2	3,236.7	3,424.7	3,626.5	3,888.9	4,192.8	4,470.4	4,836.3	4,950.6
19	Other labor income.....	449.5	482.8	507.5	497.0	490.0	475.4	490.6	510.2	544.2	570.4
20	Proprietors' income with inventory valuation and capital consumption adjustments.....	434.3	461.8	476.6	497.7	544.7	581.2	623.8	678.4	714.8	727.9
21	Rental income of households with capital consumption adjustment.....	62.1	89.5	108.8	116.2	127.9	126.3	136.5	147.2	144.8	136.2
22	Household dividend income.....	175.0	191.5	222.3	239.3	281.2	320.0	334.2	316.0	365.7	398.3
23	Household interest income.....	729.5	706.0	721.1	768.2	785.3	834.2	936.7	940.5	1,049.5	1,063.4
24	Transfer payments to households.....	757.6	800.3	832.6	886.8	929.8	964.0	986.5	1,021.3	1,073.2	1,172.6
25	From business and government.....	737.4	782.8	816.7	866.9	909.6	942.8	963.4	996.9	1,046.9	1,144.5
26	From nonprofit institutions ¹	20.2	17.5	15.9	19.9	20.2	21.2	23.1	24.4	26.3	28.1
27	Less: Household contributions for social insurance.....	226.6	237.8	254.1	268.8	280.4	297.9	316.3	337.4	358.4	372.3
28	Less: Household tax and nontax payments.....	635.6	674.4	722.4	778.1	869.4	968.3	1,069.9	1,158.5	1,285.8	1,291.5
29	Equals: Disposable household income.....	4,728.4	4,904.9	5,129.1	5,383.0	5,635.6	5,923.8	6,314.9	6,588.1	7,084.3	7,355.7
30	Less: Household outlays.....	4,344.1	4,587.5	4,847.7	5,115.3	5,406.5	5,729.3	6,072.0	6,471.6	6,929.9	7,226.8
31	Household consumption expenditures.....	4,116.8	4,359.8	4,612.5	4,860.7	5,119.8	5,416.3	5,730.6	6,110.6	6,529.5	6,820.1
32	From business and government.....	3,803.1	4,023.7	4,262.0	4,494.9	4,739.8	5,012.2	5,305.5	5,666.5	6,061.4	6,321.2
33	From nonprofit institutions.....	313.7	336.1	350.5	365.8	380.0	404.1	424.1	444.1	468.1	498.9
34	Interest paid by households.....	118.7	115.4	117.9	134.7	149.9	164.8	173.7	179.5	205.4	205.4
35	Household transfer payments to the rest of the world (net).....	10.0	11.4	12.4	13.1	14.3	16.4	18.1	20.1	22.2	23.5
36	Household transfer payments to nonprofit institutions ²	98.7	100.9	104.9	106.7	122.5	131.7	149.6	161.4	172.7	177.8
37	Equals: Household saving.....	384.3	317.4	281.4	267.7	229.1	194.5	242.9	116.5	154.4	128.9
38	Nonprofit institution current receipts.....	458.7	485.2	507.8	532.3	565.0	602.0	637.9	669.8	703.6	743.0
39	Rental income of nonprofit institutions with capital consumption adjustment.....	1.2	1.4	1.5	1.7	1.8	2.0	2.1	1.9	1.8	1.7
40	Nonprofit institution dividend income.....	10.3	11.5	12.4	14.7	16.2	14.9	14.1	12.0	10.0	10.9
41	Nonprofit institution interest income.....	20.6	19.5	21.3	24.3	25.3	29.8	27.7	28.7	27.5	27.9
42	Transfer payments to nonprofit institutions.....	113.0	116.7	122.1	125.7	141.7	151.1	169.9	183.0	196.1	203.7
43	From business and government.....	14.3	15.8	17.2	19.0	19.2	19.4	20.3	21.6	23.4	25.9
44	From households ²	98.7	100.9	104.9	106.7	122.5	131.7	149.6	161.4	172.7	177.8
45	Receipts from sales of goods and services by nonprofit institutions ³	313.7	336.1	350.5	365.8	380.0	404.1	424.1	444.1	468.1	498.9
46	Less: Nonprofit institution tax and nontax payments.....	0.2	0.2	0.2	0.2	0.3	0.5	0.5	0.6	0.6	0.6
47	Equals: Net current receipts of nonprofit institutions.....	458.5	485.0	507.6	532.1	564.7	601.5	637.4	669.2	703.0	742.4
48	Less: Nonprofit institution outlays.....	429.3	451.5	473.5	497.4	521.8	543.1	578.8	611.6	655.9	701.5
49	Nonprofit institution consumption expenditures ⁴	406.6	431.0	454.4	474.1	497.7	517.1	549.5	580.0	622.3	665.8
50	Medical care.....	228.6	244.9	255.4	264.8	275.1	287.8	302.6	318.4	335.4	362.1
51	Recreation.....	13.0	14.1	15.2	16.0	16.2	16.9	17.3	18.3	19.9	20.7
52	Education and religion.....	57.2	60.6	63.7	67.5	71.3	74.7	78.9	84.6	89.7	95.0
53	Religious and welfare activities.....	95.5	98.9	107.0	112.3	120.9	122.7	135.0	141.8	159.2	168.7
54	Personal business ⁵	12.2	12.6	13.0	13.6	14.2	14.9	15.9	16.9	18.1	19.2
55	Nonprofit institution transfer payments to the rest of the world (net).....	2.5	3.0	3.2	3.4	3.9	4.8	6.2	7.2	7.3	7.6
56	Nonprofit institution transfer payments to households (gross) ¹	20.2	17.5	15.9	19.9	20.2	21.2	23.1	24.4	26.3	28.1
57	Equals: Nonprofit institution saving.....	29.2	33.5	34.1	34.7	42.9	58.4	58.6	57.5	47.1	40.9
Addenda:											
58	Portion of NPISH revenue included in personal income ⁶	46.4	48.2	52.4	59.7	62.5	66.1	64.2	64.2	62.7	66.3
59	Gap between NPISH's expenses and sales.....	92.9	94.9	103.9	108.3	117.8	113.0	125.4	135.9	154.2	166.9
60	Transfers between nonprofit institutions ⁷	27.0	25.2	29.7	28.0	31.0	33.1	40.1	43.6	41.3	38.5
61	Personal saving as a percentage of disposable personal income.....	8.7	7.1	6.1	5.6	4.8	4.2	4.7	2.6	2.8	2.3
62	Household saving as a percentage of disposable household income.....	8.1	6.5	5.5	5.0	4.1	3.3	3.8	1.8	2.2	1.8
63	NPISH saving as a percentage of disposable income of NPISH's.....	6.4	6.9	6.7	6.5	7.6	9.7	9.2	8.6	6.7	5.5

1. Includes grants and allocations, specific assistance to individuals, and benefits paid to members made by nonprofit institutions, along with grants and allocations made by private foundations that directly support households.

2. Includes individual contributions and bequests from households.

3. Excludes unrelated sales, secondary sales, and sales to other sectors.

4. Expenditures are net of unrelated sales, secondary sales, and sales to other sectors.

5. Includes legal services, labor unions, professional association expenses, and club and fraternal housing.

6. Consists of the sum of nonprofit rental income, dividend income, interest income, transfer payments from business, and transfer payments from government.

7. Includes grants and allocations made by nonprofit institutions and private foundations that indirectly support households through the support of other nonprofit institutions, along with their payments to affiliates.
NPISH Nonprofit institutions serving households

total less than 1 percent of PCE, are shown in the business sector or in the government sector rather than in the NPISH sector, but they are part of the total output produced within institutions classified as NPISH's. In addition, NPISH's gross transfers to households generally account for 0.3 to 0.4 percent of PCE.

Comparison with IRS estimates

Table 3 compares receipts and expenses of tax-exempt organizations published by the Statistics of Income Division of the IRS in various issues of the *SOI Bulletin* with BEA's preliminary estimates of the receipts and outlays of NPISH's.⁹ Despite the differences in data sources and the estimation of portions of NPISH income as residuals, the unexplained discrepancies between the SOI estimates and the NIPA estimates are relatively small. After adjustment for differences in accounting concepts and in scope of coverage, the unexplained discrepancies between BEA's estimates of NPISH income and comparable figures based on SOI data range from -3 percent to 5 percent of BEA's estimates. For outlays, the unexplained discrepancies range from 3 percent to 9 percent of BEA's estimates.

The top half of table 3 shows a set of adjustments that accounts for conceptual differences between the SOI estimates of the receipts of nonprofit institutions and BEA's estimates. The residual discrepancy that remains after these adjustments (line 14) is attributable to statistical causes, such as differences in samples or in responses provided to the IRS and the Census Bureau.¹⁰ The bottom half of the table shows a similar set of adjustments to the expenditures of nonprofit institutions and the unexplained discrepancy that remains after those adjustments (line 28). The largest downward adjustments to the SOI estimates are for hospitals and schools that are treated as part of government in the NIPAs and for "out-of-scope activity," such as activities of nonprofit institutions serving business, activities treated as businesses, and sales by NPISH's to business or government. The largest upward adjustment to the *SOI Bulletin* estimates is for omitted religious organizations; it generally raised these estimates by about 4 percent.

Conclusion

The introduction of two new tables that provide infor-

mation on NPISH's is planned for the 2003 comprehensive revision of the NIPAs. The first table will show expenditures, income, and saving separately for NPISH's and households, which together make up the personal sector in the current NIPA tables. The second table will reconcile BEA's estimates of the expenditures and receipts of NPISH's with IRS statistics on tax-exempt organizations from the *SOI Bulletin*. The estimates in these tables will update the estimates presented in tables 2 and 3 to incorporate the additional and revised source data that will be used in the comprehensive revision of the NIPAs.

Preliminary estimates for 1992-2001 suggest two distinct phases in the decline in the personal saving rate, which expresses personal saving as a percent of disposable personal income. The decline in the personal saving rate from 8.7 percent in 1992 to 4.7 percent in 1998 was entirely due to the saving behavior of households; saving by NPISH's was stable. In contrast, from 1998 to 2001, declines in saving by NPISH's contributed to the further decline in the personal saving rate to a postwar annual low of 2.3 percent in 2001.

Table 3. Preliminary Comparison of Receipts and Expenses of Nonprofit Institutions Serving Households, 1992-98

[Billions of dollars]

Line	1992	1993	1994	1995	1996	1997	1998
1	682.1	728.1	764.5	849.1	919.5	987.3	997.1
2	265.6	258.0	279.1	324.6	360.9	410.0	369.4
3	18.3	22.2	20.1	36.8	60.0	80.8	60.7
4	8.3	4.3	4.9	1.7	10.1	9.8	7.8
5	10.8	10.3	12.6	12.6	11.4	11.4	9.9
6	85.4	82.1	88.6	91.3	89.6	99.4	107.3
7	115.8	113.9	123.2	154.2	158.8	175.5	143.6
8	27.0	25.2	29.7	28.0	31.0	33.1	40.1
9	27.5	28.4	31.4	31.6	33.6	32.4	34.3
10	25.4	26.1	28.9	28.9	30.9	29.5	31.2
11	2.1	2.3	2.5	2.7	2.7	2.9	3.1
12	444.0	498.5	516.8	556.1	592.2	609.7	662.0
13	458.7	485.2	507.8	532.3	565.0	602.0	637.9
14	-14.7	13.3	9.0	23.8	27.2	7.7	24.1
15	633.6	673.6	700.8	764.2	811.3	862.0	882.7
16	222.8	220.3	244.3	268.1	282.1	306.2	288.6
17	7.3	4.0	4.4	1.6	6.8	2.8	8.6
18	9.9	10.0	12.2	11.5	10.6	10.6	9.3
19	64.7	72.4	78.2	83.8	79.6	84.4	96.1
20	113.9	108.7	119.8	143.2	154.1	175.3	134.5
21	27.0	25.2	29.7	28.0	31.0	33.1	40.1
22	31.2	32.5	35.8	36.7	38.9	36.7	38.7
23	3.9	4.0	4.3	4.7	4.4	3.4	3.2
24	25.6	26.6	29.5	29.8	32.3	31.0	32.9
25	1.7	1.9	2.0	2.2	2.2	2.3	2.6
26	442.0	485.9	492.3	532.8	568.1	592.5	632.8
27	429.3	451.5	473.5	497.4	521.8	543.1	578.8
28	12.7	34.3	18.8	35.4	46.3	49.4	54.0

1. The figure for 1996 includes an adjustment that has been made to account for the lack of SOI statistics for some classes of tax-exempt institutions for this year.

2. Reflects removal of the gains from the sales of assets.

3. Reflects adjustment for partial coverage in one of the data sources.

4. Includes activities of nonprofit institutions serving business, activities of NPISH's treated as businesses, and secondary sales to business and government.

5. Includes grants and allocations made by nonprofit institutions and private foundations that indirectly support households through the support of other nonprofit institutions, along with their payments to affiliates.

6. Reflects addition of capital consumption adjustments.

NPISH Nonprofit institutions serving households

9. For related comparisons of adjusted gross income from the *SOI Bulletin* and personal income from the NIPAs, see Thae S. Park, "Comparison of BEA Estimates of Personal Income and IRS Estimates of Adjusted Gross Income," *SURVEY* 82 (November 2002): 13-20.

10. Some statistical differences may arise from the adjustments for the coverage of hospitals, religious organizations, and schools. Whereas most of adjustment items in table 3 are calculated from SOI microdata, the adjustments for these industries are calculated as the difference between the BEA and the SOI industry estimates.

U.S. International Transactions Accounts, Fourth Quarter and Year 2002

By Christopher L. Bach

Fourth Quarter

THE U.S. current-account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—increased to \$136.9 billion (preliminary) in the fourth quarter of 2002 from \$126.3 billion (revised) in the third quarter (table A).¹ An increase in the deficit on goods accounted for most of the increase, though a decrease in the surplus on services and an increase in net outflows for unilateral current transfers also contributed.

In the financial account, net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$144.1 billion in the fourth quarter, down from \$169.6 billion in the third. Financial inflows for foreign-owned assets in the United States increased, while transactions for U.S.-

owned assets abroad shifted to an outflow from an inflow.

The statistical discrepancy—errors and omissions in recorded transactions—was a negative \$7.4 billion in the fourth quarter, compared with a negative \$43.4 billion in the third.

The following are highlights for the fourth quarter of 2002:

- Goods exports fell while good imports increased, leading to a moderate increase in the goods deficit after little change in the third quarter.
- Income receipts fell less than income payments, leading to a moderately smaller deficit on income.
- Transactions in foreign securities shifted to net U.S. purchases from net sales. Inflows into U.S. securities other than U.S. Treasury securities were somewhat higher than in the third quarter.
- U.S. claims reported by U.S. banks were reduced further, but the reduction was not as large as in the third quarter. U.S. liabilities reported by U.S. banks were up sharply, reflecting strong needs for liquidity.

1. Quarterly estimates of U.S. current- and financial-account components are seasonally adjusted when series demonstrate statistically significant patterns. The accompanying tables present both adjusted and unadjusted estimates.

Table A. Summary of U.S. International Transactions

[Millions of dollars, quarters seasonally adjusted]

Line	Lines in tables 1 and 10 in which transactions are included are indicated in () (Credits +; debits -)	2001	2002 ^a	Change: 2001-2002	2001				2002				Change: 2002 III-IV
					I	II	III	IV	I ^r	II ^r	III ^r	IV ^p	
Current account													
1	Exports of goods and services and income receipts (1)	1,281,793	1,216,504	-65,289	349,040	331,612	309,477	291,667	291,005	304,923	312,392	308,183	-4,209
2	Goods, balance of payments basis (3)	718,762	682,586	-36,176	193,284	184,846	173,274	167,358	164,372	172,150	175,372	170,692	-4,680
3	Services (4)	279,260	289,278	10,018	72,720	71,920	69,051	65,572	68,587	72,101	73,545	75,048	1,503
4	Income receipts (12)	283,771	244,640	-39,131	83,036	74,846	67,152	58,737	58,046	60,672	63,475	62,443	-1,032
5	Imports of goods and services and income payments (18)	-1,625,701	-1,663,908	-38,207	-445,154	-418,930	-388,448	-373,174	-387,616	-419,693	-425,656	-430,949	-5,293
6	Goods, balance of payments basis (20)	-1,145,927	-1,166,939	-21,012	-306,316	-292,565	-279,025	-268,021	-270,975	-294,795	-298,225	-302,944	-4,719
7	Services (21)	-210,385	-240,467	-30,082	-56,848	-57,525	-43,078	-52,937	-57,613	-58,902	-60,949	-63,009	-2,060
8	Income payments (29)	-269,389	-256,502	12,887	-81,990	-68,840	-66,345	-52,216	-59,028	-65,996	-66,482	-64,996	1,486
9	Unilateral current transfers, net (35)	-49,463	-56,023	-6,560	-11,608	-11,916	-12,360	-13,579	-15,931	-12,927	-13,073	-14,088	-1,015
Capital account													
10	Capital account transactions, net (39)	826	708	-118	208	207	206	205	208	200	156	144	-12
Financial account													
11	U.S.-owned assets abroad, net (increase/financial outflow (-)) (40)	-370,962	-156,169	214,793	-215,815	-80,036	24,978	-100,088	-26,184	-131,345	40,271	-38,915	-79,186
12	U.S. official reserve assets, net (41)	-4,911	-3,681	1,230	190	-1,343	-3,559	-199	390	-1,843	-1,416	-812	604
13	U.S. Government assets, other than official reserve assets, net (46)	-486	379	865	77	-783	77	143	133	42	-27	231	258
14	U.S. private assets, net (50)	-365,565	-152,867	212,698	-216,082	-77,910	28,460	-100,032	-26,707	-129,544	41,714	-38,334	-80,048
15	Foreign-owned assets in the United States, net (increase/financial inflow (+)) (55)	752,806	630,364	-122,442	302,510	181,610	17,889	250,797	113,600	204,411	129,320	183,030	53,710
16	Foreign official assets in the United States, net (56)	5,224	96,630	91,406	4,087	-20,831	16,882	5,086	7,641	47,252	9,534	32,203	22,669
17	Other foreign assets in the United States, net (63)	747,582	533,734	-213,848	298,423	202,441	1,007	245,711	105,959	157,159	119,786	150,827	31,041
18	Statistical discrepancy (sum of above items with sign reversed) (70)	10,701	28,524	17,823	20,819	-2,547	48,258	-55,828	24,918	54,431	-43,410	-7,405	36,005
Memoranda:													
19	Balance on current account (76)	-393,371	-503,427	-110,056	-107,722	-99,234	-91,331	-95,086	-112,542	-127,697	-126,337	-136,854	-10,517
20	Net financial flows (40 and 55)	381,844	474,195	92,351	86,695	101,574	42,867	150,709	87,416	73,066	169,591	144,115	-25,476

^r Revised.
^p Preliminary.

U.S. dollar in exchange markets

The dollar was unchanged against major currencies in the fourth quarter on a nominal, trade-weighted quarterly average basis against a group of seven major currencies that are widely traded in international markets (table B, chart 1). The dollar depreciated 2 percent against the euro and appreciated 3 percent against the yen. The U.S. Federal Reserve Board, concerned about the lack of expansion in the economy, lowered the target federal funds rate 50 basis points. The European Central Bank, also concerned about weak growth prospects, lowered its minimum financing rate 50 basis points.

Current Account

Goods and services

The deficit on goods and services increased to \$120.2 billion in the fourth quarter from \$110.3 billion in the third. The deficit on goods increased \$9.4 billion, and the surplus on services decreased \$0.6 billion.

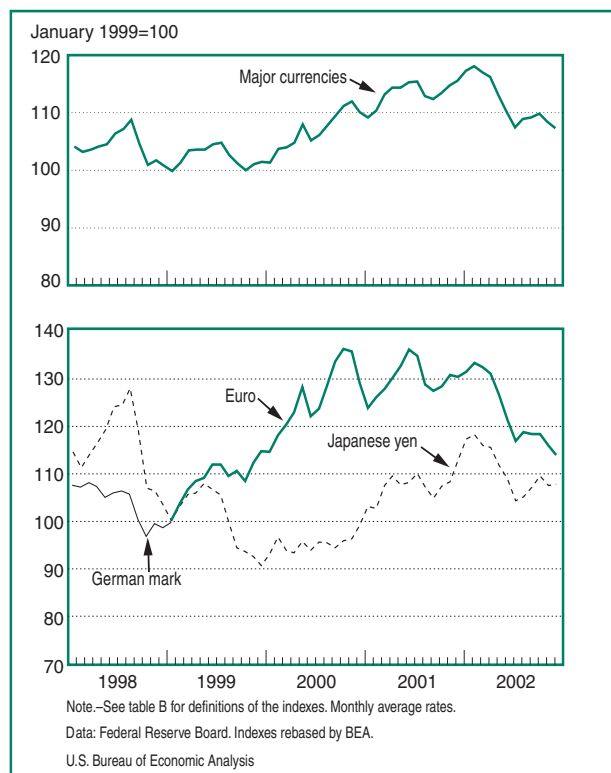
Goods

The deficit on goods increased to \$132.3 billion in the fourth quarter from \$122.9 billion in the third, as exports decreased and imports increased (table A).

Exports. Goods exports decreased \$4.7 billion, or 3 percent, in the fourth quarter; real exports increased 3 percent, and export prices were unchanged.² Most of the decrease was in capital goods, which decreased \$4.1

2. Quantity (real) estimates are calculated using a chain-type Fisher formula with annual weights for all years and quarterly weights for all quarters. Real estimates are expressed as chained (1996) dollars. Price indexes (1996=100) are also calculated using a chain-type Fisher formula.

Chart 1. Nominal Indexes of Foreign Currency Price of the U.S. Dollar



billion; civilian aircraft and parts accounted for \$2.1 billion of the decrease, and semiconductors accounted for \$1.5 billion. Automotive products decreased \$1.3 billion; exports to Canada fell, following three quarters of growth. Partly offsetting these decreases, nonagricultural industrial supplies and materials increased \$0.5 billion, mainly in petroleum and in chemicals.

Table B. Indexes of Foreign Currency Price of the U.S. Dollar

[January 1999=100]

	2001					2002												
	IV ^r	I ^r	II ^r	III ^r	IV	Dec. ^r	Jan. ^r	Feb. ^r	Mar. ^r	April ^r	May ^r	June ^r	July ^r	Aug. ^r	Sept. ^r	Oct.	Nov.	Dec.
Nominal: ¹																		
Broad ²	110.4	112.3	110.5	109.0	109.9	110.6	112.1	112.8	112.1	111.8	110.5	109.3	107.9	109.1	110.0	110.8	109.7	109.2
Major currencies ³	114.8	117.7	113.3	108.7	108.7	115.7	117.5	118.3	117.2	116.4	113.2	110.3	107.6	109.1	109.4	110.0	108.5	107.5
Other important trading partners ⁴	106.0	106.8	108.0	109.9	112.0	105.4	106.4	107.0	106.9	107.2	107.9	108.8	108.7	109.7	111.2	112.5	111.8	111.8
Real: ¹																		
Broad ²	111.7	113.4	111.9	110.2	110.6	111.7	113.1	113.6	113.4	113.3	111.8	110.6	109.1	110.4	111.2	111.9	110.4	109.6
Major currencies ³	118.3	121.3	116.9	112.2	112.1	118.9	120.9	122.0	120.9	120.2	116.7	113.7	111.0	112.6	113.0	113.6	112.0	110.7
Other important trading partners ⁴	104.1	104.3	106.0	107.8	108.8	103.3	104.1	104.2	104.7	105.3	106.0	106.8	106.7	107.7	108.9	109.8	108.5	108.1
Selected currencies: (nominal) ⁵																		
Canada.....	104.0	105.0	102.3	102.9	103.3	103.9	105.3	105.1	104.5	104.1	102.0	100.8	101.7	103.3	103.7	103.9	103.4	102.6
European currencies:																		
Euro area ⁶	129.6	132.2	126.1	117.8	115.9	130.1	131.2	133.1	132.2	130.8	126.4	121.2	116.7	118.5	118.2	118.1	115.8	113.7
United Kingdom.....	114.4	115.7	112.8	106.5	105.4	114.5	115.2	116.0	115.9	114.3	113.0	111.2	106.0	107.4	106.0	105.9	106.4	104.0
Switzerland.....	118.9	121.3	115.1	107.4	105.8	119.6	120.6	122.5	120.8	119.4	114.7	111.1	106.2	108.1	107.8	107.8	105.8	103.9
Japan.....	109.3	116.9	111.9	105.3	108.1	112.6	117.1	118.0	115.7	115.4	111.6	108.8	104.1	105.0	106.9	109.4	107.3	107.6
Mexico.....	91.2	90.0	93.6	97.7	100.5	90.4	90.5	89.9	89.5	90.5	93.9	96.4	96.6	97.1	99.4	99.7	100.7	101.0
Brazil.....	168.7	157.6	165.6	207.3	242.9	156.3	157.4	160.3	155.1	153.6	163.7	179.5	194.5	205.6	221.9	251.1	237.6	239.9

^r Revised.

1. For more information on the nominal and real indexes of the foreign exchange value of the U.S. dollar, see *Federal Reserve Bulletin*, vol. 84 (October 1998): 811-18.

2. Weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of U.S. trading partners, including the currencies of the euro-area countries, Australia, Canada, Japan, Sweden, Switzerland, United Kingdom, Argentina, Brazil, Chile, Colombia, Mexico, Venezuela, China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Israel, Saudi Arabia, and Russia. The weight for each currency is its broad-index weight divided by the sum of the broad-index weights for all of the currencies included in the other important trading partners index. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.

3. Weighted average of the foreign exchange value of the U.S. dollar against broad-index currencies that circulate widely outside the country of issue, including the currencies of the euro-area countries, Australia, Canada, Japan, Sweden, Switzerland, and the United Kingdom. The weight for each currency is its broad-index

weight divided by the sum of the broad-index weights for all of the currencies included in the major currency index. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.

4. Weighted average of the foreign exchange value of the U.S. dollar against broad-index currencies that do not circulate widely outside the country of issue, including the currencies of Argentina, Brazil, Chile, Colombia, Mexico, Venezuela, China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Israel, Saudi Arabia, and Russia. The weight for each currency is its broad-index weight divided by the sum of the broad-index weights for all of the currencies included in the other important trading partners index. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.

5. Data: Federal Reserve Board. Monthly and quarterly average rates. Indexes prepared by BEA.

6. The euro area includes Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain.

Agricultural products increased \$0.5 billion as a result of higher shipments of soybeans, wheat, and cotton.

Imports. Goods imports increased \$4.7 billion, or 2 percent, in the fourth quarter; real imports and import prices both increased 1 percent. Consumer goods increased \$1.9 billion, spurred in part by continued strength in U.S. consumer spending. Nonpetroleum industrial supplies and materials increased \$1.1 billion: Iron and steel products, chemicals, and building materials all increased. Foods, feeds, and beverages increased \$0.4 billion. Capital goods changed little overall; within capital goods, most categories decreased, especially semiconductors and electric generating equipment, but civilian aircraft increased \$1.2 billion. Petroleum and petroleum products increased \$1.9 billion. The average number of barrels imported daily increased to 12.59 million from 11.88 million. The increase was more than accounted for by deliveries from Western Europe, Canada, and Saudi Arabia, which rose 22 percent, 14 percent, and 15 percent, respectively. In contrast, deliveries from Venezuela, where the petroleum industry was shut down by a 64-day strike that began December 2nd, decreased 16 percent. The average price per barrel increased slightly to \$25.73 from \$25.52.

Balances by area. The goods deficit increased \$9.4 billion in the fourth quarter, to a record high of \$132.3

billion, after an increase of \$0.2 billion in the third quarter.³ The deficit with Japan increased \$3.9 billion, reflecting higher imports, mostly of passenger cars, and lower exports, mostly of civilian aircraft. The deficit with Western Europe increased \$2.8 billion; an increase in imports, largely passenger cars and pharmaceutical products, outpaced an increase in exports, largely agricultural products. The deficit with Canada increased \$1.1 billion, reflecting higher imports of energy products and lower exports of passenger cars. The deficits with Latin America, with Asia, excluding Japan, and with OPEC changed relatively little.

Services

The surplus on services decreased to \$12.0 billion in the fourth quarter from \$12.6 billion in the third (table A).

Travel receipts increased to \$18.6 billion from \$17.4

3. Seasonally adjusted estimates for exports for areas and countries are derived by applying seasonal factors for total U.S. agricultural and nonagricultural exports to the unadjusted agricultural and nonagricultural exports for areas and countries and then summing the seasonally adjusted estimates. Seasonally adjusted estimates for imports for areas and countries are derived by applying seasonal factors for total U.S. petroleum and nonpetroleum imports to the unadjusted petroleum and nonpetroleum imports for areas and countries and then summing the seasonally adjusted estimates. (The seasonal factors are derived from the seasonal adjustment of U.S. exports and U.S. imports by five-digit end-use commodity category.)

Annual Revision of the U.S. International Transactions Accounts

Several major improvements to the quality and the presentation of the estimates will be introduced in the annual revision of the international transactions accounts to be released in June 2003. First, results from the U.S. Treasury Department's 2001 Benchmark Survey of U.S. Portfolio Investment Abroad will be incorporated into the international transactions accounts for 1998–2002. The results will also be incorporated into the international investment position accounts. Second, results from BEA's 1999 Benchmark Survey of U.S. Direct Investment Abroad will be incorporated into the international transactions accounts and into the investment position accounts for 1999–2002. Third, a new methodology for estimating insurance services will be introduced. These services are currently measured as premiums minus claims. The new estimates will be equal to premiums minus "expected" claims; "expected" claims will be based on the relationship between claims and premiums, averaged over many years. The new estimates will eliminate the sharp swings in estimates of insurance services that now occur whenever insurance claims are outside of normal bounds.

In addition, the presentation of tables 5 through 9 will be substantially revised, and several new tables will be

introduced. Data in table 5, which pertain to BEA's direct investment surveys, will be presented on a North American Industry Classification System basis for both U.S. direct investment abroad and foreign direct investment in the United States; historical data will be presented for 1999–2002. Several changes in data items and geography will be introduced for tables 6–9, largely as a result of improvements in the coverage of the Treasury International Capital Reporting System (TIC), which generates data that BEA uses in estimating securities transactions and bank and nonbank claims and liabilities. Table 6 will contain a new and expanded presentation of securities transactions data; historical data will be presented in the new format for 1998–2002. Data now in table 7, on transactions of securities brokers, will be reclassified to tables 8 and 9, where they will be listed with other similar transactions. The new presentations for tables 7 through 9 will begin with estimates for the first quarter of 2003; historical data will be presented in the new format, but not in full detail, for 1998–2002. Finally, new tables reconciling BEA's estimates of securities, bank, and nonbank transactions to TIC source data will be presented. An article discussing these changes will be published in the July 2003 issue of the SURVEY OF CURRENT BUSINESS.

billion, and travel payments increased to \$15.7 billion from \$14.6 billion. These increases were the largest in the past several quarters, but the levels of receipts and payments still remain below the quarterly levels that preceded the terrorist attacks of September 11th.

Passenger fare receipts increased to \$4.6 billion from \$4.5 billion, and passenger fare payments increased to \$5.6 billion from \$5.3 billion.

“Other” transportation receipts increased to \$7.4 billion from \$7.2 billion, and “other” transportation payments increased to \$10.2 billion from \$9.7 billion. Freight services for both receipts and payments accounted for much of the increase and reflected higher freight rates. A work stoppage at West Coast ocean ports in the last 2 days of September and the first 8 days of October had little impact on overall receipts and payments for the fourth quarter.

Receipts of “other” private services increased to \$30.3 billion from \$30.2 billion. Payments of “other” private services increased to \$20.7 billion from \$20.2 billion. Small increases occurred in the affiliated component and in the insurance component of unaffiliated services.

Transfers under U.S. military agency sales contracts increased to \$3.0 billion from \$2.9 billion. Direct defense expenditures abroad increased to \$5.2 billion from \$5.0 billion, reflecting the early stages of troop buildup and deployment for the war with Iraq.

Income

The deficit on income decreased to \$2.6 billion in the fourth quarter from \$3.0 billion in the third (table A).

Receipts of income on U.S. direct investment abroad increased \$1.1 billion, to \$34.8 billion. Earnings increased \$1.1 billion; manufacturing accounted for all of the increase, which was especially strong in chemicals and in industrial machinery in Europe and in transportation in Canada. Petroleum earnings and “other” earnings were nearly unchanged.

Payments of income on foreign direct investment in the United States increased \$1.1 billion, to \$16.3 billion. Earnings increased \$1.5 billion, and interest payments decreased \$0.4 billion. Earnings in “other” industries increased \$2.1 billion, largely in Japanese-owned and European-owned banks (mostly as a result of a reversal of losses) and in insurance. Earnings in petroleum increased \$0.3 billion. In contrast, earnings in manufacturing decreased \$1.0 billion, largely in chemicals and in “other manufacturing.”

Receipts of “other” private income decreased \$2.3 billion, to \$26.0 billion. Nearly half of the decrease was in dividends earned on U.S. holdings of foreign stocks,

which fell as a result of a decline in average holdings, and in interest earned on U.S. holdings of bonds, which fell as a result of a decline in yields. Interest earned on bank and nonbank claims decreased, mostly reflecting an average decline of 30 basis points in interest rates.

Payments of “other” private income decreased \$2.2 billion, to \$28.9 billion. More than half of the decrease was in dividends paid on foreign holdings of U.S. stocks and in interest paid on foreign holdings of U.S. bonds. Interest paid on bank and nonbank claims decreased, mostly reflecting an average decline of 30 basis points in interest rates.

Receipts of income on U.S. Government assets increased \$0.2 billion, to \$1.0 billion. Payments of income on U.S. Government liabilities decreased \$0.5 billion, to \$17.6 billion; the decrease was more than accounted for by declines in interest rates.

Unilateral current transfers

Net outflows for unilateral current transfers increased to \$14.1 billion in the fourth quarter from \$13.1 billion in the third (table A). U.S. Government grants increased, though Congress did not appropriate funds for Israel and Egypt—under the credit waiver program to finance military purchases and for general economic support—that are often disbursed annually in the fourth quarter; instead, these funds were disbursed in the first quarter of 2003.

Revisions to the Estimates for the Third Quarter of 2002

The international transactions accounts estimates for the third quarter of 2002 have been revised from the preliminary estimates that were published in the January 2003 SURVEY OF CURRENT BUSINESS. In addition, the estimates have been revised to ensure that the seasonally adjusted estimates sum to the same annual totals as the unadjusted estimates.

The current-account deficit for the third quarter was revised to \$126.3 billion from \$127.0 billion. The goods deficit was revised to \$122.9 billion from \$123.2 billion; the services surplus was revised to \$12.6 billion from \$12.3 billion; the deficit on income was virtually unchanged at \$3.0 billion; and unilateral current transfers were revised to net outflows of \$13.1 billion from net outflows of \$13.2 billion. Revisions to the estimates for the first and second quarters were small. Net recorded financial inflows were revised to \$169.6 billion from \$172.4 billion.

Capital Account

Capital account transactions were net inflows of \$0.1 billion in the fourth quarter, virtually unchanged from the third (table A).

Financial Account

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$144.1 billion in the fourth quarter, down from \$169.6 billion in the third. Financial inflows for foreign-owned assets in the United States increased, while transactions for U.S.-owned assets abroad shifted to an outflow from an inflow.

U.S.-owned assets abroad

Net U.S.-owned assets abroad increased \$38.9 billion in the fourth quarter, in contrast to a decrease of \$40.3 billion in the third. Inflows to U.S. banks slowed, and U.S. transactions in foreign securities shifted to net U.S. purchases from net sales.

U.S. official reserve assets. U.S. official reserve assets increased \$0.8 billion in the fourth quarter, following an increase of \$1.4 billion in the third (table C). The fourth-quarter increase largely reflected an increase in the U.S. reserve position in the International Monetary Fund.

Claims on foreigners reported by banks and by nonbanks. U.S. claims on foreigners reported by U.S. banks decreased \$11.0 billion in the fourth quarter, following a decrease of \$53.8 billion in the third.

Banks' own claims denominated in dollars increased \$0.4 billion, in contrast to a \$46.4 billion decrease. In the fourth quarter, foreign-owned banks in the United States extended sizable amounts of credit to their parent banks and other banks abroad, particularly in Switzerland. However, U.S.-owned banks increased lending to foreign offices only a moderate amount, and U.S. securities brokers cut back lending to borrowers in Asia and in Caribbean financial centers by a sizable amount. Claims denominated in foreign currencies were reduced.

Banks' domestic customers' claims changed little, as increases in negotiable and transferable instruments and in foreign commercial paper in the United States were nearly offset by decreases in dollar deposits and in collections. Claims reported by U.S. nonbanking concerns increased \$7.6 billion, following an increase of \$4.2 billion.

Foreign securities. Net U.S. purchases of foreign securities were \$8.7 billion in the fourth quarter, a shift from net sales of \$18.5 billion in the third. Net U.S. purchases of foreign stocks were \$12.9 billion, following net sales of \$12.8 billion. Most of the shift occurred in Western Europe, where transactions shifted to net purchases of \$8.5 billion from net sales of \$5.8 billion; European stock prices increased 6 percent during the fourth quarter, mostly on positive earnings reports from U.S. and European corporations. Net U.S. sales of foreign bonds slowed to \$4.2 billion from \$5.8 billion.

Direct investment. Net financial outflows for U.S. direct investment abroad were \$33.0 billion in the fourth quarter, up from \$26.4 billion in the third. Re-invested earnings and net equity capital outflows both increased. Net intercompany debt flows changed little.

Foreign-owned assets in the United States

Net foreign-owned assets in the United States increased \$183.0 billion in the fourth quarter, compared with an increase of \$129.3 billion in the third. Inflows to U.S. banks, net foreign purchases of U.S. securities other than U.S. Treasury securities, and inflows for foreign official assets were all larger than in the third quarter.

Foreign official assets. Foreign official assets in the United States increased \$32.2 billion in the fourth quarter, following an increase of \$9.5 billion in the third (table C). Assets of industrial countries increased \$19.1 billion, and assets of developing countries increased \$13.1 billion, principally of China, Korea, and Mexico.

Liabilities reported by banks and by nonbanks. U.S. liabilities to foreigners reported by U.S. banks, excluding U.S. Treasury securities, increased \$54.6 billion

Table C. Selected Transactions with Official Agencies

[Millions of dollars]

	2001	2002 ^a	Change: 2001– 2002	2001				2002				Change: 2002 III–IV	
				I	II	III	IV	I	II	III ^c	IV ^d		
Changes in foreign official assets in the United States, net (decrease –)													
(table 1, line 56)	5,224	96,630	91,406	4,087	–20,831	16,882	5,086	7,641	47,252	9,534	32,203	22,669	
Industrial countries ¹	–1,616	50,099	51,715	–7,273	–10,007	7,199	8,465	5,222	21,693	4,130	19,054	14,924	
Members of OPEC ²	–1,725	–8,132	–6,407	673	–1,699	–4,081	3,382	–8,532	838	–1,289	851	2,140	
Other countries	8,565	54,663	46,098	10,687	–9,125	13,764	–6,761	10,951	24,721	6,693	12,298	5,605	
Changes in U.S. official reserve assets, net (increase –) (table 1, line 41)	–4,911	–3,681	1,230	190	–1,343	–3,559	–199	390	–1,843	–1,416	–812	604	

^a Revised.

^b Preliminary.

¹ Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

² Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning January 1993 and Gabon beginning January 1995.

in the fourth quarter, following an increase of \$18.8 billion in the third.

Banks' own liabilities denominated in dollars increased \$61.3 billion, following an increase of \$16.0 billion. In the fourth quarter, inflows were large to U.S.-owned banks, where sizable inflows from abroad supplemented deposit growth from domestic sources, partly to fund purchases of U.S. Government securities. Inflows to foreign-owned banks were also large, as U.S. branches borrowed heavily, partly to fund liquidity needs of parent banks and other banks abroad. U.S. securities brokers reduced their liabilities, especially through sizable reductions in repurchase agreements.

Banks' custody liabilities denominated in dollars decreased \$3.3 billion, following an increase of \$12.2 billion. Liabilities reported by U.S. nonbanking concerns changed little, following a decrease of \$3.8 billion.

U.S. Treasury securities. Net foreign purchasers of U.S. Treasury securities dropped to \$12.7 billion in the fourth quarter from \$52.9 billion in the third. The drop resulted from a shift of \$27.8 billion from large net purchases to net sales by Japanese investors and a decrease of \$14.3 billion in net purchases by British investors. The United Kingdom and Japan had been the source of most of the surge in net purchases in the third quarter.

Other U.S. securities. Net foreign purchases of U.S. securities other than U.S. Treasury securities were \$62.6 billion in the fourth quarter, up from \$46.5 billion in the third.

Net foreign purchases of U.S. corporate and other bonds were \$50.6 billion in the fourth quarter, up from \$39.1 billion. Net foreign purchases of U.S. corporate bonds were \$39.8 billion, up from \$17.1 billion; \$11.8 billion was in new issues sold abroad by U.S. corporations, which were up from \$1.6 billion. After reaching record highs early in October, corporate bond spreads over U.S. Treasury bonds narrowed considerably; investment-grade spreads decreased 40 basis points, and noninvestment-grade spreads decreased 150 basis points. Net purchases of agency bonds were \$10.8 billion, down from \$21.9 billion.

Net foreign purchases of U.S. stocks were \$12.0 billion in the fourth quarter, up from \$7.4 billion in the third. U.S. markets rallied sharply in October and November from a 4-year low in the third quarter. The S&P index increased 8 percent in the fourth quarter after an 18-percent decline in the third; the DJIA gained 10 percent after an 18-percent decline; and the NASDAQ gained 14 percent after a 20-percent decline.

U.S. currency flows. Net U.S. currency shipments to foreigners were \$7.2 billion in the fourth quarter, up from \$2.6 billion in the third, as shipments to several

areas were higher.

Direct investment. Net financial inflows for foreign direct investment in the United States were \$13.5 billion in the fourth quarter, up from \$2.9 billion in the third. A large decrease in net outflows for intercompany debt and a small increase in reinvested earnings more than offset a decrease in net inflows for equity capital. The large decrease in intercompany debt outflows, as well as the decrease in equity capital inflows, reflected a large debt-capitalization transaction in the third quarter.

The Year 2002

The U.S. current-account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—increased to \$503.4 billion in 2002 from \$393.4 billion in 2001. More than two-thirds of the increase was accounted for by an increase in the deficit on goods and a decrease in the surplus on services. The balance on income shifted to a deficit, and net outflows for unilateral current transfers increased (table D, chart 2).

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$474.2 billion in 2002, up from \$381.8 billion in 2001. Financial outflows for U.S.-owned assets abroad decreased more than financial inflows for foreign-owned assets in the United States.

The statistical discrepancy—errors and omissions in recorded transactions—was a positive \$28.5 billion in 2002, compared with a positive \$10.7 billion in 2001.

Chart 2. U.S. Current-Account Balance and Its Components

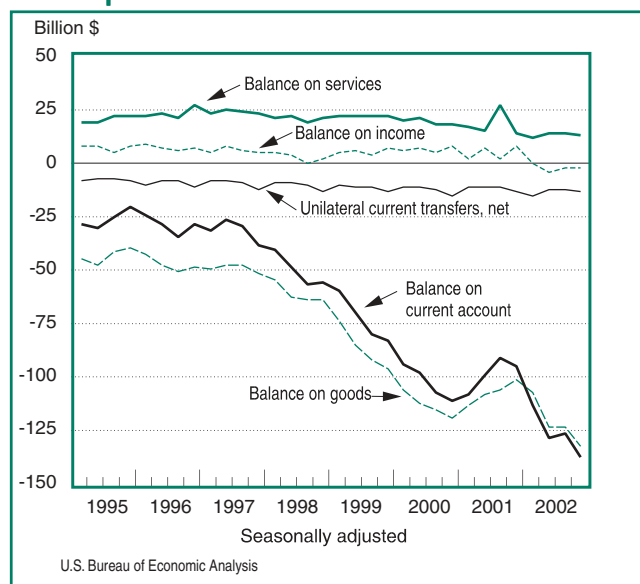


Table D. Selected Balances on U.S. International Transactions

(Millions of dollars, quarters seasonally adjusted)

(Credits +; debits -)	2000	2001	2002 ^p	2002			
				I ^r	II ^r	III ^r	IV ^p
Balance on goods	-452,423	-427,165	-484,353	-106,603	-122,645	-122,853	-132,252
Balance on services	73,742	68,875	48,811	10,974	13,199	12,596	12,039
Balance on income	21,782	14,382	-11,862	-982	-5,324	-3,007	-2,553
Investment income, net	27,651	20,539	-5,424	636	-3,675	-1,462	-927
Direct investment, net	88,862	102,595	77,947	22,023	18,749	18,626	18,548
Other private, net	17,916	-4,952	-13,776	-3,685	-4,457	-2,756	-2,878
U.S. Government, net	-79,127	-77,104	-69,595	-17,702	-17,967	-17,332	-16,597
Compensation of employees, net	-5,869	-6,157	-6,438	-1,618	-1,649	-1,545	-1,626
Unilateral current transfers, net	-53,442	-49,463	-56,023	-15,931	-12,927	-13,073	-14,088
Balance on current account	-410,341	-393,371	-503,427	-112,542	-127,697	-126,337	-136,854

^r Revised.
^p Preliminary.

The following are highlights for 2002:

- The deficit on goods increased as exports fell for the second consecutive year, reflecting little pickup in economic activity abroad, and as imports increased, reflecting a strengthening in U.S. economic activity.
- The services surplus fell sharply. The services surplus had been boosted in 2001 by the recording of large nonrecurring losses recovered from foreign reinsurance companies.
- The balance on income shifted to a deficit, largely as direct investment income payments were sharply higher, reflecting a strengthening in U.S. economic activity and a pickup in corporate profits.
- Financial outflows for U.S.-owned assets abroad were substantially lower. Lending by U.S. banks was sharply curtailed, and transactions in foreign securities shifted from sizable net U.S. purchases to net U.S. sales, as stock prices abroad fell.
- Financial inflows for foreign-owned assets in the United States were also lower. Net financial inflows for foreign direct investment in the United States and net foreign purchases of U.S. securities were sharply lower. Partly offsetting was a step-up in foreign official assets in the United States.

U.S. dollar in exchange markets

The U.S. dollar depreciated 1 percent in 2002 on a nominal, trade-weighted yearly average basis against the group of seven currencies that are widely traded in international markets, following a 6-percent appreciation in 2001 (table B, chart 1). The dollar depreciated 5 percent against the euro and appreciated 3 percent against the yen.

The dollar appreciated 3 percent to a 16-year high in the first quarter. Economic reports released during the quarter indicated that U.S. economic activity was recovering more strongly than in the previous quarter. Economic reports also suggested that euro-area economies might be improving. Neither the U.S. Federal Reserve Board nor the European Central Bank changed interest-rate targets during the quarter.

In the second quarter, the dollar depreciated 4 percent, as U.S. economic activity expanded more moderately than in the previous two quarters. U.S. stock prices, which had rebounded from the previous October, turned down decisively in the second quarter, declining 15 percent. By the end of the quarter, the dollar depreciated to a 28-month low against the euro. The euro benefitted from interest-rate differentials in favor of owning euro-denominated assets. The dollar also depreciated against the Japanese yen; Japanese monetary authorities attempted to limit the yen's rise by selling yen in foreign exchange markets on seven separate occasions. The dollar appreciated against the currencies of several Latin American countries that were experiencing substantial economic and financial difficulties.

The dollar depreciated another 4 percent in the third quarter, as U.S. economic data on employment, manufacturing, and consumer confidence released during the quarter provided mixed indications of the strength of U.S. economic activity. Uncertain U.S. economic prospects and weakness in the global economic recovery were factors underlying an additional decline of 18 percent in U.S. stock prices. Yields on U.S. Treasury securities fell, as losses in equity markets and in noninvestment-grade corporate bond markets worldwide prompted some investors to reallocate funds into lower risk assets. European equity markets fared even worse than their U.S. counterpart, declining 24 percent. However, interest-rate differentials continued to favor euro-area assets (charts 3, 4, and 5). Countries in Latin America continued to encounter economic and financial difficulties, and the dollar appreciated against those countries' currencies, particularly the Brazilian real.

The dollar was unchanged in the fourth quarter. U.S. and European stock markets rebounded in October and November, following 6-month declines of 33 percent and 39 percent, respectively, but turned down again in December. By December, risk premiums of investment- and noninvestment-grade bonds over Trea-

Chart 3. Short-Term Interest Rates

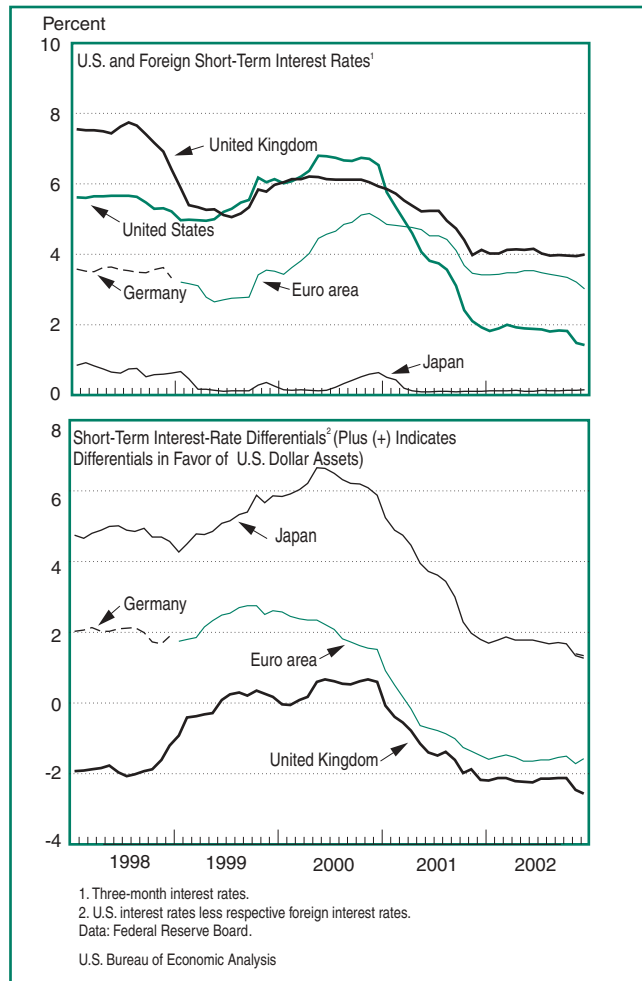
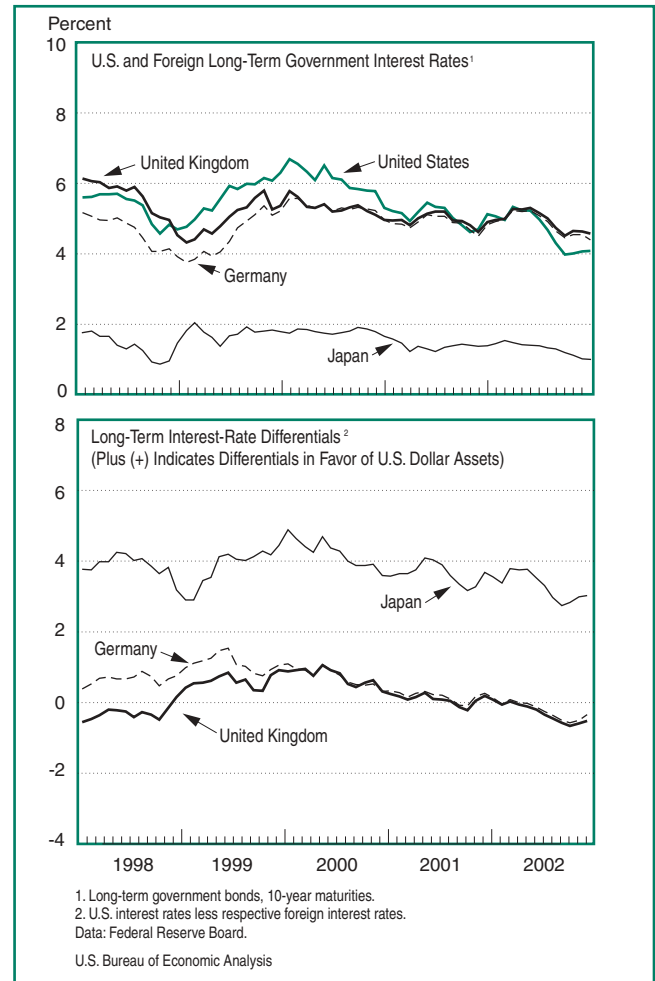


Chart 4. Long-Term Interest Rates



surety securities fell to the same levels as in July, after peaking in October. The U.S. Federal Reserve Board, concerned about the weakness of the U.S. economy, lowered the target federal funds rate 50 basis points in early November. The European Central Bank, also concerned about the lack of economic growth, lowered its minimum refinancing rate 50 basis points in early December. Interest rates in Europe remained higher than those in the United States.

Current Account

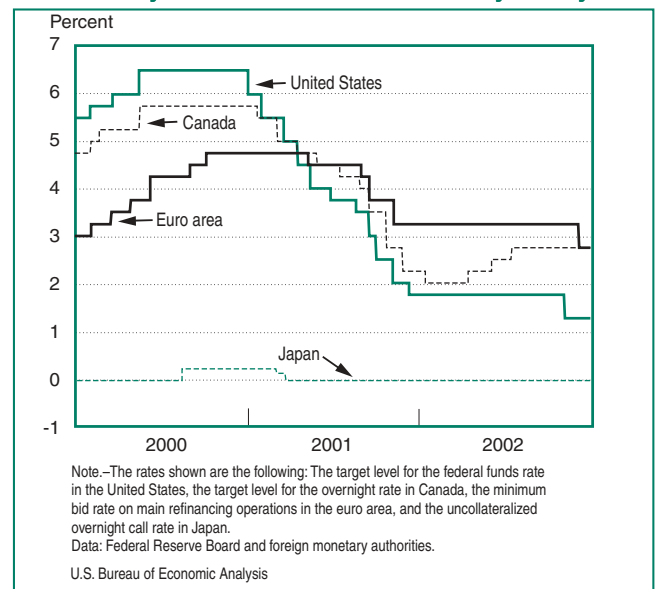
Goods and services

The deficit on goods and services increased to \$435.5 billion in 2002 from \$358.3 billion in 2001. The deficit on goods increased, and the surplus on services decreased (table D).

Goods

The deficit on goods increased to \$484.4 billion in 2002 from \$427.2 billion in 2001. Goods exports decreased for the second year, while goods imports turned up after a decline.

Chart 5. Key Interest Rates for Monetary Policy



Goods exports decreased \$36.2 billion, or 5 percent, in 2002, after decreasing \$53.2 billion, or 7 percent, in 2001. The decrease in 2002 was concentrated in capital goods (tables E and F).

Goods imports increased \$21.0 billion, or 2 percent, in 2002 after decreasing \$78.5 billion, or 6 percent, in 2001. Petroleum imports were unchanged after a decrease of \$16.6 billion. Nonpetroleum imports increased \$21.0 billion, or 2 percent, after a decrease of \$61.9 billion, or 6 percent. Increases in consumer goods and automotive vehicles, engines, and parts were partly offset by decreases in capital goods and nonpetroleum industrial supplies and materials.

U.S. exports in 2002 continued to be restrained by limited expansion abroad. Except in Canada, where there was a strong recovery, expansion in real GDP in many countries in Western Europe and Japan was no stronger than in 2001, though some European countries grew faster in the second half of the year than in the first half (chart 6). Growth in countries in Latin America also failed to increase. There was a sizable pickup in the growth of newly industrialized countries in Asia. The cumulative effect of dollar appreciation in recent years, despite depreciation in much of 2002, also may have restrained U.S. exports.

U.S. imports increased, reflecting a pickup in U.S. real GDP growth to 2.4 percent in 2002 from 0.3 percent in 2001; growth was 3.8 percent in 2000. The cumulative effect of dollar appreciation also may have increased U.S. imports in 2002.

Domestic prices of most U.S. exports decreased slightly in 2002, following a small decrease in 2001. Prices of computers decreased more than in 2001. Prices of the civilian aircraft component of capital goods increased, but less than in 2001 (table G). When

converted into foreign currencies, prices of U.S. exports decreased by a larger amount, because appreciation of foreign currencies augmented declines in domestic prices (table H).

Dollar prices of most nonpetroleum imports decreased, led by a decrease in computer prices, while prices of petroleum and petroleum products increased (table G).

Exports. Goods exports decreased \$36.2 billion, or 5 percent, to \$682.6 billion in 2002, following a decrease of \$53.2 billion, or 7 percent, in 2001. The 2-year decline brought exports 12 percent below the record level in 2000. Real exports decreased 5 percent, and export prices were unchanged. In value, capital goods accounted for more than 85 percent of the de-

Table F. Percent Change in U.S. Trade in Goods, Current and Chained (1996) Dollars

[Balance of payments basis]

	Current dollars			Chained (1996) dollars		
	2000	2001	2002 ^p	2000 ^r	2001 ^r	2002 ^p
Exports	12.9	-6.9	-5.0	11.6	-6.3	-4.6
Agricultural products.....	6.3	4.0	-0.8	8.2	3.2	-2.4
Nonagricultural products.....	13.4	-7.7	-5.4	11.8	-7.0	-4.7
Foods, feeds, and beverages.....	4.1	3.2	0.3	5.9	2.8	-2.1
Industrial supplies and materials.....	16.9	-7.2	-2.0	10.0	-4.4	-0.5
Capital goods, except automotive.....	14.7	-9.9	-9.7	15.3	-9.9	-8.9
Automotive vehicles, parts, and engines.....	6.8	-6.1	4.0	5.9	-6.4	3.4
Consumer goods (nonfood), except automotive.....	10.4	-1.2	-4.5	10.0	-0.8	-3.9
Exports, n.e.c.....	7.9	-4.3	-4.6	6.0	-3.9	-4.6
Imports	18.9	-6.4	1.8	13.5	-3.6	3.6
Petroleum and products.....	77.3	-13.8	0.0	5.9	3.5	-2.7
Nonpetroleum products.....	14.8	-5.6	2.0	14.1	-4.3	4.2
Foods, feeds, and beverages.....	5.4	1.4	6.6	7.1	4.6	5.5
Industrial supplies and materials.....	34.8	-8.6	-2.4	5.7	-1.2	0.6
Capital goods, except automotive.....	17.3	-14.1	-4.7	20.1	-11.7	-1.7
Automotive vehicles, parts, and engines.....	9.4	-3.1	7.5	8.7	-3.0	7.1
Consumer goods (nonfood), except automotive.....	16.5	0.9	8.2	17.5	1.7	9.3
Imports, n.e.c., and U.S. goods returned.....	12.8	-1.0	2.3	11.4	-0.6	3.2

^r Revised.

^p Preliminary.

n.e.c. Not elsewhere classified.

Table E. U.S. Trade in Goods, Current and Chained (1996) Dollars

[Balance of payments basis, millions of dollars, quarters seasonally adjusted]

	Current Dollars								Chained (1996) Dollars							
	2000	2001	2002 ^p	2002				2000 ^r	2001 ^r	2002 ^p	2002					
				I ^r	II ^r	III ^r	IV ^p				I ^r	II ^r	III ^r	IV ^p		
Exports	771,994	718,762	682,586	164,372	172,150	175,372	170,692	820,566	769,089	733,911	178,471	185,707	187,564	182,169		
Agricultural products.....	52,801	54,889	54,447	13,766	13,506	13,342	13,833	68,307	70,521	68,804	18,066	17,540	16,431	16,767		
Nonagricultural products.....	719,193	663,873	628,139	150,606	158,644	162,030	156,859	751,560	699,081	665,886	160,732	168,412	171,279	165,463		
Foods, feeds, and beverages.....	47,872	49,408	49,541	12,421	12,142	12,364	12,614	60,583	62,294	60,998	15,843	15,331	14,861	14,963		
Industrial supplies and materials.....	172,650	160,200	157,001	36,820	39,740	39,934	40,507	174,822	167,151	166,267	40,284	42,322	41,641	42,020		
Capital goods, except automotive.....	357,000	321,723	290,649	70,917	73,348	75,250	71,134	394,568	355,686	323,939	78,797	81,679	83,984	79,479		
Automotive vehicles, parts, and engines.....	80,356	75,435	78,435	18,435	20,085	20,593	19,322	78,475	73,433	75,947	17,898	19,481	19,935	18,633		
Consumer goods (nonfood), except automotive.....	89,376	88,330	84,391	20,520	21,023	21,456	21,392	88,645	87,917	84,454	20,541	21,086	21,456	21,371		
Exports, n.e.c.....	24,740	23,666	22,569	5,259	5,812	5,775	5,723	25,302	24,305	23,197	5,472	5,998	5,899	5,828		
Imports	1,224,417	1,145,927	1,166,939	270,975	294,795	298,225	302,944	1,293,416	1,246,514	1,291,059	307,228	325,381	327,001	331,449		
Petroleum and products.....	120,185	103,588	103,570	19,192	27,056	27,709	29,613	86,219	89,209	86,823	20,592	22,177	21,397	22,657		
Nonpetroleum products.....	1,104,232	1,042,339	1,063,369	251,783	267,739	270,516	273,331	1,205,086	1,152,864	1,200,764	285,792	302,188	304,979	307,805		
Foods, feeds, and beverages.....	45,978	46,642	49,716	11,845	12,321	12,558	12,992	49,423	51,699	54,528	13,279	13,614	13,725	13,910		
Industrial supplies and materials.....	302,104	276,115	269,476	57,800	68,462	70,112	73,102	262,316	259,227	260,847	62,554	65,577	65,403	67,313		
Capital goods, except automotive.....	347,023	297,992	283,889	69,294	72,059	71,292	71,244	452,266	399,524	392,677	95,315	99,392	98,606	99,364		
Automotive vehicles, parts, and engines.....	195,876	189,781	203,923	47,578	51,849	52,472	52,024	192,510	186,703	200,012	46,783	50,932	51,443	50,854		
Consumer goods (nonfood), except automotive.....	282,008	284,486	307,859	71,443	76,886	78,837	80,693	293,870	298,896	326,831	75,681	81,707	83,691	85,752		
Imports, n.e.c., and U.S. goods returned.....	51,428	50,911	52,076	13,015	13,218	12,954	12,889	51,156	50,850	52,498	13,186	13,352	13,045	12,915		

^r Revised.

^p Preliminary.

n.e.c. Not elsewhere classified.

1. Because chain indexes use weights of more than one period, the corresponding chained dollar estimates are usually not additive.

Chart 6. Major Industrial Countries: Real GDP

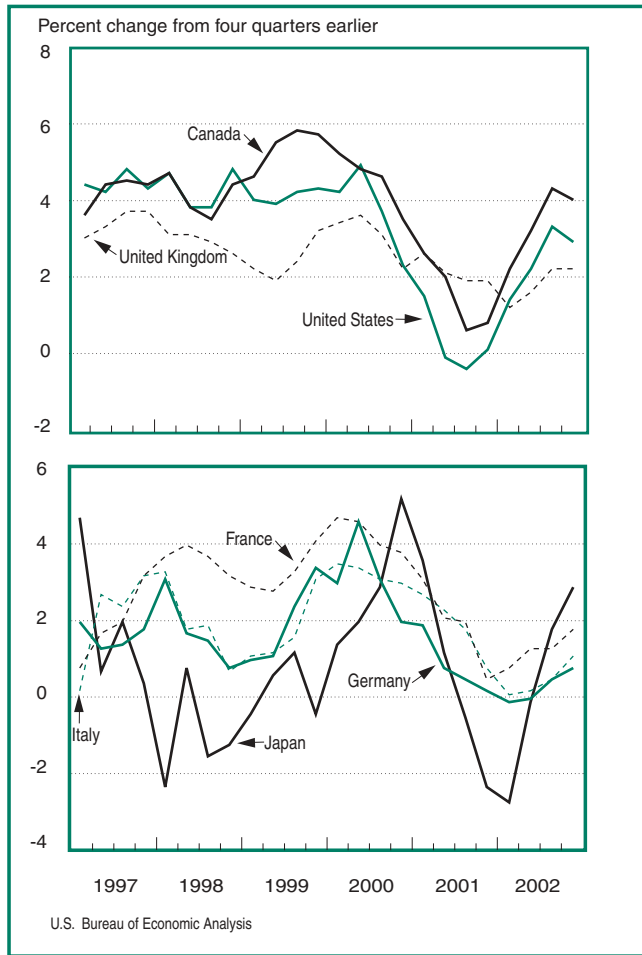
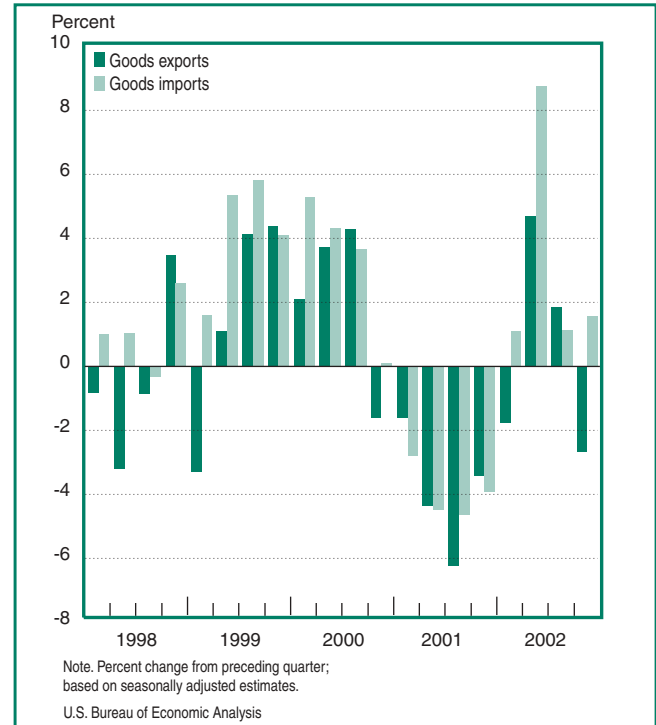


Chart 7. U.S. Trade in Goods



crease (charts 7 and 8). Exports to Western Europe were down \$17.8 billion; to Latin America, down \$10.6 billion; to Japan, down \$6.2 billion; and to Canada, down \$2.4 billion.

Table G. Percent Change in U.S. Goods Trade Chain-Weighted Price Indexes

[Based on index numbers (1996=100)]

	2000 ^r	2001 ^r	2002 ^p
Exports	1.2	-0.7	-0.4
Agricultural products	-1.8	0.8	1.7
Nonagricultural products	1.4	-0.8	-0.6
Foods, feeds, and beverages	-1.6	0.3	2.5
Industrial supplies and materials	6.4	-3.0	-1.5
Capital goods, except automotive	-0.5	-0.1	-0.8
Computers, peripherals, and parts	-4.8	-3.1	-4.9
Civilian aircraft, engines, and parts	4.1	5.5	2.7
Other capital goods	-0.6	-0.4	-0.9
Automotive vehicles, parts, and engines	0.9	0.3	0.6
Consumer goods (nonfood), except automotive	0.4	-0.3	-0.6
Exports, n.e.c.	1.9	-0.5	0.0
Imports	4.8	-2.9	-1.7
Petroleum and products	67.5	-16.7	2.3
Nonpetroleum products	0.5	-1.3	-2.0
Foods, feeds, and beverages	-1.6	-3.0	1.0
Industrial supplies and materials	27.7	-7.6	-3.0
Capital goods, except automotive	-2.4	-2.9	-3.0
Computers, peripherals, and parts	-5.9	-9.0	-7.5
Civilian aircraft, engines, and parts	3.0	3.7	2.0
Other capital goods	-1.6	-1.3	-2.0
Automotive vehicles, parts, and engines	0.7	0.0	0.3
Consumer goods (nonfood), except automotive	-0.8	-0.8	-1.1
Imports, n.e.c., and U.S. goods returned	1.3	-0.4	-0.9

^r Revised.
^p Preliminary.
 n.e.c. Not elsewhere classified.

Capital goods decreased \$31.1 billion, or 10 percent, following a decrease of \$35.3 billion, or 10 percent. High-technology products decreased \$17.5 billion, following a decrease of \$26.4 billion. The 2-year decline brought capital goods exports to the lowest level since 1996. In 2002, computers, peripherals, and parts decreased \$9.0 billion—largely to Western Europe, Canada, and Japan; telecommunications equipment decreased \$5.7 billion—largely to Western Europe, Latin America, and Canada; and semiconductors decreased \$2.8 billion—largely to Western Europe, Canada, and Mexico. Exports of these products to the newly industrialized countries in Asia changed little. Other industrial, agricultural, and service machinery and electric generating equipment and parts both de-

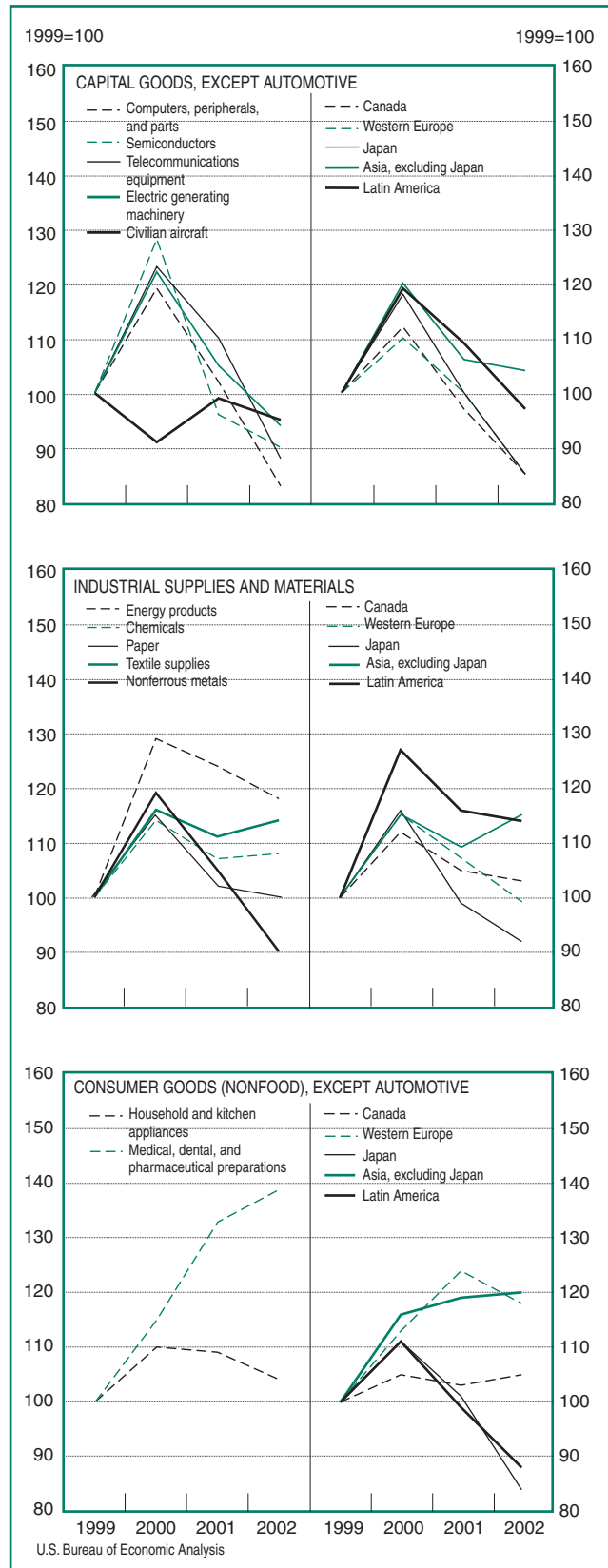
Table H. Percent Change in Foreign Currency Cost of U.S. Exports of Goods

[Based on index numbers (1996=100)]

	2000 ^r	2001 ^r	2002 ^p
Exports	5.8	5.2	-1.7
Agricultural products	2.7	6.8	0.3
Nonagricultural products	6.0	5.1	-1.9
Foods, feeds, and beverages	2.9	6.3	1.2
Industrial supplies and materials	11.2	2.8	-2.7
Capital goods, except automotive	4.0	5.9	-2.1
Computers, peripherals, and parts	-0.5	2.8	-6.1
Civilian aircraft, engines, and parts	8.9	11.8	1.4
Other capital goods	3.9	5.6	-2.1
Automotive vehicles, parts, and engines	5.5	6.3	-0.7
Consumer goods (nonfood), except automotive	5.0	5.7	-1.9
Exports, n.e.c.	6.6	5.5	-1.3

^r Revised.
^p Preliminary.
 n.e.c. Not elsewhere classified.
 NOTE: Chain-weighted price indexes multiplied by trade-weighted exchange rate index of the currencies of Australia, Austria, Belgium, Canada, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland, the United Kingdom, and from January 2001, Greece.

Chart 8. Growth in Exports by Selected Commodity Categories and Areas



creased, but by smaller amounts than in 2001. Civilian aircraft, engines, and parts decreased \$2.1 billion (table I).

Consumer goods decreased \$3.9 billion, or 4 percent, following a decrease of \$1.0 billion, or 1 percent. Exports to Latin America, Japan, and Western Europe declined. Durable goods—largely artwork, antiques, stamps, and collectibles to Western Europe—accounted for nearly three-fourths of the decrease. Among nondurable goods, household and kitchen appliances—largely to Mexico, Japan, and developing countries in Asia—decreased \$0.8 billion, and medical, dental, and pharmaceutical products increased \$0.8 billion. Unmanufactured consumer goods increased \$0.4 billion; the increase was accounted for by gem diamonds and other gem stones to Israel and India.

Nonagricultural industrial supplies and materials decreased \$2.7 billion, or 2 percent, following a decrease of \$13.4 billion, or 8 percent. Much of the decrease was in metals and nonmetallic products, of which more than half was in nonmonetary gold to Switzerland. Energy products, paper and paper base products, and building materials all decreased. Chemicals increased a small amount (table J).

Automotive vehicles, engines, and parts increased \$3.0 billion, or 4 percent, following a decrease of \$4.9 billion, or 6 percent. Complete cars, trucks, and buses, mainly to Canada, accounted for most of the increase.

Agricultural exports decreased \$0.4 billion, or 1 percent, following an increase of \$2.1 billion, or 4 percent. Increases in corn, wheat, and soybeans were more than offset by a large decrease in meat products.

Imports. Goods imports increased \$21.0 billion, or 2 percent, to \$1,166.9 billion in 2002, following a decrease of \$78.5 billion, or 6 percent in 2001. Real imports increased 4 percent, and import prices decreased 2 percent. In value, increases in consumer goods and autos were partly offset by decreases in capital goods and in nonpetroleum industrial supplies and materials (charts 7 and 9). Imports from Asia increased \$23.5 billion; from Latin America, \$6.0 billion; and from Western Europe, \$5.2 billion. In contrast, imports from Canada decreased \$5.6 billion and from Japan decreased \$5.0 billion.

Consumer goods increased \$23.4 billion, or 8 percent, following an increase of \$2.5 billion, or 1 percent, when import growth was severely limited by the U.S. recession. Durable goods increased \$12.4 billion; 60 percent of the increase was in household and kitchen appliances, three-fourths of which came from China. Nondurable goods increased \$9.4 billion; three-fourths of the increase was accounted for by medical,

dental, and pharmaceutical preparations, most of which came from Ireland (pharmaceutical preparations), Germany, and the United Kingdom.

Automotive vehicles, engines, and parts increased \$14.1 billion, or 7 percent, following a decrease of \$6.1 billion, or 3 percent. Cars and parts from Germany and Japan and parts from Mexico accounted for most of the increase. Total U.S. auto sales fell 2 percent in 2002; all of the decline was accounted for by sales of domestic autos. Sales of domestic autos and trucks fell

3.3 percent, even after aggressive financing deals offered by domestic automakers, while sales of foreign autos and trucks rose 6.3 percent.

Capital goods decreased \$14.1 billion, or 5 percent, following a decrease of \$49.0 billion, or 14 percent. Civilian aircraft, engines, and parts decreased \$5.6 billion, the first decrease in 7 years; imports from France, Germany, the United Kingdom, and Canada all decreased. Semiconductors decreased \$4.4 billion, largely from Asian countries, following a decrease of \$17.9 bil-

Table I. U.S. Trade in Capital Goods, except Automotive

[Balance of payments basis, millions of dollars]

	1997	1998	1999	2000	2001	2002 ^P
Exports	295,874	299,868	311,250	357,000	321,723	290,649
Computers, peripherals, and parts.....	49,361	45,247	46,724	55,542	47,565	38,571
Semiconductors.....	38,861	37,650	46,962	60,077	45,065	42,254
Telecommunications equipment.....	23,340	23,869	25,367	31,268	27,874	22,217
Scientific, hospital, and medical equipment and parts.....	16,173	15,827	16,748	19,309	20,062	19,341
Industrial, agricultural, and service industry machinery.....	46,347	43,573	44,695	53,143	46,060	42,871
Machine tools, metalworking equipment, and control instruments.....	18,275	18,815	19,349	23,837	19,985	18,373
Oil drilling, mining, and construction machinery.....	15,965	15,943	11,965	12,598	14,057	12,911
Industrial engines, pumps, and compressors.....	12,614	11,727	10,993	11,602	11,992	11,563
Electric generating machinery, electric apparatus, and parts.....	27,977	27,301	29,353	35,766	30,887	27,576
Civilian aircraft, engines, and parts.....	41,359	53,547	52,921	48,091	52,619	50,508
Other capital goods, n.e.c.....	5,602	6,369	6,173	5,767	5,567	4,464
Imports	253,398	269,451	295,718	347,023	297,992	283,889
Computers, peripherals, and parts.....	70,177	72,475	81,456	89,762	74,001	75,256
Semiconductors.....	36,880	33,416	37,628	48,353	30,422	26,043
Telecommunications equipment.....	13,822	15,723	21,553	32,688	24,632	23,178
Scientific, hospital, and medical equipment and parts.....	8,958	10,513	12,150	14,941	15,212	16,033
Industrial, agricultural, and service industry machinery.....	41,814	44,711	46,849	51,636	47,478	47,979
Machine tools, metalworking equipment, and control instruments.....	14,973	16,173	15,588	18,192	16,422	14,871
Oil drilling, mining, and construction machinery.....	6,382	8,007	6,984	7,167	6,902	6,573
Industrial engines, pumps, and compressors.....	6,541	7,338	7,715	9,453	9,780	9,089
Electric generating machinery, electric apparatus, and parts.....	27,920	29,074	32,816	39,716	34,789	32,919
Civilian aircraft, engines, and parts.....	16,598	21,814	23,773	26,376	31,358	25,746
Other capital goods, n.e.c.....	9,333	10,207	9,206	8,739	6,996	6,202

^P Preliminary.
n.e.c. Not elsewhere classified.

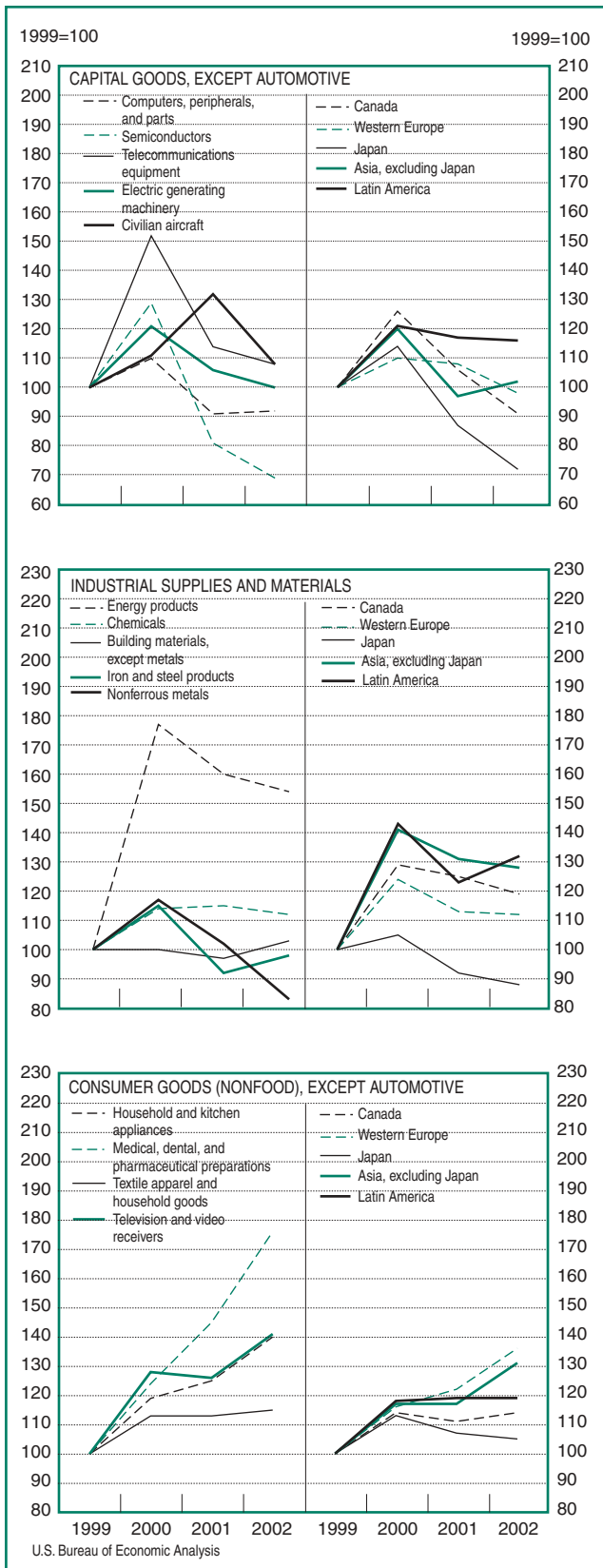
Table J. U.S. Trade in Nonagricultural Industrial Supplies and Materials

[Balance of payments basis, millions of dollars]

	1997	1998	1999	2000	2001	2002 ^P
Exports	147,730	138,528	140,314	163,889	150,476	147,760
Energy products.....	16,566	13,335	12,883	16,636	15,922	15,149
Chemicals, excluding medicinals.....	46,829	44,944	45,927	52,242	49,326	49,830
Paper and paper base stocks.....	12,785	12,151	12,174	14,001	12,386	12,218
Textile supplies and related materials.....	10,700	8,918	9,807	11,367	10,866	11,145
Building materials, except metals.....	9,482	7,977	8,157	8,755	7,770	7,613
Other nonmetals.....	16,705	18,043	18,895	21,628	19,599	19,550
Metals and nonmetallic products.....	34,663	33,160	32,471	39,260	34,607	32,255
Steelmaking materials and iron and steel products.....	8,186	7,328	7,156	8,560	7,966	7,845
Nonferrous metals.....	15,026	14,235	13,526	16,047	14,219	12,173
Other metals and nonmetallic products.....	11,451	11,597	11,789	14,653	12,422	12,237
Imports	211,000	196,853	218,545	296,497	270,803	264,219
Energy products.....	80,158	59,119	78,140	138,397	124,876	120,191
Chemicals, excluding medicinals.....	29,124	29,183	29,601	33,762	34,048	33,072
Paper and paper base stocks.....	10,675	11,222	11,582	13,685	12,240	11,473
Textile supplies and related materials.....	10,097	10,338	10,305	11,256	10,314	10,866
Building materials, except metals.....	16,822	17,909	21,813	21,788	21,261	22,495
Other nonmetals.....	14,177	14,650	15,799	17,848	17,253	18,448
Metals and nonmetallic products.....	49,947	54,432	51,305	59,761	50,811	47,674
Steelmaking materials and iron and steel products.....	21,163	24,456	20,917	24,006	18,944	20,165
Nonferrous metals.....	22,035	22,837	22,795	26,685	23,246	18,824
Other metals and nonmetallic products.....	6,749	7,139	7,593	9,070	8,621	8,685
Memorandum:						
Nonpetroleum industrial supplies and materials imports.....	145,535	152,145	156,311	181,919	172,527	165,906

^P Preliminary.

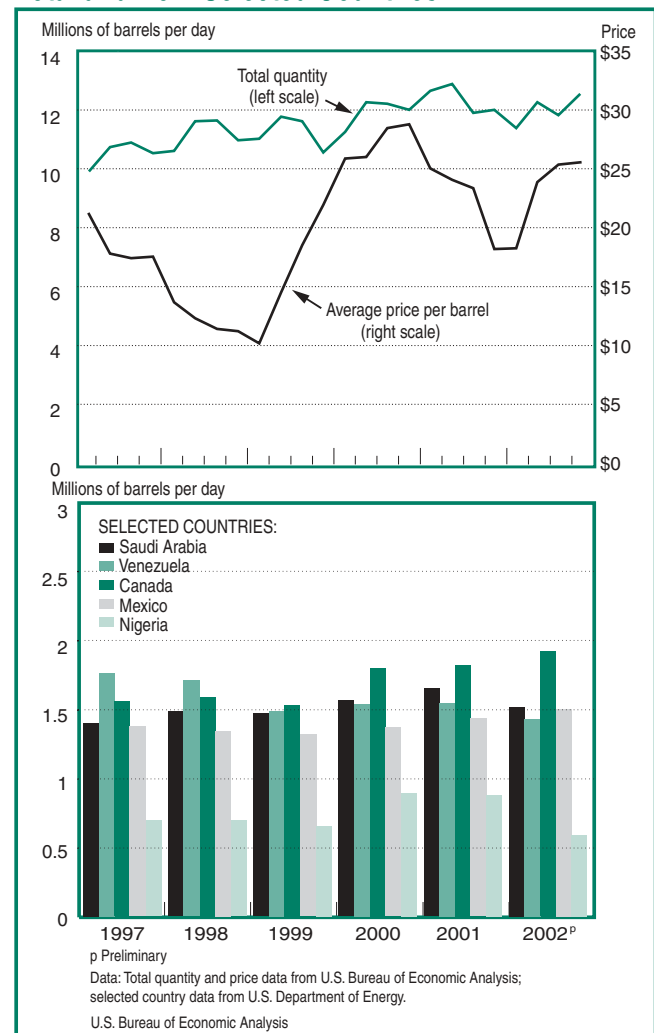
Chart 9. Growth in Imports by Selected Commodity Categories and Areas



lion. Telecommunications equipment decreased \$1.5 billion, following a decrease of \$8.1 billion; decreases from Canada and Japan were sizable, but they were partly offset by increases from China and Sweden. Computers, peripherals, and parts increased \$1.3 billion after a \$15.8 billion decrease. Deliveries from Japan, Canada, Mexico, and Western Europe all continued to decline, while deliveries from China were up 42 percent, or \$4.4 billion; China now accounts for 20 percent of all personal computer shipments to the United States (table I).

Nonpetroleum industrial supplies and materials decreased \$6.6 billion, or 4 percent, following a decrease of \$9.4 billion, or 5 percent. Nonferrous metals, including nonmonetary gold, accounted for most of the decrease. Chemicals and paper and paper base stocks also decreased. Iron and steel products increased 6 percent after a 20-percent drop. Imports from Western

Chart 10. U.S. Current Petroleum Imports and Price, Total and from Selected Countries



Europe and Japan—the two areas most affected by the imposition of selected steel tariffs decreased, while imports from North American Free Trade Agreement (NAFTA) members Canada and Mexico—increased, as NAFTA members were excluded from the imposed tariffs (table J).

Petroleum and petroleum products were unchanged at \$103.6 billion, following a decrease of \$16.6 billion, or 14 percent. The average number of barrels imported daily fell to 12.06 million from 12.42 million. The average price per barrel increased to \$23.42 from \$22.80 (chart 10). Domestic inventories fell, while consumption and production rose slightly. Deliveries from OPEC dropped \$5.5 billion, or 12 percent; 40 percent of the decrease was from Iraq. The drop was offset by increases in imports from Mexico, the United Kingdom, Russia, and Canada. An oil strike began in Vene-

zuela on December 2nd and continued through early February 2003.

Balances by area. The deficit on goods increased \$57.2 billion, to \$484.4 billion, in 2002. Exports decreased for the second consecutive year, while imports increased after a decrease in 2001 (table K).

The deficit with Western Europe increased \$23.0 billion, as a result of stronger imports and much weaker exports. Exports, mostly of capital goods, fell sharply. Increases in imports of consumer goods and autos more than offset a decline in imports of capital goods.

The deficit with Asia, excluding Japan, increased \$22.7 billion. Substantially higher consumer goods imports and moderately higher capital goods imports, both largely from China, accounted for the increase. Exports changed little.

Table K. U.S. Trade in Goods by Major End-Use Category for Selected Areas and Countries

[Balance of payments basis, millions of dollars]

	Canada			Western Europe			United Kingdom			Germany			Japan		
	2000	2001	2002 ^a	2000	2001	2002 ^a	2000	2001	2002 ^a	2000	2001	2002 ^a	2000	2001	2002 ^a
Exports	178,877	163,309	160,879	178,732	171,421	153,573	40,724	39,701	32,139	28,922	29,365	26,038	63,472	55,878	49,682
Agricultural products	8,468	8,942	9,653	7,576	7,784	7,513	1,050	1,078	1,028	942	966	997	9,546	9,076	8,538
Nonagricultural products	170,409	154,367	151,226	171,156	163,637	146,060	39,674	38,623	31,111	27,980	28,399	25,041	53,926	46,802	41,144
Foods, feeds, and beverages	8,441	8,901	9,707	5,923	6,030	6,014	942	1,025	1,008	682	763	859	10,029	9,562	9,065
Industrial supplies and materials	40,350	37,902	37,137	38,009	35,529	32,919	7,212	6,609	6,001	4,793	4,491	4,267	12,571	10,693	9,974
Capital goods, except automotive	60,106	52,325	45,886	96,342	87,504	73,863	23,320	20,518	15,576	17,692	17,525	13,998	28,280	24,072	20,322
Automotive vehicles, parts, and engines	45,810	40,599	44,039	7,470	8,558	9,017	1,633	1,824	1,750	2,203	2,917	3,760	3,032	2,676	2,784
Consumer goods (nonfood), except automotive	18,947	18,485	18,958	25,028	27,422	26,243	6,137	7,549	6,448	2,666	2,804	2,390	8,342	7,596	6,335
Exports, n.e.c.	5,223	5,097	5,152	5,960	6,378	5,517	1,480	2,176	1,356	886	865	764	1,218	1,279	1,202
Imports	233,679	218,735	213,151	243,426	241,030	246,194	43,388	40,982	40,640	58,501	59,035	62,492	146,497	126,485	121,477
Petroleum and products	18,553	16,276	17,153	12,653	11,154	13,041	4,117	3,390	4,734	510	449	526	251	219	122
Nonpetroleum products	215,126	202,459	195,998	230,773	229,876	233,153	39,271	37,592	35,906	57,991	58,586	61,966	146,246	126,266	121,355
Foods, feeds, and beverages	10,275	11,431	11,914	9,709	9,639	10,689	1,262	1,186	1,257	664	648	683	440	385	410
Industrial supplies and materials	85,872	83,109	78,889	53,004	48,356	47,947	10,040	8,824	9,461	9,191	8,532	8,857	13,039	11,477	10,928
Capital goods, except automotive	40,361	33,855	29,180	78,166	76,423	69,595	15,561	14,780	11,820	21,640	21,868	19,800	62,200	47,501	39,315
Automotive vehicles, parts, and engines	63,953	57,865	59,773	30,393	31,118	35,358	4,201	3,852	5,277	18,426	18,831	22,314	47,564	44,854	49,265
Consumer goods (nonfood), except automotive	15,955	15,589	15,966	59,022	61,970	68,993	8,772	8,624	9,212	5,854	6,377	7,739	19,303	18,301	17,942
Imports, n.e.c., and U.S. goods returned	17,263	16,886	17,429	13,132	13,524	13,612	3,552	3,716	3,613	2,726	2,779	3,099	3,951	3,967	3,617
Balance	-54,802	-55,426	-52,272	-64,694	-69,609	-92,621	-2,664	-1,281	-8,501	-29,579	-29,670	-36,454	-83,025	-70,607	-71,795
	Latin America			Mexico			Asia, excluding Japan			Hong Kong, Republic of Korea, Singapore, Taiwan			China		
	2000	2001	2002 ^a	2000	2001	2002 ^a	2000	2001	2002 ^a	2000	2001	2002 ^a	2000	2001	2002 ^a
Exports	158,837	147,858	137,275	111,172	101,181	97,361	152,002	140,062	140,929	83,112	69,877	68,265	16,141	19,108	21,980
Agricultural products	9,482	10,522	10,537	6,603	7,540	7,489	12,622	13,303	13,035	6,147	6,083	6,044	1,761	1,941	1,985
Nonagricultural products	149,355	137,336	126,738	104,569	93,641	89,872	139,380	126,759	127,894	76,965	63,794	62,221	14,380	17,167	19,995
Foods, feeds, and beverages	8,033	9,137	9,101	5,632	6,554	6,469	10,636	10,763	10,701	5,110	4,990	5,149	1,557	1,570	1,508
Industrial supplies and materials	44,642	40,903	40,079	32,084	28,283	28,317	29,269	27,534	29,245	16,013	13,940	14,599	5,113	5,448	6,738
Capital goods, except automotive	62,192	57,257	50,698	40,782	35,981	33,761	93,503	83,094	81,600	53,506	43,024	40,476	8,377	10,812	12,151
Automotive vehicles, parts, and engines	18,674	18,095	16,873	16,601	16,023	15,264	3,327	3,434	3,712	1,001	837	826	269	298	414
Consumer goods (nonfood), except automotive	19,181	17,124	15,296	11,568	10,424	9,859	11,535	11,803	11,919	5,448	5,320	5,156	661	842	1,014
Exports, n.e.c.	6,115	5,342	5,228	4,505	3,916	3,691	3,732	3,434	3,752	2,034	1,766	2,059	164	138	155
Imports	199,833	190,188	196,159	136,811	132,204	135,632	340,265	313,479	337,018	111,460	93,260	91,901	100,021	102,278	125,215
Petroleum and products	37,083	30,217	32,478	12,800	10,154	12,214	26,145	24,179	21,055	1,081	1,126	743	618	318	321
Nonpetroleum products	162,750	159,971	163,681	124,011	122,050	123,418	314,120	289,300	315,963	110,379	92,134	91,158	99,403	101,960	124,894
Foods, feeds, and beverages	13,658	13,111	13,689	5,854	5,973	6,179	8,506	8,384	8,928	702	700	668	1,104	1,233	1,605
Industrial supplies and materials	56,966	49,098	52,633	21,789	18,723	21,391	52,101	48,374	47,325	10,511	9,530	9,564	7,620	7,548	9,068
Capital goods, except automotive	38,744	37,520	37,254	34,310	33,008	32,752	122,728	98,397	104,429	60,430	43,379	41,524	23,288	23,206	30,204
Automotive vehicles, parts, and engines	42,179	42,099	43,981	40,196	40,005	41,521	10,594	12,169	13,860	7,271	8,851	9,785	1,566	1,691	2,197
Consumer goods (nonfood), except automotive	39,882	40,402	40,318	28,206	28,257	27,346	139,208	139,111	155,236	28,751	27,231	27,004	65,333	67,424	80,769
Imports, n.e.c., and U.S. goods returned	8,404	7,958	8,284	6,456	6,238	6,443	7,128	7,044	7,240	3,795	3,569	3,356	1,110	1,176	1,372
Balance	-40,996	-42,330	-58,884	-25,639	-31,023	-38,271	-188,263	-173,417	-196,089	-28,348	-23,383	-23,636	-83,880	-83,170	-103,235

^a Preliminary.
n.e.c. Not elsewhere classified.

The deficit with Latin America increased \$16.6 billion, as a result of stronger imports and lower exports. Exports declined substantially for the second consecutive year, mostly in capital goods and consumer goods. Imports of petroleum and of autos increased.

The deficit with Japan increased \$1.2 billion. Export declines, largely of capital goods and consumer goods, were larger than import declines, largely of capital goods.

The deficit with Canada decreased \$3.2 billion. Exports of capital goods fell, but imports of nonpetroleum industrial supplies and capital goods fell even more.

Services

The surplus on services decreased to \$48.8 billion in 2002 from \$68.9 billion in 2001. The surplus in 2002 was well below the peak of \$90.4 billion in 1997 (table L, chart 11). A substantial amount of the deterioration from 2001 to 2002 was attributable to the recording of large nonrecurring losses recovered from foreign reinsurers at the time of the September 11th attacks, which lowered net payments and boosted the surplus in 2001. In 2002, losses recovered returned to more normal levels, and insurance premiums increased strongly as prices on property and casualty policies were increased; both factors boosted insurance payments.

The September 11th attacks continued to have residual effects on the travel and passenger fares accounts, as travel to and from the United States remained below

pre-September 11th levels. Travel receipts decreased \$2.8 billion, to \$70.3 billion, in 2002, following a decrease of \$9.1 billion in 2001. Slow economic growth abroad also discouraged travel, despite substantial appreciation of major foreign currencies from late March to the end of the year. In 2002, the number of visitors declined 6 percent, following a decline of 14 percent in 2001. Passenger fare receipts reflected these same factors, declining \$0.6 billion after falling \$2.8 billion.

Travel payments decreased \$0.8 billion, to \$59.3 billion, in 2002, following a decrease of \$4.7 billion in

Chart 11. Annual Services Data, 1990–2002

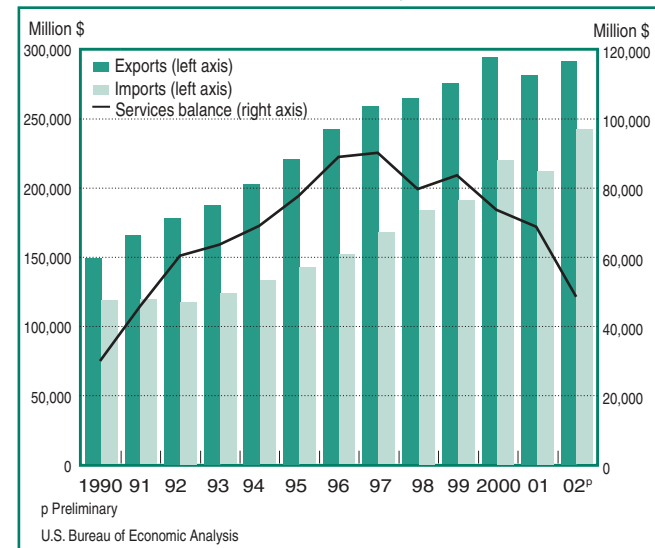


Table L. Services

[Millions of dollars, quarters seasonally adjusted]

	2000	2001	2002 ^p	2002			
				I ^r	II ^r	III ^r	IV ^p
Exports	292,245	279,260	289,278	68,587	72,101	73,545	75,048
Travel.....	82,267	73,119	70,320	17,039	17,202	17,438	18,641
Passenger fares.....	20,760	18,007	17,443	4,170	4,171	4,502	4,600
Other transportation.....	30,137	28,306	28,377	6,810	6,992	7,183	7,392
Royalties and license fees.....	39,607	38,668	42,959	9,922	11,077	11,138	10,823
Other private services.....	104,707	108,109	117,340	27,461	29,373	30,161	30,347
Affiliated services.....	32,580	36,243	39,837	8,647	10,118	10,659	10,415
Unaffiliated services.....	72,127	71,866	77,503	18,814	19,255	19,502	19,932
Education.....	10,348	11,493	12,670	3,034	3,104	3,241	3,291
Financial.....	16,307	15,209	14,877	3,769	3,824	3,668	3,616
Insurance.....	2,050	18	1,120	91	128	352	549
Telecommunications.....	4,756	4,796	5,556	1,277	1,351	1,426	1,502
Business, professional, and technical.....	24,373	25,720	27,521	6,817	6,940	6,862	6,902
Other.....	14,293	14,630	15,759	3,826	3,908	3,952	4,072
Military transactions ¹	13,981	12,220	12,044	2,990	3,087	2,923	3,044
U.S. Government receipts.....	786	831	795	195	199	200	201
Imports	218,503	210,385	240,467	57,613	58,902	60,949	63,009
Travel.....	64,788	60,117	59,303	14,538	14,405	14,631	15,729
Passenger fares.....	24,306	22,418	20,993	5,087	5,002	5,276	5,628
Other transportation.....	41,598	38,823	38,823	8,871	9,752	9,731	10,201
Royalties and license fees.....	16,115	16,359	19,899	4,761	4,948	5,352	4,840
Other private services.....	55,253	54,588	79,379	19,127	19,304	20,220	20,732
Affiliated services.....	25,971	28,410	29,780	7,534	6,988	7,538	7,723
Unaffiliated services.....	29,282	26,178	49,599	11,593	12,316	12,682	13,009
Education.....	2,052	2,378	2,667	631	654	679	703
Financial.....	4,472	4,016	3,607	974	1,012	816	805
Insurance.....	8,175	4,906	27,496	6,177	6,738	7,178	7,402
Telecommunications.....	5,473	4,298	3,990	950	978	1,017	1,045
Business, professional, and technical.....	8,636	10,040	11,232	2,714	2,783	2,838	2,897
Other.....	473	540	607	147	150	153	156
Direct defense expenditures ²	13,560	15,198	19,418	4,488	4,766	5,014	5,150
U.S. Government payments.....	2,883	2,882	2,920	741	725	725	729

^r Revised.

^p Preliminary.

1. Consists of goods and services transferred under U.S. military agency sales contracts, which cannot be

separately identified.

2. Consists of imports of goods and services by U.S. defense agencies, which cannot be separately identified.

2001. U.S. travel overseas was slow to recover after September 11th despite a strengthening in U.S. economic growth; dollar depreciation from late March to the end of the year also discouraged travel abroad. In 2002, the number of U.S. travelers to overseas destinations was down 7 percent, following a decline of 6 percent in 2001. Passenger fare payments reflected these same factors, declining \$1.4 billion after falling \$1.9 billion.

"Other" private services receipts increased \$9.2 billion, to \$117.3 billion, in 2002, up from a \$3.4 billion increase in 2001. Among unaffiliated services, most major categories increased; the largest increases were in business, professional, and technical services, in education, and in insurance. Insurance receipts reflected higher premiums on property and casualty insurance that followed the attacks of September 11th. Financial services receipts decreased for the second consecutive year, reflecting reduced foreign activity in U.S. financial markets.

"Other" private services payments increased \$24.8 billion, to \$79.4 billion, in 2002, following a decrease of \$0.7 billion in 2001. The increase in 2002 was mostly attributable to the insurance payments, which are recorded as the net of premiums paid and losses recovered. Losses recovered are recorded on an accrual basis at the time an insured event occurs. The recording of sizable losses recovered from foreign reinsurers as a result of the September 11th attacks greatly reduced net payments in 2001. In 2002, losses recovered returned to more typical levels, and premiums paid rose sharply, reflecting steep price increases on property and casualty policies. Business, technical, and professional services payments continued to rise. Financial services payments decreased for the second consecutive year, reflecting reduced U.S. activity in foreign financial markets.

"Other" transportation receipts were nearly unchanged at \$28.4 billion in 2002, following a decrease

of \$1.8 billion in 2001.

Freight receipts increased \$0.4 billion, or 3 percent, following a decrease of \$1.1 billion, as an increase in air freight more than offset a decrease in ocean freight. Air freight increased \$0.4 billion, mostly from higher freight rates, and ocean freight decreased \$0.3 billion. Tanker rates remained near record lows for most of the year, U.S. tramp vessel revenues fell, and liner vessel revenues were unchanged; all reflected reduced export volume.

Port services receipts decreased \$0.3 billion as a result of a decline in air port services. Ocean port services were unchanged.

"Other" transportation payments decreased \$0.3 billion in 2002, following a \$2.8 billion decrease in 2001.

Port services payments decreased \$0.5 billion, following a decrease of \$1.1 billion. Reflecting the drop in international air travel following the attacks of September 11th, most passenger carriers operated on reduced flight schedules, resulting in lower expenses overseas. In addition, jet fuel prices decreased 8 percent because of reduced demand.

Freight payments increased \$0.2 billion, following a decrease of \$1.7 billion. Air freight increased \$0.9 billion, reflecting a 15-percent increase in import volume. More than half of the increase resulted from higher air imports from Asia, largely due to a West Coast ocean port strike in the last 2 days of September and the first 8 days of October. Ocean freight decreased \$0.8 billion; revenues from tanker vessels decreased, more than offsetting an increase in revenues from liner vessels. Import volume on liners was strong in the last half of the year.

Transfers under U.S. agency military sales contracts fell slightly to \$12.0 billion in 2002 from \$12.2 billion in 2001; at this level, transfers were well below the recent peak of \$17.4 billion in 1998. Direct defense ex-

Table M. Direct Investment Income and Capital

[Millions of dollars, quarters seasonally adjusted]

(Credits +; debits -)	2000	2001	2002 ^p	2002			
				I ^r	II ^r	III ^r	IV ^p
Income							
Income receipts on U.S. direct investment abroad.....	149,677	125,996	128,068	28,629	30,908	33,730	34,800
Distributed earnings	44,497	42,253	41,904	9,468	11,052	12,477	8,905
Reinvested earnings	101,213	79,668	81,650	18,038	18,795	20,096	24,722
Interest, net	3,966	4,076	4,514	1,123	1,061	1,157	1,173
Income payments on foreign direct investment in the United States.....	-60,815	-23,401	-50,121	-6,606	-12,159	-15,104	-16,252
Distributed earnings	-34,230	-20,405	-17,341	-6,451	-5,015	-2,497	-3,384
Reinvested earnings	-6,519	19,697	-10,213	5,198	-1,321	-6,727	-7,359
Interest, net	-20,066	-22,694	-22,565	-5,353	-5,823	-5,880	-5,509
Capital							
U.S. direct investment abroad (increase/financial outflow (-))	-178,294	-127,840	-123,528	-29,546	-34,521	-26,418	-33,047
Equity capital	-66,089	-49,840	-27,335	-9,507	-3,441	-5,934	-8,453
Reinvested earnings	-101,213	-79,668	-81,650	-18,038	-18,795	-20,096	-24,722
Intercompany debt	-10,993	1,668	-14,546	-2,001	-12,285	-388	128
Foreign direct investment in the United States (increase/financial inflow (+)).....	307,747	130,796	30,114	16,327	-2,600	2,891	13,493
Equity capital	245,943	107,721	57,618	10,964	13,975	21,930	10,749
Reinvested earnings	6,519	-19,697	10,213	-5,198	1,321	6,727	7,359
Intercompany debt	55,285	42,771	-37,716	10,561	-17,896	-25,766	-4,615

^r Revised.

^p Preliminary.

penditures abroad increased to \$19.4 billion in 2002 from \$15.2 billion in 2001. During the last half of the year, expenditures reflected the gradual buildup and deployment of troops prior to the war with Iraq in 2003. Most of the increased expenditures were for purchases of equipment and supplies and for transportation of troops and materiel.

Income

The balance on income shifted to a deficit of \$11.9 billion in 2002 from a surplus of \$14.4 billion in 2001 (table D). Income receipts fell more than income payments.

Receipts of income on U.S. direct investment abroad increased \$2.1 billion, to \$128.1 billion, in 2002 (table M, chart 12). Limited economic expansion in indus-

trial countries abroad generated only a small increase in earnings in 2002. Earnings had fallen sharply in 2001 when growth in industrial countries slowed sharply. Appreciation of some key foreign currencies against the dollar during much of 2002 contributed to some of the increase in earnings in 2002. Depreciation of foreign currencies against the dollar in 2001 contributed to some of the decline in earnings in 2001. In 2002, earnings in "other" industries increased \$4.0 billion, largely in telecommunications, mining, and wholesale trade. Earnings in petroleum decreased \$2.6 billion, largely in Europe and Canada. Earnings in manufacturing decreased \$0.4 billion; the decrease was more than accounted for by declines in electronics, largely from Asia and Pacific, and in transportation equipment from Canada.

Payments of income on foreign direct investment in the United States increased \$26.7 billion, to \$50.1 billion, in 2002 (table M, chart 13). Earnings of U.S. affiliates recovered strongly from the poor results of 2001, as U.S. GDP grew 2.4 percent in 2002 after growth of

Chart 12. Earnings on U.S. Direct Investment Abroad

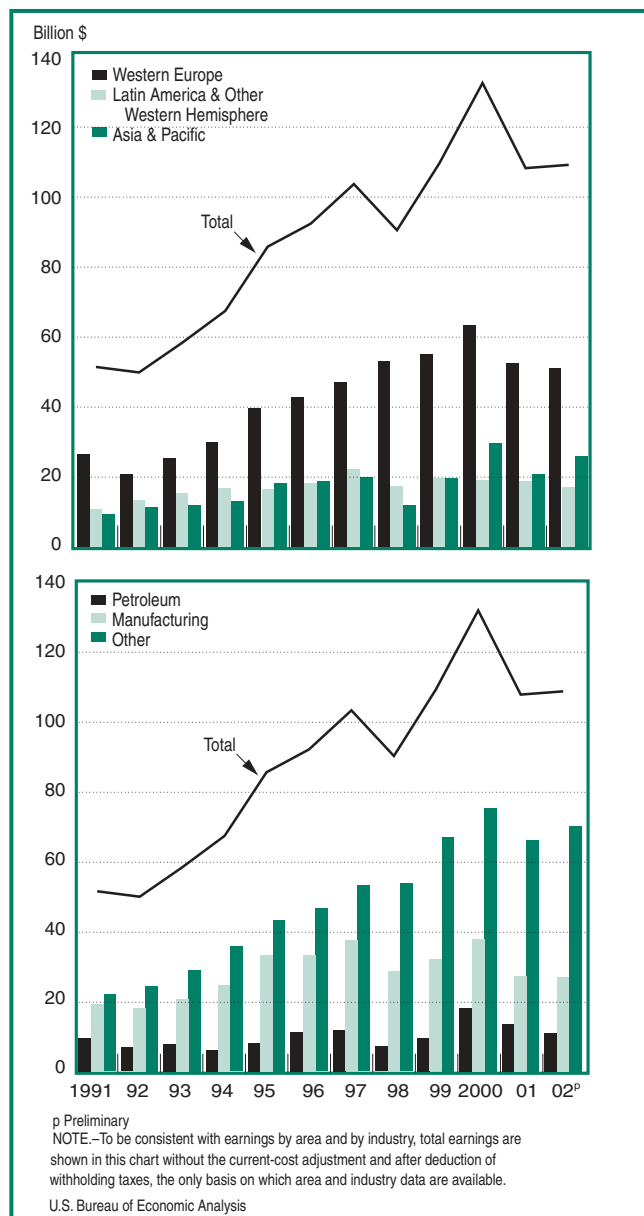
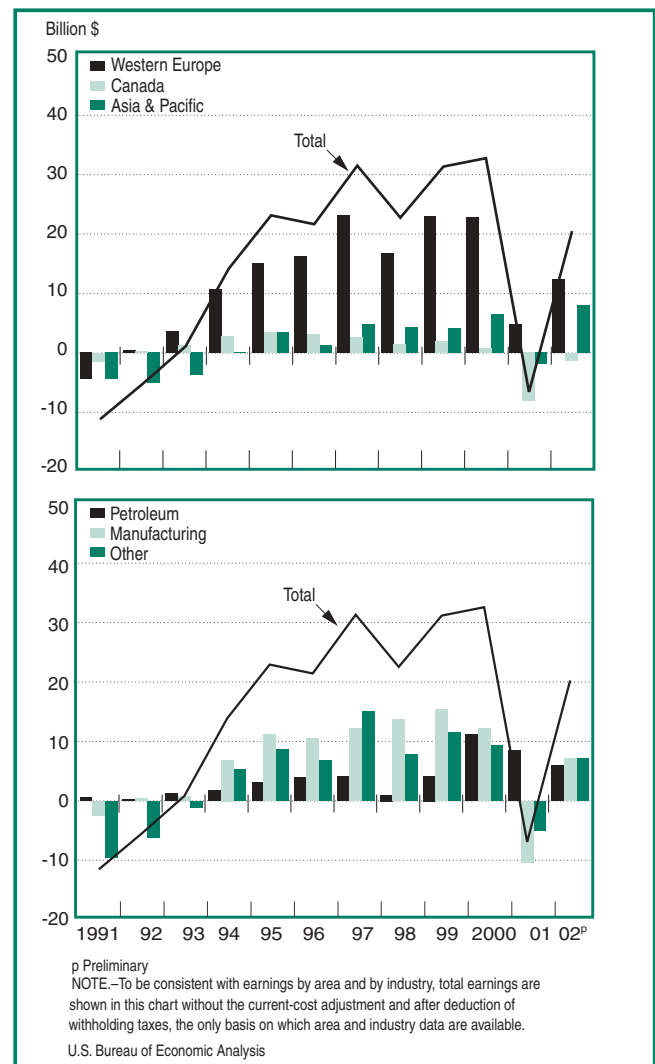


Chart 13. Earnings on Foreign Direct Investment in the United States



only 0.3 percent in 2001. By industry, the largest increases were in manufacturing, which shifted \$17.3 billion to profits of \$7.1 billion. Within “other” industries, earnings increased to \$5.0 billion from \$2.9 billion; all industries except depository institutions increased. In contrast, petroleum earnings fell \$2.5 billion. By area, increases in payments of income were largest for affiliates with parents in Japan (tires, wholesale trade, machinery, and depository institutions), Canada (smaller losses in machinery), and Europe.

Receipts of income on “other” private investment

decreased to \$110.8 billion in 2002 from \$151.8 billion in 2001 and were considerably below receipts of \$197.1 billion in 2000 (table N, chart 14). The largest decrease in 2002 was in interest earned on banks’ and nonbanks’ claims, which decreased \$39.8 billion. The average interest rate on banks’ and nonbanks’ claims was 200 basis points lower than in 2001. Dividends earned on stocks increased slightly, and interest earned on bonds decreased slightly.

Payments of income on “other” private investment decreased to \$124.5 billion in 2002 from \$156.8 billion in 2001 and \$179.2 billion in 2000 (table N, chart 14). Declines in interest paid on banks’ and nonbanks’ liabilities more than accounted for the decrease in 2002 and were attributable to declines in interest rates. Interest paid on bonds increased, reflecting an increase in foreign holdings. Dividends paid increased, reflecting an increase in yields that was only partly offset by a decrease in foreign holdings.

For the second consecutive year, “other” private payments exceeded “other” private receipts. In 2002, the margin was \$13.8 billion; in 2001, it was \$5.0 billion.

U.S. Government income payments decreased to \$72.9 billion in 2002 from \$80.7 billion in 2001 and \$83.0 billion in 2000 (table O). In 2002, a decline in yields more than accounted for the decrease; yields on long-term Treasury securities were 100 basis points lower on average.

Table N. Other Private Income

[Billions of dollars]

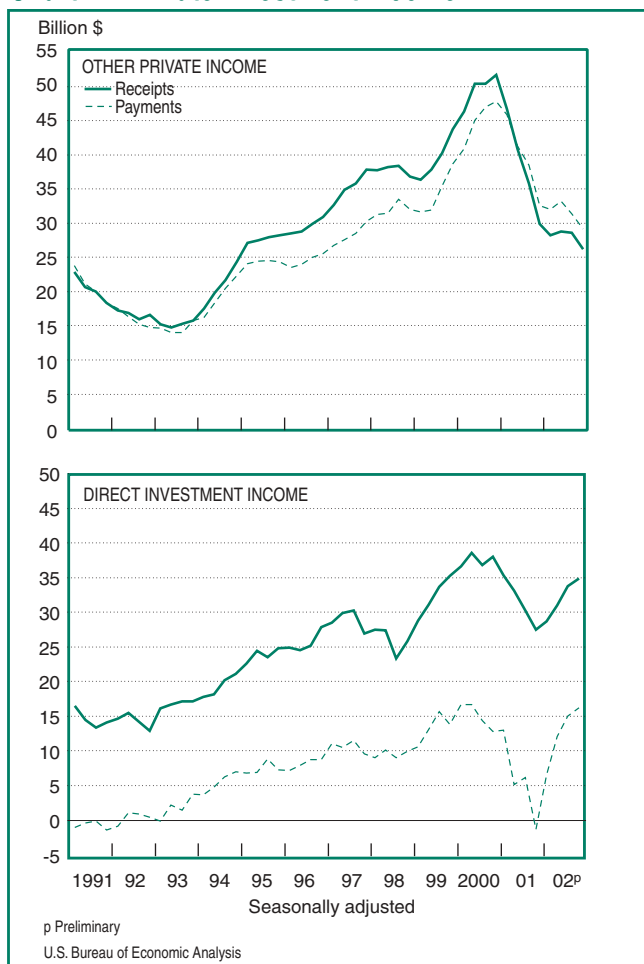
	2000	2001	2002 ^p
Receipts	197.1	151.8	110.8
Dividends	35.9	25.4	26.2
Interest on bonds	42.6	39.9	37.9
Interest on bank claims	57.1	42.3	23.6
Interest on other claims ¹	61.5	44.2	23.1
Payments	179.2	156.8	124.5
Dividends	19.6	20.7	22.6
Interest on bonds	51.9	56.1	61.0
Interest on bank liabilities	65.1	42.0	20.1
Interest on other liabilities ¹	42.6	38.0	20.8

^p Preliminary.

¹ Primarily income of financial concerns other than banks.

NOTE: Excludes direct investment income receipts and payments.

Chart 14. Private Investment Income



Unilateral current transfers

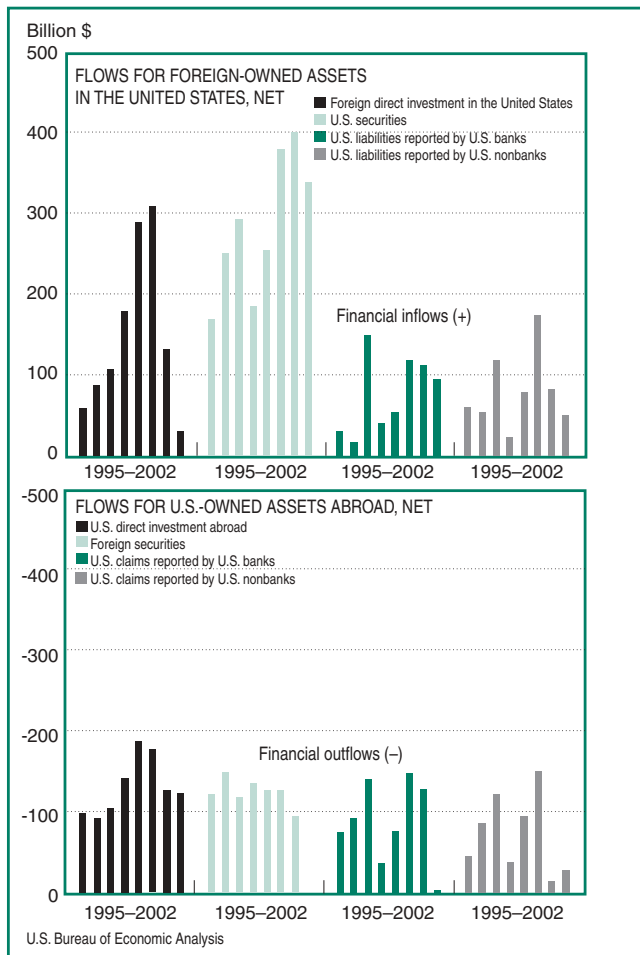
Net unilateral current transfers were outflows of \$56.0 billion in 2002, \$6.6 billion more than in 2001. U.S. Government grants accounted for most of the increase, largely because grant funds that are often disbursed annually to Israel and Egypt under the debt credit waiver program and under economic assistance programs in the fourth quarter of 2001 were not appropriated and disbursed until the first quarter of 2002 (table O). Similar disbursements scheduled for the fourth quarter of 2002 were delayed until the first quarter of 2003. Private remittances and other transfers also increased, mainly because of an increase in institutional remittances and net taxes paid to foreigners.

Capital Account

Capital account transactions were net inflows of \$0.7 billion in 2002, down from net inflows of \$0.8 billion in 2001.

Financial Account

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$474.2 billion in 2002, up from \$381.8 billion in 2001. Financial outflows for U.S.-owned assets abroad de-

Chart 15. Financial Flows, 1995–2002

creased more than financial inflows for foreign-owned assets in the United States (chart 15).

U.S.-owned assets abroad

Net U.S.-owned assets abroad increased \$156.2 billion in 2002, compared with an increase of \$371.0 billion in

2001. Net outflows from U.S. banks were greatly reduced, and U.S. transactions in foreign securities shifted from sizable net purchases to net sales.

U.S. official reserve assets. U.S. official reserve assets increased \$3.7 billion in 2002, following an increase of \$4.9 billion in 2001 (table C). The increase in 2002 included a \$2.6 billion increase in the U.S. reserve position in the International Monetary Fund (IMF). Sizable dollar credits that were extended by the IMF to Brazil, Turkey, and Uruguay were only partly offset by repayments of dollar credits to the IMF by Russia.

U.S. claims reported by banks and nonbanks. U.S. claims on foreigners reported by U.S. banks increased \$3.1 billion in 2002, following an increase of \$128.7 billion in 2001 (tables P and Q).

Banks' own claims denominated in dollars increased \$7.6 billion in 2002, following increases of \$119.4 billion in 2001 and \$111.5 billion in 2000. The marked slowdown in lending in 2002 reflected a widespread decline in demand for bank credit and sharp dropoff in new syndicated loans due to a further decline in merger and acquisition activity. Syndicated loan activity had been especially strong in late 1999 and in 2000 at the peak of the merger and acquisition boom before declining in 2001 and 2002.

U.S.-owned banks' claims decreased \$18.3 billion in 2002, following an increase of \$39.0 billion in 2001. U.S. banks tightened lending standards and sought little additional international loan exposure over much of the year—partly as a result of concerns about questionable corporate accounting practices, sizable loan defaults, and an uncertain global economic outlook. Foreign-owned banks' claims increased \$16.8 billion, down from an increase of \$51.4 billion. Most lending was to provide funds to parent banks abroad. Claims on foreigners by U.S. securities brokers increased \$9.1 billion, down from an increase of \$29.0 billion, as fall-

Table O. Selected U.S. Government Transactions

[Millions of dollars]

(Credits +; debits -)	2000	2001	2002 ^p	2002			
				I	II	III ^r	IV ^p
U.S. Government grants.....	-16,821	-11,628	-16,914	-6,273	-3,312	-3,118	-4,211
U.S. Government forgiveness of foreign debt.....	-29	-25	-192	-5	-15	-82	-90
U.S. Government credits and other long-term assets.....	-5,182	-4,431	-5,213	-853	-565	-1,375	-2,420
For debt rescheduling.....	-1,687	-693	-2,634	-253	-88	-250	-2,043
Other disbursements.....	-3,495	-3,738	-2,579	-600	-477	-1,124	-378
Repayments of U.S. Government credits and other long-term assets.....	4,265	3,873	5,696	994	566	1,452	2,684
From debt rescheduling.....	741	474	2,185	136	24	201	1,824
From debt forgiveness.....	20	12	159	3	9	81	66
Other repayments.....	3,504	3,386	3,352	855	533	1,170	794
U.S. Government foreign currency holdings and short-term assets, net.....	-24	72	-104	-8	41	-104	-33
From debt rescheduling.....	303	106	220	31	36	22	131
From debt forgiveness.....	(*)	4	.....	.....	.....	.....	.....
Other.....	-328	-38	-324	-39	5	-126	-164
U.S. Government receipts of income.....	3,846	3,561	3,343	899	607	905	932
From debt rescheduling.....	643	113	229	86	28	27	88
From debt forgiveness.....	9	9	33	2	6	1	24
Other receipts.....	3,193	3,439	3,080	810	573	877	820
U.S. Government payments of income.....	-82,973	-80,665	-72,938	-18,514	-18,631	-18,168	-17,625

^r Revised.^p Preliminary.

* Less than \$500,000 (±).

ing asset prices and increased volatility in most financial markets slowed foreign purchases of securities and related lending by U.S. securities brokers.

Banks' domestic customers' claims increased \$1.5 billion in 2002, following a decrease of \$14.0 billion. The increase was more than accounted for by a \$22.5 billion increase in foreign commercial paper issued in the United States, as foreigners sought short-term funds. Claims on foreigners reported by nonbanking concerns increased \$28.5 billion, following an increase of \$14.4 billion; deposits abroad increased more than twice as much in 2002 as in 2001 (table P).

Foreign securities. Net U.S. transactions in foreign securities shifted to net sales of \$2.2 billion in 2002 from net purchases of \$94.7 billion in 2001. The sizable swing was mostly attributable to a decline in net purchases of foreign stocks to \$18.6 billion from \$106.8 billion. Net U.S. sales of foreign bonds were \$20.8 billion, up from \$12.1 billion (table P).

In merger-related transactions, stock swaps ac-

counted for nearly half of the annual decline in net U.S. purchases; stock swaps fell to \$3.2 billion in 2002 from \$44.7 billion in 2001. Stock swaps in both years were considerably lower than the \$80.4 billion in 2000 and the peak of \$115.8 billion in 1999. Foreign acquisitions of U.S. firms accomplished by stock swaps are recorded in the accounts as increases in foreign direct investment in the United States and as increases in U.S. portfolio holdings of foreign securities.

In nonmerger-related transactions, net U.S. purchases of stocks fell to \$15.4 billion from \$62.1 billion. Growth in key European countries, especially Germany, was limited despite stimulus provided by the European Central Bank, and growth in Japan remained weak. In addition, European stock prices were down an additional 31 percent after a decline of 18 percent in 2001, and Japanese stock prices fell 19 percent after a decline of 20 percent (chart 16).

By area, net purchases of outstanding stocks from Western Europe were \$12.6 billion, down from \$51.5

Table P. Private Financial Flows, Net

[Billions of dollars]

Claims (increase/financial outflow (-)); liabilities (increase/financial inflow (+))	2000	2001	2002 ^p	2002			
				I	II	III ^r	IV ^p
Private financial flows, net	373.1	382.0	380.9	79.3	27.6	161.5	112.5
Bank-reported capital, net ¹	-31.7	-18.0	91.5	-10.3	-36.4	72.6	65.7
U.S. claims.....	-148.7	-128.7	-3.1	0.7	-68.7	53.8	11.0
U.S. liabilities ¹	117.0	110.7	94.6	-11.1	32.2	18.8	54.6
Securities, net.....	250.7	305.3	340.0	65.9	89.6	117.9	66.6
Net U.S. purchases of foreign securities.....	-127.5	-94.7	2.2	2.0	-9.7	18.5	-8.7
Stocks.....	-103.6	-106.8	-18.6	1.5	-19.9	12.8	-12.9
Bonds.....	-23.9	12.1	20.8	0.6	10.2	5.8	4.2
Net foreign purchases of U.S. securities.....	378.2	400.0	337.8	63.8	99.3	99.4	75.3
U.S. Treasury securities.....	-77.0	-7.7	53.2	-7.3	-5.1	52.9	12.7
Other than U.S. Treasury securities.....	455.2	407.7	284.6	71.1	104.4	46.5	62.6
Stocks.....	192.4	119.5	55.8	25.0	11.4	7.4	12.0
Bonds.....	262.8	288.2	228.8	46.1	93.0	39.1	50.6
U.S. currency flows, net.....	1.1	23.8	21.5	4.5	7.2	2.6	7.2
Direct investment, net.....	129.5	3.0	-93.4	-13.2	-37.1	-23.5	-19.6
U.S. direct investment abroad.....	-178.3	-127.8	-123.5	-29.5	-34.5	-26.4	-33.0
Foreign direct investment in the United States.....	307.7	130.8	30.1	16.3	-2.6	2.9	13.5
Nonbank-reported capital, net.....	23.4	68.0	21.2	32.4	4.4	-8.0	-7.5
U.S. claims.....	-150.8	-14.4	-28.5	0.1	-16.7	-4.2	-7.6
U.S. liabilities.....	174.3	82.4	49.7	32.3	21.1	-3.8	0.1

^r Revised.

^p Preliminary.

1. Liabilities exclude U.S. Treasury securities.

Table Q. U.S. Bank-Reported Claims and Liabilities by Type

[Billions of dollars]

	2000	2001	2002 ^p	2002			
				I	II	III ^r	IV ^p
Claims on foreigners reported by U.S. banks (increase/financial outflow (-))	-148.7	-128.7	-3.1	0.7	-68.7	53.8	11.0
Banks' claims for own accounts, payable in dollars:							
Own foreign offices.....	-100.5	-82.8	-22.5	-5.3	-39.2	59.8	-37.8
Unaffiliated banks.....	1.9	-9.5	19.6	5.7	2.7	-2.1	13.4
Public borrowers and other foreigners.....	-13.0	-27.2	-4.7	-5.5	-11.9	-11.3	24.0
Banks' claims for domestic customers' accounts, payable in dollars.....	-40.9	7.3	0.6	9.4	-13.7	5.2	-0.4
Claims payable in foreign currencies.....	3.7	-16.6	3.9	-3.6	-6.6	2.2	11.9
Liabilities to foreigners reported by U.S. banks (excluding U.S. Treasury securities) (increase/financial inflow (+))	117.0	110.7	94.6	-11.1	32.2	18.8	54.6
Banks' liabilities for own accounts, payable in dollars:							
Own foreign offices.....	85.8	66.6	59.9	-11.4	15.3	-7.8	63.7
Unaffiliated banks.....	17.0	-13.2	-1.6	5.3	-9.5	-4.7	7.3
Other private foreigners and international financial institutions.....	13.9	23.0	27.1	-2.3	10.8	28.4	-9.8
Banks' custody liabilities, payable in dollars.....	7.0	14.0	11.2	-4.2	6.5	12.2	-3.3
Liabilities payable in foreign currencies.....	-6.8	20.2	-2.1	1.5	9.1	-9.4	-3.3

^r Revised.

^p Preliminary.

1. Excludes liabilities to foreign official agencies.

billion; net purchases from Asia and Latin America were \$5.9 billion, down from \$28.2 billion; and net purchases from Japan were \$1.0 billion, down from \$19.9 billion. Trading activity (that is, gross purchases plus gross sales) in foreign stocks decreased 11 percent in 2002, following a decrease of 21 percent in 2001.

For bonds, new issues in the United States decreased to \$20.8 billion from \$39.5 billion. Strong issuances of U.S. bonds left little demand for issuances of foreign bonds, and those borrowers with less than investment-grade credit ratings encountered higher interest rates (chart 17). New sovereign issues from Latin America dropped to \$6.0 billion from \$14.7 billion. Latin American financial markets and economies were under considerable political and economic pressure during 2002, as evidenced by debt default in Argentina, election turmoil in Brazil, and the oil industry strike in Venezuela. New issues from Canada were substantially lower than in 2001. New issues from Western Europe were slightly above those in 2001, but were available only to the highest rated borrowers. Transactions in outstanding bonds reflected a decline in net sales to \$6.3 billion from \$18.2 billion. Trading activity in foreign bonds increased 27 percent in 2002, following an increase of 12 percent in 2001.

Direct investment. Financial outflows on U.S. direct investment abroad decreased to \$123.5 billion in 2002 from \$127.8 billion in 2001 (table M). Equity capital outflows fell, intercompany debt shifted to net outflows, and reinvested earnings increased.

Net equity capital outflows were \$27.3 billion, down

from \$49.8 billion. Net outflows were \$66.1 billion in 2000 and had peaked at \$79.2 billion in 1999. The decline partly reflected the sizable further reduction of large-scale mergers and acquisitions that were especially prevalent in 1999-2000. In 2002, the few large-scale mergers were in food, electronics manufacturing, and mining. The largest decreases in net equity capital outflows were in depository institutions, which had included an unusually large acquisition in Mexico in 2001, and in finance. The largest decreases in outflows in finance were to Europe and to the Caribbean.

Intercompany debt shifted \$16.2 billion to net outflows of \$14.5 billion. Most of the shift was attributable to finance affiliates, particularly in Europe and Canada.

Reinvested earnings increased \$2.0 billion, to \$81.7 billion.

Foreign-owned assets in the United States

Net foreign-owned assets in the United States increased \$630.4 billion in 2002, compared with an increase of \$752.8 billion in 2001. Net foreign purchases of U.S. securities other than U.S. Treasury securities

Chart 16. Selected Stock Price Indexes in Local Currencies

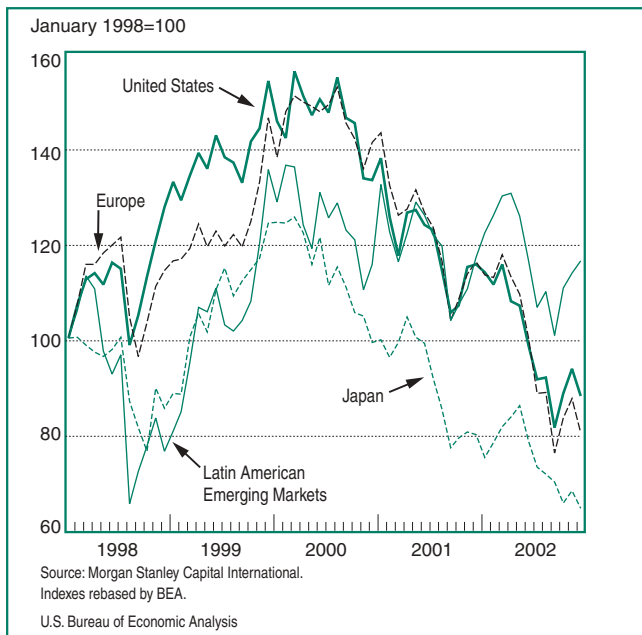
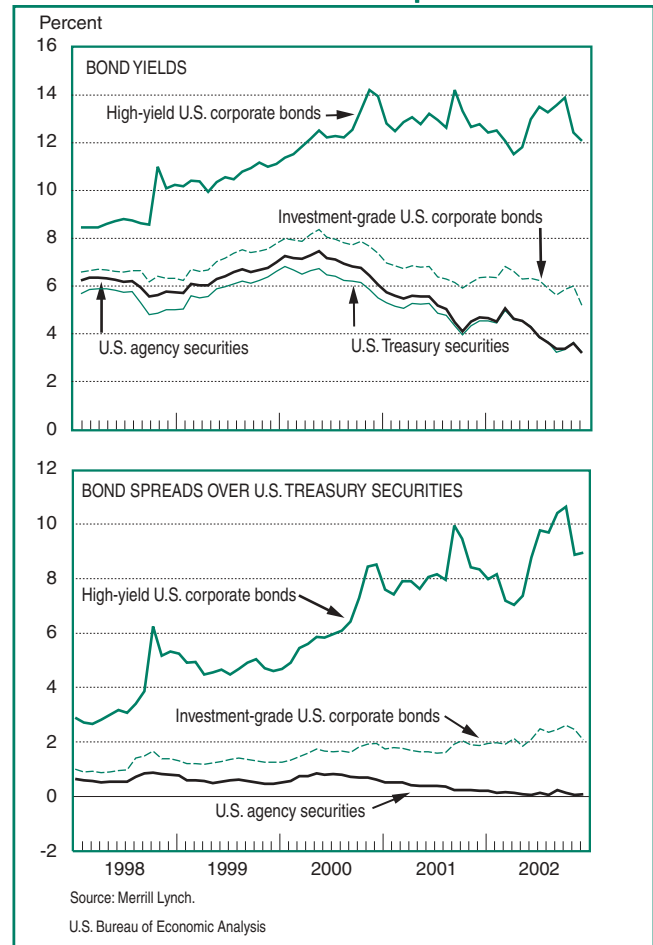


Chart 17. U.S. Bond Yields and Spreads



and net inflows for foreign direct investment in the United States were substantially lower. Foreign official assets increased substantially.

Foreign official assets. Foreign official assets in the United States increased \$96.6 billion in 2002, following an increase of \$5.2 billion in 2001 (table C). The inflow was the largest since 1996, when the dollar began its recovery from lows reached in 1995. In 2002, assets of industrial countries increased \$50.1 billion; over half of the increase was attributable to Japan and partly reflected currency market interventions in the second quarter to limit appreciation of the yen. Assets of developing countries increased \$46.5 billion, as China, Taiwan, Korea, and Russia all increased their holdings of foreign exchange reserves and dollar assets.

U.S. liabilities reported by banks and by non-banks. U.S. liabilities reported by U.S. banks, excluding U.S. Treasury securities, increased \$94.6 billion in 2002, following increases of \$110.7 billion in 2001 and \$117.0 billion in 2000 (tables P and Q).

Banks' own liabilities denominated in dollars increased \$85.5 billion in 2002, following an increase of \$76.5 billion in 2001. Much of the increase in 2002 was in liabilities of foreign-owned banks, which increased \$61.0 billion after an increase of \$11.8 billion; the increase was concentrated in the first and fourth quarters. In contrast, liabilities of U.S.-owned banks decreased \$18.5 billion, following an increase of \$44.0 billion; the decrease reflected the downturn in international lending, the decline in U.S. commercial and industrial lending, and the rise in U.S. domestic deposits. Liabilities of U.S. securities brokers to private foreigners in Western Europe and the Caribbean (largely mutual funds) increased \$42.9 billion, up from an increase of \$20.7 billion, largely in the form of repurchase agreements.

U.S. banks' custody liabilities increased \$11.2 billion, mostly to the Caribbean and Western Europe, following an increase of \$14.0 billion. U.S. liabilities reported by U.S. nonbanking concerns increased \$49.7 billion, following an increase of \$82.4 billion (table P).

U.S. Treasury securities. Foreigners shifted to net purchases of \$53.2 billion of U.S. Treasury securities in 2002, following 3 years of net sales. Net sales were \$7.7 billion in 2001 (table P). Most net purchases occurred in the second half of the year, especially in the third quarter, when U.S. equity prices fell sharply and aversion to risk increased significantly. In this environment, investors sought the liquidity and relative safety of high-quality securities, despite sharp reductions in their yields (chart 18).

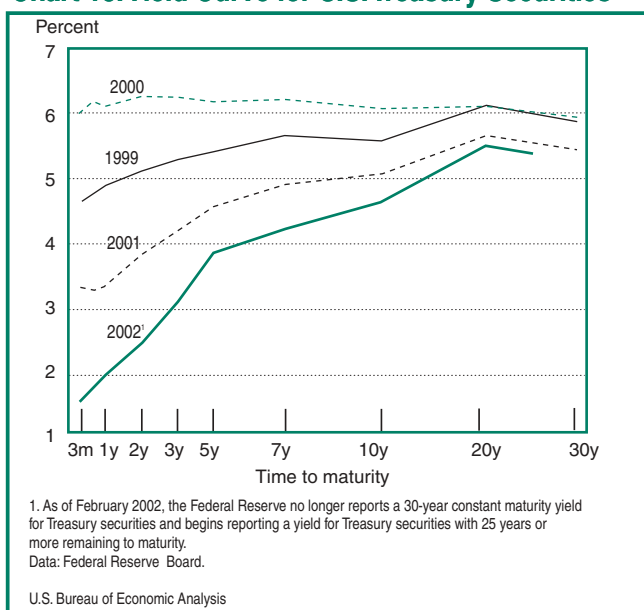
Other U.S. securities. Net foreign purchases of U.S. securities other than U.S. Treasury securities were \$284.6 billion in 2002, down from a near-record

\$407.7 billion in 2001. Net foreign purchases of stocks fell sharply; net foreign purchases of bonds also fell (table P).

Net foreign purchases of U.S. stocks were \$55.8 billion in 2002, less than half the \$119.5 billion in 2001. U.S. stock prices fell sharply in 2002, marking the third consecutive year of sizable declines. The S&P 500 index declined 23 percent, its largest annual decline since 1974; the DJIA declined 17 percent, its largest annual decline since 1977; and the NASDAQ declined 32 percent, its second largest annual decline. Uncertainties over the pace of U.S. economic recovery, concerns over corporate governance and accounting irregularities, and toward yearend, concerns over the possibility of war with Iraq all contributed to changes in prices and in net foreign purchases. Net purchases from Western Europe fell to \$31.6 billion from \$86.7 billion, accounting for most of the decline. An increase in net purchases from Japan was partly offsetting. Trading activity in U.S. stocks (that is, gross purchases plus gross sales) increased 5 percent in 2002, following a decrease of 15 percent in 2001.

Net foreign purchases of U.S. bonds were \$228.8 billion in 2002, down from a record \$288.2 billion in 2001. Although interest-rate differentials in favor of U.S. over foreign bonds narrowed, U.S. bonds remained attractive and continued to provide better liquidity and higher returns than foreign bonds. U.S. dollar bonds yielded a total return of 10.3 percent, compared with 9.3 percent on euro-area bonds, 9.6 percent on British sterling bonds, and 3.6 percent on Japanese yen bonds. Some foreign investors probably sought the relative safety of U.S. bonds, which kept net

Chart 18. Yield Curve for U.S. Treasury Securities



bond purchases from falling further. Net purchases from Western Europe decreased to \$104.7 billion from \$181.0 billion, accounting for much of the decline. Partly offsetting, net purchases from Japan nearly doubled to \$35.8 billion from \$18.5 billion. Trading activity in U.S. bonds increased 35 percent in 2002, following an increase of 71 percent in 2001.

New U.S. bond issues sold abroad were \$105.4 billion in 2002, down slightly from a record \$112.1 billion in 2001 (table R). Highly rated U.S. agency issuers, such as Fannie Mae and Freddie Mac, sold \$47.6 billion of new debt to foreign investors, down only slightly from a record \$49.0 billion in 2001. U.S. corporations sold \$57.8 billion of new debt to foreigners, down from \$63.1 billion in 2001 but well below the record \$84.8 billion in 1997. Straight fixed-rate dollar issues continued to dominate the market. Foreign currency-denominated issues increased, reflecting an increase in euro-denominated issues.

U.S. currency flows. Net U.S. shipments of currency to foreigners were \$21.5 billion in 2002, compared with \$23.8 billion in 2001. The introduction of the euro resulted in little increase in the demand for dollars. Dollar demand from Argentina and Russia, traditionally heavy users of dollars, was moderate, reflecting relative calm in Russia and weak economic conditions in Argentina.

Direct investment. Net financial inflows for foreign direct investment in the United States were \$30.1 billion in 2002, down substantially from \$130.8 billion in 2001 (table M). Net equity capital inflows decreased, and intercompany debt shifted to net outflows; in contrast, there was a shift to positive reinvested earnings.

Net equity capital inflows were \$57.6 billion, down from \$107.7 billion, leaving equity capital inflows well

below the peak of \$245.9 billion in 2000. The decline over the past 2 years reflected the worldwide reduction in merger and acquisition activity. The value of announced mergers in 2002 was the lowest since 1994. In addition, potential buyers in 2002 had concerns about the future earnings prospects of acquisition targets in the United States and the accuracy of financial reporting. Among countries that are historically major sources of foreign direct investment in the United States—including France, Germany, the Netherlands, Canada, the United Kingdom, and Japan—weak economic conditions in many also contributed to the slowdown in equity inflows. In 2002, the largest reduc-

Data Availability

Interactive access to the estimates that are presented in tables 1–10a of the U.S. international transactions accounts is available on BEA's Web site at <www.bea.gov>. You may view the most recent quarterly (annual for table 10a) estimates for an entire table with a single mouse click, or you may select the time period, frequency, and line(s) that you wish to view. The estimates are available as an HTML table or as comma-separated values that can be downloaded and imported into a spreadsheet or database.

The current and historical estimates presented in tables 1–10a are also available as compressed files on BEA's Web site; click on "Catalog of Products," and look under "International Accounts Products," "Balance of Payments."

The estimates are also available from BEA on diskettes. For more information, call BEA's Order Desk at 1–800–704–0415 (outside the United States, call 202–606–9666).

Table R. New International Bond Issues by U.S. Borrowers

[Millions of dollars]

	2000	2001	2002 ^P	2002			
				I	II	III	IV ^P
Total	109,201	112,121	105,435	35,352	35,999	12,657	21,427
By issuer:							
Industrial corporations.....	17,999	19,485	8,404	2,134	3,922	681	1,667
Banking corporations ¹	6,153	4,255	10,007	2,198	3,258	217	4,334
Nonbank financial corporations ²	33,961	37,011	38,552	16,599	15,495	735	5,723
U.S. federally sponsored agencies.....	44,236	49,008	47,649	14,197	12,794	11,024	9,634
All other borrowers.....	6,852	2,362	823	224	530	.....	69
By instrument:							
Straight fixed-rate bonds.....	92,866	103,432	97,244	33,920	31,320	12,477	19,527
Floating-rate notes.....	14,698	8,542	8,191	1,432	4,679	180	1,900
Zero-coupon bonds.....	49	.....	.....	.....	.....	.....	.....
Bonds convertible into stock.....	1,389	147	.....	.....	.....	.....	.....
Other debt instruments.....	199	.....	.....	.....	.....	.....	.....
By currency:							
U.S. dollars.....	62,048	68,425	61,195	21,789	17,206	7,487	14,713
Foreign currencies.....	47,153	43,696	44,240	13,563	18,793	5,170	6,714
Japanese yen.....	11,130	5,113	4,370	1,098	2,016	.....	1,256
Swiss franc.....	2,099	1,478	1,865	848	380	.....	637
British pound.....	6,508	5,434	3,594	854	2,506	234	.....
Euro.....	26,422	30,889	34,046	10,586	13,834	4,936	4,690
Canadian dollar.....	148	.....	.....	.....	.....	.....	.....
Other currencies.....	846	782	365	177	57	.....	131

^P Preliminary.

1. Includes banks and bank holding companies.

2. Principally credit, securities, brokerage, and insurance companies.

tions in equity inflows were from Europe and Canada; there had been exceptionally large acquisitions from these areas in 2001. By industry, reductions in finance and in depository institutions more than accounted for the decrease.

Intercompany debt flows shifted \$80.5 billion to an

outflow of \$37.7 billion. Both payables and receivables shifted to outflows.

Reinvested earnings shifted from a negative \$19.7 billion to a positive \$10.2 billion, as a result of an increase in total earnings.

Tables 1–10 follow.

Table S. Selected U.S. Transactions With OPEC Members

[Millions of dollars]

(Credits +; debits -)	1988	1989	1990	1991	1992	1993	1994	1995 ¹	1996 ¹	1997 ¹	1998 ¹	1999 ¹	2000 ¹	2001 ¹	2002 ²
Exports of goods and services and income receipts:															
Goods, balance of payments basis	13,777	13,189	13,141	18,105	20,666	18,319	16,297	17,405	19,224	23,696	22,933	18,315	17,625	19,502	18,103
Transfers under U.S. military agency sales contracts	1,430	1,309	2,687	3,809	4,454	3,675	2,936	4,471	5,638	4,039	5,179	4,046	3,546	1,831	1,609
Royalties and license fees ¹	77	71	94	149	161	220	357	394	253	312	263	298	374	349	348
Other private services ¹	1,516	1,541	1,423	1,898	2,546	2,210	2,080	2,187	3,018	3,103	4,612	5,435	3,517	3,724	4,486
U.S. Government miscellaneous services	18	16	20	16	22	13	14	17	11	8	8	14	13	13	8
Income receipts on U.S.-owned assets abroad:															
Direct investment receipts	1,875	1,835	2,854	3,293	3,224	2,745	2,701	3,966	4,220	4,073	2,682	3,485	5,184	4,268	3,931
Other private receipts	1,941	2,435	2,326	1,441	1,202	1,045	1,470	1,456	1,371	1,697	1,846	1,952	2,152	1,392	998
U.S. Government receipts	215	154	261	217	187	141	122	192	268	263	238	266	448	330	317
Imports of goods and services and income payments:															
Goods, balance of payments basis	-23,016	-30,720	-38,399	-33,430	-33,718	-32,648	-31,674	-34,265	-42,676	-43,996	-33,673	-41,953	-66,996	-59,753	-53,337
Direct defense expenditures	-377	-614	-1,419	-784	-883	-455	-360	-335	-545	-944	-1,754	-1,815	-1,568	-1,647	-3,741
Royalties and license fees ¹	-6	-1	(*)	-1	-1	-37	-7	-2	-38	-5	-8	-8	-17	-39	-18
Other private services ¹	-259	-245	-306	-461	-388	-340	-405	-456	-628	-585	-860	-872	-686	-588	-606
U.S. Government miscellaneous services	-96	-104	-96	-87	-47	-26	-39	-34	-31	-29	-28	-46	-46	-45	-28
Income payments on foreign-owned assets in the United States:															
Direct investment payments	164	-50	-98	-93	182	-82	-49	-34	-136	-448	-111	-22	-170	-500	-121
Other private payments	-2,175	-2,798	-2,892	-2,669	-2,302	-2,176	-1,964	-2,679	-2,566	-2,800	-2,622	-2,828	-3,782	-2,493	-1,570
U.S. Government payments	-2,141	-2,758	-3,241	-2,764	-2,524	-2,160	-1,747	-1,995	-2,365	-3,356	-3,112	-2,819	-3,235	-2,741	-1,772
U.S. Government grants	-97	-94	3,368	27,453	1,018	-197	-204	-195	-152	-55	-54	-108	-115	-81	-169
U.S. Government pensions and other current transfers	-20	5	-25	-305	-32	-27	-28	-25	-93	-57	-40	-26	-23	-20	-20
U.S.-owned assets abroad, net (increase/capital outflow (-))	-782	-1,875	1,847	-577	-12,162	-513	-3,107	143	-7,078	-8,974	-12,558	2,952	3,281	892	-1,892
U.S. Government assets, other than official reserve assets, net	-59	135	-253	-788	-529	19	-422	-901	-458	12	-10	-317	-217	-610	-3
U.S. credits and other long-term assets	-396	-212	-647	-246	-277	-85	-234	-925	-912	-412	-166	-504	-566	-1,095	-304
Repayments on U.S. credits and other long-term assets	344	343	481	397	279	224	177	215	290	420	154	210	366	490	339
U.S. foreign currency holdings and U.S. short-term assets, net	-7	4	-87	-939	-531	-120	-365	-191	164	4	2	-23	-17	-5	-38
U.S. private assets, net	-723	-2,010	2,100	211	-11,633	-532	-2,685	1,044	-6,620	-8,986	-12,548	3,269	3,498	1,502	-1,889
Direct investment	1,133	535	-1,277	-2,706	-1,465	-1,597	-3,575	-2,379	-2,884	-2,411	-4,323	1,358	-5,980	-2,915	-1,587
Foreign securities	-365	96	-2,815	-17	337	-679	-2,077	-675	-2,882	-3,997	-677	97	1,515	2,080	1,107
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	41	100	13	-224	-44	-306	-146	-25	-478	-336	369	-534	566	430	65
U.S. claims reported by U.S. banks, not included elsewhere	-1,532	-2,741	6,179	3,158	-10,461	2,050	3,113	4,123	-2,242	-7,917	-7,917	2,348	7,397	1,907	-1,474
Foreign-owned assets in the United States, net (increase/capital inflow (+))	-728	15,282	3,320	-4,416	14,529	-8,904	1,400	4,544	18,133	17,353	-12,162	10,039	30,095	-1,756	-2,021
Of which: foreign official	-2,885	10,724	1,555	-5,235	5,626	-3,850	-1,464	4,061	14,105	12,700	-11,420	1,510	12,000	-1,725	-8,132
U.S. Treasury securities	1,688	7,815	-244	-5,902	4,323	-6,302	-1,668	1,293	16,125	8,965	-13,870	3,501	10,101	-930	-4,550
Other U.S. securities	-2,591	3,170	-2,676	1,989	4,186	3,322	-820	1,276	3	3,657	3,393	2,104	13,718	3,810	1,198
Other U.S. Government liabilities	177	437	505	151	569	730	1,797	617	-982	-348	-2,260	-1,248	-734	-307	18
U.S. liabilities reported by U.S. banks, not included elsewhere	-1,146	1,836	5,686	-164	4,793	-5,665	1,677	1,059	1,813	4,094	2,296	5,540	4,473	-3,975	-791
Direct investment in the United States	1,629	1,503	-662	81	167	-812	251	-140	623	177	-1,291	315	2,237	-26	794
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-485	521	711	-571	491	-177	163	439	551	808	-430	-173	300	-328	1,310
All other transactions with OPEC and transfers of funds between foreign areas, net	8,684	3,422	15,135	-10,794	3,866	19,197	12,207	5,245	4,172	6,705	29,221	3,695	10,403	37,362	35,495
Memorandum:															
Balance on goods	-9,239	-17,531	-25,258	-15,325	-13,052	-14,329	-15,377	-16,860	-23,452	-20,300	-10,740	-23,638	-49,371	-40,251	-35,234

¹ Revised.

² Preliminary.

* Less than \$500,000 (±).

1. Beginning in 1992, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S.

parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.

NOTE: OPEC members are Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela. Excludes Ecuador beginning January 1993 and Gabon in January 1995. Individual country information is not available for all accounts; therefore, some accounts are estimated from regional data.

Table 2. U.S. Trade in Goods

(Millions of dollars)

Line	2001	2002 ^p	Not seasonally adjusted								Seasonally adjusted							
			2001			2002					2001			2002				
			II	III	IV	I	II	III ^r	IV ^p	II	III	IV	I ^r	II ^r	III ^r	IV ^p		
A	Balance of payments adjustments to Census trade data:																	
	EXPORTS																	
1	Exports of goods, Census basis¹ including reexports and including military grant shipments	729,100	693,517	190,280	169,954	173,604	166,472	177,915	171,990	177,140	187,478	175,936	170,048	167,033	174,811	178,174	173,499	
	Adjustments:																	
2	Private gift parcel remittances	508	455	126	120	130	113	111	109	122	126	120	130	113	111	109	122	
3	Gold exports, nonmonetary																	
4	Inland U.S. freight to Canada																	
5	U.S.-Canadian reconciliation adjustments, n.e.c., net ²																	
6	Exports transferred under U.S. military agency sales contracts identified in Census documents ³	-7,935	-8,003	-2,080	-2,012	-2,072	-2,053	-1,843	-2,062	-2,045	-2,080	-2,012	-2,072	-2,053	-1,843	-2,062	-2,045	
7	Other adjustments, net ⁴	-2,911	-3,383	-679	-770	-748	-722	-929	-849	-883	-679	-770	-748	-722	-929	-849	-883	
8	Equals: Exports of goods, adjusted to balance of payments basis, excluding 'military' (table 1, line 3) ...	718,762	682,586	187,647	167,292	170,914	163,810	175,254	169,188	174,334	184,846	173,274	167,358	164,372	172,150	175,372	170,692	
	IMPORTS																	
9	Imports of goods, Census basis¹ (general imports)	1,140,999	1,163,621	288,533	280,836	274,585	260,441	291,846	302,242	309,092	290,634	278,344	267,433	270,238	293,874	297,375	302,134	
	Adjustments:																	
10	Electric energy	25	10	14	4		1	3	3	3	14	4		1	3	3	3	
11	Gold imports, nonmonetary	2,221	400	1,198	5	6	6	150	151	93	1,198	5	6	6	150	151	93	
12	Inland freight in Canada	3,609	3,786	956	863	840	893	988	955	950	956	863	840	893	988	955	950	
13	U.S.-Canadian reconciliation adjustment, n.e.c., net ²																	
14	Imports of U.S. military agencies identified in Census documents ³	-871	-736	-219	-195	-232	-136	-163	-224	-213	-219	-195	-232	-136	-163	-224	-213	
15	Other adjustments, net ^{5,6}	-56	-142	-19	5	-26	-26	-57	-36	-23	-19	5	-26	-26	-57	-36	-23	
16	Equals: Imports of goods, adjusted to balance of payments basis, excluding 'military' (table 1, line 20)	1,145,927	1,166,939	290,463	281,518	275,173	261,179	292,767	303,091	309,902	292,565	279,025	268,021	270,975	294,795	298,225	302,944	
B	Trade in goods, by area and country, adjusted to balance of payments basis, excluding military:⁷																	
	EXPORTS																	
1	Total, all countries (A-8)	718,762	682,586	187,647	167,292	170,914	163,810	175,254	169,188	174,334	184,846	173,274	167,358	164,372	172,150	175,372	170,692	
2	Western Europe	171,421	153,573	45,842	37,586	40,268	39,414	38,636	35,961	39,562	45,056	38,883	39,569	39,591	37,863	37,258	38,861	
3	European Union	155,788	140,520	40,703	35,124	37,063	36,165	35,127	32,990	36,238	39,973	36,309	36,423	36,369	34,404	34,159	35,588	
4	Belgium and Luxembourg	13,846	13,644	3,677	3,440	3,105	3,154	3,341	3,600	3,549	3,611	3,546	3,052	3,173	3,269	3,718	3,484	
5	France	19,716	18,873	5,016	4,209	4,881	5,182	4,643	4,019	5,029	4,923	4,345	4,812	5,229	4,544	4,162	4,938	
6	Germany ⁸	29,365	26,038	7,374	6,873	6,904	6,598	6,295	6,274	6,871	7,227	7,107	6,786	6,626	6,163	6,499	6,750	
7	Italy	9,715	9,843	2,399	2,119	2,444	2,363	2,464	2,288	2,728	2,359	2,198	2,392	2,372	2,414	2,377	2,680	
8	Netherlands	19,327	18,128	4,954	4,132	4,753	4,608	4,798	4,298	4,424	4,881	4,270	4,666	4,621	4,709	4,449	4,349	
9	United Kingdom	39,701	32,139	11,301	9,268	8,794	8,265	8,317	7,768	7,789	11,083	9,580	8,647	8,328	8,134	8,030	7,647	
10	Other	24,118	21,855	5,982	5,083	6,182	5,995	5,269	4,743	5,848	5,889	5,263	6,068	6,020	5,171	4,924	5,740	
11	Western Europe, excluding EU	15,633	13,053	5,139	2,462	3,205	3,249	3,509	2,971	3,324	5,083	2,574	3,146	3,222	3,459	3,099	3,273	
12	Canada ²	163,309	160,879	44,521	37,852	38,415	38,329	42,839	38,921	40,790	43,839	39,140	37,687	38,532	42,066	40,267	40,014	
13	Japan	55,878	49,682	14,489	12,876	12,484	12,186	12,334	12,960	12,202	14,371	13,390	12,126	12,153	12,200	13,480	11,849	
14	Australia, New Zealand, and South Africa ⁹																	
15	Australia	10,597	12,760	2,640	2,574	2,685	2,830	3,228	3,369	3,333	2,587	2,661	2,643	2,838	3,143	3,502	3,277	
16	Eastern Europe	6,804	6,369	1,842	1,595	1,688	1,519	1,641	1,579	1,630	1,837	1,661	1,632	1,526	1,617	1,641	1,585	
17	Latin America and Other Western Hemisphere	158,973	148,355	40,440	38,780	38,586	34,669	37,695	37,588	38,403	39,823	40,128	37,754	34,864	37,018	38,929	37,544	
18	Brazil	15,790	12,297	4,270	4,135	3,557	3,084	3,032	3,149	3,032	4,179	4,270	3,504	3,107	2,964	3,252	2,974	
19	Mexico	101,181	97,361	25,263	24,366	24,910	22,512	24,856	24,786	25,207	24,885	25,195	24,368	22,669	24,398	25,657	24,637	
20	Venezuela	5,600	4,238	1,464	1,401	1,366	1,105	1,185	1,024	924	1,442	1,451	1,337	1,117	1,160	1,064	897	
21	Other	36,402	34,459	9,443	8,878	8,753	7,968	8,622	8,629	9,240	9,317	9,212	8,545	7,971	8,496	8,956	9,036	
22	Other countries in Asia and Africa ^{7,9}	151,780	150,968	37,873	36,029	36,788	34,863	38,881	38,810	38,414	37,333	37,411	35,947	34,868	38,243	40,295	37,562	
23	Asia ^{7,9}	140,062	140,929	34,883	33,222	33,768	32,250	36,325	36,415	35,939	34,379	34,471	33,036	32,263	35,704	37,799	35,163	
24	Members of OPEC	11,903	11,825	2,915	2,791	2,875	2,346	3,007	3,383	3,089	2,899	2,921	2,809	2,340	2,960	3,514	3,011	
25	China	19,108	21,980	4,771	4,823	5,201	4,690	5,489	5,689	6,112	4,710	4,995	5,115	4,708	5,388	5,903	5,981	
26	Hong Kong	13,943	12,559	3,700	3,503	3,168	2,932	3,221	3,250	3,156	3,649	3,631	3,100	2,933	3,166	3,366	3,094	
27	Korea, Republic of	21,203	21,801	4,846	5,297	4,965	4,931	5,709	5,600	5,561	4,772	5,495	4,840	4,931	5,624	5,815	5,431	
28	Singapore	17,337	15,982	4,166	4,228	4,368	4,102	4,035	3,990	3,855	4,079	4,374	4,289	4,112	3,952	4,130	3,788	
29	Taiwan	17,394	17,923	4,341	4,131	3,836	3,811	4,718	5,119	4,275	4,280	4,287	3,724	3,796	4,632	5,332	4,163	
30	Africa ^{7,9}	11,383	9,764	2,925	2,688	2,945	2,547	2,479	2,332	2,406	2,890	2,817	2,839	2,539	2,462	2,430	2,333	
31	Members of OPEC	1,999	2,040	498	460	438	464	648	427	501	492	480	419	464	645	447	484	
32	International organizations and unallocated																	
	Memoranda:																	
33	Industrial countries ⁷	406,199	381,200	108,934	91,955	94,934	93,732	98,095	92,405	96,968	107,273	95,182	93,097	94,086	96,308	95,744	95,062	
34	<i>Of which: Euro area¹⁰</i>	111,049	103,853	28,153	24,763	27,192	26,654	25,697	24,121	27,381	27,660	25,598	26,719	26,792	25,180	24,988	26,893	
35	Members of OPEC ⁷	19,502	18,103	4,877	4,652	4,679	3,915	4,840	4,834	4,514	4,833	4,852	4,565	3,921	4,765	5,025	4,392	
36	Other countries ⁷	293,061	283,283	73,836	70,685	71,301	66,163	72,319	71,949	72,852	72,740	73,240	69,696	66,365	71,077	74,603	71,238	

See footnotes on page 60.

Table 4. Selected U.S. Government Transactions

[Millions of dollars]

Line		2001	2002 ^P	Not seasonally adjusted							
				2001				2002			
				I	II	III	IV	I	II	III ^r	IV ^P
A1	U.S. Government grants and transactions increasing Government assets, total	16,011	22,422	3,420	3,882	3,956	4,753	7,138	3,851	4,679	6,754
	By category										
2	Grants, net.....	11,652	17,105	2,426	2,526	2,916	3,785	6,277	3,327	3,200	4,301
3	U.S. Government current grants, net (table 1, line 36, with sign reversed).....	11,628	16,914	2,419	2,522	2,905	3,782	6,273	3,312	3,118	4,211
4	Financing military purchases ¹	1,784	5,942	326	337	391	730	3,506	641	363	1,433
5	Other grants.....	9,844	10,971	2,093	2,185	2,513	3,052	2,767	2,671	2,755	2,778
6	Cash contributions received from coalition partners for Persian Gulf operations.....										
7	Debt forgiveness (table 1, part of line 39, with sign reversed).....	25	192	8	4	11	2	5	15	82	90
8	Credits and other long-term assets (table 1, line 47, with sign reversed).....	4,431	5,213	1,094	1,330	1,011	996	853	565	1,375	2,420
9	Capital subscriptions and contributions to international financial institutions, excluding IMF.....	1,704	1,485	521	498	359	327	446	368	364	308
10	Credits repayable in U.S. dollars.....	2,727	3,728	573	832	652	669	408	197	1,011	2,113
11	Credits repayable in other than U.S. dollars.....	(^r)					(^r)				
12	Other long-term assets.....										
13	Foreign currency holdings and short-term assets, net (table 1, line 49 with sign reversed).....	-72	104	-100	26	30	-28	8	-41	104	33
14	Foreign currency holdings (excluding administrative cash holdings), net.....	4	2	2	2	3	3	2	2	(^r)	
	Receipts from:										
15	Sales of agricultural commodities.....										
16	Interest.....	1	(^r)		1		1		(^r)		
17	Repayments of principal.....	3	2		1		2		2	(^r)	
18	Reverse grants.....										
19	Other sources.....										
	Less currencies disbursed for:										
20	Grants and credits in the recipient's currency.....										
21	Other grants and credits.....										
22	Other U.S. Government expenditures.....									(^r)	
23	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net.....	44	73	13	30	29	-28	10	-23	92	-6
24	Other assets held under Commodity Credit Corporation Charter Act, net.....	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)		
25	Assets financing military sales contracts, net ²										
26	Other short-term assets (including changes in administrative cash holdings), net.....	-120	30	-113	-5	1	-3	-2	-20	12	40
	By program										
27	Capital subscriptions and contributions to international financial institutions, excluding IMF.....	1,704	1,485	521	498	359	327	446	368	364	308
28	Under Agricultural Trade Development and Assistance Act and related programs.....	1,585	2,564	317	313	342	613	291	239	383	1,652
29	Under Foreign Assistance Act and related programs.....	9,816	15,275	1,825	2,012	2,931	3,049	5,906	2,759	3,006	3,605
30	Under Export-Import Bank Act.....	1,679	1,460	446	772	93	369	230	118	636	477
31	Under Commodity Credit Corporation Charter Act.....	31	352	15	5	8	3	3	10	15	325
32	Under other grant and credit programs.....	1,313	1,256	410	288	224	392	266	377	263	349
33	Other foreign currency assets acquired (lines A16, A17, and A19).....	5	2	2	2	3	3	2	2	(^r)	
34	Less foreign currencies used by U.S. Government other than for grants or credits (line A22).....										
35	Other (including changes in administrative cash holdings), net.....	-120	30	-113	-5	1	-3	-2	-20	12	40
	By disposition ³										
36	Estimated transactions involving no direct dollar outflow from the United States.....	10,868	16,811	2,147	2,589	2,756	3,377	5,725	2,428	3,293	5,365
37	Expenditures on U.S. goods.....	4,289	7,212	814	1,299	796	1,380	4,023	711	1,107	1,371
38	Expenditures on U.S. services ⁴	3,889	4,439	767	872	1,002	1,248	1,174	1,023	1,109	1,134
39	Financing of military sales contracts by U.S. Government ⁵ (line C6).....	2,036	2,485	316	363	866	491	346	640	677	822
40	By long-term credits.....	517	328	2	29	476	11	6	4	317	1
41	By short-term credits ¹										
42	By grants ¹	1,518	2,157	315	334	390	480	341	636	360	820
43	U.S. Government grants and credits to repay prior U.S. Government credits ^{1 4}	505	2,382	179	24	61	241	141	41	285	1,915
44	U.S. Government long- and short-term credits to repay prior U.S. private credits ⁶ and other assets	170	251	71	32	49	19	46	17	131	58
45	Increase in liabilities associated with U.S. Government grants and transactions increasing										
	Government assets (including changes in retained accounts) ⁷ (line C11).....	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)		
46	Less receipts on short-term U.S. Government assets (a) financing military sales contracts ¹ (b)										
	financing repayment of private credits and other assets, and (c) financing expenditures on U.S.										
	goods.....	21	-42		2	17	3	5	4	17	-67
47	Less foreign currencies used by U.S. Government other than for grants or credits (line A22).....										
48	Estimated dollar payments to foreign countries and international financial institutions.....	5,143	5,612	1,273	1,294	1,200	1,376	1,414	1,423	1,387	1,389
B1	Repayments on U.S. Government long-term assets, total (table 1, line 48)	3,873	5,696	1,071	573	1,118	1,111	994	566	1,452	2,684
2	Receipts of principal on U.S. Government credits.....	3,872	5,696	1,071	573	1,118	1,111	994	566	1,452	2,684
3	Under Agricultural Trade Development and Assistance Act and related programs.....	601	1,763	99	13	173	316	47	39	161	1,515
4	Under Foreign Assistance Act and related programs.....	1,662	1,609	486	251	553	373	509	254	569	277
5	Under Export-Import Bank Act.....	1,219	1,683	366	270	262	322	340	219	635	489
6	Under Commodity Credit Corporation Charter Act.....	218	561	65	37	75	42	91	52	87	331
7	Under other credit programs.....	172	81	56	2	56	59	6	2	(^r)	74
8	Receipts on other long-term assets.....	(^r)					(^r)				
C1	U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 60)	-1,882	158	-676	-791	89	-504	-790	54	1,001	-107
2	Associated with military sales contracts ²	-1,879	134	-674	-792	91	-504	-794	52	988	-111
3	U.S. Government cash receipts from foreign governments (including principal repayments on										
	credits financing military sales contracts), net of refunds ¹	7,129	10,024	1,234	1,872	1,747	2,276	2,659	2,190	2,695	2,480
4	Less U.S. Government receipts from principal repayments.....	735	916	224	88	261	162	204	91	254	367
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the										
	United States.....	-1,912	-586	-806	-289	-817		607	-400	-793	1
6	Plus financing of military sales contracts by U.S. Government ⁵ (line A39).....	2,036	2,485	316	363	866	491	346	640	677	822
7	By long-term credits.....	517	328	2	29	476	11	6	4	317	1
8	By short-term credits ¹										
9	By grants ¹	1,518	2,157	315	334	390	480	341	636	360	820
10	Less transfers of goods and services (including transfers financed by grants for military										
	purchases, and by credits) ^{1 2} (table 1, line 5).....	12,220	12,044	2,806	3,227	3,078	3,108	2,990	3,087	2,924	3,044
11	Associated with U.S. Government grants and transactions increasing Government assets (including										
	changes in retained accounts) ⁷ (line A45).....	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)		
12	Associated with other liabilities.....	-4	24	-2	1	-2	-1	5	2	14	4
13	Sales of nuclear material by Department of Energy/U.S. Enrichment Corporation.....										
14	Sales of space launch and other services by National Aeronautics and Space Administration.....	(^r)	10	(^r)	2	-2	(^r)	3	2	5	1
15	Other sales and miscellaneous operations.....	-4	14	-2	-1	-1	(^r)	2	(^r)	9	3

See footnotes on page 60.

Table 6. Securities Transactions

[Millions of dollars]

Line	(Credits +; debits -)	2001	2002 ^p	Not seasonally adjusted							
				2001				2002			
				I	II	III	IV	I	II	III ^r	IV ^p
A1	Foreign securities, net U.S. purchases (-), (table 1, line 52 or lines 2 + 13 below)	-94,662	2,222	-26,895	-51,764	10,087	-26,090	2,047	-9,675	18,543	-8,693
2	Stocks, net U.S. purchases	-106,810	-18,603	-21,533	-55,718	-10,886	-18,673	1,473	-19,919	12,765	-12,922
3	New issues in the United States	-4,583	-3,429	-1,142	-2,591	-418	-432	-1,455	-1,544		-430
4	Of which: Western Europe	(D)	(D)	(D)	(D)				(D)		
5	Canada	(D)	(D)		(D)	-256			(D)		-209
6	Latin America	(D)	(D)		(D)			(D)			
7	Transactions in outstanding stocks, net	-102,227	-15,175	-20,391	-53,127	-10,468	-18,241	2,928	-18,375	12,765	-12,493
8	Western Europe	-51,465	-12,642	-7,797	-24,516	-9,234	-9,918	1,105	-11,023	5,793	-8,517
9	Of which: United Kingdom	-27,413	-14,392	-6,125	-1,742	-11,213	-11,817	194	-14,408	6,016	-6,194
10	Canada	-2,687	4,305	225	-4,612	1,375	325	1,463	944	2,391	-493
11	Japan	-19,867	-952	-7,477	-10,370	-951	-1,069	163	-3,247	2,783	-651
12	Other	-28,208	-5,886	-5,342	-13,629	-1,658	-7,579	197	-5,049	1,798	-2,832
13	Bonds, net U.S. purchases	12,148	20,825	-5,362	3,954	20,973	-7,417	574	10,244	5,778	4,229
14	New issues in the United States	-39,511	-20,777	-8,325	-8,997	-9,895	-12,294	-6,012	-5,160	-2,887	-6,718
	By issuer:										
15	Central governments and their agencies and corporations	(D)	-9,294	-3,253	-2,087	(D)	-3,273	-2,555	-2,498	-2,196	-2,045
16	Other governments and their agencies and corporations ¹	(D)	(D)	-59	(D)		-798	(D)	(D)	(D)	(D)
17	Private corporations	-23,969	-9,751	-4,813	-5,350	-5,583	-8,223	-2,854	-1,739	-636	-4,522
18	International financial institutions ²	(D)	(D)	-200	(D)	(D)		(D)	(D)	(D)	(D)
	By area:										
19	Western Europe	(D)	(D)	-350	(D)	(D)	-2,455	(D)	(D)	(D)	-2,921
20	Canada	-9,108	(D)	-923	-3,646	-2,331	-2,208	-897	(D)	-1,754	-1,765
21	Japan	(D)			(D)						
22	Latin America	-14,286	-6,001	-4,763	-2,724	-3,585	-3,214	-2,276	-1,154	-541	-2,030
23	Other countries	-10,547	(D)	-2,089	-1,212	-2,829	-4,417	-1,745	-1,785	-537	(D)
24	International financial institutions ²	(D)	(D)	-200	(D)	(D)		(D)	(D)	(D)	(D)
25	Redemptions of U.S.-held foreign bonds ³	33,441	35,326	7,422	6,162	8,880	10,977	4,720	8,281	11,211	11,114
26	Western Europe	9,774	10,487	1,372	2,382	1,031	4,989	1,462	2,163	3,312	3,550
27	Canada	6,240	7,985	1,571	1,436	1,131	2,102	924	1,994	3,201	1,866
28	Other countries	13,929	14,925	2,622	1,505	6,368	3,434	1,934	3,528	4,053	5,410
29	International financial institutions ²	3,498	1,929	1,857	839	350	452	400	596	645	288
30	Other transactions in outstanding bonds, net ³	18,218	6,276	-4,459	6,789	21,988	-6,100	1,866	7,123	-2,546	-167
31	Western Europe	-7,570	6,849	-11,438	-4,248	19,310	-11,194	4,309	-1,607	756	3,391
32	Of which: United Kingdom	-17,998	4,335	-13,845	-10,873	18,541	-11,821	1,387	-3	58	2,893
33	Canada	3,999	-2,610	-247	4,472	137	-363	-1,159	1,287	-2,505	-233
34	Japan	147	-8,687	-59	3,866	-689	-2,971	-3,133	2,877	-459	-7,972
35	Other	21,642	10,724	7,285	2,699	3,230	8,428	1,849	4,566	-338	4,647
B1	U.S. securities, excluding Treasury securities and transactions of foreign official agencies, net foreign purchases (+), (table 1, line 66 or lines 2 + 10 below)	407,653	284,611	129,990	113,556	64,787	99,320	71,095	104,404	46,494	62,618
2	Stocks, net foreign purchases	119,453	55,838	39,932	34,204	12,331	32,986	24,975	11,423	7,422	12,018
	By area:										
3	Western Europe	86,712	31,633	33,597	22,402	8,307	22,406	19,686	-896	1,640	11,203
4	Of which: Germany	8,282	-251	3,730	1,325	1,047	2,180	1,211	-149	-2,118	805
5	Switzerland	3,335	2,397	2,043	856	-1,067	1,503	1,578	147	-1,619	2,291
6	United Kingdom	37,353	14,335	11,160	8,745	9,156	8,292	8,008	-1,207	3,301	4,233
7	Canada	11,708	12,114	4,370	3,161	1,825	2,352	6,440	2,149	2,446	1,079
8	Japan	6,660	12,475	-221	4,104	1,179	1,598	955	7,517	6,125	-2,122
9	Other	14,373	-383	2,186	4,537	1,020	6,630	-2,105	2,653	-2,789	1,858
10	Corporate and other bonds, net foreign purchases	288,200	228,772	90,058	79,352	52,456	66,334	46,119	92,981	39,072	50,600
	By type:										
11	New issues sold abroad by U.S. corporations	63,113	57,786	17,694	18,008	13,185	14,226	21,155	23,205	1,633	11,793
12	U.S. federally sponsored agency bonds, net	86,256	67,788	25,162	13,746	19,340	28,008	2,716	32,308	21,936	10,828
13	Other outstanding bonds, net	138,831	103,198	47,202	47,598	19,931	24,100	22,248	37,468	15,503	27,979
	By area:										
14	Western Europe	180,957	104,737	61,127	53,510	30,498	35,822	21,755	46,475	9,779	26,728
15	Of which: Germany	10,762	2,785	3,327	2,834	1,264	3,337	1,601	563	-217	838
16	Switzerland	5,701	5,734	2,681	1,678	766	576	136	2,319	2,815	464
17	United Kingdom	159,857	82,398	52,365	47,637	29,791	30,064	18,032	37,151	5,885	21,330
18	Canada	516	-3,611	-44	1,348	-2,374	1,586	448	599	-1,523	-3,135
19	Japan	18,472	35,791	3,345	766	2,534	11,827	-4,626	15,182	10,506	14,729
20	Other countries	88,387	92,063	25,679	23,832	21,790	17,086	28,447	30,966	20,657	11,993
21	International financial institutions ²	-132	-208	-49	-104	8	13	95	-241	-347	285
	Memoranda:										
	Other foreign transactions in marketable, long-term U.S. securities included elsewhere in international transactions accounts:										
	Foreign official assets in the United States (lines in table 9):										
1	U.S. Treasury marketable bonds (line A4)	9,974	15,151	3,142	-4,885	2,151	9,566	77	486	-8,144	22,732
2	Other U.S. Government securities (line A6)	20,920	30,357	3,574	9,932	-216	7,630	7,296	6,548	10,885	5,628
3	U.S. corporate and other bonds (part of line A14)	3,755	5,613	1,033	567	623	1,532	2,003	1,412	999	1,199
4	U.S. stocks (part of line A14)	1,964	-1,985	-30	461	1,358	175	-1,277	-486	-164	-58
5	Other foreign transactions in U.S. Treasury bonds and notes (table 9, line B4)	-16,281	42,752	-5,854	-15,386	-17,402	22,361	-9,301	-8,897	47,835	13,115

See footnotes on page 60.

Table 7. Claims on and Liabilities to Unaffiliated Foreigners Reported by U.S. Nonbanking Concerns

[Millions of dollars]

Line	(Credits +; increase in U.S. liabilities or decrease in U.S. assets. Debits -; decrease in U.S. liabilities or increase in U.S. assets.)	2001	2002 ^p	Not seasonally adjusted								Amounts outstanding Dec. 31, 2002
				2001				2002				
				I	II	III	IV	I	II	III ^r	IV ¹	
A1	Claims, total (table 1, line 53)	-14,358	-28,489	-51,759	9,670	-9,479	37,210	65	-16,693	-4,226	-7,635	873,276
2	Financial claims	-19,624	-32,037	-55,437	12,273	-11,475	35,015	-1,354	-18,088	-4,960	-7,635	845,189
3	<i>Denominated in U.S. dollars</i>	-25,564	-25,754	-43,179	11,988	-19,380	25,007	1,651	-23,194	3,424	-7,635	738,810
4	<i>Denominated in foreign currencies</i>	5,940	-6,283	-12,258	285	7,905	10,008	-3,005	5,106	-8,384		106,379
5	By type: Deposits ²	-19,118	-40,316	-34,818	24,021	-27,796	19,475	7,224	-8,162	-25,718	-13,660	658,901
6	Financial intermediaries' accounts	3,038	8,082	-16,538	-12,079	13,878	17,777	-9,314	-10,305	21,676	6,025	171,702
7	Other claims ^{2,3}	-3,544	197	-4,081	331	2,443	-2,237	736	379	-918		14,586
8	By area: Industrial countries ⁴	-34,693	-30,732	-61,004	-4,973	-3,478	34,762	-29,729	6,159	-7,162		503,324
9	<i>Of which: United Kingdom</i>	-22,042	-22,444	-46,843	-7,603	6,844	25,560	-18,870	6,209	-9,783		296,249
10	Canada	2,392	-1,568	3,494	222	-3,160	1,836	1,108	2,060	-4,736		10,437
11	Caribbean banking centers ⁵	19,950	-10,778	8,958	17,174	-7,267	1,085	28,348	-24,870	2,107	-16,363	324,958
12	Other	-4,881	9,473	-3,391	72	-730	-632	27	623	95	8,728	16,907
13	Commercial claims	5,266	3,548	3,678	-2,603	1,996	2,195	1,419	1,395	734		28,088
14	<i>Denominated in U.S. dollars</i>	3,943	4,463	3,132	-2,681	1,628	1,864	2,775	1,565	123		24,783
15	<i>Denominated in foreign currencies</i>	1,323	-915	546	78	368	331	-1,356	-170	611		3,305
16	By type: Trade receivables	5,518	3,899	4,146	-2,149	1,779	1,742	1,951	1,202	746		23,513
17	Advance payments and other claims	-252	-351	-468	-454	217	453	-532	193	-12		4,575
18	By area: Industrial countries ⁴	3,071	1,967	2,360	-1,532	1,256	987	1,159	764	44		18,081
19	Members of OPEC ⁶	440	-6	163	-117	175	219	136	-182	40		1,360
20	Other	1,755	1,587	1,155	-954	565	989	124	813	650		8,647
B1	Liabilities, total (table 1, line 68)	82,353	49,736	111,644	-5,307	-25,154	1,170	32,345	21,056	-3,804	139	829,852
2	Financial liabilities	74,316	40,269	105,966	-5,886	-28,697	2,933	27,260	17,043	-4,173	139	802,365
3	<i>Denominated in U.S. dollars</i>	72,603	30,508	90,382	6,960	-23,877	-862	21,516	6,548	2,305	139	743,543
4	<i>Denominated in foreign currencies</i>	1,713	9,761	15,584	-12,846	-4,820	3,795	5,744	10,495	-6,478		58,822
5	By type: Financial intermediaries' accounts	-13,324	-11,076	14,099	6,731	-22,994	-11,160	15,078	-687	-23,773	-1,694	224,194
6	Other liabilities	87,640	51,345	91,867	-12,617	-5,703	14,093	12,182	17,730	19,600	1,833	578,171
7	By area: Industrial countries ⁴	49,120	7,174	92,203	-13,977	-21,829	-7,277	26,142	4,207	-23,175		541,100
8	<i>Of which: United Kingdom</i>	18,326	12,466	77,624	-11,987	-21,238	-26,073	11,166	8,167	-6,867		321,683
9	Caribbean banking centers ⁵	28,282	29,452	16,655	7,927	-4,531	8,231	1,787	11,642	18,598	-2,575	238,111
10	Other	-3,086	3,643	-2,892	164	-2,337	1,979	-669	1,194	404	2,714	23,154
11	Commercial liabilities	8,037	9,467	5,678	579	3,543	-1,763	5,085	4,013	369		27,487
12	<i>Denominated in U.S. dollars</i>	9,347	9,662	5,956	1,060	3,492	-1,161	4,809	4,174	679		26,194
13	<i>Denominated in foreign currencies</i>	-1,310	-195	-278	-481	51	-602	276	-161	-310		1,293
14	By type: Trade payables	-2,473	2,177	-1,812	732	-1,473	80	3,103	-679	-247		13,712
15	Advance receipts and other liabilities	10,510	7,290	7,490	-153	5,016	-1,843	1,982	4,692	616		13,775
16	By area: Industrial countries ⁴	8,289	6,588	5,121	538	2,661	-31	3,210	4,094	-716		15,303
17	Members of OPEC ⁶	-327	1,219	563	-334	-18	-538	642	-35	612		4,474
18	Other	75	1,660	-6	375	900	-1,194	1,233	-46	473		7,710

See footnotes on page 60.

Table 8. Claims on Foreigners Reported by U.S. Banks

[Millions of dollars]

Line	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)	2001	2002 ^p	Not seasonally adjusted								Amounts outstanding Dec. 31, 2002
				2001				2002				
				I	II	III	IV	I	II	III ^r	IV ^p	
1	Total (table 1, line 54)	-128,705	-3,072	-113,914	-685	69,576	-83,682	727	-68,655	53,815	11,041	1,438,874
	By type:											
2	Banks' own claims.....	-142,744	-1,544	-105,573	-21,087	40,345	-56,429	-9,895	-55,450	53,213	10,588	1,141,679
3	Payable in dollars.....	-119,395	-7,611	-85,054	-15,565	29,207	-47,983	-5,149	-48,429	46,385	-418	1,065,061
	By borrower:											
	Claims on:											
4	own foreign offices.....	-82,779	-22,457	-44,336	-20,620	24,171	-41,994	-5,328	-39,197	59,839	-37,771	771,822
5	unaffiliated foreign banks.....	-9,459	19,582	-10,766	10,194	-845	-8,042	5,667	2,683	-2,122	13,354	80,920
6	foreign public borrowers ¹	-11,389	737	-11,494	-3,075	6,418	-3,238	-6,284	4,520	-10,047	12,548	48,749
7	other private foreigners.....	-15,768	-5,473	-18,458	-2,064	-537	5,291	796	-16,435	-1,285	11,451	163,570
	By type of reporting institution: ²											
	U.S.-owned banks' claims on:											
8	own foreign offices.....	-32,435	4,629	-3,375	-3,222	-24,564	-1,274	7,489	-11,288	12,347	-3,919	210,706
9	unaffiliated foreign banks.....	-16,620	10,743	-12,351	7,274	-2,669	-8,874	2,316	2,802	-389	6,014	27,397
10	other foreigners.....	10,024	2,903	16,756	857	-16,341	8,752	-5,254	5,310	11,131	-8,284	27,794
	Foreign-owned banks' claims on:											
11	own foreign offices.....	-50,344	-27,086	-40,961	-17,398	48,735	-40,720	-12,817	-27,909	47,492	-33,852	561,116
12	unaffiliated foreign banks.....	9,053	6,118	665	3,662	2,948	1,778	3,489	-2,492	2,369	2,752	37,925
13	other foreigners.....	-10,104	4,174	-21,513	-2,332	14,534	-793	-540	2,205	-7,750	10,259	73,782
	Brokers' and dealers' claims on:											
14	unaffiliated foreign banks.....	-1,892	2,721	920	-742	-1,124	-946	-138	2,373	-4,102	4,588	15,598
15	other foreigners.....	-27,077	-11,813	-25,195	-3,664	7,688	-5,906	306	-19,430	-14,713	22,024	110,743
16	Payable in foreign currencies.....	-23,349	6,067	-20,519	-5,522	11,138	-8,446	-4,746	-7,021	6,828	11,006	76,618
	Banks' domestic customers' claims.....	14,039	-1,528	-8,341	20,402	29,231	-27,253	10,622	-13,205	602	453	297,195
18	Payable in dollars.....	7,256	596	-11,647	20,440	28,971	-30,508	9,445	-13,654	5,229	-424	277,597
19	Deposits.....	7,803	20,810	-10,974	17,667	22,119	-21,009	4,912	1,281	7,674	6,943	79,512
20	Foreign commercial paper ³	19,207	-22,523	11,253	3,380	5,146	-572	746	-9,461	-7,608	-6,200	136,574
21	Other negotiable and readily transferable instruments ⁴	-16,665	-5,910	-11,289	2,276	-4,707	-2,945	2,641	-6,432	5,091	-7,210	55,221
22	Outstanding collections and other.....	-3,089	8,219	-637	-2,883	6,413	-5,982	1,146	958	72	6,043	6,290
23	Payable in foreign currencies.....	6,783	-2,124	3,306	-38	260	3,255	1,177	449	-4,627	877	19,598
	By area:											
24	Industrial countries ⁵	-84,748	-35,280	-103,719	-15,780	75,376	-40,625	-26,629	-35,668	26,884	133	887,678
25	Western Europe.....	-63,296	-20,110	-89,855	-18,107	69,952	-25,286	-26,682	-29,587	34,863	1,296	729,657
26	Of which: United Kingdom.....	-31,419	-3,159	-30,154	-2,311	2,040	-994	10,247	-17,199	-4,672	8,465	337,616
27	Canada.....	-18,901	-4,484	-6,137	-6,018	2,504	-9,250	-2,419	-5,597	912	2,620	86,778
28	Japan.....	-5,119	-8,673	-7,861	4,890	2,042	-4,190	2,294	-73	-8,072	-2,822	55,084
29	Other.....	2,568	-2,013	134	3,455	878	-1,899	178	-411	-819	-961	16,159
30	Caribbean banking centers ⁶	-42,409	20,345	-7,858	14,736	-3,233	-46,054	30,187	-25,541	27,798	-12,099	410,680
31	Other areas.....	-1,548	11,863	-2,337	359	-2,567	2,997	-2,831	-7,446	-867	23,007	140,516
32	Of which: Members of OPEC, included below ⁷	1,907	-1,474	286	464	512	645	-2,370	-859	863	892	15,874
33	Latin America.....	7,529	12,635	2,847	2,003	-2,631	5,310	-493	-607	5,541	8,194	73,620
34	Asia.....	-8,644	-918	-5,664	-239	-215	-2,526	-1,412	-7,223	-8,453	16,170	58,310
35	Africa.....	214	19	39	-73	261	-13	58	-96	56	1	1,422
36	Other ⁸	-647	127	441	-1,332	18	226	-984	480	1,989	-1,358	7,164
	Memoranda:											
1	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above).....	-25,429	-7,763	-12,840	-18,786	31,183	-24,986	-2,996	-12,874	22,103	-13,996	314,314
	By borrower:											
	Claims on:											
2	own foreign offices.....	-27,619	-27,239	-15,552	-22,009	32,557	-22,615	-8,982	-15,142	21,154	-24,269	262,026
3	unaffiliated foreign banks.....	-2,837	12,957	330	1,156	-943	-3,380	4,732	355	-685	8,555	27,079
4	foreign public borrowers.....	1,414	1,234	353	468	138	455	-191	529	599	297	3,052
5	all other foreigners.....	3,613	5,285	2,029	1,599	-569	554	1,445	1,384	1,035	1,421	22,157
	By bank ownership: ²											
6	U.S.-owned IBF's.....	-27,817	11,296	2,737	-12,668	-7,042	-10,844	19,824	-6,723	-1,490	-315	72,921
7	Foreign-owned IBF's.....	2,388	-19,059	-15,577	-6,118	38,225	-14,142	-22,820	-6,151	23,593	-13,681	241,393
8	Banks' dollar acceptances payable by foreigners.....	1,660	141	1,255	-61	586	-120	449	-214	3	-97	2,450
9	Resale agreements ⁹ (in lines 1 through 15 above).....		-18,286		4,390	17,849	-25,505	22,432	-35,000	-7,497	1,779	158,101

See footnotes on page 60.

Table 9. Foreign Official Assets and Other Foreign Assets in the United States Reported by U.S. Banks

(Millions of dollars)

Line	(Credits +; increase in foreign assets. Debits -; decrease in foreign assets.)	2001	2002 ^p	Not seasonally adjusted								Amounts outstanding Dec. 31, 2002
				2001				2002				
				I	II	III	IV	I	II	III ^r	IV ^p	
A1	Foreign official assets in the United States, net (table 1, line 56)	5,224	96,630	4,087	-20,831	16,882	5,086	7,641	47,252	9,534	32,203	1,127,251
	By type:											
2	U.S. Treasury securities (table 1, line 58)	10,745	43,656	-1,027	-20,798	15,810	16,760	-582	15,193	1,415	27,630	710,656
3	Bills and certificates	2,709	29,148	-3,806	-16,009	14,704	7,820	-407	14,866	9,501	5,188	190,375
4	Bonds and notes, marketable	9,974	15,151	3,142	-4,885	2,151	9,566	77	486	-8,144	22,732	517,486
5	Bonds and notes, nonmarketable	-1,938	-643	-363	96	-1,045	-626	-252	-159	58	-290	2,795
6	Other U.S. Government securities (table 1, line 59)	20,920	30,357	3,574	9,932	-216	7,630	7,296	6,548	10,885	5,628	187,377
7	Other U.S. Government liabilities (table 1, line 60)	-1,882	158	-676	-791	89	-504	-790	54	1,001	-107	11,903
8	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 61)	-30,278	18,831	1,213	-10,202	-782	-20,507	991	24,531	-4,602	-2,089	140,939
9	Banks' liabilities for own account, payable in dollars ¹	-13,292	6,940	227	2,953	1,424	-17,896	-4,232	13,419	3,524	-5,771	90,742
10	Demand deposits	-956	-453	-433	-1,046	573	-50	-337	-944	193	635	2,535
11	Time deposits ¹	-15,940	-2,762	-7,452	4,793	-755	-12,526	-5,825	354	-1,211	3,920	17,508
12	Other liabilities ²	3,604	10,155	8,112	-794	1,606	-5,320	1,930	14,009	4,542	-10,326	70,699
13	Banks' custody liabilities, payable in dollars ^{1 3}	-16,986	11,891	986	-13,155	-2,206	-2,611	5,223	11,112	-8,126	3,682	50,197
14	Other foreign official assets (table 1, line 62)	5,719	3,628	1,003	1,028	1,981	1,707	726	926	835	1,141	76,376
	By area (see text table C)											
B1	Other foreign assets in the United States, net (table 1, lines 65 and 69)	102,997	147,760	10,889	40,318	-61,037	112,827	-18,333	27,116	71,649	67,328	1,870,319
	By type:											
2	U.S. Treasury securities (line 65)	-7,670	53,155	-4,744	-14,685	-15,470	27,229	-7,282	-5,124	52,856	12,705	463,005
	By security:											
3	Bills and certificates	8,611	10,403	1,110	701	1,932	4,868	2,019	3,773	5,021	-410	39,136
4	Marketable bonds and notes	-16,281	42,752	-5,854	-15,386	-17,402	22,361	-9,301	-8,897	47,835	13,115	423,869
5	U.S. liabilities reported by U.S. banks (line 69)	110,667	94,605	15,633	55,003	-45,567	85,598	-11,051	32,240	18,793	54,623	1,407,314
6	Banks' own liabilities ¹	96,630	83,362	25,743	36,939	-45,265	79,213	-6,882	25,719	6,598	57,927	1,263,505
7	Payable in dollars	76,454	85,489	7,327	16,560	-26,360	78,927	-8,345	16,616	15,954	61,264	1,182,964
	By account:											
8	Liabilities to own foreign offices	66,627	59,922	-17,548	9,561	-11,104	85,718	-11,358	15,318	-7,765	63,727	851,925
	Liabilities to unaffiliated foreigners:											
9	demand deposits	1,338	2,095	1,159	-37	2,351	-2,135	3,176	-927	-2,766	2,612	32,739
10	time deposits ¹	-16,238	-20,839	2,445	-6,016	-1,324	-11,343	-7,227	-11,676	-9,270	7,334	117,076
11	other liabilities ²	24,727	44,311	21,271	13,052	-16,283	6,687	7,064	13,901	35,755	-12,409	181,224
	By holder:											
	Liabilities to:											
12	own foreign offices	66,627	59,922	-17,548	9,561	-11,104	85,718	-11,358	15,318	-7,765	63,727	851,925
13	unaffiliated foreign banks	-13,211	-1,565	15,720	-5,661	-4,789	-18,481	5,332	-9,541	-4,659	7,303	120,759
14	other private foreigners	25,011	24,905	9,397	11,078	-10,063	14,599	-3,085	10,636	28,508	-11,154	197,884
15	international financial institutions ⁴	-1,973	2,227	-242	1,582	-404	-2,909	766	203	-130	3,888	12,396
	By type of reporting institution: ⁵											
	U.S.-owned banks' liabilities to:											
16	own foreign offices	41,645	-579	-61,310	28,799	21,864	52,292	-43,005	20,841	-11,207	32,792	369,058
17	unaffiliated foreign banks	11,872	-340	3,478	10,995	230	-2,831	2,805	-5,128	-2,493	4,476	39,170
18	other private foreigners and international financial institutions ⁴	-9,479	-17,535	-8,028	-3,160	4,764	-3,055	-2,902	-4,863	-10,876	1,106	16,046
	Foreign-owned banks' liabilities to:											
19	own foreign offices	24,982	60,501	43,762	-19,238	-32,968	33,426	31,647	-5,523	3,442	30,935	482,867
20	unaffiliated foreign banks	-25,949	-10,282	7,110	-15,576	-3,973	-13,510	-4,949	-4,113	-8,287	7,067	64,310
21	other private foreigners and international financial institutions ⁴	12,720	10,789	7,095	9,988	-6,347	1,984	515	1,171	9,349	-246	91,055
	Brokers' and dealers' liabilities to:											
22	unaffiliated foreign banks	866	9,057	5,132	-1,080	-1,046	-2,140	7,476	-300	6,121	-4,240	17,179
23	other private foreigners and international financial institutions ⁴	19,797	33,878	10,088	5,832	-8,884	12,761	68	14,531	29,905	-10,626	103,179
24	Payable in foreign currencies	20,176	-2,127	18,416	20,379	-18,905	286	1,463	9,103	-9,356	-3,337	80,541
25	Banks' custody liabilities, payable in dollars ^{1 3}	14,037	11,243	-10,110	18,064	-302	6,385	-4,169	6,521	12,195	-3,304	143,809
26	Of which: Negotiable and readily transferable instruments	9,457	13,806	-12,071	15,821	-311	6,018	680	6,023	9,551	-2,448	114,015
	By area:											
27	Industrial countries ⁶	35,339	44,005	9,834	30,515	-87,017	82,007	-5,875	-25,281	49,276	25,885	885,473
28	Western Europe	17,303	48,555	15,044	22,052	-83,867	64,074	-10,232	-14,948	32,893	40,842	600,761
29	Canada	-8,484	-2,946	-5,807	1,526	-3,547	-656	-589	-3,020	1,454	-791	35,941
30	Other	26,520	-1,604	597	6,937	397	18,589	4,946	-7,313	14,929	-14,166	248,771
31	Caribbean banking centers ⁷	44,424	50,849	2,328	3,345	17,595	21,156	-20,096	39,095	3,442	28,408	603,473
32	Other areas	23,234	52,906	-1,273	6,458	8,385	9,664	7,638	13,302	18,931	13,035	381,373
	Of which: Members of OPEC, included below ⁸	-2,274	1,927	-1,871	-693	-1,580	1,870	1,597	1,419	-944	-145	69,077
34	Latin America	9,080	19,278	-1,776	4,161	5,665	1,030	3,488	8,815	8,165	-1,190	148,800
35	Asia	9,653	20,528	-2,256	-3,100	2,112	12,897	3,087	-1,330	8,809	9,962	160,967
36	Africa	-234	1,485	321	158	-332	-381	726	444	263	52	8,157
37	Other ⁹	4,735	11,615	2,438	5,239	940	-3,882	337	5,373	1,694	4,211	63,449
	Memoranda:											
1	International banking facilities' (IBF's) own liabilities, payable in dollars (in lines A9 and B7 above)	5,551	17,120	-23,791	18,932	-36,811	47,221	11,807	3,942	-19,052	20,423	406,440
	By holder:											
	Liabilities to:											
2	own foreign offices	42,720	46,108	-21,232	19,132	-33,742	78,562	23,038	11,061	-4,035	16,044	298,890
3	unaffiliated foreign banks	-19,470	-19,192	3,796	-5,488	-4,157	-13,621	-6,571	-6,380	-8,639	2,398	58,984
4	foreign official agencies	-14,109	-2,698	-5,654	8,023	1,103	-17,581	-2,121	2,029	-4,738	2,382	30,984
5	other private foreigners and international financial institutions ⁴	-3,590	-7,098	-701	-2,735	-15	-139	-2,539	-2,768	-1,640	-151	17,582
	By bank ownership: ⁵											
6	U.S.-owned IBF's	36,261	-5,180	-5,085	27,488	964	12,894	-19,356	9,315	5,179	-318	68,540
7	Foreign-owned IBF's	-30,710	22,300	-18,706	-8,556	-37,775	34,327	31,163	-5,373	-24,231	20,741	337,900
8	Negotiable certificates of deposit held for foreigners ¹ (in lines A13 and B25 above)	-13,772	4,191	-9,694	366	-1,656	-2,788	1,058	5,992	757	-3,616	26,084
9	Repurchase agreements ¹⁰ (in lines A12 and B11 above)		32,670		-3,163	-15,399	39,628	-23,921	31,459	45,544	-20,412	184,759

See footnotes on page 60.

Table 10. U.S. International

[Millions]

Line	(Credits +; debits -) ¹	Western Europe						European Union	
		2001	2002 ^P	2002				2001	2002 ^P
				I	II	III ^r	IV ^P		
Current account									
1	Exports of goods and services and income receipts	397,085	365,039	87,531	91,183	91,423	94,902	354,145	326,227
2	Exports of goods and services	270,892	259,802	62,432	64,448	64,202	68,720	244,472	235,422
3	Goods, balance of payments basis ²	171,421	153,573	39,414	38,636	35,961	39,562	155,788	140,520
4	Services ³	99,471	106,229	23,018	25,812	28,241	29,158	88,684	94,902
5	Transfers under U.S. military agency sales contracts ⁴	3,603	3,158	677	838	788	855	2,420	2,101
6	Travel	22,557	21,771	4,179	5,328	6,243	6,021	20,555	19,865
7	Passenger fares	5,978	5,832	1,140	1,344	1,726	1,622	5,788	5,643
8	Other transportation	9,138	9,093	2,070	2,225	2,451	2,347	7,906	7,943
9	Royalties and license fees ⁵	18,133	20,764	4,529	5,234	5,246	5,755	16,333	18,581
10	Other private services ⁵	39,910	45,472	10,389	10,808	11,752	12,523	35,548	40,646
11	U.S. Government miscellaneous services	152	139	34	35	35	35	134	123
12	Income receipts	126,193	105,237	25,099	26,735	27,221	26,182	109,673	90,805
13	Income receipts on U.S.-owned assets abroad	126,033	105,069	25,058	26,694	27,178	26,139	109,525	90,649
14	Direct investment receipts	54,407	53,557	12,132	13,469	13,925	14,031	45,249	43,848
15	Other private receipts	70,600	50,550	12,662	13,049	12,990	11,849	63,360	45,981
16	U.S. Government receipts	1,026	962	264	176	263	259	936	820
17	Compensation of employees	160	168	41	41	43	43	148	156
18	Imports of goods and services and income payments	-460,387	-470,877	-106,813	-120,970	-121,435	-121,659	-415,109	-421,312
19	Imports of goods and services	-325,308	-344,079	-76,608	-87,927	-88,636	-90,908	-293,212	-310,906
20	Goods, balance of payments basis ²	-241,030	-246,194	-55,245	-62,395	-61,841	-66,713	-219,492	-225,679
21	Services ³	-84,278	-97,885	-21,363	-25,532	-26,795	-24,195	-73,720	-85,227
22	Direct defense expenditures	-8,662	-9,138	-2,184	-2,271	-2,323	-2,360	-6,946	-7,662
23	Travel	-20,901	-20,266	-3,526	-6,245	-6,338	-4,157	-19,053	-18,476
24	Passenger fares	-11,813	-10,993	-2,283	-3,187	-3,341	-2,182	-10,677	-9,957
25	Other transportation	-13,033	-12,593	-2,745	-3,159	-3,326	-3,363	-10,568	-10,470
26	Royalties and license fees ⁵	-8,390	-8,979	-2,038	-2,186	-2,361	-2,394	-6,548	-6,994
27	Other private services ⁵	-20,332	-34,716	-8,300	-8,182	-8,801	-9,433	-18,952	-30,640
28	U.S. Government miscellaneous services	-1,147	-1,200	-287	-302	-305	-306	-976	-1,028
29	Income payments	-135,079	-126,798	-30,205	-33,043	-32,799	-30,751	-121,897	-110,406
30	Income payments on foreign-owned assets in the United States	-134,481	-126,160	-30,040	-32,891	-32,650	-30,579	-121,376	-109,851
31	Direct investment payments	-25,777	-32,662	-5,784	-8,490	-9,644	-8,744	-23,806	-25,169
32	Other private payments	-86,257	-74,467	-19,177	-19,462	-18,407	-17,421	-67,772	-67,772
33	U.S. Government payments	-22,447	-19,031	-5,079	-4,939	-4,599	-4,414	-20,237	-16,910
34	Compensation of employees	-598	-638	-165	-152	-149	-172	-521	-555
35	Unilateral current transfers, net	-1,516	-1,765	-561	-327	-417	-460	106	-117
36	U.S. Government grants ⁴	-753	-733	-209	-175	-181	-168	-17	-6
37	U.S. Government pensions and other transfers	-1,583	-1,566	-393	-369	-364	-440	-1,307	-1,336
38	Private remittances and other transfers ⁶	820	534	41	217	128	148	1,430	1,225
Capital and financial account									
Capital account									
39	Capital account transactions, net	134	97	36	37	38	-14	122	139
Financial account									
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-201,495	-115,403	-57,727	-57,624	16,037	-16,089	-182,988	-66,012
41	U.S. official reserve assets, net	-223	-573	-152	-129	-148	-144	-529	-464
42	Gold ⁷								
43	Special drawing rights								
44	Reserve position in the International Monetary Fund								
45	Foreign currencies	-223	-573	-152	-129	-148	-144	-529	-464
46	U.S. Government assets, other than official reserve assets, net	253	485	260	142	-62	145	244	314
47	U.S. credits and other long-term assets	-515	-301			-297	-4	-215	-122
48	Repayments on U.S. credits and other long-term assets ⁸	791	834	259	115	281	179	472	454
49	U.S. foreign currency holdings and U.S. short-term assets, net	-23	-48	1	27	-46	-30	-13	-18
50	U.S. private assets, net	-201,525	-115,315	-57,835	-57,637	16,247	-16,090	-182,703	-65,862
51	Direct investment	-54,504	-66,504	-8,857	-23,059	-21,658	-12,930	-46,597	-57,710
52	Foreign securities	-52,503	-715	6,244	-12,323	9,862	-4,498	-54,586	-1,964
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-31,208	-27,950	-28,544	7,369	-6,775		-28,944	-29,518
54	U.S. claims reported by U.S. banks, not included elsewhere	-63,310	-20,146	-26,678	-29,624	34,818	1,338	-52,576	23,330
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	450,172	226,428	80,524	30,557	21,472	93,875	404,151	136,715
56	Foreign official assets in the United States, net	-3,184	17,473	63	3,838	1,998	11,574	(¹⁸)	(¹⁸)
57	U.S. Government securities	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)
58	U.S. Treasury securities ⁹	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)
59	Other ¹⁰	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)
60	Other U.S. Government liabilities ¹¹	-1,051	181	-54	-91	484	-158	-92	817
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)
62	Other foreign official assets ¹²	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁶)	(¹⁸)
63	Other foreign assets in the United States, net	453,356	208,955	80,461	26,719	19,474	82,301	(¹⁸)	(¹⁸)
64	Direct investment	111,304	15,992	20,918	-8,239	404	2,909	59,069	22,714
65	U.S. Treasury securities	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)
66	U.S. securities other than U.S. Treasury securities	267,669	136,369	41,440	45,579	11,419	37,931	257,027	124,617
67	U.S. currency								
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	56,851	7,425	27,838	5,052	-25,465		67,877	6,184
69	U.S. liabilities reported by U.S. banks, not included elsewhere	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁷)	¹⁸ 20,270	¹⁸ -17,617
70	Statistical discrepancy (sum of above items with sign reversed)	-183,993	-3,519	-2,990	57,144	-7,118	-50,555	-160,427	24,360
Memoranda:									
71	Balance on goods (lines 3 and 20)	-69,609	-92,621	-15,831	-23,759	-25,880	-27,151	-63,704	-85,159
72	Balance on services (lines 4 and 21)	15,193	8,344	1,655	280	1,446	4,963	14,964	9,675
73	Balance on goods and services (lines 2 and 19)	-54,416	-84,277	-14,176	-23,479	-24,434	-22,188	-48,740	-75,484
74	Balance on income (lines 12 and 29)	-8,886	-21,561	-5,106	-6,308	-5,578	-4,569	-12,224	-19,601
75	Unilateral current transfers, net (line 35)	-1,516	-1,765	-561	-327	-417	-460	106	-117
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	-64,818	-107,603	-19,843	-30,114	-30,429	-27,217	-60,858	-95,202

Table 10. U.S. International

[Millions]

Line	(Credits +; debits -) ¹	Eastern Europe						Canada	
		2001	2002 ²	2002				2001	2002 ²
				I	II	III ³	IV ⁴		
Current account									
1	Exports of goods and services and income receipts	14,285	14,089	3,541	3,477	3,699	3,372	209,676	203,093
2	Exports of goods and services	11,102	10,833	2,656	2,728	2,724	2,725	187,757	184,929
3	Goods, balance of payments basis ²	6,804	6,369	1,519	1,641	1,579	1,630	163,309	160,879
4	Services ³	4,298	4,464	1,137	1,087	1,145	1,095	24,448	24,050
5	Transfers under U.S. military agency sales contracts ⁴	483	432	111	147	95	79	99	90
6	Travel	1,238	1,177	245	309	335	288	6,484	6,192
7	Passenger fares	58	57	16	13	13	15	1,668	1,543
8	Other transportation	271	244	56	58	63	67	2,212	2,346
9	Royalties and license fees ⁵	316	406	92	99	102	113	2,256	2,638
10	Other private services ⁵	1,875	2,107	609	450	526	522	11,657	11,155
11	U.S. Government miscellaneous services	57	41	8	11	11	11	72	86
12	Income receipts	3,183	3,256	885	749	975	647	21,919	18,164
13	Income receipts on U.S.-owned assets abroad	3,163	3,236	880	744	970	642	21,841	18,081
14	Direct investment receipts	1,259	1,444	367	367	461	249	11,773	9,791
15	Other private receipts	1,613	1,466	375	368	365	358	10,068	8,290
16	U.S. Government receipts	291	326	138	9	144	35	.....	.....
17	Compensation of employees	20	20	5	5	5	5	78	83
18	Imports of goods and services and income payments	-19,886	-20,353	-3,573	-5,185	-5,652	-5,943	-235,442	-236,903
19	Imports of goods and services	-16,953	-17,441	-3,029	-4,505	-4,805	-5,102	-237,166	-232,421
20	Goods, balance of payments basis ²	-14,342	-14,869	-2,561	-3,804	-3,941	-4,563	-218,735	-213,151
21	Services ³	-2,611	-2,572	-468	-701	-864	-539	-18,431	-19,270
22	Direct defense expenditures	-152	-191	-41	-52	-48	-50	-77	-74
23	Travel	-1,164	-1,128	-161	-323	-463	-181	-6,477	-6,516
24	Passenger fares	-382	-352	-56	-111	-114	-71	-684	-582
25	Other transportation	-245	-242	-51	-57	-66	-68	-3,298	-3,704
26	Royalties and license fees ⁵	-76	-64	-26	-12	-12	-14	-1,195	-1,375
27	Other private services ⁵	-532	-538	-118	-132	-147	-141	-6,479	-6,842
28	U.S. Government miscellaneous services	-60	-57	-15	-14	-14	-14	-221	-177
29	Income payments	-2,933	-2,912	-544	-680	-847	-841	1,724	-4,482
30	Income payments on foreign-owned assets in the United States	-2,851	-2,823	-519	-660	-815	-815	2,100	-4,087
31	Direct investment payments	-267	-857	-65	-171	-308	-313	7,737	788
32	Other private payments	-828	-482	-117	-127	-129	-109	-3,974	-3,717
33	U.S. Government payments	-1,756	-1,484	-337	-362	-392	-393	-1,663	-1,158
34	Compensation of employees	-82	-89	-25	-20	-18	-26	-376	-395
35	Unilateral current transfers, net	-3,432	-3,888	-880	-987	-1,031	-990	-744	-807
36	U.S. Government grants ⁴	-1,493	-1,885	-362	-512	-505	-506	.....	.....
37	U.S. Government pensions and other transfers	-59	-52	-13	-14	-14	-11	-528	-550
38	Private remittances and other transfers ⁶	-1,880	-1,951	-505	-461	-512	-473	-216	-257
Capital and financial account									
Capital account									
39	Capital account transactions, net	25	23	6	6	6	5	118	141
Financial account									
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-180	-5	134	595	-616	-118	-32,180	-18,486
41	U.S. official reserve assets, net .....	.....	.....	.....	.....	.....	.....	.....	.....
42	Gold ⁷ .....	.....	.....	.....	.....	.....	.....	.....	.....
43	Special drawing rights .....	.....	.....	.....	.....	.....	.....	.....	.....
44	Reserve position in the International Monetary Fund .....	.....	.....	.....	.....	.....	.....	.....	.....
45	Foreign currencies .....	.....	.....	.....	.....	.....	.....	.....	.....
46	U.S. Government assets, other than official reserve assets, net	140	102	45	-21	15	63	.....	.....
47	U.S. credits and other long-term assets	-89	-291	-6	-40	-237	-8	.....	.....
48	Repayments on U.S. credits and other long-term assets ⁸	229	393	51	19	252	71	.....	.....
49	U.S. foreign currency holdings and U.S. short-term assets, net .....	.....	.....	.....	.....	.....	.....	.....	.....
50	U.S. private assets, net	-320	-107	89	616	-631	-181	-32,180	-18,486
51	Direct investment	-1,629	-1,145	224	-692	-343	-334	-14,440	-17,328
52	Foreign securities	1,801	1,128	465	358	-548	853	-1,886	4,692
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	140	70	35	82	-47	.....	3,047	-1,366
54	U.S. claims reported by U.S. banks, not included elsewhere	-432	-160	-635	868	307	-700	-18,901	-4,484
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	11,331	20,721	1,324	12,285	7,040	72	10,941	2,204
56	Foreign official assets in the United States, net	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	-285	-2,334
57	U.S. Government securities	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)
58	U.S. Treasury securities ⁹	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)
59	Other ¹⁰	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)
60	Other U.S. Government liabilities ¹¹	27	197	31	61	62	43	2	27
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)
62	Other foreign official assets ¹²	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)
63	Other foreign assets in the United States, net	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	11,226	4,538
64	Direct investment	6,756	7,548	285	4,985	2,128	150	4,628	-5,533
65	U.S. Treasury securities	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)
66	U.S. securities other than U.S. Treasury securities	-1,227	-2,297	-178	-393	-596	-1,130	12,224	8,505
67	U.S. currency .....	.....	.....	.....	.....	.....	.....	.....	.....
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-147	-3	123	206	-332	.....	2,858	4,512
69	U.S. liabilities reported by U.S. banks, not included elsewhere	¹⁸ 5,922	¹⁸ 15,276	¹⁸ 1,063	¹⁸ 7,426	¹⁸ 5,778	¹⁸ 1,009	(¹⁷)	(¹⁷)
70	Statistical discrepancy (sum of above items with sign reversed)	-2,143	-10,587	-552	-10,191	-3,446	3,602	47,631	50,758
Memoranda:									
71	Balance on goods (lines 3 and 20)	-7,538	-8,500	-1,042	-2,163	-2,362	-2,933	-55,426	-52,272
72	Balance on services (lines 4 and 21)	1,687	1,892	669	386	281	556	6,017	4,780
73	Balance on goods and services (lines 2 and 19)	-5,851	-6,608	-373	-1,777	-2,081	-2,377	-49,409	-47,492
74	Balance on income (lines 12 and 29)	250	344	341	69	128	-194	23,643	13,682
75	Unilateral current transfers, net (line 35)	-3,432	-3,888	-880	-987	-1,031	-990	-744	-807
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	-9,033	-10,152	-912	-2,695	-2,984	-3,561	-26,510	-34,617

Table 10. U.S. International
[Millions]

Line	(Credits +; debits -) ¹	Australia					
		2001	2002 ^P	2002			
				I	II	III ^r	IV ^P
Current account							
1	Exports of goods and services and income receipts	20,419	23,462	5,295	5,739	6,290	6,138
2	Exports of goods and services	15,506	17,944	3,984	4,491	4,740	4,729
3	Goods, balance of payments basis ²	10,597	12,760	2,830	3,228	3,369	3,333
4	Services ³	4,909	5,184	1,154	1,263	1,371	1,396
5	Transfers under U.S. military agency sales contracts ⁴	195	220	42	68	55	55
6	Travel	1,424	1,367	293	341	356	377
7	Passenger fares	375	360	94	75	92	99
8	Other transportation	263	279	59	70	74	76
9	Royalties and license fees ⁵	722	837	182	199	235	221
10	Other private services ⁵	1,922	2,110	482	507	556	565
11	U.S. Government miscellaneous services	8	11	2	3	3	3
12	Income receipts	4,913	5,518	1,311	1,248	1,550	1,409
13	Income receipts on U.S.-owned assets abroad	4,909	5,514	1,310	1,247	1,549	1,408
14	Direct investment receipts	1,690	2,667	579	530	835	723
15	Other private receipts	3,219	2,847	731	717	714	685
16	U.S. Government receipts						
17	Compensation of employees	4	4	1	1	1	1
18	Imports of goods and services and income payments	-10,398	-11,774	-2,369	-2,976	-3,306	-3,123
19	Imports of goods and services	-10,103	-10,170	-2,254	-2,423	-2,876	-2,617
20	Goods, balance of payments basis ²	-6,463	-6,455	-1,386	-1,670	-1,756	-1,643
21	Services ³	-3,640	-3,715	-868	-753	-1,120	-974
22	Direct defense expenditures	-112	-122	-24	-29	-34	-35
23	Travel	-1,542	-1,523	-353	-287	-541	-342
24	Passenger fares	-754	-735	-199	-124	-185	-227
25	Other transportation	-216	-217	-57	-54	-56	-50
26	Royalties and license fees ⁵	-82	-106	-20	-24	-25	-37
27	Other private services ⁵	-902	-973	-206	-225	-269	-273
28	U.S. Government miscellaneous services	-32	-39	-9	-10	-10	-10
29	Income payments	-295	-1,604	-115	-553	-430	-506
30	Income payments on foreign-owned assets in the United States	-274	-1,582	-109	-548	-425	-500
31	Direct investment payments	918	-604	104	-323	-157	-228
32	Other private payments	-692	-540	-116	-123	-150	-151
33	U.S. Government payments	-500	-438	-97	-102	-118	-121
34	Compensation of employees	-21	-22	-6	-5	-5	-6
35	Unilateral current transfers, net	-338	-328	-77	-78	-83	-90
36	U.S. Government grants ⁴						
37	U.S. Government pensions and other transfers	-47	-50	-13	-13	-13	-11
38	Private remittances and other transfers ⁶	-291	-278	-64	-65	-70	-79
Capital and financial account							
Capital account							
39	Capital account transactions, net	4	4	1	1	1	1
Financial account							
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-1,346	-856	-2,330	-2,125	2,845	754
41	U.S. official reserve assets, net						
42	Gold ⁷						
43	Special drawing rights						
44	Reserve position in the International Monetary Fund						
45	Foreign currencies						
46	U.S. Government assets, other than official reserve assets, net						
47	U.S. credits and other long-term assets						
48	Repayments on U.S. credits and other long-term assets ⁸						
49	U.S. foreign currency holdings and U.S. short-term assets, net						
50	U.S. private assets, net	-1,346	-856	-2,330	-2,125	2,845	754
51	Direct investment	424	-2,040	-2,473	-264	834	-137
52	Foreign securities	-3,296	436	-202	-395	906	127
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-1,323	-624	-827	-527	730	
54	U.S. claims reported by U.S. banks, not included elsewhere	2,849	1,372	1,172	-939	375	764
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	-797	16,515	5,481	3,944	5,537	1,553
56	Foreign official assets in the United States, net	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
57	U.S. Government securities	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
58	U.S. Treasury securities ⁹	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
59	Other ¹⁰	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
60	Other U.S. Government liabilities ¹¹	92	53	35	4	16	-2
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
62	Other foreign official assets ¹²	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
63	Other foreign assets in the United States, net	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
64	Direct investment	3,649	3,111	760	2,180	907	-736
65	U.S. Treasury securities						
66	U.S. securities other than U.S. Treasury securities	-2,154	7,693	2,152	888	4,133	520
67	U.S. currency						
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	653	-231	122	631	-984	
69	U.S. liabilities reported by U.S. banks, not included elsewhere	¹⁸ -3,037	¹⁸ 5,889	¹⁸ 2,412	¹⁸ 241	¹⁸ 1,465	¹⁸ 1,771
70	Statistical discrepancy (sum of above items with sign reversed)	-7,544	-27,023	-6,001	-4,505	-11,284	-5,233
Memoranda:							
71	Balance on goods (lines 3 and 20)	4,134	6,305	1,444	1,558	1,613	1,690
72	Balance on services (lines 4 and 21)	1,269	1,469	286	510	251	422
73	Balance on goods and services (lines 2 and 19)	5,403	7,774	1,730	2,068	1,864	2,112
74	Balance on income (lines 12 and 29)	4,618	3,914	1,196	695	1,120	903
75	Unilateral current transfers, net (line 35)	-338	-328	-77	-78	-83	-90
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	9,683	11,360	2,849	2,685	2,901	2,925

Transactions, by Area—Continued

of dollars]

Other countries in Asia and Africa						International organizations and unallocated ¹⁶						Line
2001	2002 ^P	2002				2001	2002 ^P	2002				
		I	II	III ^r	IV ^P			I	II	III ^r	IV ^P	
235,495	238,727	56,348	59,915	62,166	60,298	33,146	33,353	8,305	8,272	8,379	8,397	1
207,985	208,705	49,517	52,561	54,356	52,271	5,843	5,870	1,404	1,462	1,467	1,537	2
151,780	150,968	34,863	38,881	38,810	38,414	.....	.....	.....	.....	.....	.....	3
56,205	57,737	14,654	13,680	15,546	13,857	5,843	5,870	1,404	1,462	1,467	1,537	4
6,552	6,912	1,904	1,686	1,608	1,714	.....	.....	.....	.....	.....	.....	5
11,846	11,204	2,211	2,994	3,611	2,388	.....	.....	.....	.....	.....	.....	6
1,626	1,542	355	409	454	324	.....	.....	.....	.....	.....	.....	7
9,506	9,529	2,243	2,366	2,549	2,371	529	483	119	121	117	126	8
4,854	5,192	1,199	1,294	1,315	1,384	2,047	2,270	513	570	574	613	9
21,516	23,100	6,678	4,867	5,944	5,611	3,267	3,117	772	771	776	798	10
305	258	64	64	65	65	.....	.....	.....	.....	.....	.....	11
27,510	30,022	6,831	7,354	7,810	8,027	27,303	27,483	6,901	6,810	6,912	6,860	12
27,426	29,934	6,809	7,332	7,788	8,005	25,407	25,529	6,416	6,322	6,422	6,369	13
17,156	20,770	4,528	5,085	5,462	5,695	15,309	15,843	3,951	3,881	3,957	4,054	14
9,081	7,956	1,965	2,041	2,044	1,906	9,468	9,210	2,356	2,333	2,333	2,188	15
1,189	1,208	316	206	282	404	630	476	109	108	132	127	16
84	88	22	22	22	22	1,896	1,954	485	488	490	491	17
-413,178	-433,106	-93,837	-106,304	-117,463	-115,502	-14,987	-15,443	-4,154	-3,918	-3,674	-3,697	18
-379,180	-403,507	-86,183	-98,718	-110,074	-108,532	-2,794	-3,364	-1,109	-871	-681	-703	19
-339,262	-359,541	-76,164	-87,939	-98,731	-96,707	.....	.....	.....	.....	.....	.....	20
-39,918	-43,966	-10,019	-10,779	-11,343	-11,825	-2,794	-3,364	-1,109	-871	-681	-703	21
-4,511	-8,087	-1,793	-1,939	-2,124	-2,231	.....	.....	.....	.....	.....	.....	22
-10,474	-10,251	-2,534	-2,620	-2,560	-2,537	.....	.....	.....	.....	.....	.....	23
-4,891	-4,697	-1,123	-1,066	-1,167	-1,341	.....	.....	.....	.....	.....	.....	24
-12,216	-12,569	-2,717	-3,071	-3,324	-3,457	-1,556	-1,302	-273	-334	-342	-353	25
-263	-281	-58	-69	-72	-82	-819	-1,728	-752	-464	-253	-259	26
-6,771	-7,289	-1,592	-1,817	-1,900	-1,980	-416	-333	-83	-73	-86	-91	27
-792	-792	-202	-197	-196	-197	-3	-1	-1	.....	.....	.....	28
-33,998	-29,599	-7,654	-7,586	-7,389	-6,970	-12,193	-12,079	-3,045	-3,047	-2,993	-2,994	29
-33,258	-28,797	-7,416	-7,418	-7,243	-6,720	-12,193	-12,079	-3,045	-3,047	-2,993	-2,994	30
192	-288	-142	-23	-144	21	-7,436	-7,382	-1,906	-1,820	-1,780	-1,876	31
-10,218	-6,845	-1,703	-1,803	-1,745	-1,594	-3,187	-3,247	-769	-850	-852	-776	32
-23,232	-21,664	-5,571	-5,592	-5,354	-5,147	-1,570	-1,450	-370	-377	-361	-342	33
-740	-802	-238	-168	-146	-250	.....	.....	.....	.....	.....	.....	34
-18,424	-24,027	-8,369	-4,758	-4,966	-5,934	-7,949	-7,328	-1,810	-1,710	-1,592	-2,216	35
-6,459	-11,491	-5,015	-1,904	-1,691	-2,881	-802	-770	-169	-249	-232	-120	36
-539	-530	-131	-131	-131	-140	-2,070	-1,453	-413	-130	-58	-852	37
-11,426	-12,006	-3,226	-2,723	-3,144	-2,913	-5,077	-5,105	-1,228	-1,331	-1,302	-1,244	38
117	11	31	18	-36	-2	.....	.....	.....	.....	.....	.....	39
-19,163	-4,869	-8,254	-7,237	-6,180	16,802	-18,022	-8,079	-3,812	-4,170	-3,154	3,057	40
.....	.....	.....	.....	.....	.....	-4,230	-3,107	543	-1,714	-1,268	-668	41
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	42
.....	.....	.....	.....	.....	.....	-630	-475	-109	-107	-132	-127	43
.....	.....	.....	.....	.....	.....	-3,600	-2,632	652	-1,607	-1,136	-541	44
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	45
157	625	88	146	158	233	-1,292	-1,078	-304	-262	-251	-261	46
-2,019	-3,050	-444	-157	-422	-2,027	-1,292	-1,078	-304	-262	-251	-261	47
2,049	3,706	535	290	614	2,267	.....	.....	.....	.....	.....	.....	48
127	-31	-3	13	-34	-7	.....	.....	.....	.....	.....	.....	49
-19,320	-5,494	-8,342	-7,383	-6,338	16,569	-12,500	-3,894	-4,051	-2,194	-1,635	3,986	50
-12,027	-12,676	-5,210	-1,577	-2,860	-3,029	-13,679	-14,793	-3,539	-3,693	-3,718	-3,843	51
3,513	11,479	-385	1,577	5,478	4,809	1,017	1,113	403	110	356	244	52
-2,013	896	-874	1,106	664	.....	2	8,728	.....	.....	.....	8,728	53
-8,793	-5,193	-1,873	-8,489	-9,620	14,789	160	1,058	-915	1,389	1,727	-1,143	54
53,044	104,410	21,864	29,927	25,590	27,029	33,947	37,599	3,016	14,749	3,485	16,349	55
(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	19	18	13	.....	5	.....	56
(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	.....	.....	.....	.....	.....	.....	57
(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	.....	.....	.....	.....	.....	.....	58
(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	.....	.....	.....	.....	.....	.....	59
-552	72	-701	176	422	175	19	18	13	.....	5	.....	60
(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	.....	.....	.....	.....	.....	.....	61
(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	.....	.....	.....	.....	.....	.....	62
(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	33,928	37,581	3,003	14,749	3,480	16,349	63
-1,307	364	-497	888	-203	6,361	6,492	6,492	1,587	1,605	1,632	1,668	64
(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	.....	.....	.....	.....	.....	.....	65
44,727	33,929	9,518	7,911	9,931	6,569	-103	63	-257	-338	313	313	66
.....	.....	.....	.....	.....	.....	23,783	21,513	4,525	7,183	2,556	7,249	67
-598	4,381	268	2,405	1,708	.....	73	2,736	30	-9	1	2,714	68
¹⁸ 10,774	¹⁸ 65,664	¹⁸ 13,276	¹⁸ 19,259	¹⁸ 12,641	¹⁸ 20,488	¹⁸ 3,814	¹⁸ 7,059	¹⁸ -3,202	¹⁸ 6,227	¹⁸ -371	¹⁸ 4,405	69
162,109	118,854	32,217	28,439	40,889	17,309	-26,135	-40,102	-1,545	-13,223	-3,444	-21,890	70
-187,482	-208,573	-41,301	-49,058	-59,921	-58,293	.....	.....	.....	.....	.....	.....	71
16,287	13,771	4,635	2,901	4,203	2,032	3,049	2,506	295	591	786	834	72
-171,195	-194,802	-36,666	-46,157	-55,718	-56,261	3,049	2,506	295	591	786	834	73
-6,488	423	-823	-232	421	1,057	15,110	15,404	3,856	3,763	3,919	3,866	74
-18,424	-24,027	-8,369	-4,758	-4,966	-5,934	-7,949	-7,328	-1,810	-1,710	-1,592	-2,216	75
-196,107	-218,406	-45,858	-51,147	-60,263	-61,138	10,210	10,582	2,341	2,644	3,113	2,484	76

Footnotes to U.S. International Transactions Tables 1–10

General notes for all tables: ^a Preliminary. ^b Revised. ^c Less than \$500,000 (+/-) ^d Suppressed to avoid disclosure of data of individual companies.

Table 1:

1. Credits, +; Exports of goods and services and income receipts; unilateral current transfers to the United States; capital account transactions receipts; financial inflows—increase in foreign-owned assets (U.S. liabilities) or decrease in U.S.-owned assets (U.S. claims).

Debits, -; Imports of goods and services and income payments; unilateral current transfers to foreigners; capital accounts transactions payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).

2. Excludes exports of goods under U.S. military agency sales contracts identified in Census export documents, excludes imports of goods under direct defense expenditures identified in Census import documents, and reflects various other adjustments (for valuation, coverage, and timing) of Census statistics to balance of payments basis; see table 2.

3. Includes some goods: Mainly military equipment in line 5; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 22; and fuels purchased by airline and steamship operators in lines 8 and 25.

4. Includes transfers of goods and services under U.S. military grant programs.

5. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.

6. Beginning in 1982, the "other transfers" component includes taxes paid by U.S. private residents to foreign governments and taxes paid by private nonresidents to the U.S. Government.

7. At the present time, all U.S. Treasury-owned gold is held in the United States.

8. Includes sales of foreign obligations to foreigners.

9. Consists of bills, certificates, marketable bonds and notes, and nonmarketable convertible and nonconvertible bonds and notes.

10. Consists of U.S. Treasury and Export-Import Bank obligations, not included elsewhere, and of debt securities of U.S. Government corporations and agencies.

11. Includes, primarily, U.S. Government liabilities associated with military agency sales contracts and other transactions arranged with or through foreign official agencies; see table 4.

12. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and State and local governments.

13. Conceptually, line 76 is equal to "net foreign investment" in the national income and product accounts (NIPAs). However, the foreign transactions account in the NIPAs (a) includes adjustments to the international transactions accounts for the treatment of gold, (b) includes adjustments for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (c) includes services furnished without payment by financial pension plans except life insurance carriers and private noninsured pension plans. A reconciliation of the balance on goods and services from the international accounts and the NIPA net exports appears in reconciliation table 2 in appendix A in this issue of the SURVEY OF CURRENT BUSINESS. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.5 of the full set of NIPA tables in the August issue of the SURVEY.

Additional footnotes for historical data in July issues of the SURVEY:

14. For 1974, includes extraordinary U.S. Government transactions with India. See "Special U.S. Government Transactions," June 1974 SURVEY, p. 27.

15. For 1978–83, includes foreign currency-denominated notes sold to private residents abroad.

16. Break in series. See Technical Notes in the June 1989–90, 1992–95, and July 1996–2001 issues of the SURVEY.

Table 2:

1. Exports, Census basis, represent transactions values, f.a.s. U.S. port of exportation, for all years; imports, Census basis, represent Customs values (see Technical Notes in the June 1982 SURVEY), except for 1974–81, when they represent transactions values, f.a.s. foreign port of exportation (see July issues of the SURVEY for historical data).

From 1983 forward, both unadjusted and seasonally adjusted data have been prepared by BEA from "actual" and "revised statistical" monthly data supplied by the Census Bureau (see Technical Notes in the December 1985 SURVEY).

Seasonally adjusted data reflect the application of seasonal factors developed jointly by Census and BEA. The seasonally adjusted data are the sum of seasonally adjusted five-digit end-use categories (see technical notes in the June 1980 SURVEY, in the June 1988 SURVEY, and in the June 1991 SURVEY). Prior to 1983, annual data are as published by the Census Bureau, except that for 1975–80 published Census data are adjusted to include trade between the U.S. Virgin Islands and foreign countries.

2. Adjustments in lines A5 and A13, B12, B48, and B84 reflect the Census Bureau's reconciliation of discrepancies between the goods statistics published by the United States and the counterpart statistics published in Canada. These adjustments are distributed to the affected end-use categories in section C. Beginning in 1986, estimates for undocumented exports to Canada, the largest item in the U.S.-Canadian reconciliation, are included in Census basis data shown in line A1.

3. Exports of military equipment under U.S. military agency sales contracts with foreign governments (line A6), and direct imports by the Department of Defense and the Coast Guard (line A14), to the extent such trade is identifiable from Customs declarations. The exports are included in tables 1 and 10, line 5 (transfers under U.S. military agency sales contracts); the imports are included in tables 1 and 10, line 22 (direct defense expenditures).

4. Addition of electrical energy; deduction of exposed motion picture film for rental rather than sale; net change in stock of U.S.-owned grains in storage in Canada; coverage adjustments for special situations in which shipments were omitted from Census data; deduction of the value of repairs and alterations to foreign-owned equipment shipped to the United States for repair; and the inclusion of fish exported outside of U.S. customs area. Also includes deduction of exports to the Panama Canal Zone before October 1, 1979, and for 1975–82, net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another (see July issues of the SURVEY for historical data).

5. Coverage adjustments for special situations in which shipments were omitted from Census data; the deduction of the value of repairs and alterations to U.S.-owned equipment shipped abroad for repair; and the adjustment of software imports to market value. Also includes addition of understatement of inland freight in f.a.s. values of U.S. imports of goods from Canada in 1974–81; deduction of imports from the Panama Canal Zone before October 1, 1979; and for 1975–82, net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another (see July issues of the SURVEY for historical data).

6. For 1988–89, correction for the understatement of crude petroleum imports from Canada.

7. Annual and unadjusted quarterly data shown in this table correspond to country and area data in table 10, lines 3 and 20. Trade with international organizations includes purchases of nonmonetary gold from the International Monetary Fund, transfers of tin to the International Tin Council (ITC), and sales of satellites to Intelsat. The memoranda are defined as follows: *Industrial countries:* Western Europe, Canada, Japan, Australia, New Zealand, and South Africa; *Members of OPEC:* Venezuela, Ecuador, Iraq, Iran, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Indonesia, Algeria, Libya, Nigeria, and Gabon (Excludes Ecuador beginning in January 1993 and Gabon beginning in January 1995.); *Other countries:* Eastern Europe, Latin America and Other Western Hemisphere, and other countries in Asia and Africa, less OPEC. Before 1984, complete geographic area detail was not available for some balance of payments adjustments. Therefore, the detail shown does not always sum to the values shown for the area aggregates. For all years, "Asia" and "Africa" exclude certain Pacific Islands and unidentified countries included in "Other countries in Asia and Africa."

8. Includes the former German Democratic Republic (East Germany) beginning in fourth quarter of 1990. In earlier periods, the German Democratic Republic was included in Eastern Europe.

9. Beginning in 1986, New Zealand and South Africa are included in "Other countries in Asia and Africa," with New Zealand included as part of "Asia" and South Africa as part of "Africa."

10. The "Euro area," which formed in January 1999, includes Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and from January 2001, Greece.

Table 3:

1. Includes royalties, license fees, and other fees associated with the use of intangible assets, including patents, trade secrets, and other proprietary rights, that are used in connection with the production of goods.

2. Includes royalties, license fees, and other fees associated with the use of copyrights, trademarks, franchises, rights to broadcast live events, software licensing fees, and other intangible property rights.

3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign governments and international organizations in the United States and film and television tape rentals. Payments (imports) include mainly expenditures of U.S. residents temporarily working abroad and film and television tape rentals.

Table 4:

1. Expenditures to release foreign governments from their contractual liabilities to pay for military goods and ser-

vices purchased through military sales contracts—first authorized (for Israel) under Public Law 93–199, section 4, and subsequently authorized (for many recipients) under similar legislation—are included in line A4. Deliveries against these military sales contracts are included in line C10; see footnote 2. Of the line A4 items, part of these military expenditures is applied in lines A43 and A46 to reduce short-term assets previously recorded in lines A41 and C8; this application of funds is excluded from lines C3 and C4. A second part of line A4 expenditures finances future deliveries under military sales contracts for the recipient countries and is applied directly to lines A42 and C9. A third part of line A4, disbursed directly to finance purchases by recipient countries from commercial suppliers in the United States, is included in line A37. A fourth part of line A4, representing dollars paid to the recipient countries to finance purchases from countries other than the United States, is included in line A48.

2. Transactions under military sales contracts are those in which the Department of Defense sells and transfers military goods and services to a foreign purchaser, on a cash or credit basis. Purchases by foreigners directly from commercial suppliers are *not* included as transactions under military sales contracts. The entries for the several categories of transactions related to military sales contracts in this and other tables are partly estimated from incomplete data.

3. The identification of transactions involving direct dollar outflows from the United States is made in reports by each operating agency.

4. Line A38 includes foreign currency collected as interest and line A43 includes foreign currency collected as principal, as recorded in lines A16 and A17, respectively.

5. Includes (a) advance payments to the Department of Defense (on military sales contracts) financed by loans extended to foreigners by U.S. Government agencies and (b) the contraentry for the part of line C10 that was delivered without prepayment by the foreign purchaser. Also includes expenditures of appropriations available to release foreign purchasers from liability to make repayment.

6. Includes purchases of loans from U.S. banks and exporters and payments by the U.S. Government under commercial export credit and investment guarantee programs.

7. Excludes liabilities associated with military sales contracts financed by U.S. Government grants and credits and included in line C2.

Table 5:

1. Beginning with 1991, payments and receipts of interest related to interest rate and foreign currency swaps between affiliates and parents are netted and are shown as either net payments or net receipts. Receipts and payments of other types of interest are shown on a gross basis.

2. Petroleum includes, and manufacturing and "other" industries exclude, the exploration, development, and production of crude oil and gas, and the transportation, refining, and marketing of petroleum products, exclusive of petrochemicals. "Other" industries includes wholesale trade; banking; finance (except banking), insurance, and real estate; services; and other industries—agriculture, forestry, and fishing; mining construction; transportation, communication, and public utilities; and retail trade.

3. Acquisition of equity holdings in existing and newly established companies, capital contributions, capitalization of intercompany debt, and other equity contributions.

4. Sales (total and partial), liquidations, returns of capital contributions, and other dispositions of equity holdings.

Table 6:

1. Primarily provincial, regional, and municipal.

2. Largely transactions by International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), and Inter-American Development Bank (IDB).

3. Estimate for scheduled redemptions and identifiable early redemptions. Includes estimates based on Canadian statistics for redemptions of Canadian issues held in the United States. Unidentified and nonscheduled retirements appear in line A30.

Table 7:

1. Estimates of transactions other than those with U.S. banks' Caribbean branches and with financial intermediaries (F.I.s) are not available. Preliminary estimates of transactions with F.I.s, by area, are commingled in "other" to avoid disclosure of individual companies' area data.

2. Deposits (line A5) include other financial claims (line A7) for some countries due to the commingling of these categories in foreign source data.

3. Primarily mortgages, loans, and bills and notes drawn on foreigners.

4. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

5. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

6. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.

Table 8:

1. Includes central governments and their agencies and corporations; state, provincial, and local governments and their agencies and corporations; and international and regional organizations.

2. U.S.-owned banks are mainly U.S.-chartered banks, Edge Act subsidiaries, and U.S. bank holding companies. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States. Brokers and dealers are identified separately beginning with the first quarter of 1997; prior to 1997, they are commingled with U.S.-owned banks' accounts.

3. Commercial paper issued in the U.S. market by foreign incorporated entities; excludes commercial paper issued through foreign direct investment affiliates in the United States.

4. Negotiable and readily transferable instruments other than commercial paper, payable in dollars; consists largely of negotiable certificates of deposit.

5. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

6. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

7. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.

8. Includes Eastern Europe and international and regional organizations.

9. Estimates first available for the second quarter of 2001.

Table 9:

1. Negotiable certificates of deposit issued by banks in the United States are included in banks' custody liabilities and are separately identified in memorandum line 8. Nonnegotiable certificates of deposit are included in time deposits.

2. Includes borrowing under Federal funds or repurchase arrangements, deferred credits, and liabilities other than deposits.

3. Mainly negotiable and readily transferable instruments, excluding U.S. Treasury securities.

4. Mainly International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), Inter-American Development Bank (IDB), and the Trust Fund of the International Monetary Fund.

5. U.S.-owned banks are mainly U.S.-chartered banks, Edge Act subsidiaries, and U.S. bank holding companies. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States. Brokers and dealers are identified separately beginning with the first quarter of 1997; prior to 1997, they are commingled with U.S.-owned banks' accounts.

6. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

7. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

8. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.

9. Includes Eastern Europe and international and regional organizations.

10. Estimates first available for the second quarter of 2001.

Table 10: For footnotes 1–13, see table 1.

14. The "European Union" includes the "European Union (6)," United Kingdom (6), Denmark, Ireland, Greece, Spain, and Portugal. Beginning with the first quarter of 1995, the "European Union" also includes Austria, Finland, and Sweden.

15. The "European Union (6)" includes Belgium, France, Germany (includes the former German Democratic Republic (East Germany) beginning in the fourth quarter of 1990), Italy, Luxembourg, Netherlands, European Atomic Energy Community, European Coal and Steel Community, and European Investment Bank.

16. Includes, as part of international and unallocated, the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment internationally, and in petroleum trading. Also includes taxes withheld; current-cost adjustments associated with U.S. and foreign direct investment; before 1996, small transactions in business services that are not reported by country; and net U.S. currency flows, for which geographic source data are not available.

17. Details are not shown separately; see totals in lines 56 and 63.

18. Details not shown separately are included in line 69.

BEA Current and Historical Data

National, International, and Regional Data

This section presents an extensive selection of economic statistics prepared by the Bureau of Economic Analysis (BEA) and a brief selection of collateral statistics prepared by other Government agencies and private organizations. Series that originate in Government agencies are not copyrighted and may be reprinted freely. Series from private sources are provided through the courtesy of the compilers and are subject to their copyrights.

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The tables present annual [A], quarterly [Q], and monthly [M] data

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BEA Current and Historical Data

National, International, and Regional Data

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National Data

A. Selected NIPA Tables

The tables in this section include the most recent estimates of gross domestic product and its components; these estimates were released on March 27, 2003, and include the "final" estimates for the fourth quarter of 2002. Also included are revised estimates of wages and salaries and affected income-side series for the third quarter of 2002.

The selected set of NIPA tables shown in this section presents quarterly estimates, which are updated monthly. In most of these tables, annual estimates are also shown.

The news release on gross domestic product is posted immediately upon official release, and the "Selected NIPA Tables" are available later that day, on BEA's Web site <www.bea.gov>.

The "Selected NIPA Tables" are also available on printouts or diskettes from BEA. To order, call the BEA Order Desk at 1-800-704-0415 (outside the United States, 202-606-9666).

S. Summary Tables

Table S.1. Summary of Percent Change From Preceding Period in Real Gross Domestic Product and Related Measures

[Percent]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Gross domestic product..	.3	2.4	2.7	5.0	1.3	4.0	1.4
Personal consumption expenditures.....	2.5	3.1	6.0	3.1	1.8	4.2	1.7
Durable goods.....	6.0	7.3	33.6	-6.3	2.0	22.8	-8.2
Nondurable goods.....	2.0	3.2	3.6	7.9	-1	1.0	5.1
Services.....	2.0	2.2	2.1	2.9	2.7	2.3	2.2
Gross private domestic investment.....	-10.7	1.0	-17.3	18.2	7.9	3.6	6.3
Fixed investment.....	-3.8	-3.1	-8.9	-5	-1.0	-3	4.4
Nonresidential.....	-5.2	-5.7	-10.9	-5.8	-2.4	-8	2.3
Structures.....	-1.7	-16.4	-30.1	-14.2	-17.6	-21.4	-9.9
Equipment and software.....	-6.4	-1.7	-2.5	-2.7	3.3	6.7	6.2
Residential.....	.3	3.9	-3.5	14.2	2.7	1.1	9.4
Change in private inventories.....							
Net exports of goods and services.....							
Exports.....	-5.4	-1.6	-9.6	3.5	14.3	4.6	-5.8
Goods.....	-5.9	-3.6	-7.9	-3.4	15.9	4.1	-11.5
Services.....	-4.0	3.2	-13.8	21.7	10.7	5.9	8.0
Imports.....	-2.9	3.7	-5.3	8.5	22.2	3.3	7.4
Goods.....	-3.3	3.9	-3.3	3.7	27.9	3.4	6.2
Services.....	-5	2.1	-16.5	35.7	-2.1	3.1	13.0
Government consumption expenditures and gross investment.....	3.7	4.4	10.5	5.6	1.4	2.9	4.6
Federal.....	4.8	7.5	13.5	7.4	7.5	4.3	11.0
National defense.....	5.0	9.3	14.3	11.6	7.8	6.9	11.0
Nondefense.....	4.5	4.3	12.1	.4	6.9	-3	11.1
State and local.....	3.1	2.8	8.9	4.6	-1.7	2.2	1.2
Addenda:							
Final sales of domestic product.....	1.5	1.8	4.2	2.4	-1	3.4	1.1
Gross domestic purchases..	.4	3.0	2.9	5.6	2.6	3.9	2.9
Final sales to domestic purchasers.....	1.6	2.4	4.3	3.0	1.3	3.3	2.6
Gross national product.....	.2	2.1	3.7	3.7	.4	4.4	1.4
Disposable personal income	1.8	4.3	-7.6	14.5	3.9	1.8	2.4

NOTE. Percent changes from preceding period in the current-dollar and price measures for these series are shown in table 8.1.

Table S.2. Summary of Contributions to Percent Change in Real Gross Domestic Product

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Percent change at annual rate:							
Gross domestic product .....	.3	2.4	2.7	5.0	1.3	4.0	1.4
Percentage points at annual rates:							
Personal consumption expenditures.....	1.67	2.15	4.05	2.22	1.22	2.93	1.19
Durable goods.....	.48	.59	2.45	-.55	.16	1.74	-.72
Nondurable goods.....	.39	.64	.73	1.57	-.02	.22	1.01
Services.....	.80	.92	.87	1.20	1.08	.97	.90
Gross private domestic investment.....	-1.90	.15	-2.88	2.53	1.16	.55	.93
Fixed investment.....	-.65	-.50	-1.49	-.07	-.15	-.03	.65
Nonresidential.....	-.66	-.68	-1.33	-.66	-.27	-.08	.24
Structures.....	-.05	-.52	-1.12	-.44	-.53	-.62	-.25
Equipment and software.....							
Residential.....	-.61	-.15	-.21	-.22	.26	.53	.49
Change in private inventories.....	.01	.18	-.16	.60	.12	.05	.41
Net exports of goods and services.....	-1.24	.65	-1.39	2.60	1.31	.58	.28
Net exports of goods and services.....	-1.18	-.67	-.28	-.75	-1.40	-.01	-1.59
Exports.....	-.59	-.17	-.99	.33	1.29	.45	-.59
Goods.....	-.47	-.26	-.56	-.23	.99	.28	-.82
Services.....	-.13	.09	-.42	.56	.30	.17	.23
Imports.....	.42	-.50	.70	-1.08	-2.69	-.47	-1.00
Goods.....	.40	-.43	.37	-.40	-2.74	-.40	-.71
Services.....	.01	-.07	.33	-.68	.05	-.07	-.30
Government consumption expenditures and gross investment.....	.65	.81	1.85	1.04	.27	.56	.85
Federal.....	.29	.47	.80	.47	.47	.29	.70
National defense.....	.19	.37	.54	.46	.32	.29	.46
Nondefense.....	.10	.10	.26	.01	.16	-.01	.25
State and local.....	.36	.34	1.05	.56	-.21	.27	.15

NOTE. More detailed contributions to percent change in real gross domestic product are shown in table 8.2. Contributions to percent change in major components of real gross domestic product are shown in tables 8.3 through 8.6.

1. National Product and Income

Table 1.1. Gross Domestic Product

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Gross domestic product	10,082.2	10,446.2	10,152.9	10,313.1	10,376.9	10,506.2	10,588.8
Personal consumption expenditures	6,987.0	7,303.7	7,099.9	7,174.2	7,254.7	7,360.7	7,425.4
Durable goods	835.9	871.9	882.6	859.0	856.9	897.8	873.9
Nondurable goods	2,041.3	2,115.0	2,044.4	2,085.1	2,108.2	2,116.9	2,150.0
Services	4,109.9	4,316.8	4,172.9	4,230.1	4,289.5	4,346.0	4,401.5
Gross private domestic investment	1,586.0	1,593.2	1,500.7	1,559.4	1,588.0	1,597.3	1,628.1
Fixed investment	1,646.3	1,589.3	1,597.2	1,589.4	1,584.6	1,579.7	1,603.6
Nonresidential	1,201.6	1,117.4	1,149.8	1,126.8	1,115.8	1,109.8	1,117.1
Structures	324.5	269.3	302.3	288.3	275.2	259.4	254.2
Equipment and software	877.1	848.1	847.4	838.5	840.7	850.4	863.0
Residential	444.8	471.9	447.4	462.6	468.7	469.9	486.5
Change in private inventories	-60.3	3.9	-96.5	-29.9	3.4	17.6	24.5
Net exports of goods and services	-348.9	-423.6	-344.5	-360.1	-425.6	-432.9	-476.0
Exports	1,034.1	1,014.9	971.1	977.5	1,018.1	1,038.6	1,025.4
Goods	733.5	703.6	687.7	679.8	709.4	722.6	702.6
Services	300.6	311.3	283.4	297.7	308.8	316.0	322.8
Imports	1,383.0	1,438.5	1,315.6	1,337.5	1,443.7	1,471.5	1,501.4
Goods	1,167.2	1,192.1	1,098.3	1,102.3	1,202.9	1,220.9	1,242.5
Services	215.8	246.4	217.3	235.2	240.8	250.6	258.9
Government consumption expenditures and gross investment	1,858.0	1,972.9	1,896.8	1,939.5	1,959.8	1,981.1	2,011.3
Federal	628.1	693.7	646.9	672.0	688.2	697.7	716.9
National defense	399.9	447.4	412.8	431.7	442.1	451.2	464.7
Nondefense	228.2	246.3	234.1	240.3	246.1	246.5	252.2
State and local	1,229.9	1,279.2	1,249.8	1,267.5	1,271.6	1,283.3	1,294.4

NOTE. Percent changes from preceding period for selected items in this table are shown in table 8.1.

Table 1.2. Real Gross Domestic Product

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Gross domestic product	9,214.5	9,439.9	9,248.8	9,363.2	9,392.4	9,485.6	9,518.2
Personal consumption expenditures	6,377.2	6,576.0	6,464.0	6,513.8	6,542.4	6,609.9	6,637.9
Durable goods	931.9	999.9	992.0	975.9	980.7	1,032.4	1,010.6
Nondurable goods	1,869.8	1,929.5	1,885.0	1,921.4	1,920.9	1,925.8	1,950.0
Services	3,594.9	3,675.6	3,616.6	3,642.2	3,666.2	3,687.0	3,707.0
Gross private domestic investment	1,574.6	1,589.6	1,490.3	1,554.0	1,583.9	1,598.0	1,622.4
Fixed investment	1,627.4	1,577.3	1,578.4	1,576.4	1,572.6	1,571.6	1,588.5
Nonresidential	1,255.1	1,183.4	1,206.4	1,188.4	1,181.1	1,178.7	1,185.3
Structures	270.9	226.4	252.7	243.2	231.7	218.2	212.6
Equipment and software	988.2	971.1	960.3	953.7	961.4	977.2	992.1
Residential	373.5	388.2	371.0	383.6	386.1	387.1	395.9
Change in private inventories	-61.4	5.2	-98.4	-28.9	4.9	18.8	25.8
Net exports of goods and services	-415.9	-488.5	-425.3	-446.6	-487.4	-488.0	-532.2
Exports	1,076.1	1,058.8	1,021.8	1,030.6	1,065.5	1,077.7	1,061.6
Goods	785.2	756.9	744.6	738.1	765.8	773.5	750.3
Services	292.0	301.5	278.2	292.2	299.7	304.0	310.0
Imports	1,492.0	1,547.4	1,447.2	1,477.1	1,552.9	1,565.7	1,593.8
Goods	1,270.5	1,320.1	1,238.7	1,250.0	1,329.2	1,340.3	1,360.8
Services	222.4	227.2	208.9	225.5	224.3	226.0	233.0
Government consumption expenditures and gross investment	1,640.4	1,712.8	1,674.5	1,697.3	1,703.3	1,715.6	1,735.0
Federal	570.6	613.3	587.2	597.8	608.7	615.1	631.4
National defense	366.0	400.0	378.0	388.5	395.8	402.5	413.2
Nondefense	204.4	213.3	209.1	209.3	212.9	212.7	218.3
State and local	1,069.4	1,099.7	1,087.1	1,099.3	1,094.7	1,100.6	1,104.0
Residual	22.6	19.9	20.2	20.2	25.1	12.1	22.2

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Percent changes from preceding period for selected items in this table are shown in table 8.1; contributions to the percent change in real gross domestic product are shown in table 8.2.

Chain-type quantity indexes for the series in this table are shown in table 7.1.

Table 1.9. Relation of Gross Domestic Product, Gross National Product, Net National Product, National Income, and Personal Income

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Gross domestic product	10,082.2	10,446.2	10,152.9	10,313.1	10,376.9	10,506.2	10,588.8
<i>Plus:</i> Income receipts from the rest of the world	316.9	278.0	269.0	264.7	276.0	287.3	284.2
<i>Less:</i> Income payments to the rest of the world	295.0	287.6	233.7	262.8	296.1	298.2	293.4
Equals: Gross national product	10,104.1	10,436.7	10,188.1	10,314.9	10,356.8	10,495.3	10,579.7
<i>Less:</i> Consumption of fixed capital	1,329.3	1,393.5	1,338.6	1,363.5	1,389.8	1,405.3	1,415.4
Private	1,106.8	1,163.9	1,114.4	1,136.9	1,161.2	1,174.8	1,182.7
Capital consumption allowances	1,168.4	1,320.0	1,331.9	1,324.0	1,322.0	1,317.9	1,315.9
<i>Less:</i> Consumption adjustment	61.6	156.1	217.5	187.0	160.8	143.1	133.3
Government	222.4	229.6	224.2	226.5	228.6	230.5	232.7
General government	187.7	195.0	190.4	192.5	194.1	195.7	197.6
Government enterprises	34.8	34.6	33.8	34.0	34.4	34.8	35.1
Equals: Net national product	8,774.8	9,043.2	8,849.5	8,951.5	8,967.0	9,090.0	9,164.3
<i>Less:</i> Indirect business tax and nontax liability Business transfer payments	774.8	800.4	779.9	786.2	795.1	806.9	813.3
Statistical discrepancy	42.5	44.1	42.8	43.8	43.9	44.4	44.3
<i>Plus:</i> Subsidies less current surplus of government enterprises	-117.3	-116.7	-132.6	-110.0	-165.0	-82.1	-109.6
Equals: National income	8,122.0	8,347.9	8,196.8	8,268.5	8,328.0	8,349.9	8,445.3
<i>Less:</i> Corporate profits with inventory valuation and capital consumption adjustments	731.6	787.4	811.4	797.6	785.0	771.0	796.1
Net interest	649.8	684.2	653.9	672.8	678.1	687.6	698.3
Contributions for social insurance	726.1	747.5	725.8	740.4	746.1	748.8	754.9
Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
<i>Plus:</i> Personal interest income	1,091.3	1,078.5	1,072.9	1,069.9	1,082.3	1,080.7	1,080.9
Personal dividend income	409.2	433.8	417.3	423.7	430.3	437.3	443.8
Government transfer payments to persons	1,137.0	1,252.9	1,171.0	1,217.4	1,247.7	1,263.1	1,283.5
Business transfer payments to persons	33.4	35.1	34.0	34.6	34.9	35.3	35.6
Equals: Personal income	8,685.3	8,929.1	8,700.9	8,803.4	8,914.0	8,958.9	9,039.9
Addenda:							
Gross domestic income	10,199.4	10,562.9	10,285.5	10,423.1	10,541.8	10,588.3	10,698.4
Gross national income	10,221.4	10,553.3	10,320.7	10,424.9	10,521.8	10,577.4	10,689.2
Net domestic product	8,752.9	9,052.8	8,814.3	8,949.6	8,987.0	9,101.0	9,173.4

Table 1.10. Relation of Real Gross Domestic Product, Real Gross National Product, and Real Net National Product

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Gross domestic product	9,214.5	9,439.9	9,248.8	9,363.2	9,392.4	9,485.6	9,518.2
<i>Plus:</i> Income receipts from the rest of the world	292.0	253.3	247.4	242.8	251.8	261.3	257.5
<i>Less:</i> Income payments to the rest of the world	269.2	260.3	213.1	239.2	268.2	269.5	264.2
Equals: Gross national product	9,237.3	9,433.5	9,283.5	9,367.5	9,376.7	9,477.9	9,512.1
<i>Less:</i> Consumption of fixed capital	1,320.8	1,399.9	1,333.5	1,357.9	1,390.9	1,417.0	1,433.7
Private	1,110.7	1,184.5	1,122.2	1,144.8	1,176.2	1,200.9	1,216.0
Government	210.9	216.6	212.1	214.0	215.8	217.5	219.1
General government	179.2	185.4	181.5	183.2	184.7	186.1	187.5
Government enterprises	31.7	31.2	30.6	30.9	31.1	31.3	31.6
Equals: Net national product	7,928.1	8,049.7	7,961.1	8,022.0	8,001.6	8,078.2	8,097.2
Addenda:							
Gross domestic income ¹	9,321.7	9,545.3	9,369.5	9,463.1	9,541.7	9,559.7	9,616.7
Gross national income ²	9,344.5	9,539.0	9,404.2	9,467.4	9,526.0	9,552.1	9,610.5
Net domestic product	7,905.4	8,055.8	7,926.7	8,017.7	8,017.0	8,085.5	8,103.0

1. Gross domestic income deflated by the implicit price deflator for gross domestic product.

2. Gross national income deflated by the implicit price deflator for gross national product.

NOTE. Except as noted in footnotes 1 and 2, chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

The chain-type quantity index for gross national product is shown in table 7.3.

Table 1.11. Command-Basis Real Gross National Product

[Billions of chained (1996) dollars]

Gross national product	9,237.3	9,433.5	9,283.5	9,367.5	9,376.7	9,477.9	9,512.1
<i>Less:</i> Exports of goods and services and income receipts from the rest of the world ...	1,366.5	1,307.1	1,264.7	1,268.0	1,311.9	1,334.2	1,314.4
<i>Plus:</i> Command-basis exports of goods and services and income receipts from the rest of the world ¹	1,410.0	1,344.4	1,314.9	1,321.2	1,345.6	1,365.6	1,345.4
Equals: Command-basis gross national product	9,280.9	9,470.8	9,333.7	9,420.6	9,410.3	9,509.3	9,543.1
Addendum:							
Terms of trade ²	103.2	102.8	104.0	104.2	102.6	102.4	102.4

1. Exports of goods and services and income receipts deflated by the implicit price deflator for imports of goods and services and income payments.

2. Ratio of the implicit price deflator for exports of goods and services and income receipts to the corresponding implicit price deflator for imports divided by 100.

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Percent changes from preceding period for gross national product are shown in table 8.1.

Chain-type quantity indexes for the series in this table are shown in table 7.3.

Table 1.14. National Income by Type of Income

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				
			IV	I	II	III	IV
National income	8,122.0	8,347.9	8,196.8	8,268.5	8,328.0	8,349.9	8,445.3
Compensation of employees	5,874.9	5,977.4	5,860.9	5,908.4	5,963.9	5,988.4	6,048.8
Wage and salary accruals....	4,950.6	5,003.7	4,931.4	4,957.8	4,997.3	5,007.4	5,052.4
Government.....	810.8	852.8	825.2	840.4	848.4	857.1	865.4
Other	4,139.8	4,150.9	4,106.2	4,117.4	4,148.9	4,150.3	4,187.0
Supplements to wages and salaries	924.3	973.7	929.4	950.7	966.6	981.0	996.4
Employer contributions for social insurance	353.9	363.0	353.2	359.9	362.5	363.5	366.2
Other labor income	570.4	610.6	576.3	590.8	604.1	617.5	630.2
Proprietors' income with inventory valuation and capital consumption adjustments	727.9	756.5	731.3	748.4	747.5	758.7	771.6
Farm	19.0	12.9	19.2	21.7	7.5	10.7	11.7
Proprietors' income with inventory valuation adjustment	26.7	21.6	27.1	30.0	16.1	19.6	20.8
Capital consumption adjustment	-7.7	-8.7	-7.8	-8.2	-8.7	-8.9	-9.1
Nonfarm	708.8	743.7	712.1	726.7	740.0	748.0	759.9
Proprietors' income	621.6	630.1	594.1	612.5	626.9	635.0	646.1
Inventory valuation adjustment .....	.9	-1.0	3.6	-2	-1.1	-1.7	-9
Capital consumption adjustment	86.3	114.5	114.3	114.4	114.2	114.6	114.7
Rental income of persons with capital consumption adjustment	137.9	142.4	139.3	141.3	153.5	144.1	130.6
Rental income of persons....	204.4	212.0	206.9	209.1	221.9	214.5	202.6
Capital consumption adjustment	-66.5	-69.6	-67.6	-67.8	-68.4	-70.3	-72.1
Corporate profits with inventory valuation and capital consumption adjustments	731.6	787.4	811.4	797.6	785.0	771.0	796.1
Corporate profits with inventory valuation adjustment	675.1	658.3	626.3	641.3	652.2	653.4	686.4
Profits before tax	670.2	665.2	599.1	639.4	657.9	668.5	694.9
Profits tax liability	199.3	213.3	170.6	202.4	213.7	214.7	222.4
Profits after tax	470.9	451.9	428.5	437.0	444.3	453.8	472.5
Dividends	409.6	434.3	417.7	424.2	430.8	437.7	444.3
Undistributed profits	61.2	17.6	10.8	12.8	13.5	16.1	28.2
Inventory valuation adjustment	5.0	-6.9	27.2	1.9	-5.7	-15.1	-8.5
Capital consumption adjustment	56.5	129.1	185.1	156.3	132.8	117.6	109.7
Net interest	649.8	684.2	653.9	672.8	678.1	687.6	698.3
Addenda:							
Corporate profits after tax with inventory valuation and capital consumption adjustments	532.3	574.1	640.8	595.2	571.3	556.3	573.7
Net cash flow with inventory valuation and capital consumption adjustments	911.8	967.3	1,015.6	979.3	966.7	954.7	968.7
Undistributed profits with inventory valuation and capital consumption adjustments	122.7	139.9	223.0	171.0	140.5	118.6	129.4
Consumption of fixed capital	789.1	827.5	792.6	808.3	826.1	836.1	839.3
Less: Inventory valuation adjustment	5.0	-6.9	27.2	1.9	-5.7	-15.1	-8.5
<i>Equals:</i> Net cash flow	906.8	974.2	988.4	977.4	972.4	969.8	977.2

Table 1.16. Gross Product of Corporate Business in Current Dollars and Gross Product of Nonfinancial Corporate Business in Current and Chained Dollars

	2001	2002	Seasonally adjusted at annual rates				
			2002				
			IV	I	II	III	IV
			Billions of dollars				
Gross product of corporate business	6,117.5	6,329.8	6,153.4	6,249.2	6,320.3	6,335.7	6,414.0
Consumption of fixed capital ..	789.1	827.5	792.6	808.3	826.1	836.1	839.3
Net product	5,328.4	5,502.3	5,360.8	5,440.9	5,494.1	5,499.6	5,574.7
Indirect business tax and nontax liability plus business transfer payments less subsidies..	565.7	592.6	576.7	582.1	588.8	598.0	601.2
Domestic income	4,762.7	4,909.8	4,784.1	4,858.9	4,905.3	4,901.6	4,973.4
Compensation of employees	3,945.6	3,986.6	3,921.6	3,941.7	3,979.5	3,991.2	4,033.8
Wage and salary accruals	3,378.6	3,388.0	3,351.4	3,360.6	3,386.5	3,387.3	3,417.5
Supplements to wages and salaries	567.0	598.6	570.2	581.1	593.1	603.9	616.3
Corporate profits with inventory valuation and capital consumption adjustments	580.9	668.1	646.7	665.6	669.9	654.9	682.0
Profits before tax	519.4	545.9	434.4	507.4	542.9	552.4	580.8
Profits tax liability	199.3	213.3	170.6	202.4	213.7	214.7	222.4
Profits after tax	320.1	332.6	263.8	305.0	329.2	337.7	358.4
Dividends	383.1	392.9	391.9	402.8	385.1	379.2	404.4
Undistributed profits	-63.0	-60.3	-128.1	-97.9	-56.0	-41.5	-46.0
Inventory valuation adjustment	5.0	-6.9	27.2	1.9	-5.7	-15.1	-8.5
Capital consumption adjustment	56.5	129.1	185.1	156.3	132.8	117.6	109.7
Net interest	236.3	255.1	215.8	251.6	255.8	255.4	257.6
Gross product of financial corporate business	763.3	830.9	761.8	825.5	831.3	830.9	836.1
Gross product of nonfinancial corporate business	5,354.2	5,498.9	5,391.6	5,423.8	5,489.0	5,504.8	5,577.9
Consumption of fixed capital ..	652.8	686.6	657.0	670.7	685.1	693.7	696.7
Net product	4,701.4	4,812.3	4,734.6	4,753.1	4,803.8	4,811.1	4,881.2
Indirect business tax and nontax liability plus business transfer payments less subsidies..	523.7	549.1	534.3	539.3	545.6	554.2	557.2
Domestic income	4,177.7	4,263.3	4,200.3	4,213.9	4,258.2	4,256.9	4,324.0
Compensation of employees	3,573.5	3,610.8	3,551.8	3,570.1	3,604.4	3,615.0	3,653.7
Wage and salary accruals	3,056.4	3,064.9	3,031.8	3,040.2	3,063.5	3,064.3	3,091.6
Supplements to wages and salaries	517.1	545.9	520.0	529.9	540.8	550.7	562.1
Corporate profits with inventory valuation and capital consumption adjustments	407.4	458.4	449.0	452.4	459.3	447.6	474.4
Profits before tax	328.8	328.6	234.3	289.2	324.4	336.3	364.4
Profits tax liability	123.5	131.5	94.0	119.8	130.8	133.4	142.2
Profits after tax	205.3	197.0	140.3	169.5	193.6	202.9	222.1
Dividends	278.5	285.8	285.2	293.1	280.2	275.9	294.2
Undistributed profits	-73.2	-88.8	-144.9	-123.6	-86.6	-73.0	-72.1
Inventory valuation adjustment	5.0	-6.9	27.2	1.9	-5.7	-15.1	-8.5
Capital consumption adjustment	73.6	136.7	187.4	161.3	140.6	126.4	118.6
Net interest	196.8	194.1	199.5	191.4	194.6	194.3	195.9
			Billions of chained (1996) dollars				
Gross product of nonfinancial corporate business ¹	5,141.8	5,307.5	5,189.3	5,231.3	5,298.7	5,320.7	5,379.4
Consumption of fixed capital ² ..	671.9	720.8	681.0	695.2	715.4	731.4	741.1
Net product ³	4,469.9	4,586.7	4,508.4	4,536.0	4,583.3	4,589.4	4,638.3

1. Effective November 26, 2002, the estimates of chained-dollar gross product of nonfinancial corporate business beginning with 1999 have been revised to reflect the 2002 annual revision to the gross product price index for nonfinancial industries.

2. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100.

3. Chained-dollar net product of nonfinancial corporate business is the difference between the gross product and the consumption of fixed capital.

3. Government Current Receipts and Expenditures

Table 3.1. Government Current Receipts and Expenditures

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
				IV	I	II	III	IV
Current receipts	2,992.3	2,874.8	2,986.1	2,865.7	2,876.7	2,869.4	2,887.3
Personal tax and nontax receipts	1,292.1	1,113.6	1,309.7	1,136.8	1,121.8	1,099.0	1,096.8
Corporate profits tax accruals	199.3	213.3	170.6	202.4	213.7	214.7	222.4
Indirect business tax and nontax accruals	774.8	800.4	779.9	786.2	795.1	806.9	813.3
Contributions for social insurance	726.1	747.5	725.8	740.4	746.1	748.8	754.9
Current expenditures	2,951.6	3,126.2	2,994.9	3,067.3	3,117.4	3,134.6	3,185.6
Consumption expenditures	1,522.2	1,621.0	1,551.8	1,584.0	1,611.6	1,629.4	1,659.0
Transfer payments (net)	1,146.6	1,267.3	1,186.3	1,240.2	1,258.3	1,272.8	1,298.0
To persons	1,137.0	1,252.9	1,171.0	1,217.4	1,247.7	1,263.1	1,283.5
To the rest of the world (net)	9.6	14.4	15.3	22.8	10.6	9.7	14.5
Net interest paid	236.0	205.8	219.9	206.6	212.8	203.8	200.1
Interest paid	341.1	314.1	326.1	312.7	319.5	312.2	311.8
To persons and business	260.4	241.0	250.2	238.7	244.9	239.4	241.2
To the rest of the world	80.7	73.0	75.9	74.0	74.7	72.8	70.7
Less: Interest received by government	105.1	108.2	106.2	106.2	106.7	108.4	111.7
Less: Dividends received by government .....	.4	.5	.4	.4	.5	.5	.5
Subsidies less current surplus of government enterprises	47.3	32.5	37.5	37.0	35.1	29.1	29.0
Subsidies	55.3	46.2	46.1	46.4	46.0	46.6	45.9
Less: Current surplus of government enterprises	8.0	13.7	8.6	9.4	11.0	17.5	17.0
Less: Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
Current surplus or deficit (-), national income and product accounts	40.7	-251.4	-8.9	-201.6	-240.7	-265.2	-298.3
Social insurance funds	93.2	52.9	76.3	63.9	49.6	48.0	49.9
Other	-52.5	-304.3	-85.1	-265.5	-290.3	-313.2	-348.2
Addenda:							
Net lending or net borrowing (-)	-46.9	-351.9	-105.6	-305.6	-341.3	-362.1	-398.5
Current surplus or deficit (-), national income and product accounts	40.7	-251.4	-8.9	-201.6	-240.7	-265.2	-298.3
Plus: Consumption of fixed capital	222.4	229.6	224.2	226.5	228.6	230.5	232.7
Plus: Capital transfers received (net)	35.4	32.9	34.7	35.8	29.7	35.7	30.3
Less: Gross investment	335.8	351.9	345.0	355.5	348.2	351.7	352.2
Less: Net purchases of nonproduced assets	9.6	11.0	10.6	10.8	10.6	11.4	11.0

Table 3.2. Federal Government Current Receipts and Expenditures

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Current receipts	2,008.4	1,875.6	1,992.3	1,884.7	1,883.7	1,864.1	1,869.7
Personal tax and nontax receipts	1,010.9	847.0	1,025.5	874.8	856.6	831.3	825.3
Income taxes	1,000.3	837.6	1,015.1	864.8	847.0	822.3	816.3
Nontaxes	10.6	9.4	10.4	10.0	9.6	9.1	9.0
Corporate profits tax accruals	170.2	179.8	142.9	170.5	180.2	181.1	187.5
Federal Reserve banks	27.1	22.2	24.3	22.7	23.2	22.2	20.6
Other	143.2	157.6	118.6	147.8	157.0	158.8	166.9
Indirect business tax and nontax accruals	110.3	110.6	107.3	108.4	110.2	112.4	111.5
Excise taxes	66.3	69.6	64.9	68.4	69.9	69.8	70.3
Customs duties	20.6	20.3	19.9	18.8	19.4	22.4	20.6
Nontaxes	23.4	20.7	22.5	21.2	20.9	20.2	20.5
Contributions for social insurance	716.9	738.1	716.6	731.1	736.7	739.3	745.4
Current expenditures	1,936.4	2,075.5	1,971.0	2,030.5	2,079.3	2,074.6	2,117.4
Consumption expenditures	528.4	586.5	543.6	566.3	581.0	589.8	608.9
Transfer payments (net)	842.2	931.7	870.9	916.9	927.6	934.1	948.5
To persons	832.6	917.4	855.6	894.1	917.0	924.4	934.0
To the rest of the world (net)	9.6	14.4	15.3	22.8	10.6	9.7	14.5
Grants-in-aid to State and local governments	277.4	305.7	289.4	292.3	309.6	305.0	315.8
Net interest paid	238.1	207.8	221.6	208.5	214.9	205.8	202.1
Interest paid	257.8	228.9	242.1	228.3	234.6	226.8	225.9
To persons and business	177.2	155.9	166.2	154.2	159.9	154.0	155.3
To the rest of the world	80.7	73.0	75.9	74.0	74.7	72.8	70.7
Less: Interest received by government	19.7	21.1	20.5	19.8	19.7	21.0	23.9
Subsidies less current surplus of government enterprises ..	50.3	43.7	45.5	46.6	46.3	39.9	42.1
Subsidies	47.5	45.4	43.1	44.9	45.5	45.0	46.3
Less: Current surplus of government enterprises ..	-2.8	1.7	-2.4	-1.7	-7	5.0	4.2
Less: Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
Current surplus or deficit (-), national income and product accounts ..	72.0	-199.9	21.3	-145.8	-195.6	-210.5	-247.7
Social insurance funds	93.3	53.0	76.4	64.1	49.7	48.1	50.0
Other	-21.3	-252.9	-55.1	-209.9	-245.3	-258.6	-297.7
Addenda:							
Net lending or net borrowing (-)	58.9	-224.5	3.3	-169.5	-223.2	-233.5	-271.7
Current surplus or deficit (-), national income and product accounts	72.0	-199.9	21.3	-145.8	-195.6	-210.5	-247.7
Plus: Consumption of fixed capital	98.7	101.9	99.7	100.6	101.3	102.2	103.6
Plus: Capital transfers received (net)	-12.9	-19.1	-14.3	-18.3	-21.8	-16.8	-19.5
Less: Gross investment ...	99.7	107.2	103.4	105.7	107.1	107.9	108.0
Less: Net purchases of nonproduced assets	-7	.2	.1	.2	-.1	.6	.1

Table 3.3. State and Local Government Current Receipts and Expenditures

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Current receipts	1,261.3	1,304.9	1,283.2	1,273.3	1,302.5	1,310.3	1,333.4
Personal tax and nontax receipts	281.2	266.6	284.3	262.0	265.3	267.7	271.4
Income taxes	218.7	200.7	220.5	197.4	199.9	201.4	204.2
Nontaxes	41.9	45.1	43.1	43.9	44.7	45.5	46.4
Other	20.6	20.7	20.7	20.7	20.7	20.7	20.8
Corporate profits tax accruals ..	29.1	33.5	27.7	32.0	33.5	33.7	34.9
Indirect business tax and nontax accruals	664.4	689.8	672.5	677.8	684.9	694.5	701.8
Sales taxes	321.2	333.5	326.0	327.4	330.6	337.2	338.6
Property taxes	257.4	267.8	261.0	263.5	265.9	268.6	273.2
Other	85.8	88.5	85.6	86.9	88.3	88.7	90.0
Contributions for social insurance	9.2	9.4	9.2	9.3	9.4	9.4	9.5
Federal grants-in-aid	277.4	305.7	289.4	292.3	309.6	305.0	315.8
Current expenditures	1,292.6	1,356.4	1,313.3	1,329.1	1,347.6	1,365.0	1,384.0
Consumption expenditures	993.7	1,034.5	1,008.2	1,017.7	1,030.6	1,039.6	1,050.1
Transfer payments to persons ..	304.4	335.6	315.4	323.4	330.7	338.7	349.5
Net interest paid	-2.1	-2.0	-1.8	-1.9	-2.0	-2.0	-1.9
Interest paid	83.3	85.2	84.0	84.5	84.9	85.4	85.9
Less: Dividends received by government	85.4	87.1	85.7	86.4	87.0	87.4	87.8
Less: Dividends received by government .....	.4	.5	.4	.4	.5	.5	.5
Subsidies less current surplus of government enterprises ..	-3.1	-11.2	-8.1	-9.6	-11.2	-10.8	-13.2
Subsidies	7.8	.8	2.9	1.4	.5	1.7	-4
Less: Current surplus of government enterprises ..	10.9	12.0	11.0	11.0	11.7	12.5	12.8
Less: Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
Current surplus or deficit (-), national income and product accounts ..	-31.3	-51.5	-30.2	-55.8	-45.1	-54.7	-50.6
Social insurance funds	-1	-1	-2	-2	-1	-1	-1
Other	-31.2	-51.4	-30.0	-55.6	-44.9	-54.6	-50.5
Addenda:							
Net lending or net borrowing (-)	-105.8	-127.4	-108.8	-136.1	-118.1	-128.5	-126.8
Current surplus or deficit (-), national income and product accounts	-31.3	-51.5	-30.2	-55.8	-45.1	-54.7	-50.6
Plus: Consumption of fixed capital	123.7	127.7	124.5	125.9	127.3	128.3	129.1
Plus: Capital transfers received (net)	48.3	52.0	49.0	54.1	51.5	52.5	49.8
Less: Gross investment ...	236.2	244.7	241.7	249.7	241.1	243.8	244.2
Less: Net purchases of nonproduced assets	10.3	10.8	10.5	10.6	10.7	10.9	10.9

Table 3.7. Government Consumption Expenditures and Gross Investment by Type

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Government consumption expenditures and gross investment¹	1,858.0	1,972.9	1,896.8	1,939.5	1,959.8	1,981.1	2,011.3
Federal	628.1	693.7	646.9	672.0	688.2	697.7	716.9
National defense	399.9	447.4	412.8	431.7	442.1	451.2	464.7
Consumption expenditures	344.5	386.6	356.0	372.1	382.5	388.9	403.2
Durable goods ²	24.2	25.3	24.0	24.7	24.9	26.3	25.2
Nondurable goods	10.5	11.5	11.3	10.9	11.7	12.0	11.4
Services	309.8	349.9	320.7	336.5	345.9	350.6	366.6
Compensation of general government employees, except own-account investment ³	143.7	154.4	143.9	152.7	155.0	155.8	153.9
Consumption of general government fixed capital ⁴	63.5	64.2	63.6	63.8	64.0	64.3	64.9
Other services	102.5	131.3	113.2	120.0	127.0	130.5	147.7
Gross investment	55.5	60.8	56.8	59.7	59.6	62.4	61.5
Structures	5.4	5.3	5.7	5.1	5.4	5.4	5.3
Equipment and software	50.0	55.5	51.1	54.6	54.2	57.0	56.3
Nondefense	228.2	246.3	234.1	240.3	246.1	246.5	252.2
Consumption expenditures	184.0	199.9	187.5	194.2	198.6	200.9	205.8
Durable goods ²	1.3	1.4	1.4	1.4	1.4	1.4	1.6
Nondurable goods	8.7	9.4	8.2	8.6	10.1	9.4	9.4
Commodity Credit Corporation inventory change .....	.8	-.2	.0	-.2	.3	-.2	-.6
Other nondurables	7.9	9.6	8.3	8.8	9.8	9.6	10.1
Services	174.0	189.1	177.9	184.3	187.1	190.1	194.7
Compensation of general government employees, except own-account investment ³	95.2	104.3	95.6	101.7	102.7	104.6	108.0
Consumption of general government fixed capital ⁴	28.7	30.8	29.5	30.0	30.5	31.0	31.6
Other services	50.1	54.0	52.8	52.6	53.9	54.5	55.1
Gross investment	44.2	46.4	46.6	46.1	47.5	45.5	46.5
Structures	10.4	12.3	11.6	13.3	12.1	11.3	12.6
Equipment and software	33.8	34.1	35.0	32.8	35.4	34.3	33.8
State and local	1,229.9	1,279.2	1,249.8	1,267.5	1,271.6	1,283.3	1,294.4
Consumption expenditures	993.7	1,034.5	1,008.2	1,017.7	1,030.6	1,039.6	1,050.1
Durable goods ²	18.3	19.4	18.8	19.1	19.3	19.5	19.7
Nondurable goods	118.7	121.1	113.9	115.3	120.2	122.6	126.3
Services	856.7	894.0	875.5	883.3	891.1	897.5	904.1
Compensation of general government employees, except own-account investment ³	700.4	733.8	718.1	723.9	730.1	737.1	744.0
Consumption of general government fixed capital ⁴	95.4	100.0	97.3	98.6	99.6	100.4	101.1
Other services	60.9	60.3	60.1	60.8	61.3	59.9	59.0
Gross investment	236.2	244.7	241.7	249.7	241.1	243.8	244.2
Structures	177.6	188.2	183.1	192.5	184.4	187.4	188.6
Equipment and software	58.6	56.5	58.6	57.2	56.6	56.4	55.6
Addenda:							
Compensation of general government employees ⁵	952.1	1,006.1	970.7	991.9	1,001.2	1,011.3	1,019.8
Federal	240.5	260.5	241.2	256.2	259.6	262.5	263.9
State and local ⁵	711.6	745.5	729.5	735.7	741.6	748.9	755.8

Table 3.8. Real Government Consumption Expenditures and Gross Investment by Type

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Government consumption expenditures and gross investment¹	1,640.4	1,712.8	1,674.5	1,697.3	1,703.3	1,715.6	1,735.0
Federal	570.6	613.3	587.2	597.8	608.7	615.1	631.4
National defense	366.0	400.0	378.0	388.5	395.8	402.5	413.2
Consumption expenditures	308.9	337.0	319.1	326.7	333.9	338.0	349.4
Durable goods ²	24.3	25.3	24.2	24.8	24.9	26.4	25.2
Nondurable goods	9.9	11.4	11.3	11.5	11.7	11.6	10.8
Services	275.1	300.6	284.0	290.7	297.6	300.5	313.4
Compensation of general government employees, except own-account investment ³	121.2	123.4	121.3	122.4	123.8	124.3	123.0
Consumption of general government fixed capital ⁴	62.4	62.6	62.4	62.4	62.5	62.6	62.8
Other services	91.7	114.9	100.6	106.2	111.6	113.8	128.2
Gross investment	57.3	63.3	59.0	62.2	62.2	65.0	63.9
Structures	4.6	4.4	4.7	4.2	4.5	4.4	4.3
Equipment and software	53.0	59.5	54.6	58.5	58.2	61.1	60.1
Nondefense	204.4	213.3	209.1	209.3	212.9	212.7	218.3
Consumption expenditures	161.1	167.8	163.7	164.3	166.5	167.9	172.5
Durable goods ²	1.5	1.7	1.6	1.7	1.7	1.7	1.9
Nondurable goods	8.9	8.5	7.8	7.8	9.6	8.3	8.4
Commodity Credit Corporation inventory change	1.7	-.1	.0	-.4	.8	-.1	-.6
Other nondurables	7.2	8.6	7.8	8.3	8.8	8.4	9.0
Services	151.6	157.7	154.4	154.6	155.8	157.9	162.2
Compensation of general government employees, except own-account investment ³	79.0	80.7	79.0	79.4	79.2	80.4	83.6
Consumption of general government fixed capital ⁴	28.0	30.1	28.8	29.3	29.8	30.3	30.9
Other services	45.4	48.0	47.6	47.0	47.9	48.3	48.7
Gross investment	43.6	45.9	45.9	45.4	47.0	45.1	46.0
Structures	8.9	10.4	9.9	11.3	10.2	9.5	10.6
Equipment and software	35.4	36.0	36.6	34.4	37.3	36.3	35.9
State and local	1,069.4	1,099.7	1,087.1	1,099.3	1,094.7	1,100.6	1,104.0
Consumption expenditures	856.8	881.1	870.7	875.9	879.4	883.0	886.3
Durable goods ²	18.3	19.3	18.7	19.0	19.2	19.4	19.6
Nondurable goods	108.7	113.0	110.7	111.8	112.6	113.3	114.1
Services	731.1	750.5	742.7	746.6	749.2	751.9	754.2
Compensation of general government employees, except own-account investment ³	589.6	601.7	597.6	599.4	600.8	602.6	604.1
Consumption of general government fixed capital ⁴	88.7	92.6	90.2	91.4	92.2	93.0	93.7
Other services	53.2	56.8	55.3	56.5	56.8	57.0	57.1
Gross investment	212.8	218.6	216.5	223.7	215.3	217.6	217.7
Structures	148.6	154.9	151.7	159.4	151.9	153.9	154.5
Equipment and software	65.9	64.6	66.4	65.0	64.6	64.7	64.0
Residual	-6.8	-7.0	-6.5	-6.2	-7.7	-7.3	-6.5
Addenda:							
Compensation of general government employees ⁵	800.5	817.0	808.7	812.4	814.8	818.6	822.2
Federal	201.6	205.7	201.7	203.4	204.5	206.4	208.4
State and local ⁵	598.9	611.3	607.0	609.1	610.3	612.2	613.8

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the lines in the addenda.

See footnotes to table 3.7.

Chain-type quantity indexes for the series in this table are shown in table 7.11.

Contributions to percent change in real government consumption expenditures and gross investment are shown in table 8.6.

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries by the Federal Government.

3. Compensation of government employees engaged in new own-account investment and related expenditures for goods and services are classified as investment in structures and in software. The compensation of all general government employees is shown in the addenda.

4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

5. Beginning with 2001, in accordance with the Consolidated Appropriations Act of 2001, includes compensation of employees of Indian tribal governments reclassified from the private sector.

Table 3.10. National Defense Consumption Expenditures and Gross Investment

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
National defense consumption expenditures and gross investment¹	399.9	447.4	412.8	431.7	442.1	451.2	464.7
Consumption expenditures	344.5	386.6	356.0	372.1	382.5	388.9	403.2
Durable goods²	24.2	25.3	24.0	24.7	24.9	26.3	25.2
Aircraft	11.2	11.3	11.4	11.1	11.3	11.6	11.4
Missiles	2.5	2.8	2.1	2.6	2.5	3.0	3.1
Ships	1.2	1.3	1.1	1.3	1.3	1.5	1.2
Vehicles	1.0	1.1	1.0	1.0	1.1	1.0	1.2
Electronics	3.0	3.1	3.1	3.1	3.2	3.3	2.8
Other durable goods	5.3	5.6	5.3	5.6	5.5	5.8	5.5
Nondurable goods	10.5	11.5	11.3	10.9	11.7	12.0	11.4
Petroleum products	4.0	4.2	3.6	3.8	4.3	4.7	4.0
Ammunition	2.1	2.5	2.1	2.4	2.6	2.7	2.4
Other nondurable goods ..	4.4	4.8	5.6	4.7	4.8	4.6	5.0
Services	309.8	349.9	320.7	336.5	345.9	350.6	366.6
Compensation of general government employees, except own-account investment ³	143.7	154.4	143.9	152.7	155.0	155.8	153.9
Military	94.1	102.1	94.8	101.2	102.4	103.0	101.5
Civilian	49.6	52.3	49.1	51.4	52.5	52.8	52.4
Consumption of general government fixed capital ⁴	63.5	64.2	63.6	63.8	64.0	64.3	64.9
Other services	102.5	131.3	113.2	120.0	127.0	130.5	147.7
Research and development	29.6	42.0	34.6	37.5	40.9	40.0	49.5
Installation support	25.5	28.5	27.0	27.2	27.1	29.6	30.2
Weapons support	12.2	18.3	14.0	16.0	17.2	19.2	20.7
Personnel support	28.0	35.5	30.2	32.2	34.2	36.6	39.0
Transportation of material	4.9	5.0	5.1	4.8	4.9	5.0	5.2
Travel of persons	4.2	4.0	4.3	4.0	4.0	4.0	4.1
Other	-2.0	-1.9	-1.9	-1.7	-1.3	-3.9	-9
Gross investment	55.5	60.8	56.8	59.7	59.6	62.4	61.5
Structures	5.4	5.3	5.7	5.1	5.4	5.4	5.3
Equipment and software	50.0	55.5	51.1	54.6	54.2	57.0	56.3
Aircraft	8.3	9.3	8.0	8.6	9.0	9.9	9.9
Missiles	3.3	3.1	3.0	3.6	3.1	2.6	3.1
Ships	7.2	8.7	7.3	8.1	8.5	8.9	9.0
Vehicles	1.8	2.6	2.0	2.1	2.8	3.0	2.7
Electronics and software ..	13.7	15.0	14.3	14.9	14.7	15.3	14.9
Other equipment	15.7	16.8	16.4	17.2	16.2	17.1	16.7
Addendum:							
Compensation of general government employees ³ ..	144.3	155.3	144.6	153.6	155.9	156.8	154.9

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries.

3. Compensation of government employees engaged in new own-account investment and related expenditures for goods and services are classified as investment in structures and in software. The compensation of all general government employees is shown in the addendum.

4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

Table 3.11. Real National Defense Consumption Expenditures and Gross Investment

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
National defense consumption expenditures and gross investment¹	366.0	400.0	378.0	388.5	395.8	402.5	413.2
Consumption expenditures	308.9	337.0	319.1	326.7	333.9	338.0	349.4
Durable goods²	24.3	25.3	24.2	24.8	24.9	26.4	25.2
Aircraft	11.2	11.3	11.5	11.1	11.2	11.6	11.3
Missiles	2.5	2.8	2.1	2.6	2.6	3.0	3.1
Ships	1.2	1.3	1.1	1.3	1.3	1.5	1.2
Vehicles .....	.8	.8	.8	.8	.8	.8	.9
Electronics	3.4	3.6	3.6	3.6	3.7	3.9	3.3
Other durable goods	5.2	5.6	5.3	5.6	5.5	5.8	5.5
Nondurable goods	9.9	11.4	11.3	11.5	11.7	11.6	10.8
Petroleum products	3.4	4.3	3.7	4.6	4.4	4.5	3.6
Ammunition	2.1	2.6	2.2	2.5	2.7	2.8	2.5
Other nondurable goods ..	4.2	4.5	5.3	4.4	4.5	4.3	4.6
Services	275.1	300.6	284.0	290.7	297.6	300.5	313.4
Compensation of general government employees, except own-account investment ³	121.2	123.4	121.3	122.4	123.8	124.3	123.0
Military	80.7	83.7	81.4	83.0	84.0	84.5	83.3
Civilian	40.7	39.9	40.0	39.6	40.0	40.1	39.9
Consumption of general government fixed capital ⁴	62.4	62.6	62.4	62.4	62.5	62.6	62.8
Other services	91.7	114.9	100.6	106.2	111.6	113.8	128.2
Research and development	26.9	37.5	31.2	33.7	36.7	35.6	43.9
Installation support	23.4	25.6	24.7	24.8	24.5	26.4	26.7
Weapons support	10.7	15.8	12.2	13.9	14.9	16.6	17.9
Personnel support	23.4	28.6	24.8	26.3	27.6	29.4	31.2
Transportation of material	4.6	4.6	4.7	4.5	4.5	4.5	4.7
Travel of persons	4.1	3.9	4.2	3.8	3.8	3.9	4.0
Other	-1.7	-1.6	-1.5	-1.4	-1.1	-3.2	-7
Gross investment	57.3	63.3	59.0	62.2	62.2	65.0	63.9
Structures	4.6	4.4	4.7	4.2	4.5	4.4	4.3
Equipment and software	53.0	59.5	54.6	58.5	58.2	61.1	60.1
Aircraft	9.6	11.2	9.6	10.4	10.8	11.9	11.7
Missiles	3.5	3.4	3.2	3.9	3.4	2.9	3.4
Ships	7.1	8.5	7.3	8.1	8.4	8.7	8.8
Vehicles	1.9	2.8	2.1	2.2	2.9	3.2	2.7
Electronics and software ..	15.3	17.1	16.1	16.9	16.7	17.5	17.2
Other equipment	15.5	16.5	16.1	17.0	15.9	16.8	16.4
Residual	-7	-1.3	-8	-1.3	-9	-1.5	-1.0
Addendum:							
Compensation of general government employees ³ ..	121.7	124.1	121.8	123.1	124.5	125.1	123.8

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the line in the addendum.

Chain-type indexes for the series in this table are shown in table 7.12. See footnotes to table 3.10.

4. Foreign Transactions

Table 4.1. Foreign Transactions in the National Income and Product Accounts
[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Receipts from the rest of the world	1,351.1	1,292.9	1,240.0	1,242.2	1,294.1	1,325.9	1,309.6
Exports of goods and services	1,034.1	1,014.9	971.1	977.5	1,018.1	1,038.6	1,025.4
Goods ¹	733.5	703.6	687.7	679.8	709.4	722.6	702.6
Durable	522.4	493.0	481.8	477.2	499.3	509.5	486.0
Nondurable	211.2	210.6	205.8	202.6	210.0	213.1	216.5
Services ¹	300.6	311.3	283.4	297.7	308.8	316.0	322.8
Income receipts	316.9	278.0	269.0	264.7	276.0	287.3	284.2
Payments to the rest of the world	1,351.1	1,292.9	1,240.0	1,242.2	1,294.1	1,325.9	1,309.6
Imports of goods and services	1,383.0	1,438.5	1,315.6	1,337.5	1,443.7	1,471.5	1,501.4
Goods ¹	1,167.2	1,192.1	1,098.3	1,102.3	1,202.9	1,220.9	1,242.5
Durable	754.4	771.1	721.0	732.4	781.6	783.8	786.6
Nondurable	412.8	421.0	377.3	369.9	421.3	437.2	455.9
Services ¹	215.8	246.4	217.3	235.2	240.8	250.6	258.9
Income payments	295.0	287.6	233.7	262.8	296.1	298.2	293.4
Transfer payments (net)	49.8	55.7	54.6	63.5	51.5	51.8	55.9
From persons (net)	31.1	32.3	30.6	31.5	31.9	32.9	32.8
From government (net)	9.6	14.4	15.3	22.8	10.6	9.7	14.5
From business	9.1	9.0	8.8	9.2	9.0	9.2	8.7
Net foreign investment	-376.7	-488.9	-363.9	-421.7	-497.2	-495.6	-541.0

1. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment are reclassified from goods to services.

Table 4.2. Real Exports and Imports of Goods and Services and Receipts and Payments of Income
[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Exports of goods and services	1,076.1	1,058.8	1,021.8	1,030.6	1,065.5	1,077.7	1,061.6
Goods ¹	785.2	756.9	744.6	738.1	765.8	773.5	750.3
Durable	558.3	529.2	517.3	512.3	536.3	546.6	521.5
Nondurable	226.7	227.5	227.1	225.7	229.3	226.7	228.5
Services ¹	292.0	301.5	278.2	292.2	299.7	304.0	310.0
Income receipts	292.0	253.3	247.4	242.8	251.8	261.3	257.5
Imports of goods and services	1,492.0	1,547.4	1,447.2	1,477.1	1,552.9	1,565.7	1,593.8
Goods ¹	1,270.5	1,320.1	1,238.7	1,250.0	1,329.2	1,340.3	1,360.8
Durable	865.6	901.4	838.2	856.0	912.5	915.5	921.6
Nondurable	402.3	415.5	397.1	391.5	414.3	421.7	434.5
Services ¹	222.4	227.2	208.9	225.5	224.3	226.0	233.0
Income payments	269.2	260.3	213.1	239.2	268.2	269.5	264.2

1. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment are reclassified from goods to services.

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Chain-type quantity indexes for the series in this table are shown in table 7.9.

5. Saving and Investment

Table 5.1. Gross Saving and Investment
[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
Gross saving	1,662.4	1,572.9	1,614.4	1,603.2	1,604.0	1,535.5	1,548.9
Gross private saving	1,399.3	1,594.8	1,399.0	1,578.3	1,616.1	1,570.2	1,614.5
Personal saving	169.7	291.0	61.5	270.4	314.3	276.9	302.5
Undistributed corporate profits with inventory valuation and capital consumption adjustments	122.7	139.9	223.0	171.0	140.5	118.6	129.4
Undistributed profits	61.2	17.6	10.8	12.8	13.5	16.1	28.2
Inventory valuation adjustment	5.0	-6.9	27.2	1.9	-5.7	-15.1	-8.5
Capital consumption adjustment	56.5	129.1	185.1	156.3	132.8	117.6	109.7
Corporate consumption of fixed capital	789.1	827.5	792.6	808.3	826.1	836.1	839.3
Noncorporate consumption of fixed capital	317.7	336.4	321.9	328.6	335.1	338.7	343.3
Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
Gross government saving	263.1	-21.9	215.3	24.9	-12.1	-34.7	-65.6
Federal	170.7	-98.0	121.1	-45.2	-94.3	-108.3	-144.1
Consumption of fixed capital	98.7	101.9	99.7	100.6	101.3	102.2	103.6
Current surplus or deficit (-), national income and product accounts	72.0	-199.9	21.3	-145.8	-195.6	-210.5	-247.7
State and local	92.4	76.1	94.3	70.1	82.2	73.6	78.5
Consumption of fixed capital	123.7	127.7	124.5	125.9	127.3	128.3	129.1
Current surplus or deficit (-), national income and product accounts	-31.3	-51.5	-30.2	-55.8	-45.1	-54.7	-50.6
Gross investment	1,545.1	1,456.2	1,481.8	1,493.2	1,439.0	1,453.4	1,439.3
Gross private domestic investment	1,586.0	1,593.2	1,500.7	1,559.4	1,588.0	1,597.3	1,628.1
Gross government investment	335.8	351.9	345.0	355.5	348.2	351.7	352.2
Net foreign investment	-376.7	-488.9	-363.9	-421.7	-497.2	-495.6	-541.0
Statistical discrepancy	-117.3	-116.7	-132.6	-110.0	-165.0	-82.1	-109.6
Addendum:							
Gross saving as a percentage of gross national product	16.5	15.1	15.8	15.5	15.5	14.6	14.6

Table 5.4. Private Fixed Investment by Type
[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
Private fixed investment	1,646.3	1,589.3	1,597.2	1,589.4	1,584.6	1,579.7	1,603.6
Nonresidential	1,201.6	1,117.4	1,149.8	1,126.8	1,115.8	1,109.8	1,117.1
Structures	324.5	269.3	302.3	288.3	275.2	259.4	254.2
Nonresidential buildings, including farm	216.3	179.2	200.4	192.4	182.3	171.1	170.9
Utilities	55.0	53.1	54.4	56.3	53.9	51.5	50.6
Mining exploration, shafts, and wells	42.7	30.6	40.4	32.3	31.7	31.0	27.3
Other structures	10.5	6.4	7.2	7.3	7.3	5.8	5.4
Equipment and software	877.1	848.1	847.4	838.5	840.7	850.4	863.0
Information processing equipment and software	404.3	399.7	385.5	388.7	397.1	406.9	406.3
Computers and peripheral equipment ¹	74.2	74.2	69.3	71.9	72.8	76.8	75.4
Software ²	180.4	182.8	178.9	177.2	181.0	186.3	186.7
Other	149.8	142.7	137.3	139.6	143.3	143.8	144.2
Industrial equipment	159.0	152.2	149.8	153.4	150.5	153.3	151.5
Transportation equipment	165.8	148.9	168.3	154.1	145.2	141.7	154.5
Other	148.0	147.4	143.8	142.3	148.0	148.5	150.8
Residential	444.8	471.9	447.4	462.6	468.7	469.9	486.5
Structures	435.4	462.4	438.0	453.0	459.2	460.4	476.9
Single family	232.1	247.0	234.3	241.1	244.3	245.3	257.4
Multifamily	30.7	33.6	31.8	34.2	34.2	33.4	32.4
Other structures	172.7	181.8	171.9	177.7	180.7	181.7	187.1
Equipment	9.3	9.6	9.4	9.5	9.6	9.5	9.6

1. Includes new computers and peripheral equipment only.

2. Excludes software "embedded," or bundled, in computers and other equipment.

Table 5.5. Real Private Fixed Investment by Type
[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
Private fixed investment	1,627.4	1,577.3	1,578.4	1,576.4	1,572.6	1,571.6	1,588.5
Nonresidential	1,255.1	1,183.4	1,206.4	1,188.4	1,181.1	1,178.7	1,185.3
Structures	270.9	226.4	252.7	243.2	231.7	218.2	212.6
Nonresidential buildings, including farm	178.7	145.6	163.5	157.1	148.2	139.1	137.8
Utilities	50.3	47.3	49.3	50.8	48.4	45.6	44.6
Mining exploration, shafts, and wells	34.0	29.2	34.8	30.2	30.3	29.9	26.5
Other structures	9.3	5.5	6.3	6.3	6.3	5.0	4.6
Equipment and software	988.2	971.1	960.3	953.7	961.4	977.2	992.1
Information processing equipment and software	548.5	563.1	531.8	540.4	557.0	575.2	579.7
Computers and peripheral equipment ¹	239.9	283.7	243.3	262.1	271.6	297.6	303.2
Software ²	182.0	185.7	180.6	179.0	184.3	189.4	190.3
Other	163.9	158.2	151.2	154.1	158.5	159.7	160.7
Industrial equipment	153.8	146.9	144.7	148.3	145.6	147.9	145.9
Transportation equipment	163.6	147.0	165.4	151.5	143.4	141.7	151.4
Other	140.7	139.3	136.2	134.6	140.1	140.3	142.3
Residential	373.5	388.2	371.0	383.6	386.1	387.1	395.9
Structures	364.0	378.5	361.5	373.9	376.4	377.4	386.1
Single family	192.6	200.5	191.3	197.2	198.4	199.8	206.5
Multifamily	24.4	26.3	25.1	27.0	26.8	26.2	25.1
Other structures	146.9	151.6	145.1	149.6	151.0	151.3	154.4
Equipment	9.5	9.7	9.6	9.7	9.7	9.7	9.8
Residual	-62.2	-99.2	-68.0	-81.1	-90.0	-111.6	-114.6

1. Includes new computers and peripheral equipment only. Because of rapid changes in relative prices, the chained-dollar estimates for computers are especially misleading as a measure of the contribution or relative importance of this component; accurate estimates of these contributions are shown in table 8.4.

2. Excludes software "embedded," or bundled, in computers and other equipment.

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Chain-type quantity indexes for the series in this table are shown in table 7.6.

Contributions to the percent change in real private fixed investment are shown in table 8.4.

Table 5.10B. Change in Private Inventories by Industry

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
Change in private inventories	-60.3	3.9	-96.5	-29.9	3.4	17.6	24.5
Farm	1.6	.5	3.0	5.3	.4	-2.3	-1.5
Construction, mining, and utilities	7.6	-9	4.7	1.6	-1.1	-2.5	-1.7
Manufacturing	-35.9	-11.3	-39.6	-31.1	-14.2	-2.7	2.8
Durable goods industries ...	-29.3	-11.3	-34.3	-25.4	-14.9	-10.2	5.4
Nondurable goods industries	-6.5	.0	-5.3	-5.8	.6	7.6	-2.6
Wholesale trade	-15.6	-3.7	-25.4	-19.5	-9.0	7.1	6.6
Durable goods industries ...	-19.7	-3.4	-26.6	-16.2	-7.4	6.1	3.7
Nondurable goods industries	4.0	-3	1.3	-3.3	-1.6	.9	2.9
Retail trade	-20.7	16.8	-41.5	13.8	22.2	15.6	15.7
Motor vehicle dealers	-15.5	10.4	-34.7	13.9	15.4	4.6	7.8
Food and beverage stores ...	.6	-1	1.3	-2.2	.1	1.7	-1
General merchandise stores	-.5	1.3	-3.3	-4.5	.0	2.6	7.1
Other retail stores	-5.3	5.3	-4.7	6.7	6.8	6.6	1.0
Other industries	2.7	2.5	2.3	.0	5.1	2.3	2.5
Addenda:							
Change in private inventories	-60.3	3.9	-96.5	-29.9	3.4	17.6	24.5
Durable goods industries.	-65.0	1.1	-95.0	-20.3	-4.8	4.8	24.5
Nondurable goods industries	4.7	2.8	-1.5	-9.7	8.2	12.7	-1
Nonfarm industries	-61.9	3.4	-99.5	-35.3	3.0	19.8	26.0
Nonfarm change in book value ¹	-75.5	14.1	-133.4	-37.1	13.4	38.1	41.9
Nonfarm inventory valuation adjustment ² ..	13.6	-10.7	33.9	1.8	-10.4	-18.2	-15.9
Wholesale trade	-15.6	-3.7	-25.4	-19.5	-9.0	7.1	6.6
Merchant wholesale trade	-12.6	-4.2	-21.9	-16.2	-8.4	3.9	4.0
Durable goods industries	-16.8	-3.9	-23.2	-14.2	-7.1	3.8	1.9
Nondurable goods industries	4.2	-3	1.3	-2.1	-1.3	.1	2.0
Nonmerchant wholesale trade	-3.1	.5	-3.5	-3.3	-6	3.2	2.7

1. This series is derived from the Census Bureau series "current cost inventories."

2. The inventory valuation adjustment (IVA) shown in this table differs from the IVA that adjusts business incomes. The IVA in this table reflects the mix of methods (such as first-in, first-out and last-in, first-out) underlying inventories derived primarily from Census Bureau statistics (see footnote 1). This mix differs from that underlying business income derived primarily from Internal Revenue Service statistics.

NOTE. Estimates in this table are based on the North American Industry Classification System (NAICS).

Table 5.11B. Real Change in Private Inventories by Industry

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
Change in private inventories	-61.4	5.2	-98.4	-28.9	4.9	18.8	25.8
Farm	2.0	1.1	3.6	6.4	.8	-2.2	-8
Construction, mining, and utilities	6.4	-.7	4.3	1.6	-1.0	-2.3	-1.1
Manufacturing	-36.2	-11.5	-40.2	-31.9	-14.1	-2.6	2.8
Durable goods industries ...	-30.1	-11.4	-35.2	-25.9	-15.0	-10.3	5.5
Nondurable goods industries	-6.3	-.1	-5.1	-6.0	.8	7.4	-2.5
Wholesale trade	-16.5	-3.4	-26.8	-19.8	-8.7	7.9	7.0
Durable goods industries ...	-21.8	-3.6	-29.9	-17.0	-7.7	6.5	3.8
Nondurable goods industries	4.3	.0	1.9	-3.2	-1.3	1.6	3.1
Retail trade	-20.3	16.6	-40.6	13.8	22.0	15.5	15.2
Motor vehicle dealers	-15.5	10.5	-34.8	14.0	15.6	4.7	7.8
Food and beverage stores ...	.5	-1	1.1	-2.0	.1	1.6	-1
General merchandise stores	-.4	1.3	-3.2	-4.4	.0	2.6	6.8
Other retail stores	-5.2	5.2	-4.7	6.7	6.7	6.6	1.0
Other industries	2.6	2.5	2.3	.0	5.0	2.3	2.5
Residual	2.1	.5	1.3	.9	.9	.3	-2
Addenda:							
Change in private inventories	-61.4	5.2	-98.4	-28.9	4.9	18.8	25.8
Durable goods industries	-67.9	1.4	-99.3	-20.3	-4.4	5.0	25.1
Nondurable goods industries	4.8	3.8	-.8	-8.8	9.0	13.6	1.4
Nonfarm industries	-63.2	4.1	-101.5	-35.1	4.2	20.8	26.5
Wholesale trade	-16.5	-3.4	-26.8	-19.8	-8.7	7.9	7.0
Merchant wholesale trade	-13.3	-3.9	-23.3	-16.4	-8.2	4.6	4.2
Durable goods industries	-18.7	-4.1	-26.1	-14.8	-7.5	4.0	1.9
Nondurable goods industries	4.5	.0	1.9	-2.0	-.9	.8	2.3
Nonmerchant wholesale trade	-3.2	.5	-3.6	-3.4	-.6	3.2	2.7

NOTE. Estimates in this table are based on the North American Industry Classification System (NAICS). Chained (1996) dollar series for real change in private inventories are calculated as the period-to-period change in chained-dollar end-of-period inventories. Quarterly changes in end-of-period inventories are stated at annual rates. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table 5.12B. Private Inventories and Domestic Final Sales by Industry
[Billions of dollars]

	Seasonally adjusted quarterly totals				
	2001	2002			
	IV	I	II	III	IV
Private inventories ¹	1,430.1	1,429.4	1,438.1	1,446.9	1,462.9
Farm.....	100.8	104.7	104.0	100.1	106.6
Construction, mining, and utilities.....	39.3	39.5	41.9	41.3	43.6
Manufacturing.....	451.9	447.0	445.7	447.9	449.1
Durable goods industries.....	282.0	275.8	273.2	270.2	271.1
Nondurable goods industries.....	170.0	171.2	172.5	177.7	178.0
Wholesale trade.....	337.3	334.5	335.1	341.2	342.4
Durable goods industries.....	198.5	194.5	193.6	195.1	196.0
Nondurable goods industries.....	138.8	140.0	141.6	146.1	146.4
Retail trade.....	388.9	392.4	398.0	402.3	406.3
Motor vehicle dealers.....	118.3	121.1	124.5	125.1	126.0
Food and beverage stores.....	33.5	33.1	32.9	33.4	33.5
General merchandise stores.....	63.9	62.6	62.7	63.3	65.4
Other retail stores.....	173.3	175.6	177.9	180.4	181.4
Other industries.....	111.9	111.4	113.4	114.1	115.1
Addenda:					
Private inventories.....	1,430.1	1,429.4	1,438.1	1,446.9	1,462.9
Durable goods industries.....	676.9	671.5	672.3	672.9	677.2
Nondurable goods industries.....	753.2	757.9	765.8	774.0	785.7
Nonfarm industries.....	1,329.4	1,324.7	1,334.1	1,346.8	1,356.4
Wholesale trade.....	337.3	334.5	335.1	341.2	342.4
Merchant wholesale trade.....	290.3	287.4	287.5	292.1	292.6
Durable goods industries.....	171.1	167.6	166.6	167.6	168.0
Nondurable goods industries.....	119.3	119.9	120.9	124.5	124.6
Nonmerchant wholesale trade.....	47.0	47.0	47.6	49.1	49.8
Final sales of domestic business ²	718.5	723.8	724.7	732.6	737.2
Final sales of goods and structures of domestic business ²	386.4	387.2	382.7	386.6	386.1
Ratios of private inventories to final sales of domestic business:					
Private inventories to final sales.....	1.99	1.97	1.98	1.98	1.98
Nonfarm inventories to final sales.....	1.85	1.83	1.84	1.84	1.84
Nonfarm inventories to final sales of goods and structures.....	3.44	3.42	3.49	3.48	3.51

1. Inventories are as of the end of the quarter. The quarter-to-quarter change in inventories calculated from current-dollar inventories in this table is not the current-dollar change in the private inventories component of GDP. The former is the difference between two inventory stocks, each valued at its respective end-of-quarter prices. The latter is the change in the physical volume of inventories valued at average prices of the quarter. In addition, changes calculated from this table are at quarterly rates, whereas, the change in private inventories is stated at annual rates.

2. Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross product of households and institutions and of general government, and it includes a small amount of final sales by farm and by government enterprises.

NOTE: Estimates in this table are based on the North American Industry Classification System (NAICS).

Table 5.13B. Real Private Inventories and Real Domestic Final Sales by Industry
[Billions of chained (1996) dollars]

	Seasonally adjusted quarterly totals				
	2001	2002			
	IV	I	II	III	IV
Private inventories ¹	1,458.7	1,451.5	1,452.7	1,457.4	1,463.9
Farm.....	106.0	107.6	107.8	107.2	107.1
Construction, mining, and utilities.....	40.0	40.4	40.2	39.6	39.3
Manufacturing.....	459.6	451.7	448.1	447.5	448.2
Durable goods industries.....	286.7	280.3	276.5	273.9	275.3
Nondurable goods industries.....	172.8	171.3	171.5	173.3	172.7
Wholesale trade.....	357.6	352.6	350.4	352.4	354.2
Durable goods industries.....	217.3	213.1	211.2	212.8	213.8
Nondurable goods industries.....	139.2	138.4	138.1	138.5	139.3
Retail trade.....	381.3	384.7	390.2	394.1	397.9
Motor vehicle dealers.....	118.9	122.4	126.3	127.5	129.4
Food and beverage stores.....	30.5	30.0	30.1	30.5	30.4
General merchandise stores.....	62.1	61.1	61.1	61.7	63.4
Other retail stores.....	169.4	171.1	172.8	174.4	174.7
Other industries.....	112.4	112.4	113.7	114.3	114.9
Residual.....	3.4	3.4	3.4	3.7	3.6
Addenda:					
Private inventories.....	1,458.7	1,451.5	1,452.7	1,457.4	1,463.9
Durable goods industries.....	701.6	696.5	695.4	696.6	702.9
Nondurable goods industries.....	754.5	752.3	754.6	758.0	758.3
Nonfarm industries.....	1,351.8	1,343.1	1,344.1	1,349.3	1,355.9
Wholesale trade.....	357.6	352.6	350.4	352.4	354.2
Merchant wholesale trade.....	308.5	304.4	302.3	303.5	304.5
Durable goods industries.....	187.7	184.0	182.1	183.1	183.6
Nondurable goods industries.....	119.9	119.4	119.2	119.4	120.0
Nonmerchant wholesale trade.....	49.2	48.3	48.2	49.0	49.6
Final sales of domestic business ²	661.4	665.3	664.6	670.6	672.0
Final sales of goods and structures of domestic business ²	371.6	373.3	369.2	373.3	372.0
Ratios of private inventories to final sales of domestic business:					
Private inventories to final sales.....	2.21	2.18	2.19	2.17	2.18
Nonfarm inventories to final sales.....	2.04	2.02	2.02	2.01	2.02
Nonfarm inventories to final sales of goods and structures.....	3.64	3.60	3.64	3.61	3.64

1. Inventories are as of the end of the quarter. The quarter-to-quarter changes calculated from this table are at quarterly rates, whereas the change in private inventories component of GDP is stated at annual rates.

2. Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross product of households and institutions and of general government, and it includes a small amount of final sales by farm and by government enterprises.

NOTE: Estimates in this table are based on the North American Industry Classification System (NAICS). Chained (1996) dollar inventory series are calculated to ensure that the chained (1996) dollar change in inventories for 1996 equals the current-dollar change in inventories for 1996 and that the average of the 1995 and 1996 end-of-year chain-weighted and fixed-weighted inventories are equal. Chained (1996) dollar final sales are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines for inventories.

6. Income and Employment by Industry

Table 6.1C. National Income Without Capital Consumption Adjustment by Industry Group
[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
National income without capital consumption adjustment	8,053.5	8,182.7	7,972.8	8,073.8	8,158.0	8,196.8	8,302.0
Domestic industries	8,031.5	8,192.2	7,937.6	8,071.9	8,178.1	8,207.7	8,311.1
Private industries	6,969.4	7,076.2	6,857.4	6,970.6	7,067.0	7,086.4	7,180.9
Agriculture, forestry, and fishing	111.1	109.5	110.6	116.8	102.8	108.0	110.3
Mining	69.5	58.9	60.8	58.2	57.5	57.5	62.4
Construction	438.9	443.0	435.0	439.3	440.6	442.5	449.7
Manufacturing	1,132.2	1,123.5	1,075.3	1,092.9	1,126.8	1,131.3	1,143.1
Durable goods	640.5	629.1	597.0	610.3	634.2	634.5	637.5
Nondurable goods	491.8	494.4	478.3	482.6	492.6	496.8	505.6
Transportation and public utilities	529.9	515.0	496.1	508.5	514.3	512.2	525.1
Transportation	236.6	236.6	226.0	231.0	233.8	237.7	243.7
Communications	148.4	137.0	137.1	139.8	135.9	134.7	137.5
Electric, gas, and sanitary services	144.9	141.5	132.9	137.6	144.6	139.8	143.9
Wholesale trade	458.4	467.1	452.7	457.4	463.9	464.9	482.3
Retail trade	686.1	704.3	686.1	695.2	705.5	707.7	708.6
Finance, insurance, and real estate	1,571.1	1,636.5	1,578.9	1,613.2	1,649.0	1,639.7	1,644.2
Services	1,972.0	2,018.4	1,961.8	1,989.1	2,006.6	2,022.6	2,055.3
Government	1,062.1	1,116.0	1,080.2	1,101.4	1,111.1	1,121.3	1,130.2
Rest of the world	21.9	-9.6	35.2	1.9	-20.0	-10.9	-9.2

NOTE. Estimates in this table are based on the 1987 Standard Industrial Classification (SIC).

Table 6.16C. Corporate Profits by Industry Group
[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Corporate profits with inventory valuation and capital consumption adjustments	731.6	787.4	811.4	797.6	785.0	771.0	796.1
Domestic industries	580.9	668.1	646.7	665.6	669.9	654.9	682.0
Financial	173.5	209.7	197.8	213.2	210.7	207.3	207.6
Nonfinancial	407.4	458.4	449.0	452.4	459.3	447.6	474.4
Rest of the world	150.8	119.3	164.7	132.0	115.1	116.1	114.1
Receipts from the rest of the world	172.4	177.0	156.1	161.4	173.4	185.9	187.3
Less: Payments to the rest of the world	21.6	57.7	-8.5	29.4	58.3	69.7	73.3
Corporate profits with inventory valuation adjustment	675.1	658.3	626.3	641.3	652.2	653.4	686.4
Domestic industries	524.4	539.0	461.6	509.3	537.1	537.3	572.3
Financial	190.6	217.3	200.1	218.2	218.5	216.1	216.5
Federal Reserve banks	27.9	22.8	25.0	23.4	23.9	22.9	21.2
Other	162.8	194.5	175.2	194.8	194.6	193.2	195.2
Nonfinancial	333.7	321.7	261.5	291.1	318.6	321.2	355.8
Manufacturing	83.4	92.6	50.9	68.9	91.9	100.5	108.9
Durable goods	9.9	17.0	-14.9	2.5	17.8	22.8	24.6
Primary metal industries	-1.6	1.2	-2.2	.5	.3	1.3	2.6
Fabricated metal products	9.0	5.8	6.8	5.2	5.8	4.7	7.3
Industrial machinery and equipment	-6	-2.5	-7.5	-4.9	-2.9	-1	-2.2
Electronic and other electric equipment	-3.2	.7	-8.4	-6.2	-9	4.0	6.1
Motor vehicles and equipment	-9.4	-7.6	-13.3	-11.8	-4.4	-6.6	-7.7
Other	15.7	19.4	9.7	19.7	20.0	19.5	18.5
Nondurable goods	73.5	75.6	65.8	66.4	74.1	77.6	84.3
Food and kindred products	16.6	20.1	18.3	18.9	19.2	21.0	21.1
Chemicals and allied products	15.2	16.9	18.5	15.1	16.7	17.0	18.9
Petroleum and coal products	25.7	16.9	19.4	14.1	15.4	17.4	20.7
Other	16.0	21.8	9.5	18.3	22.8	22.3	23.7
Transportation and public utilities	27.7	16.7	6.5	15.0	17.1	13.2	21.5
Transportation	1.2	.3	-5.1	-5	-1.7	-3	3.6
Communications	-5.8	-11.7	-11.2	-9.3	-12.7	-13.1	-11.8
Electric, gas, and sanitary services	32.2	28.1	22.7	24.8	31.4	26.5	29.6
Wholesale trade	44.8	47.3	46.9	41.2	44.8	44.5	58.9
Retail trade	79.1	81.2	80.5	81.4	86.0	82.5	75.1
Other	98.8	83.9	76.7	84.6	78.9	80.6	91.5
Rest of the world	150.8	119.3	164.7	132.0	115.1	116.1	114.1

NOTE. Estimates in this table are based on the 1987 Standard Industrial Classification (SIC).

Table 7.11. Chain-Type Quantity and Price Indexes for Government Consumption Expenditures and Gross Investment by Type
[Index numbers, 1996=100]

Table with columns for Year (2001, 2002) and Quarters (IV, I, II, III, IV) for Chain-type quantity indexes and Chain-type price indexes. Rows include Government consumption expenditures and gross investment, National defense, Nondefense, and State and local, with various sub-categories like consumption expenditures, durable goods, and services.

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.
2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries by the Federal Government.
3. Compensation of government employees engaged in new own-account investment and related expenditures for goods and services are classified as investment in structures and in software. The compensation of all

general government employees is shown in the addenda.
4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.
5. Beginning with 2001, in accordance with the Consolidated Appropriations Act of 2001, includes compensation of employees of Indian tribal governments reclassified from the private sector.

Table 7.14. Chain-Type Quantity and Price Indexes for Gross Domestic Product by Sector

[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2001		2002		
			IV	I	II	III	IV
Chain-type quantity indexes							
Gross domestic product	117.94	120.82	118.37	119.84	120.21	121.41	121.82
Business ¹	119.56	122.53	119.88	121.52	121.86	123.17	123.55
Nonfarm ²	119.51	122.49	119.73	121.43	121.86	123.16	123.52
Nonfarm less housing	120.48	123.84	120.81	122.67	122.95	124.60	125.16
Housing	110.86	110.72	110.18	110.59	112.17	110.72	109.39
Farm	124.00	124.46	134.98	129.90	120.17	122.49	125.29
Households and institutions	114.39	116.95	115.04	115.74	116.59	117.35	118.14
Private households	84.25	73.59	75.03	72.41	73.19	73.92	74.82
Nonprofit institutions	115.49	118.53	116.49	117.31	118.17	118.93	119.71
General government ³	107.69	110.15	108.83	109.42	109.84	110.41	110.95
Federal	99.77	101.90	100.02	100.78	101.39	102.24	103.18
State and local	111.40	114.01	112.95	113.46	113.79	114.22	114.57
Chain-type price indexes							
Gross domestic product	109.42	110.66	109.78	110.14	110.48	110.76	111.25
Business ¹	108.23	109.04	108.47	108.65	108.89	109.08	109.53
Nonfarm ²	108.78	109.63	109.11	109.16	109.59	109.68	110.10
Nonfarm less housing	107.97	108.40	108.11	108.02	108.39	108.41	108.79
Housing	116.62	121.65	118.89	120.25	121.22	122.13	123.02
Farm	70.50	68.00	64.85	73.18	61.18	67.77	69.86
Households and institutions	115.28	119.24	116.37	117.13	118.47	119.93	121.42
Private households	117.43	121.68	118.44	120.48	121.29	122.18	122.75
Nonprofit institutions	115.20	119.16	116.30	117.03	118.38	119.85	121.36
General government ³	116.48	120.00	117.42	119.13	119.77	120.33	120.77
Federal	114.23	119.51	114.47	118.97	119.60	119.83	119.63
State and local	117.47	120.26	118.71	119.25	119.90	120.59	121.31

1. Equals gross domestic product less gross product of households and institutions and of general government.

2. Equals gross domestic business product less gross farm product.

3. Equals compensation of general government employees plus general government consumption of fixed capital.

Table 7.15. Price, Costs, and Profit Per Unit of Real Gross Product of Nonfinancial Corporate Business

[Dollars]

Price per unit of real gross product of nonfinancial corporate business ¹	1.041	1.036	1.039	1.037	1.036	1.035	1.037
Compensation of employees (unit labor cost)	.695	.680	.684	.682	.680	.679	.679
Unit nonlabor cost	.267	.269	.268	.268	.269	.271	.270
Consumption of fixed capital	.127	.129	.127	.128	.129	.130	.130
Indirect business tax and nontax liability plus business transfer payments less subsidies	.102	.103	.103	.103	.103	.104	.104
Net interest	.038	.037	.038	.037	.037	.037	.036
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production)	.079	.086	.087	.086	.087	.084	.088
Profits tax liability	.024	.025	.018	.023	.025	.025	.026
Profits after tax with inventory valuation and capital consumption adjustments	.055	.062	.068	.064	.062	.059	.062

1. The implicit price deflator for gross product of nonfinancial corporate business divided by 100.
NOTE: Effective November 26, 2002, the estimates beginning with 1999 have been revised to reflect the 2002 annual revision to the industry-based price index for the gross product of nonfinancial corporate business.**Table 7.16B. Implicit Price Deflators for Private Inventories by Industry**
[Index numbers, 1996=100]

	Seasonally adjusted				
	2001	2002			
	IV	I	II	III	IV
Private inventories ¹	98.04	98.48	98.99	99.28	99.94
Farm	95.07	97.32	96.53	93.35	99.54
Construction, mining, and utilities	98.19	97.69	104.47	104.34	110.78
Manufacturing	98.32	98.96	99.45	100.10	100.20
Durable goods industries	98.34	98.41	98.81	98.65	98.46
Nondurable goods industries	98.36	99.93	100.57	102.52	103.07
Wholesale trade	94.34	94.85	95.62	96.80	96.67
Durable goods industries	91.33	91.26	91.66	91.68	91.69
Nondurable goods industries	99.73	101.16	102.50	105.46	105.11
Retail trade	102.00	102.00	101.98	102.08	102.10
Motor vehicle dealers	99.48	98.93	98.59	98.17	97.33
Food and beverage stores	109.59	110.32	109.41	109.59	110.19
General merchandise stores	102.86	102.59	102.62	102.67	103.13
Other retail stores	102.26	102.61	102.96	103.44	103.84
Other industries	99.52	99.07	99.71	99.86	100.19
Addenda:					
Private inventories	98.04	98.48	98.99	99.28	99.94
Durable goods industries	96.49	96.41	96.68	96.58	96.34
Nondurable goods industries	99.82	100.74	101.49	102.12	103.61
Nonfarm industries	98.34	98.63	99.25	99.81	100.03
Wholesale trade	94.34	94.85	95.62	96.80	96.67
Merchant wholesale trade	94.12	94.44	95.10	96.23	96.08
Durable goods industries	91.15	91.07	91.49	91.51	91.53
Nondurable goods industries	99.45	100.39	101.44	104.27	103.88
Nonmerchant wholesale trade	95.65	97.39	98.80	100.30	100.26

1. Implicit price deflators are as of the end of the quarter and are consistent with the inventory stocks shown in tables 5.12B and 5.13B.

NOTE: Estimates in this table are based on the North American Industry Classification System (NAICS).

Table 7.17. Chain-Type Quantity Indexes for Gross Domestic Product by Major Type of Product
[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2001	2002			
			IV	I	II	III	IV
Gross domestic product..	117.94	120.82	118.37	119.84	120.21	121.41	121.82
Final sales of domestic product.....	118.95	121.09	119.81	120.51	120.49	121.51	121.84
Change in private inventories.....							
Goods	121.64	125.71	121.92	124.38	124.50	127.23	126.73
Final sales.....	124.71	126.57	126.21	126.43	125.39	127.62	126.86
Change in private inventories.....							
Durable goods.....	129.90	134.92	128.92	131.84	132.10	138.60	137.15
Final sales.....	136.94	136.59	138.44	135.27	134.22	140.00	136.89
Change in private inventories.....							
Nondurable goods.....	114.62	117.99	115.79	117.90	117.93	117.98	118.15
Final sales.....	114.86	118.28	116.34	118.96	117.94	117.67	118.55
Change in private inventories.....							
Services	115.16	118.35	116.18	117.00	118.01	118.74	119.65
Structures	118.80	115.51	116.33	118.06	115.51	113.88	114.60
Addenda:							
Motor vehicle output.....	114.63	129.33	120.66	123.54	125.97	136.32	131.50
Gross domestic product less motor vehicle output.....	118.03	120.53	118.28	119.70	120.01	120.91	121.50

Table 7.18B. Chain-Type Quantity Indexes for Motor Vehicle Output
[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2001	2002			
			IV	I	II	III	IV
Motor vehicle output...	114.63	129.33	120.66	123.54	125.97	136.32	131.50
Auto output.....	89.86	93.97	92.77	95.00	93.02	97.86	90.01
Truck output ¹	135.17	158.50	143.75	147.17	153.18	168.04	165.62
Final sales of domestic product.....	119.40	122.56	132.37	117.53	115.98	131.99	124.74
Personal consumption expenditures	143.85	152.48	161.11	146.80	146.73	164.00	152.39
New motor vehicles.....	152.65	164.29	178.16	159.22	156.46	179.76	161.70
Autos.....	131.93	130.12	145.74	130.40	129.18	138.70	122.19
Light trucks.....	177.01	204.40	216.21	193.06	188.48	227.97	208.09
Net purchases of used autos.....	117.43	117.37	110.58	109.88	117.67	117.26	124.68
Private fixed investment	106.83	103.02	104.88	95.86	100.72	106.73	108.75
New motor vehicles.....	106.87	104.24	103.77	96.41	102.26	107.74	110.57
Autos.....	95.08	92.02	88.51	84.78	90.77	95.56	96.97
Trucks.....	118.27	116.04	118.41	107.62	113.36	119.50	123.67
Light trucks.....	137.74	135.69	140.85	126.81	132.07	136.71	147.17
Other.....	82.30	79.69	77.15	72.21	78.64	87.11	80.78
Net purchases of used autos.....	106.65	108.39	99.52	98.10	107.53	111.10	116.85
Gross government investment	126.36	122.90	131.08	125.94	117.17	115.74	132.75
Autos.....	97.37	97.51	102.43	101.19	92.55	87.91	108.40
New trucks.....	142.63	137.12	147.13	139.76	130.97	131.45	146.29
Net exports	92.55	104.06	95.81	94.07	102.26	109.72	110.21
Exports.....	101.19	115.49	107.12	104.95	116.09	121.85	119.06
Autos.....	77.15	83.66	75.64	74.65	77.57	88.05	94.36
Imports.....	153.19	161.37	150.61	150.99	164.52	164.33	165.64
Autos.....	157.44	167.33	152.16	155.00	171.40	171.52	171.41
Trucks.....	132.92	132.99	142.97	131.76	131.82	130.20	138.17
Change in private inventories							
Autos							
New.....							
Domestic.....							
Foreign.....							
Used.....							
New trucks							
Domestic.....							
Foreign.....							
Addenda:							
Final sales of motor vehicles to domestic purchasers ...	129.80	133.53	139.68	127.60	129.04	141.60	135.90
Private fixed investment in new autos and new light trucks.....	112.41	109.78	109.79	101.87	107.57	112.31	117.36
Domestic output of new autos ²	92.85	98.82	92.11	96.57	101.17	104.43	93.11
Sales of imported new autos ³	152.80	157.39	159.00	151.28	153.87	166.84	157.56

1. Except for exports and imports, consists of new trucks only.

2. Consists of final sales and change in private inventories of new autos assembled in the United States.

3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.

Table 8.2. Contributions to Percent Change in Real Gross Domestic Product

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
Percent change at annual rate:							
Gross domestic product.....	.3	2.4	2.7	5.0	1.3	4.0	1.4
Percentage points at annual rates:							
Personal consumption expenditures	1.67	2.15	4.05	2.22	1.22	2.93	1.19
Durable goods.....	.48	.59	2.45	-.55	.16	1.74	-.72
Motor vehicles and parts.....	.24	.20	1.88	-1.18	-.03	1.46	-.93
Furniture and household equipment.....	.19	.30	.42	.43	.20	.18	.17
Other.....	.06	.10	.15	.20	.00	.11	.04
Nondurable goods.....	.39	.64	.73	1.57	-.02	.22	1.01
Food.....	.09	.17	.13	.65	-.09	-.05	.56
Clothing and shoes.....	.08	.17	.28	.40	-.03	.01	.22
Gasoline, fuel oil, and other energy goods.....	.02	.07	.07	.16	-.03	.05	.06
Other.....	.21	.23	.25	.37	.13	.22	.17
Services.....	.80	.92	.87	1.20	1.08	.97	.90
Housing.....	.17	.17	.12	.22	.21	.18	.17
Household operation.....	.05	.02	-.18	.15	.06	.07	.21
Electricity and gas.....	-.03	.02	-.10	.14	.01	.09	.30
Other household operation.....	.08	.00	-.08	.01	.06	-.01	-.09
Transportation.....	-.02	-.01	-.06	.10	-.03	-.02	.01
Medical care.....	.43	.46	.48	.40	.51	.45	.34
Recreation.....	.08	.05	.13	.04	.07	.00	.14
Other.....	.09	.23	.38	.30	.26	.29	.02
Gross private domestic investment	-1.90	.15	-2.88	2.53	1.16	.55	.93
Fixed investment	-.65	-.50	-1.49	-.07	-.15	-.03	.65
Nonresidential.....	-.66	-.68	-1.33	-.66	-.27	-.08	.24
Structures.....	-.05	-.52	-1.12	-.44	-.53	-.62	-.25
Equipment and software.....	-.61	-.15	-.21	-.22	.26	.53	.49
Information processing equipment and software.....	-.26	.10	-.05	.25	.46	.50	.12
Computers and peripheral equipment.....	-.02	.12	.22	.21	.10	.26	.05
Software ¹	-.02	.03	.01	-.06	.20	.20	.03
Other.....	-.22	-.05	-.27	.10	.16	.04	.04
Industrial equipment.....	-.07	-.07	-.18	.15	-.11	.09	-.08
Transportation equipment.....	-.23	-.17	.22	-.56	-.32	-.06	.37
Other.....	-.04	-.01	-.22	-.06	.23	.01	.08
Residential.....	.01	.18	-.16	.60	.12	.05	.41
Change in private inventories	-1.24	.65	-1.39	2.60	1.31	.58	.28
Farm.....	.04	-.01	.05	.09	-.20	-.10	.05
Nonfarm.....	-1.28	.66	-1.43	2.51	1.51	.68	.24
Net exports of goods and services	-.18	-.67	-.28	-.75	-1.40	-.01	-1.59
Exports	-.59	-.17	-.99	.33	1.29	.45	-.59
Goods.....	-.47	-.26	-.56	-.23	.99	.28	-.82
Services.....	-.13	.09	-.42	.56	.30	.17	.23
Imports	.42	-.50	.70	-1.08	-2.69	-.47	-1.00
Goods.....	.40	-.43	.37	-.40	-2.74	-.40	-.71
Services.....	.01	-.07	.33	-.68	.05	-.07	-.30
Government consumption expenditures and gross investment	.65	.81	1.85	1.04	.27	.56	.85
Federal	.29	.47	.80	.47	.47	.29	.70
National defense.....	.19	.37	.54	.46	.32	.29	.46
Consumption expenditures.....	.16	.31	.53	.34	.32	.19	.50
Gross investment.....	.02	.06	.01	.12	.00	.11	-.04
Nondefense.....	.10	.10	.26	.01	.16	-.01	.25
Consumption expenditures.....	.08	.08	.11	.03	.10	.07	.21
Gross investment.....	.01	.02	.15	-.02	.06	-.07	.04
State and local	.36	.34	1.05	.56	-.21	.27	.15
Consumption expenditures.....	.30	.28	.41	.25	.16	.17	.14
Gross investment.....	.07	.06	.64	.32	-.37	.10	.00
Addenda:							
Goods.....	-.85	1.19	1.52	2.89	.14	3.10	-.55
Services.....	1.11	1.52	1.75	1.60	1.91	1.43	1.71
Structures.....	-.01	-.26	-.54	.56	-.80	-.50	.22
Motor vehicle output.....	-.21	.39	.48	.31	.25	1.06	-.49
Final sales of computers ².....	.08	.08	.19	-.06	.08	.39	.17

Table 8.3. Contributions to Percent Change in Real Personal Consumption Expenditures by Major Type of Product

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
Percent change at annual rate:							
Personal consumption expenditures	2.5	3.1	6.0	3.1	1.8	4.2	1.7
Percentage points at annual rates:							
Durable goods	.71	.86	3.56	-.80	.23	2.49	-1.03
Motor vehicles and parts.....	.35	.29	2.72	-1.70	-.05	2.09	-1.32
Furniture and household equipment.....	.28	.43	.62	.61	.29	.25	.24
Other.....	.08	.14	.21	.29	.00	.15	.06
Nondurable goods	.58	.93	1.08	2.23	-.03	.32	1.45
Food.....	.13	.25	.20	.92	-.13	-.08	.80
Clothing and shoes.....	.12	.25	.41	.57	-.04	.01	.32
Gasoline, fuel oil, and other energy goods.....	.03	.10	.10	.22	-.04	.07	.09
Gasoline and oil.....	.05	.10	.10	.21	-.02	.05	-.01
Fuel oil and coal.....	-.03	.00	.00	.01	-.02	.02	.10
Other.....	.30	.33	.37	.52	.19	.31	.25
Services	1.17	1.33	1.33	1.69	1.56	1.38	1.29
Housing.....	.25	.24	.19	.30	.30	.25	.25
Household operation.....	.07	.03	-.25	.21	.09	.11	.30
Electricity and gas.....	-.04	.02	-.14	.20	.01	.12	.42
Other household operation.....	.12	.00	-.12	.01	.08	-.02	-.12
Transportation.....	-.03	-.01	-.08	.14	-.04	-.03	.02
Medical care.....	.64	.66	.72	.56	.73	.64	.49
Recreation.....	.11	.07	.19	.05	.10	.00	.21
Other.....	.13	.34	.57	.41	.37	.41	.03
Addenda:							
Energy goods and services ¹	-.01	.12	-.04	.42	-.03	.19	.51
Personal consumption expenditures less food and energy.....	2.35	2.75	5.81	1.78	1.94	4.07	.41

1. Consists of gasoline, fuel oil, and other energy goods, and of electricity and gas.

NOTE: The quantity indexes on which the estimates in this table are based are shown in table 7.4. The estimates in this table differ from those in table 8.2 because this table shows contributions to real personal consumption expenditures, whereas table 8.2 shows contributions to real gross domestic product.

1. Excludes software "embedded," or bundled, in computers and other equipment.

2. For some components of final sales of computers, includes computer parts.

NOTE: The quantity indexes on which the estimates in this table are based are shown in tables 7.1, 7.2, 7.4, 7.6, 7.9, 7.11, and 7.17.

Table 8.4. Contributions to Percent Change in Real Private Fixed Investment by Type

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
Percent change at annual rate:							
Private fixed investment.....	-3.8	-3.1	-8.9	-5	-1.0	-3	4.4
Percentage points at annual rates:							
Nonresidential	-3.88	-4.18	-8.03	-4.29	-1.74	-.58	1.63
Structures	-.31	-3.23	-6.87	-2.83	-3.44	-4.05	-1.68
Nonresidential buildings, including farm.....	-.95	-2.46	-3.14	-1.98	-2.75	-2.81	-4.0
Utilities.....	-.01	-.20	-.08	.42	-.69	-.78	-.29
Mining exploration, shafts, and wells.....	.48	-.31	-.33	-1.28	.02	-.09	-.89
Other structures.....	.16	-.26	-3.33	.01	-.01	-.38	-.10
Equipment and software	-3.57	-.94	-1.16	-1.46	1.70	3.47	3.31
Information processing equipment and software.....	-1.54	.61	-.24	1.57	2.99	3.26	.82
Computers and peripheral equipment ¹	-.13	.71	1.36	1.32	.65	1.73	.36
Software ²	-.13	.22	.03	-.41	1.31	1.28	.22
Other.....	-1.27	-.32	-1.63	.66	1.02	.25	.24
Industrial equipment.....	-.43	-.43	-1.11	.95	-.70	.60	-.53
Transportation equipment.....	-1.37	-1.03	1.39	-3.56	-2.06	-.43	2.47
Other.....	-.23	-.09	-1.20	-.42	1.48	.04	.55
Residential.....	.07	1.10	-.88	3.79	.78	.32	2.73
Structures.....	.07	1.08	-.92	3.77	.76	.32	2.71
Single family.....	.11	.60	-.77	1.80	.38	.41	2.13
Multifamily.....	.11	.14	.24	.62	-.06	-.19	-.37
Other structures.....	-.15	.34	-.39	1.35	.43	.09	.94
Equipment.....	.00	.02	.04	.02	.02	.00	.02

1. Includes new computers and peripheral equipment only.
 2. Excludes software "embedded," or bundled, in computers and other equipment.
 NOTE: The quantity indexes on which the estimates in this table are based are shown in table 7.6. The estimates in this table differ from those in table 8.2 because this table shows contributions to real private fixed investment, whereas table 8.2 shows contributions to real gross domestic product.

Table 8.5. Contributions to Percent Change in Real Exports and in Real Imports of Goods and Services by Type of Product

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
Percent change at annual rate:							
Exports of goods and services..	-5.4	-1.6	-9.6	3.5	14.3	4.6	-5.8
Percentage points at annual rates:							
Exports of goods ¹	-4.23	-2.55	-5.45	-2.43	10.92	2.86	-8.25
Foods, feeds, and beverages.....	.13	-.10	.82	.08	-.61	-.61	.08
Industrial supplies and materials.....	-.58	.05	.39	-.47	2.84	-.99	.34
Capital goods, except automotive.....	-3.21	-2.71	-5.94	-1.79	4.48	3.21	-6.21
Automotive vehicles, engines, and parts.....	-.47	.27	-1.10	-.25	2.73	.74	-2.04
Consumer goods, except automotive.....	-.07	-.32	-.46	-.67	.96	.59	-.15
Other.....	-.03	.26	.83	.67	.54	-.07	-.26
Exports of services ¹	-1.14	.95	-4.18	5.89	3.36	1.77	2.42
Percent change at annual rate:							
Imports of goods and services..	-2.9	3.7	-5.3	8.5	22.2	3.3	7.4
Percentage points at annual rates:							
Imports of goods ¹	-2.78	3.19	-2.76	3.24	22.25	2.81	5.23
Foods, feeds, and beverages.....	.14	.19	-.25	.18	.41	.12	.17
Industrial supplies and materials, except petroleum and products.....	-.45	.39	-.15	.68	1.38	1.06	.76
Petroleum and products.....	.27	-.16	.27	-1.25	2.13	-1.07	1.69
Capital goods, except automotive.....	-2.73	-.38	-1.40	2.40	3.77	-.63	.56
Automotive vehicles, engines, and parts.....	-.41	.98	-1.47	.98	5.21	.57	-.67
Consumer goods, except automotive.....	.33	1.89	-.62	2.42	7.03	2.07	2.30
Other.....	.07	.28	.86	-2.16	2.32	.69	.43
Imports of services ¹	-.08	.52	-2.54	5.31	-1.10	.52	2.14

1. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment were reclassified from goods to services.

NOTE: The quantity indexes on which the estimates in this table are based are shown in table 7.10. The estimates in this table differ from those in table 8.2 because this table shows contributions to real exports and to real imports, whereas table 8.2 shows contributions to real gross domestic product. Because imports are subtracted in the calculation of gross domestic product, the contributions of components of real imports have opposite signs in this table and in table 8.2.

Table 8.6. Contributions to Percent Change in Real Government Consumption Expenditures and Gross Investment by Type

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
Percent change at annual rate:							
Government consumption expenditures and gross investment ¹	3.7	4.4	10.5	5.6	1.4	2.9	4.6
Percentage points at annual rates:							
Federal	1.61	2.54	4.49	2.53	2.52	1.50	3.76
National defense	1.06	2.01	3.01	2.46	1.68	1.53	2.44
Consumption expenditures.....	.92	1.70	2.94	1.81	1.69	.98	2.65
Durable goods ².....	.09	.05	-.45	.13	.03	.29	-.23
Nondurable goods.....	.03	.08	.34	.04	.03	-.01	-.17
Services.....	.80	1.56	3.04	1.65	1.63	.70	3.05
Compensation of general government employees, except own-account investment ³.....	.05	.14	.09	.30	.36	.14	-.33
Consumption of general government fixed capital ⁴	-.01	.01	.00	.01	.02	.03	.04
Other services.....	-.76	1.40	2.94	1.34	1.25	.53	3.34
Gross investment.....	-.14	-.31	.08	.65	-.01	.56	-.22
Structures.....	-.01	-.01	.13	-.12	.05	.00	-.03
Equipment and software.....	.14	.32	-.06	.77	-.07	.56	-.18
Nondefense.....	.55	.54	1.48	.07	.84	-.04	1.33
Consumption expenditures.....	.47	.42	.63	.16	.52	.35	1.13
Durable goods ².....	.01	.01	.02	.01	.00	.01	.03
Nondurable goods.....	-.13	.03	.10	.07	.22	-.17	.04
Services.....	.34	.38	.51	.08	.29	.51	1.06
Compensation of general government employees, except own-account investment ³	-.03	.12	-.05	.11	-.04	.31	.85
Consumption of general government fixed capital ⁴.....	.11	.11	.12	.11	.11	.11	.12
Other services.....	.26	.15	.44	-.14	.22	.09	.09
Gross investment.....	.08	.12	.85	-.10	.32	-.39	.20
Structures.....	-.04	.09	.38	.34	-.25	-.19	.26
Equipment and software.....	.11	.03	.46	-.43	.57	-.20	-.07
State and local	2.05	1.87	5.98	3.03	-1.10	1.42	.85
Consumption expenditures.....	1.66	1.52	2.43	1.33	.84	.89	.81
Durable goods ².....	.06	.05	.07	.06	.04	.04	.04
Nondurable goods.....	.36	.24	.34	.24	.17	.17	.18
Services.....	1.24	1.22	2.02	1.03	.63	.67	.59
Compensation of general government employees, except own-account investment ³.....	.79	.78	1.28	.50	.36	.46	.40
Consumption of general government fixed capital ⁴.....	.24	.23	.26	.27	.20	.17	.15
Other services.....	.21	.21	.48	.26	.08	.04	.03
Gross investment.....	.39	.35	3.56	1.70	-1.94	.53	.04
Structures.....	.23	.41	3.61	1.95	-1.87	.52	.15
Equipment and software.....	.16	-.06	-.06	-.25	-.07	.02	-.12

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries by the Federal Government.

3. Compensation of government employees engaged in new own-account investment and related expenditures for goods and services are classified as investment in structures and in software.

4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

NOTE: The quantity indexes on which the estimates in this table are based are shown in table 7.11. The estimates in this table differ from those in table 8.2 because this table shows contributions to real government consumption expenditures and gross investment, whereas table 8.2 shows contributions to real gross domestic product.

Table 8.30. Contributions to Percent Change in the Gross Domestic Purchases Price Index

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
				IV	I	II	III	IV
Percent change at annual rate:							
Gross domestic purchases	1.9	1.2	.4	1.2	2.3	1.2	1.8
Percentage points at annual rates:							
Personal consumption expenditures	1.34	.92	.55	.74	1.83	1.15	1.22
Durable goods	-.16	-.23	-.12	-.35	-.23	-.16	-.18
Motor vehicles and parts .....	.01	-.05	.04	-.13	-.10	.03	-.01
Furniture and household equipment	-.17	-.17	-.15	-.20	-.12	-.16	-.16
Other .....	.01	-.01	-.01	-.02	-.01	-.02	-.01
Nondurable goods .....	.29	.08	-.69	.05	.89	.12	.24
Food .....	.28	.19	.22	.23	.05	.09	.17
Clothing and shoes	-.06	-.08	-.07	-.06	-.04	-.11	-.01
Gasoline, fuel oil, and other energy goods	-.06	-.12	-.93	-.17	.72	.09	.18
Other .....	.12	.09	.08	.05	.16	.06	-.09
Services	1.21	1.07	1.37	1.05	1.18	1.19	1.17
Housing .....	.37	.38	.44	.42	.33	.28	.28
Household operation .....	.15	-.03	-.13	-.05	.00	.13	.09
Electricity and gas .....	.15	-.08	-.24	-.10	.03	.01	.05
Other household operation .....	.00	.05	.11	.05	-.03	.12	.04
Transportation .....	.05	.05	.02	.07	.11	.04	.07
Medical care .....	.37	.28	.46	.23	.27	.30	.33
Recreation .....	.08	.08	.07	.06	.11	.08	.08
Other .....	.19	.32	.52	.33	.35	.36	.32
Gross private domestic investment .....	.19	-.08	-.04	-.22	-.06	-.16	.24
Fixed investment .....	.19	-.06	-.02	-.22	-.03	-.14	.25
Nonresidential .....	.02	-.15	-.18	-.22	-.15	-.14	.04
Structures .....	.15	-.02	-.05	-.10	.02	.01	.05
Equipment and software	-.14	-.13	-.13	-.12	-.17	-.15	-.01
Information processing equipment and software	-.16	-.14	-.16	-.11	-.13	-.11	-.14
Computers and peripheral equipment	-.17	-.11	-.14	-.10	-.06	-.10	-.10
Software ¹ .....	.03	-.01	.00	.00	-.05	.01	-.01
Other	-.03	-.02	-.02	-.01	-.02	-.02	-.02
Industrial equipment .....	.01	.00	.00	-.01	-.01	.02	.01
Transportation equipment	-.01	.00	.01	.00	-.03	-.06	.11
Other equipment .....	.02	.01	.02	.01	-.01	.01	.00
Residential .....	.17	.09	.16	.00	.11	.00	.21
Change in private inventories .....	.00	-.02	-.02	.00	-.03	-.03	-.01
Farm .....	.00	.00	.00	.00	.00	.00	.00
Nonfarm .....	.00	-.02	-.02	.00	-.03	-.02	-.01
Government consumption expenditures and gross investment .....	.41	.31	-.06	.64	.51	.26	.28
Federal .....	.10	.17	-.03	.50	.15	.08	.02
National defense .....	.06	.09	-.04	.28	.08	.06	.05
Consumption expenditures .....	.07	.10	-.02	.29	.08	.06	.04
Gross investment .....	.00	.00	-.02	-.01	.00	.00	.01
Nondefense .....	.04	.08	.01	.22	.06	.02	-.03
Consumption expenditures .....	.04	.08	.01	.23	.07	.02	-.03
Gross investment .....	.00	.00	.00	.00	.00	.00	.00
State and local .....	.31	.14	-.04	.13	.36	.18	.26
Consumption expenditures .....	.26	.12	-.08	.13	.33	.17	.25
Gross investment .....	.05	.02	.05	.00	.03	.00	.01
Addenda:							
Final sales of computers ²	-.27	-.19	-.23	-.19	-.11	-.16	-.19
Gross domestic purchases less final sales of computers	2.21	1.34	.68	1.35	2.39	1.41	1.94
Food .....	.28	.18	.22	.23	.04	.06	.17
Energy goods and services .....	.09	-.26	-1.52	-.32	.93	.14	.31
Gross domestic purchases less food and energy	1.57	1.23	1.74	1.25	1.31	1.05	1.27

1. Excludes software "embedded" or bundled, in computers and other equipment.

2. For some components of final sales of computers, includes computer parts.

NOTE: The price indexes on which the estimates in this table are based are shown in tables 7.1, 7.2, 7.4, 7.6, and 7.11.

Annual Estimates

Except as noted for table B.3 below, these tables are derived from the NIPA tables that were published in the August and September 2002 issues of the SURVEY OF CURRENT BUSINESS, and the estimates reflect the most recent comprehensive and annual NIPA revisions.

Table B.3. Gross Domestic Product by Industry, Current-Dollar and Real Estimates for 1999–2001

	Billions of dollars			Billions of chained (1996) dollars				Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001		1999	2000	2001	1999	2000	2001
Gross domestic product	9,274.3	9,824.6	10,082.2	8,859.0	9,191.4	9,214.5	Transportation services.....	29.9	34.1	32.9	29.8	32.4	31.2
Private industries	8,123.0	8,606.9	8,800.8	7,851.0	8,157.8	8,189.4	Communications.....	257.2	279.1	291.5	255.3	286.7	321.9
Agriculture, forestry, and fishing	127.7	134.3	140.6	154.6	166.7	163.9	Telephone and telegraph.....	193.7	208.0	218.5	205.3	236.7	265.7
Farms.....	75.2	77.8	80.6	108.1	120.5	114.3	Radio and television.....	63.6	71.1	72.9	51.5	53.4	60.0
Agricultural services, forestry, and fishing.....	52.5	56.5	60.1	46.2	47.6	49.1	Electric, gas, and sanitary services.....	211.0	216.5	221.9	208.8	213.9	194.3
Mining	104.1	133.1	139.0	114.7	101.9	106.8	Wholesale trade	645.3	696.8	680.7	708.6	750.2	748.7
Metal mining.....	5.6	5.2	5.7	9.0	8.0	9.6	Retail trade	831.7	887.3	931.8	846.2	909.2	951.2
Coal mining.....	10.8	9.2	10.5	13.5	11.9	13.9	Finance, insurance, and real estate	1,798.8	1,976.7	2,076.9	1,688.3	1,793.5	1,843.5
Oil and gas extraction.....	76.4	106.5	110.3	82.0	70.5	72.9	Depository institutions.....	330.3	361.1	359.8	274.9	287.4	290.4
Nonmetallic minerals, except fuels.....	11.4	12.2	12.6	10.7	12.2	12.4	Nondepository institutions.....	57.7	69.5	88.8	65.4	79.0	91.9
Construction	425.4	461.3	480.0	367.8	378.0	371.9	Security and commodity brokers.....	128.2	150.8	175.0	174.8	216.8	245.1
Manufacturing	1,481.3	1,520.3	1,423.0	1,513.9	1,585.4	1,490.3	Insurance carriers.....	153.8	182.4	170.1	133.0	146.0	141.2
Durable goods.....	853.8	886.4	812.8	949.3	1,044.3	990.1	Insurance agents, brokers, and service.....	61.5	61.6	66.5	54.6	51.9	53.5
Lumber and wood products.....	44.1	42.1	39.2	40.9	41.8	39.0	Real estate.....	1,050.5	1,123.7	1,171.7	982.1	1,016.7	1,022.0
Furniture and fixtures.....	25.8	26.1	25.0	23.7	24.1	22.4	Nonfarm housing services.....	766.9	811.4	845.1	704.1	722.9	725.6
Stone, clay, and glass products.....	41.4	40.6	36.7	37.4	37.2	33.9	Other real estate.....	283.5	312.3	326.6	279.3	295.5	298.2
Primary metal industries.....	50.5	50.2	45.1	57.0	56.1	53.5	Holding and other investment offices.....	16.8	27.7	45.0	10.0	13.7	22.7
Fabricated metal products.....	106.9	109.6	100.8	97.7	102.7	92.3	Services	1,977.2	2,116.4	2,226.6	1,768.4	1,826.0	1,843.3
Industrial machinery and equipment.....	152.3	173.1	148.2	206.7	249.2	222.5	Hotels and other lodging places.....	80.0	87.4	88.4	64.5	68.4	65.6
Electronic and other electric equipment.....	161.2	162.0	143.1	249.2	311.8	335.2	Personal services.....	58.5	59.3	62.7	53.6	52.9	53.3
Motor vehicles and equipment.....	119.4	120.4	111.4	115.0	117.3	108.5	Business services.....	501.0	534.4	544.1	449.6	460.1	459.4
Other transportation equipment.....	65.1	66.3	71.4	61.7	60.5	62.0	Auto repair, services, and parking.....	89.2	94.9	99.5	81.8	84.8	87.5
Instruments and related products.....	58.2	63.5	61.7	47.6	51.0	46.1	Miscellaneous repair services.....	24.9	27.7	27.0	19.9	20.9	17.7
Miscellaneous manufacturing industries.....	28.9	32.5	30.2	27.4	31.3	28.5	Motion pictures.....	31.2	32.5	35.5	28.5	27.9	29.5
Nondurable goods.....	627.5	633.9	610.2	570.8	558.0	518.3	Amusement and recreation services.....	72.6	76.6	79.3	63.6	63.6	62.6
Food and kindred products.....	136.6	127.0	123.7	120.5	111.2	106.5	Health services.....	515.4	548.5	589.8	470.7	487.9	501.2
Tobacco products.....	19.4	21.2	21.1	6.8	6.2	5.0	Legal services.....	123.6	134.4	145.6	111.0	116.8	120.2
Textile mill products.....	24.9	23.8	22.1	23.0	23.2	20.7	Educational services.....	72.3	77.9	84.4	62.4	64.1	66.5
Apparel and other textile products.....	24.7	24.7	23.3	22.9	23.3	22.3	Social services.....	61.9	67.7	74.7	53.9	56.0	58.4
Paper and allied products.....	56.8	60.2	55.9	56.1	53.1	49.7	Membership organizations.....	58.0	61.4	63.0	48.1	47.8	46.6
Printing and publishing.....	105.4	106.5	100.2	90.4	90.1	80.8	Other services.....	276.0	300.3	320.7	250.2	263.9	267.1
Chemicals and allied products.....	167.3	169.0	163.5	160.6	162.8	157.8	Private households.....	12.7	13.6	11.9	11.7	12.0	10.1
Petroleum and coal products.....	30.4	38.5	40.6	35.3	29.9	24.6	Statistical discrepancy ¹	-38.8	-128.5	-117.3	-37.3	-121.3	-108.3
Rubber and miscellaneous plastics products.....	58.7	59.3	56.6	57.6	61.3	57.0	Government	1,151.3	1,217.7	1,281.3	1,061.1	1,088.8	1,107.5
Leather and leather products.....	3.4	3.7	3.3	3.2	3.6	3.1	Federal	369.8	389.5	396.2	346.5	355.0	350.9
Transportation and public utilities	770.1	809.3	819.5	732.2	781.9	780.5	General government.....	307.6	323.4	332.8	285.2	289.4	291.3
Transportation.....	301.9	313.7	306.1	268.6	282.5	270.3	Government enterprises.....	62.2	66.1	63.4	61.4	66.0	59.4
Railroad transportation.....	23.1	24.8	25.8	22.4	25.0	25.0	State and local	781.5	828.2	885.1	714.4	733.6	756.1
Local and interurban passenger transit.....	17.9	18.3	19.1	16.8	17.2	17.2	General government.....	715.9	758.7	807.0	653.7	669.0	687.0
Trucking and warehousing.....	121.4	123.3	126.0	100.2	103.4	99.3	Government enterprises.....	65.6	69.4	78.1	60.7	64.7	69.4
Water transportation.....	13.4	15.0	15.7	12.0	13.4	13.3	Not allocated by industry ²				-97.1	-159.1	-204.4
Transportation by air.....	90.0	91.9	80.2	80.7	84.8	78.3							
Pipelines, except natural gas.....	6.2	6.3	6.5	6.6	6.4	6.0							

1. The current-dollar statistical discrepancy equals gross domestic product (GDP) measured as the sum of expenditures less gross domestic income—that is, GDP measured as the costs incurred and profits earned in domestic production. The chained (1996) dollar statistical discrepancy equals the current-dollar statistical discrepancy deflated by the implicit price deflator for gross domestic business product.

2. Equals GDP in chained (1996) dollars less the statistical discrepancy and the sum of GDP by industry of the

detailed industries. The value of not allocated by industry reflects the nonadditivity of chained-dollar estimates and the differences in source data used to estimate real GDP by industry and the expenditures measure of real GDP.

NOTE: Estimates are based on the 1987 Standard Industrial Classification. The table is derived from tables 1 and 6 in "Gross Domestic Product by Industry for 1999–2001" in the November 2002 Survey.

Table B.5. Private Fixed Investment in Structures by Type

	Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001
Private fixed investment in structures	678.5	731.0	759.9	617.9	638.5	634.9
Nonresidential	283.7	314.2	324.5	258.6	275.5	270.9
New	283.1	313.5	320.8	258.0	274.7	267.7
Nonresidential buildings, excluding farm	201.8	217.9	210.1	181.0	187.1	173.6
Industrial	28.7	28.0	25.6	25.8	24.0	21.1
Commercial	110.1	122.8	118.5	98.7	105.5	97.9
Office buildings ¹	55.4	64.7	60.5	49.6	55.6	50.0
Other ²	54.7	58.1	58.0	49.1	49.9	48.0
Religious	7.2	7.8	8.1	6.4	6.7	6.7
Educational	10.3	12.4	13.7	9.3	10.6	11.3
Hospital and institutional	15.1	16.1	16.8	13.5	13.8	13.9
Other ³	30.4	30.8	27.4	27.2	26.5	22.6
Utilities	47.3	53.7	55.0	45.7	50.4	50.3
Railroads	4.7	4.3	4.1	4.7	4.2	4.2
Telecommunications	18.3	18.7	18.4	18.2	18.2	17.3
Electric light and power	14.7	21.3	22.7	14.0	19.5	20.1
Gas	8.1	8.5	8.9	7.6	7.6	7.8
Petroleum pipelines	1.5	1.0	.9	1.4	.9	.8
Farm	5.1	6.0	6.1	4.5	5.1	5.1
Mining exploration, shafts, and wells	22.8	29.2	42.7	21.6	27.0	34.0
Petroleum and natural gas	21.6	28.0	41.3	20.4	26.0	32.8
Other	1.2	1.1	1.4	1.1	1.0	1.2
Other ⁴	6.2	6.7	6.8	5.7	6.0	5.9
Brokers' commissions on sale of structures	2.4	2.5	2.5	2.3	2.4	2.2
Net purchases of used structures	-1.8	-1.9	1.2	-1.6	-1.6	1.0
Residential	394.8	416.8	435.4	359.4	363.0	364.0
New	344.4	363.6	377.8	311.7	315.1	315.2
New housing units	250.1	259.7	271.6	225.6	224.2	225.5
Permanent site	236.1	248.9	262.8	212.2	213.9	217.0
Single-family structures	208.6	220.7	232.1	189.0	191.0	192.6
Multifamily structures	27.4	28.3	30.7	23.4	23.0	24.4
Manufactured homes	14.0	10.8	8.8	13.2	10.0	8.1
Improvements	93.0	102.4	104.6	84.9	89.7	88.4
Other ⁵	1.3	1.4	1.6	1.2	1.2	1.4
Brokers' commissions on sale of structures	53.9	56.2	60.0	51.0	50.6	50.9
Net purchases of used structures	-3.5	-2.9	-2.3	-3.1	-2.5	-1.9
Residual				-9	-9	-1.0

1. Consists of office buildings, except those constructed at industrial sites and those constructed by utilities for their own use.
2. Consists of stores, restaurants, garages, service stations, warehouses, mobile structures, and other buildings used for commercial purposes.
3. Consists of hotels and motels, buildings used primarily for social and recreational activities, and buildings not elsewhere classified, such as passenger terminals, greenhouses, and animal hospitals.
4. Consists primarily of streets, dams and reservoirs, sewer and water facilities, parks, and airfields.
5. Consists primarily of dormitories and of fraternity and sorority houses.

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table B.6. Private Fixed Investment in Equipment and Software by Type

	Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001
Private fixed investment in equipment and software	898.7	960.8	886.4	984.8	1,065.4	997.6
Nonresidential equipment and software	889.8	951.6	877.1	975.9	1,056.0	988.2
Information processing equipment and software	402.3	446.9	404.3	508.1	583.3	548.5
Computers and peripheral equipment ¹	90.4	93.3	74.2	207.4	246.4	239.9
Software ²	162.5	179.4	180.4	169.3	184.4	182.0
Communication equipment	93.7	116.6	90.6	102.5	132.1	105.8
Instruments	38.2	40.6	43.6	37.9	40.1	42.6
Photocopy and related equipment	10.5	9.5	8.0	10.7	9.5	8.0
Office and accounting equipment	7.0	7.5	7.6	7.1	7.5	7.8
Industrial equipment	150.4	164.9	159.0	147.5	160.8	153.8
Fabricated metal products	13.4	13.8	13.7	13.5	13.9	13.4
Engines and turbines	5.7	7.0	9.3	5.4	6.6	8.8
Metalworking machinery	34.2	35.3	31.3	33.6	34.6	30.5
Special industry machinery, n.e.c.	38.3	44.4	41.0	37.2	43.0	39.4
General industrial, including materials handling, equipment	34.0	36.6	34.4	33.0	35.3	32.9
Electrical transmission, distribution, and industrial apparatus	24.8	27.8	29.3	24.8	27.3	28.7
Transportation equipment	194.7	189.7	165.8	193.2	186.6	163.6
Trucks, buses, and truck trailers	112.3	107.4	90.1	112.4	106.5	90.5
Autos	43.1	40.5	34.1	42.5	40.8	35.4
Aircraft	29.1	31.5	33.7	28.3	29.3	29.8
Ships and boats	2.7	3.2	3.2	2.6	2.9	2.9
Railroad equipment	7.6	7.1	4.7	7.7	7.2	4.8
Other equipment	145.6	153.4	150.8	141.8	148.5	144.5
Furniture and fixtures	38.1	40.6	35.7	37.1	39.2	34.0
Tractors	12.8	13.7	14.5	12.5	13.4	14.1
Agricultural machinery, except tractors	9.9	10.8	12.0	9.5	10.3	11.3
Construction machinery, except tractors	21.6	21.7	19.9	20.4	20.4	18.5
Mining and oilfield machinery	5.6	5.2	6.5	5.3	5.0	5.9
Service industry machinery	16.5	16.4	16.1	15.9	15.7	15.3
Electrical equipment, n.e.c.	14.4	16.4	17.9	14.9	17.3	19.0
Other	26.8	28.4	28.2	26.2	27.4	26.8
Less: Sale of equipment scrap, excluding autos	3.2	3.3	2.8	4.1	3.8	3.5
Residential equipment	8.8	9.3	9.3	9.0	9.4	9.5
Residual				-37.8	-56.3	-56.5
Addenda:						
Private fixed investment in equipment and software	898.7	960.8	886.4			
Less: Dealers' margin on used equipment	8.1	8.8	8.6			
Net purchases of used equipment from government	1.0	1.0	.9			
Plus: Net sales of used equipment	39.3	38.5	32.5			
Net exports of used equipment .....	.4	-2	.0			
Sale of equipment scrap	3.3	3.4	2.9			
Equals: Private fixed investment in new equipment and software	932.6	992.7	912.4			

1. Includes new computers and peripheral equipment only. Because of rapid changes in relative prices, the chained-dollar estimates for computers are especially misleading as a measure of the contribution or relative importance of this component.
2. Excludes software "embedded," or bundled, in computers and other equipment.

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

n.e.c. Not elsewhere classified.

Table B.8. Employment by Industry
[Thousands]

	Full-time and part-time employees			Persons engaged in production ¹				Full-time and part-time employees			Persons engaged in production ¹		
	1999	2000	2001	1999	2000	2001		1999	2000	2001	1999	2000	2001
Total	136,294	139,207	138,840	132,149	134,723	134,288							
Domestic industries	136,861	139,787	139,448	132,635	135,220	134,809							
Private industries ²	114,320	116,778	116,014	113,888	116,177	115,364							
Agriculture, forestry, and fishing	2,294	2,319	2,341	3,393	3,341	3,342							
Farms	923	890	870	1,693	1,635	1,608	Water transportation.....	188	194	192	185	191	197
Agricultural services, forestry, and fishing	1,371	1,429	1,471	1,700	1,706	1,734	Transportation by air ³	1,245	1,297	1,286	1,163	1,216	1,205
Mining	539	541	568	544	546	581	Pipelines, except natural gas	13	13	14	13	13	14
Metal mining.....	44	40	35	45	42	36	Transportation services	476	488	480	474	476	467
Coal mining	86	79	82	85	77	81	Communications.....	1,553	1,665	1,700	1,423	1,522	1,554
Oil and gas extraction	296	308	338	304	315	354	Telephone and telegraph.....	1,107	1,195	1,220	1,011	1,088	1,107
Nonmetallic minerals, except fuels	113	114	113	110	112	110	Radio and television	446	470	480	412	434	447
Construction	6,704	7,007	7,038	8,023	8,368	8,350	Electric, gas, and sanitary services.....	863	857	860	860	851	857
Manufacturing	18,673	18,567	17,702	18,663	18,507	17,682	Wholesale trade	6,992	7,104	6,832	7,015	7,098	6,794
Durable goods	11,178	11,179	10,632	11,223	11,214	10,671	Retail trade	23,542	24,049	24,147	20,954	21,423	21,485
Lumber and wood products.....	858	849	804	916	899	854	Finance, insurance, and real estate	7,705	7,743	7,856	7,809	7,840	7,861
Furniture and fixtures.....	550	558	524	562	569	530	Depository institutions.....	2,049	2,036	2,047	1,928	1,904	1,904
Stone, clay, and glass products	572	582	572	573	580	573	Nondepository institutions	709	686	716	691	667	690
Primary metal industries.....	698	700	646	697	696	642	Security and commodity brokers	727	797	820	796	873	855
Fabricated metal products.....	1,529	1,544	1,470	1,517	1,537	1,452	Insurance carriers	1,608	1,585	1,583	1,526	1,497	1,488
Industrial machinery and equipment	2,141	2,119	2,006	2,135	2,106	2,002	Insurance agents, brokers, and service... ..	795	800	820	873	893	909
Electronic and other electric equipment.....	1,671	1,719	1,627	1,657	1,705	1,610	Real estate.....	1,567	1,581	1,615	1,759	1,764	1,777
Motor vehicles and equipment.....	1,023	1,020	941	1,018	1,018	943	Holding and other investment offices.....	250	258	255	236	242	238
Other transportation equipment.....	874	836	812	872	834	811	Services	40,975	42,337	42,412	40,637	42,040	42,217
Instruments and related products.....	854	843	840	841	836	835	Hotels and other lodging places	1,935	1,981	1,942	1,759	1,818	1,792
Miscellaneous manufacturing industries.....	408	409	390	435	434	419	Personal services	1,363	1,387	1,414	1,831	1,879	1,878
Nondurable goods	7,495	7,388	7,070	7,440	7,293	7,011	Business services.....	9,438	10,048	9,622	9,567	10,197	9,850
Food and kindred products	1,697	1,700	1,702	1,680	1,675	1,681	Auto repair, services, and parking	1,326	1,366	1,388	1,557	1,589	1,601
Tobacco products.....	37	35	34	36	34	33	Miscellaneous repair services.....	390	381	384	552	538	564
Textile mill products.....	560	534	475	556	536	471	Motion pictures	612	609	589	659	652	634
Apparel and other textile products	697	640	564	708	616	560	Amusement and recreation services.....	1,783	1,856	1,811	1,547	1,636	1,601
Paper and allied products	669	657	629	664	651	623	Health services	10,359	10,483	10,775	9,647	9,770	10,040
Printing and publishing.....	1,576	1,569	1,508	1,557	1,544	1,498	Legal services.....	1,142	1,163	1,188	1,219	1,222	1,261
Chemicals and allied products	1,037	1,038	1,017	1,026	1,029	1,011	Educational services.....	2,350	2,442	2,536	2,164	2,265	2,371
Petroleum and coal products	131	126	124	131	125	124	Social services and membership organizations.....	5,387	5,581	5,671	5,188	5,354	5,432
Rubber and miscellaneous plastics products.....	1,012	1,017	954	1,002	1,007	945	Social services.....	2,859	2,992	3,143	3,086	3,201	3,330
Leather and leather products	79	72	63	80	76	65	Membership organizations	2,528	2,589	2,528	2,102	2,153	2,102
Transportation and public utilities	6,896	7,111	7,118	6,850	7,014	7,052	Other services ⁴	3,639	3,832	3,971	4,085	4,287	4,420
Transportation	4,480	4,589	4,558	4,567	4,641	4,641	Private households	1,251	1,208	1,121	862	833	773
Railroad transportation	221	212	203	209	201	192	Government	22,541	23,009	23,434	18,747	19,043	19,445
Local and interurban passenger transit	489	500	506	503	503	521	Federal	5,141	5,237	5,076	4,167	4,198	4,119
Trucking and warehousing ³	1,848	1,885	1,877	2,020	2,041	2,045	General government.....	4,146	4,260	4,114	3,370	3,416	3,338
							Civilian	1,855	1,976	1,825	1,821	1,869	1,790
							Military ⁵	2,291	2,284	2,289	1,549	1,547	1,548
							Government enterprises.....	995	977	962	797	782	781
							State and local	17,400	17,772	18,358	14,580	14,845	15,326
							General government.....	16,546	16,903	17,382	13,705	13,964	14,334
							Education.....	9,149	9,383	9,623	7,367	7,567	7,784
							Other ²	7,397	7,520	7,759	6,338	6,397	6,550
							Government enterprises ²	854	869	976	875	881	992
							Rest of the world ⁶	-567	-580	-608	-486	-497	-521

1. Equals the number of full-time equivalent employees plus the number of self-employed persons. Unpaid family workers are not included.
 2. Beginning with 2001, reflects the reclassification of employees of Indian tribal governments from the private sector in accordance with the Consolidated Appropriations Act of 2001.
 3. Reflects the reclassification of air couriers from trucking and warehousing to transportation by air.
 4. Consists of museums, botanical and zoological gardens; engineering and management services; and

services, not elsewhere classified.
 5. Includes Coast Guard.
 6. Includes estimates of foreign professional workers and undocumented Mexican migratory workers employed temporarily in the United States.

NOTE. Estimates in this table are based on the 1987 Standard Industrial Classification (SIC).

Table B.9. Wage and Salary Accruals Per Full-Time Equivalent Employee and Full-Time Equivalent Employees by Industry

	Wage and salary accruals per full-time equivalent employee			Full-time equivalent employees ¹				Wage and salary accruals per full-time equivalent employee			Full-time equivalent employees ¹		
	Dollars			Thousands				Dollars			Thousands		
	1999	2000	2001	1999	2000	2001		1999	2000	2001	1999	2000	2001
Total	36,677	38,759	39,784	122,028	124,779	124,438							
Domestic industries	36,578	38,652	39,667	122,514	125,276	124,959							
Private industries ²	36,208	38,343	39,293	103,767	106,233	105,514							
Agriculture, forestry, and fishing	21,124	22,258	24,219	2,066	2,078	2,085							
Farms	20,832	21,708	24,657	791	763	746							
Agricultural services, forestry, and fishing	21,306	22,578	23,975	1,275	1,315	1,339							
Mining	55,409	58,875	60,871	528	530	556							
Metal mining	55,591	54,025	57,029	44	40	35							
Coal mining	51,524	53,130	55,275	84	77	80							
Oil and gas extraction	61,472	66,904	68,142	290	302	331							
Nonmetallic minerals, except fuels	42,318	42,766	44,282	110	111	110							
Construction	36,138	37,899	39,385	6,468	6,777	6,821							
Manufacturing	42,821	45,675	45,580	18,277	18,159	17,319							
Durable goods	44,835	47,930	47,409	11,004	11,004	10,445							
Lumber and wood products	28,986	30,005	30,978	844	827	783							
Furniture and fixtures	29,601	30,694	31,465	539	546	510							
Stone, clay, and glass products	38,616	40,718	40,900	562	571	560							
Primary metal industries	44,582	45,493	45,808	692	694	640							
Fabricated metal products	37,145	38,305	39,096	1,508	1,523	1,439							
Industrial machinery and equipment	49,629	54,703	51,717	2,102	2,080	1,973							
Electronic and other electric equipment	50,348	57,307	54,729	1,648	1,699	1,604							
Motor vehicles and equipment	53,879	55,296	54,783	1,016	1,013	934							
Other transportation equipment	50,087	51,877	54,315	866	828	803							
Instruments and related products	54,993	58,957	58,347	836	831	828							
Miscellaneous manufacturing industries	33,243	34,635	36,356	391	392	371							
Nondurable goods	39,773	42,207	42,801	7,273	7,155	6,874							
Food and kindred products	34,149	35,990	36,755	1,658	1,661	1,659							
Tobacco products	60,222	68,265	74,667	36	34	33							
Textile mill products	28,458	29,394	29,957	552	528	467							
Apparel and other textile products	23,344	25,268	25,944	675	597	540							
Paper and allied products	44,876	46,462	47,265	661	649	622							
Printing and publishing	41,061	43,254	43,533	1,466	1,463	1,419							
Chemicals and allied products	62,949	68,311	66,825	1,023	1,024	1,005							
Petroleum and coal products	63,754	64,560	67,618	130	125	123							
Rubber and miscellaneous plastics products	34,483	35,623	36,199	996	1,003	945							
Leather and leather products	27,947	29,606	31,459	76	71	61							
Transportation and public utilities	45,449	47,310	48,009	6,422	6,615	6,617							
Transportation	37,201	38,429	39,607	4,167	4,267	4,236							
Railroad transportation	60,555	61,766	64,495	209	201	192							
Local and interurban passenger transit	22,785	23,663	24,439	447	457	462							
Trucking and warehousing ³	33,977	35,014	35,744	1,726	1,760	1,752							
Public utilities													
Wholesale trade	45,986	48,738	49,701	6,725	6,818	6,553							
Retail trade	21,445	22,264	23,009	19,609	20,190	20,245							
Finance, insurance, and real estate	55,374	60,817	63,738	7,147	7,148	7,216							
Depository institutions	43,370	44,473	47,440	1,922	1,901	1,902							
Nondepository institutions	51,399	54,997	62,849	689	645	669							
Security and commodity brokers	139,608	161,541	161,879	686	749	767							
Insurance carriers	50,876	53,623	56,409	1,526	1,497	1,488							
Insurance agents, brokers, and service	45,356	48,118	51,325	743	744	759							
Real estate	36,492	39,115	41,364	1,365	1,370	1,393							
Holding and other investment offices	87,678	99,372	96,588	236	242	238							
Services	34,236	36,306	37,647	36,525	37,918	38,102							
Hotels and other lodging places	23,657	24,727	25,229	1,710	1,759	1,733							
Personal services	21,024	21,811	22,759	1,204	1,228	1,255							
Business services	35,235	38,706	39,444	8,787	9,401	9,016							
Auto repair, services, and parking	25,685	26,789	27,321	1,289	1,313	1,341							
Miscellaneous repair services	32,482	34,235	35,393	365	358	363							
Motion pictures	40,781	43,406	45,413	485	485	472							
Amusement and recreation services	28,513	29,446	30,763	1,449	1,531	1,493							
Health services	37,765	39,256	41,022	9,257	9,387	9,674							
Legal services	62,580	67,484	71,019	1,016	1,035	1,057							
Educational services	28,104	29,356	30,538	2,063	2,148	2,237							
Social services and membership organizations	21,901	22,786	23,729	4,640	4,822	4,920							
Social services	20,228	21,139	22,071	2,538	2,669	2,818							
Membership organizations	23,920	24,829	25,952	2,102	2,153	2,102							
Other services ⁴	53,951	57,447	58,682	3,418	3,618	3,768							
Private households	14,372	15,887	14,975	862	833	773							
Government	38,628	40,379	41,700	18,747	19,043	19,445							
Federal	44,210	46,593	47,919	4,167	4,198	4,119							
General government	43,464	45,329	47,308	3,370	3,416	3,338							
Civilian	49,519	51,364	53,413	1,821	1,869	1,790							
Military ⁵	36,347	38,038	40,249	1,549	1,547	1,548							
Government enterprises	47,361	52,114	50,530	797	782	781							
State and local	37,033	38,622	40,028	14,580	14,845	15,326							
General government	36,895	38,462	39,931	13,705	13,964	14,334							
Education	36,586	37,958	39,205	7,367	7,567	7,784							
Other ²	37,253	39,059	40,794	6,338	6,397	6,550							
Government enterprises ⁶	39,206	41,150	41,427	875	881	992							
Rest of the world ⁶				-486	-497	-521							

1. Full-time equivalent employees equals the number of employees on full-time schedules plus the number of employees on part-time schedules converted to a full-time basis. The number of full-time equivalent employees in each industry is the product of the total number of employees and the ratio of average weekly hours per employee for all employees to average weekly hours per employee on full-time schedules.
 2. Beginning with 2001, reflects the reclassification of employees of Indian tribal governments from the private sector in accordance with the Consolidated Appropriations Act of 2001.
 3. Reflects the reclassification of air couriers from trucking and warehousing to transportation by air.

4. Consists of museums, botanical and zoological gardens; engineering and management services; and services, not elsewhere classified.
 5. Includes Coast Guard.
 6. Includes estimates of foreign professional workers and undocumented Mexican migratory workers employed temporarily in the United States.

NOTE: Estimates in this table are based on the 1987 Standard Industrial Classification (SIC).

Table B.10. Farm Sector Output, Gross Product, and National Income

	Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001
Farm output	207.5	214.3	221.3	244.1	249.2	246.1
Cash receipts from farm marketings	191.4	199.4	200.9	226.2	233.4	224.4
Crops	95.7	99.8	94.3	125.2	130.9	122.9
Livestock	95.7	99.7	106.6	101.1	102.9	101.3
Farm housing	7.2	7.6	8.0	6.1	6.0	5.9
Farm products consumed on farms .....	.5	.6	.6	.5	.5	.5
Other farm income	9.9	8.9	10.3	11.8	10.6	12.2
Change in farm inventories	-1.5	-2.2	1.6	-2.0	-2.5	2.0
Crops	-9	-1.6	2.1	-1.4	-2.2	3.6
Livestock	-6	-6	-5	-6	-6	-4
<i>Less: Intermediate goods and services purchased</i>	132.3	136.5	140.7	137.2	133.3	134.6
Intermediate goods and services, other than rent	118.6	122.2	126.1	123.1	119.5	120.8
Rent paid to nonoperator landlords	13.8	14.2	14.7	14.1	13.8	13.8
Equals: Gross farm product	75.2	77.8	80.6	108.1	120.5	114.3
<i>Less: Consumption of fixed capital</i>	28.9	28.7	29.4	27.7	27.0	27.3
Equals: Net farm product	46.3	49.2	51.2	80.9	97.9	89.5
<i>Less: Indirect business tax and nontax liability</i>	5.3	5.4	5.6	.....	.....	.....
<i>Plus: Subsidies to operators</i>	18.4	19.5	17.7	.....	.....	.....
Equals: Farm national income	59.3	63.3	63.2	.....	.....	.....
Compensation of employees	19.3	19.3	21.5	.....	.....	.....
Wage and salary accruals	16.5	16.6	18.4	.....	.....	.....
Supplements to wages and salaries	2.9	2.7	3.1	.....	.....	.....
Proprietors' income and corporate profits with inventory valuation and capital consumption adjustments	29.6	33.2	30.9	.....	.....	.....
Proprietors' income	27.7	22.6	19.0	.....	.....	.....
Corporate profits	1.9	10.6	11.8	.....	.....	.....
Net interest	10.3	10.9	10.8	.....	.....	.....

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Table B.11. Housing Sector Output, Gross Product, and National Income

	Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001
Housing output ¹	876.4	920.3	976.0	802.5	817.2	833.6
Nonfarm housing	869.2	912.7	968.1	796.4	811.2	827.8
Owner-occupied	666.4	704.9	751.0	610.7	627.3	643.5
Tenant-occupied	202.8	207.8	217.1	185.8	184.0	184.3
Farm housing	7.2	7.6	8.0	6.1	6.0	5.9
<i>Less: Intermediate goods and services consumed</i>	116.9	116.3	138.4	105.5	101.3	115.9
Equals: Gross housing product	759.5	804.0	837.6	697.0	716.1	717.5
Nonfarm housing	753.6	797.8	831.1	691.9	711.0	712.6
Owner-occupied	576.3	615.5	642.3	529.1	549.9	552.1
Tenant-occupied	177.4	182.2	188.8	162.8	161.1	160.5
Farm housing	5.9	6.3	6.5	5.1	5.1	4.9
<i>Less: Consumption of fixed capital</i>	145.4	152.5	166.1	132.2	132.7	140.0
Capital consumption allowances	77.8	81.8	88.4	.....	.....	.....
<i>Less: Capital consumption adjustment</i>	-67.6	-70.7	-77.7	.....	.....	.....
Equals: Net housing product	614.1	651.5	671.4	478.7	494.5	489.4
<i>Less: Indirect business tax and nontax liability plus business transfer payments</i>	135.7	140.7	146.0	.....	.....	.....
<i>Plus: Subsidies less current surplus of government enterprises</i>	23.7	23.8	24.3	.....	.....	.....
Equals: Housing national income	502.2	534.6	549.8	.....	.....	.....
Compensation of employees	10.0	10.9	11.3	.....	.....	.....
Proprietors' income with inventory valuation and capital consumption adjustments	19.7	18.5	18.1	.....	.....	.....
Rental income of persons with capital consumption adjustment	130.7	128.1	118.9	.....	.....	.....
Corporate profits with inventory valuation and capital consumption adjustments	4.1	4.1	4.0	.....	.....	.....
Net interest	337.6	373.1	397.5	.....	.....	.....

1. Equals personal consumption expenditures for housing less expenditures for other housing as shown in table B.4.

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

C. Historical Measures

This table is derived from the “GDP and Other Major NIPA Series” tables that were published in the August 2002 issue of the SURVEY OF CURRENT BUSINESS and from the “Selected NIPA Tables” that are published in this issue. (Changes in prices are calculated from indexes expressed to three decimal places.)

Table C.1. GDP and Other Major NIPA Aggregates
[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1996) dollars			Percent change from preceding period		Chain-type price indexes		Implicit price deflators		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price indexes		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1959	2,319.0	2,317.4	2,332.8	7.2	6.3	21.88	21.41	21.88	21.88	1.1	1.1	1.1	1.1
1960	2,376.7	2,378.5	2,391.9	2.5	2.6	22.19	21.71	22.19	22.18	1.4	1.4	1.4	1.4
1961	2,432.0	2,435.5	2,448.8	2.3	2.4	22.43	21.94	22.44	22.43	1.1	1.1	1.1	1.1
1962	2,578.9	2,569.5	2,598.0	6.0	5.5	22.74	22.23	22.74	22.74	1.4	1.3	1.4	1.4
1963	2,690.4	2,683.6	2,710.8	4.3	4.4	22.99	22.50	23.00	22.99	1.1	1.2	1.1	1.1
1964	2,846.5	2,844.1	2,868.5	5.8	6.0	23.34	22.85	23.34	23.34	1.5	1.6	1.5	1.5
1965	3,028.5	3,008.5	3,051.7	6.4	5.8	23.77	23.26	23.78	23.77	1.9	1.8	1.9	1.9
1966	3,227.5	3,191.1	3,248.9	6.6	6.1	24.45	23.91	24.46	24.45	2.8	2.8	2.9	2.9
1967	3,308.3	3,288.2	3,330.4	2.5	3.0	25.21	24.61	25.21	25.21	3.1	2.9	3.1	3.1
1968	3,466.1	3,450.0	3,489.8	4.8	4.9	26.29	25.66	26.30	26.29	4.3	4.3	4.3	4.3
1969	3,571.4	3,555.9	3,594.1	3.0	3.1	27.59	26.92	27.59	27.59	4.9	4.9	4.9	4.9
1970	3,578.0	3,588.6	3,600.6	2	9	29.05	28.37	29.06	29.05	5.3	5.4	5.3	5.3
1971	3,697.7	3,688.1	3,722.9	3.3	2.8	30.52	29.84	30.52	30.52	5.0	5.2	5.0	5.1
1972	3,898.4	3,887.7	3,925.7	5.4	5.4	31.81	31.17	31.82	31.82	4.2	4.5	4.3	4.2
1973	4,123.4	4,094.3	4,161.0	5.8	5.3	33.60	32.99	33.60	33.60	5.6	5.8	5.6	5.6
1974	4,099.0	4,060.7	4,142.3	-6	-3	36.60	36.35	36.62	36.62	9.0	10.2	9.0	9.0
1975	4,084.4	4,118.5	4,117.7	-4	9	40.03	39.69	40.03	40.03	9.4	9.2	9.3	9.3
1976	4,311.7	4,288.8	4,351.4	5.6	4.1	42.29	41.93	42.30	42.31	5.7	5.7	5.7	5.7
1977	4,511.8	4,478.8	4,556.6	4.6	4.4	45.02	44.80	45.02	45.03	6.4	6.8	6.4	6.4
1978	4,760.6	4,722.9	4,805.3	5.5	5.5	48.22	48.02	48.23	48.24	7.1	7.2	7.1	7.1
1979	4,912.1	4,894.4	4,973.9	3.2	3.6	52.24	52.26	52.25	52.26	8.3	8.8	8.3	8.3
1980	4,900.9	4,928.1	4,962.3	-2	7	57.05	57.79	57.04	57.05	9.2	10.6	9.2	9.2
1981	5,021.0	4,989.5	5,075.4	2.5	1.2	62.37	63.05	62.37	62.38	9.3	9.1	9.3	9.3
1982	4,919.3	4,954.9	4,973.6	-2.0	-7	66.26	66.71	66.25	66.26	6.2	5.8	6.2	6.2
1983	5,132.3	5,154.5	5,184.9	4.3	4.0	68.87	69.05	68.88	68.89	3.9	3.5	4.0	4.0
1984	5,505.2	5,427.9	5,553.8	7.3	5.3	71.44	71.46	71.44	71.45	3.7	3.5	3.7	3.7
1985	5,717.1	5,698.8	5,750.9	3.8	5.0	73.69	73.56	73.69	73.70	3.2	2.9	3.2	3.2
1986	5,912.4	5,912.6	5,932.5	3.4	3.8	75.32	75.22	75.31	75.32	2.2	2.3	2.2	2.2
1987	6,113.3	6,088.8	6,130.8	3.4	3.0	77.58	77.70	77.58	77.58	3.0	3.3	3.0	3.0
1988	6,368.4	6,352.6	6,391.1	4.2	4.3	80.22	80.36	80.21	80.22	3.4	3.4	3.4	3.4
1989	6,591.8	6,565.4	6,615.5	3.5	3.3	83.27	83.45	83.27	83.28	3.8	3.8	3.8	3.8
1990	6,707.9	6,695.6	6,740.0	1.8	2.0	86.53	86.85	86.51	86.53	3.9	4.1	3.9	3.9
1991	6,676.4	6,681.5	6,703.4	-5	-2	89.66	89.81	89.66	89.67	3.6	3.4	3.6	3.6
1992	6,880.0	6,867.7	6,905.8	3.0	2.8	91.85	92.03	91.84	91.84	2.4	2.5	2.4	2.4
1993	7,062.6	7,043.8	7,087.8	2.7	2.6	94.05	94.14	94.05	94.06	2.4	2.3	2.4	2.4
1994	7,347.7	7,285.8	7,364.3	4.0	3.4	96.01	96.06	96.01	96.02	2.1	2.0	2.1	2.1
1995	7,543.8	7,512.2	7,564.0	2.7	3.1	98.10	98.20	98.10	98.11	2.2	2.2	2.2	2.2
1996	7,813.2	7,783.2	7,831.2	3.6	3.6	100.00	100.00	100.00	100.00	1.9	1.8	1.9	1.9
1997	8,159.5	8,095.2	8,168.1	4.4	4.0	101.95	101.64	101.95	101.93	1.9	1.6	1.9	1.9
1998	8,508.9	8,431.8	8,508.4	4.3	4.2	103.20	102.43	103.20	103.17	1.2	1.8	1.2	1.2
1999	8,859.0	8,793.9	8,883.7	4.1	4.3	104.69	103.97	104.69	104.65	1.4	1.4	1.4	1.4
2000	9,191.4	9,121.1	9,216.2	3.8	3.7	106.89	106.58	106.89	106.86	2.1	2.5	2.1	2.1
2001	9,214.5	9,258.4	9,237.3	3	1.5	109.42	108.65	109.42	109.38	2.4	2.4	2.4	2.4
2002	9,439.9	9,424.4	9,433.5	2.4	1.8	110.66	109.90	110.66	110.63	1.1	1.2	1.1	1.1
1959: I	2,273.0	2,275.1	2,286.2	8.6	9.1	21.79	21.33	21.83	21.82	.9	1.2	.1	.1
1959: II	2,332.4	2,314.9	2,345.5	10.9	7.2	21.84	21.37	21.83	21.83	.9	.9	.1	.1
1959: III	2,331.4	2,344.3	2,345.5	-2	5.2	21.90	21.43	21.88	21.88	1.2	1.1	.9	.9
1959: IV	2,339.1	2,335.5	2,354.1	1.3	-1.5	21.99	21.52	21.98	21.98	1.7	1.7	1.8	1.8
1960: I	2,391.0	2,360.4	2,405.4	9.2	4.3	22.04	21.57	22.08	22.07	.9	.8	1.7	1.8
1960: II	2,379.2	2,382.7	2,393.9	-2.0	3.8	22.14	21.66	22.15	22.15	1.7	1.8	1.4	1.3
1960: III	2,383.6	2,380.0	2,398.9	.7	-5	22.23	21.76	22.23	22.23	1.8	1.8	1.5	1.5
1960: IV	2,352.9	2,391.1	2,369.3	-5.0	1.9	22.33	21.86	22.30	22.29	1.8	1.9	1.2	1.1
1961: I	2,366.5	2,392.9	2,383.7	2.3	3	22.36	21.88	22.35	22.34	.5	.4	1.0	1.0
1961: II	2,410.8	2,418.3	2,427.1	7.7	4.3	22.40	21.91	22.40	22.39	.7	.5	.8	.8
1961: III	2,450.4	2,437.7	2,467.2	6.8	3.2	22.45	21.96	22.46	22.45	.9	.9	1.1	1.1
1961: IV	2,500.4	2,493.2	2,517.5	8.4	9.4	22.51	22.01	22.53	22.53	1.0	.9	1.4	1.4
1962: I	2,544.0	2,522.5	2,561.0	7.2	4.8	22.64	22.13	22.67	22.67	2.4	2.2	2.5	2.5
1962: II	2,571.5	2,564.6	2,590.3	4.4	6.8	22.71	22.20	22.71	22.70	1.1	1.3	.6	.6
1962: III	2,596.8	2,586.2	2,615.7	4.0	3.4	22.77	22.26	22.76	22.75	1.1	1.0	1.0	1.0
1962: IV	2,603.3	2,604.6	2,625.1	1.0	2.9	22.84	22.34	22.83	22.83	1.4	1.4	1.3	1.3
1963: I	2,634.1	2,619.3	2,654.8	4.8	2.3	22.93	22.42	22.91	22.90	1.4	1.6	1.3	1.3
1963: II	2,668.4	2,663.9	2,688.2	5.3	7.0	22.95	22.45	22.94	22.93	.3	.4	.6	.6
1963: III	2,719.6	2,712.0	2,739.8	7.9	7.4	22.98	22.49	22.98	22.97	.6	.8	.6	.6
1963: IV	2,739.4	2,739.6	2,760.3	2.9	4.1	23.12	22.63	23.16	23.15	2.5	2.6	3.2	3.2
1964: I	2,800.5	2,799.3	2,823.2	9.2	9.0	23.20	22.72	23.22	23.22	1.4	1.5	1.2	1.2
1964: II	2,833.8	2,833.5	2,855.7	4.8	5.0	23.27	22.79	23.28	23.27	1.2	1.3	.9	.9
1964: III	2,872.0	2,868.3	2,894.7	5.5	5.0	23.39	22.90	23.37	23.37	2.0	1.8	1.6	1.6
1964: IV	2,879.5	2,875.5	2,900.5	1.0	1.0	23.49	22.99	23.49	23.48	1.8	1.7	2.0	2.0

Table C.1. GDP and Other Major NIPA Aggregates

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1996) dollars			Percent change from preceding period		Chain-type price indexes		Implicit price deflators		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price indexes		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1965: I.....	2,950.1	2,920.2	2,974.0	10.2	6.4	23.60	23.08	23.61	23.60	1.9	1.6	2.1	2.1
1965: II.....	2,989.9	2,973.2	3,014.6	5.5	7.4	23.71	23.19	23.71	23.71	1.8	1.8	1.8	1.8
1965: III.....	3,050.7	3,029.4	3,073.6	8.4	7.8	23.81	23.30	23.81	23.80	1.8	1.9	1.5	1.5
1965: IV.....	3,123.6	3,111.4	3,144.5	9.9	11.3	23.97	23.46	23.97	23.97	2.6	2.9	2.8	2.8
1966: I.....	3,201.1	3,165.1	3,222.6	10.3	7.1	24.11	23.59	24.13	24.12	2.4	2.1	2.6	2.6
1966: II.....	3,213.2	3,180.0	3,234.8	1.5	1.9	24.33	23.81	24.32	24.32	3.8	3.8	3.3	3.3
1966: III.....	3,233.6	3,205.0	3,254.7	2.6	3.2	24.57	24.03	24.58	24.58	4.0	3.7	4.3	4.3
1966: IV.....	3,261.8	3,214.5	3,283.7	3.5	1.2	24.79	24.22	24.79	24.79	3.5	3.3	3.5	3.5
1967: I.....	3,291.8	3,246.9	3,313.4	3.7	4.1	24.90	24.32	24.89	24.89	1.9	1.6	1.6	1.6
1967: II.....	3,289.7	3,281.5	3,310.7	-3	4.3	25.06	24.47	25.05	25.04	2.5	2.5	2.5	2.5
1967: III.....	3,313.5	3,297.4	3,336.6	2.9	2.0	25.29	24.70	25.31	25.31	3.8	3.8	4.3	4.3
1967: IV.....	3,338.3	3,326.9	3,360.8	3.0	3.6	25.57	24.96	25.59	25.59	4.4	4.3	4.5	4.5
1968: I.....	3,406.2	3,394.2	3,429.2	8.4	8.3	25.86	25.24	25.88	25.87	4.6	4.6	4.5	4.5
1968: II.....	3,464.8	3,428.5	3,488.3	7.1	4.1	26.15	25.51	26.14	26.14	4.5	4.2	4.1	4.1
1968: III.....	3,489.2	3,478.1	3,513.4	2.8	5.9	26.39	25.77	26.39	26.39	3.8	4.1	3.9	3.9
1968: IV.....	3,504.1	3,499.5	3,528.1	1.7	2.5	26.76	26.13	26.76	26.76	5.7	5.7	5.7	5.7
1969: I.....	3,558.3	3,535.0	3,582.2	6.3	4.1	27.02	26.37	27.03	27.03	3.9	3.8	4.1	4.1
1969: II.....	3,567.6	3,551.3	3,590.6	1.0	1.9	27.39	26.73	27.39	27.38	5.5	5.6	5.3	5.3
1969: III.....	3,588.3	3,569.0	3,610.3	2.3	2.0	27.79	27.11	27.79	27.79	6.0	5.8	6.0	6.0
1969: IV.....	3,571.4	3,568.3	3,593.3	-1.9	-1	28.15	27.46	28.15	28.15	5.3	5.3	5.3	5.3
1970: I.....	3,566.5	3,578.9	3,589.1	-6	1.2	28.54	27.85	28.55	28.54	5.6	5.8	5.8	5.8
1970: II.....	3,573.9	3,573.2	3,597.4	.8	-6	28.94	28.24	28.94	28.94	5.8	5.6	5.7	5.7
1970: III.....	3,605.2	3,605.0	3,628.3	3.6	3.6	29.17	28.51	29.18	29.17	3.2	3.9	3.3	3.3
1970: IV.....	3,566.5	3,597.4	3,587.6	-4.2	-8	29.55	28.89	29.56	29.56	5.3	5.5	5.3	5.3
1971: I.....	3,666.1	3,643.1	3,691.3	11.6	5.2	30.00	29.31	30.00	30.00	6.1	6.0	6.1	6.1
1971: II.....	3,686.2	3,667.8	3,712.8	2.2	2.7	30.40	29.71	30.40	30.40	5.5	5.5	5.4	5.4
1971: III.....	3,714.5	3,698.9	3,738.4	3.1	3.4	30.71	30.04	30.71	30.71	4.1	4.6	4.2	4.2
1971: IV.....	3,723.8	3,742.5	3,749.2	1.0	4.8	30.96	30.30	30.96	30.96	3.3	3.5	3.3	3.3
1972: I.....	3,796.9	3,802.2	3,823.4	8.1	6.5	31.42	30.76	31.41	31.41	6.1	6.1	5.8	5.8
1972: II.....	3,883.8	3,862.7	3,910.0	9.5	6.5	31.61	30.98	31.61	31.61	2.5	2.9	2.6	2.6
1972: III.....	3,922.3	3,897.2	3,950.7	4.0	3.6	31.92	31.30	31.92	31.92	4.0	4.2	4.0	4.0
1972: IV.....	3,990.5	3,988.5	4,018.7	7.1	9.7	32.30	31.67	32.32	32.32	4.8	4.8	5.1	5.1
1973: I.....	4,092.3	4,075.5	4,125.0	10.6	9.0	32.73	32.09	32.71	32.71	5.4	5.4	4.9	4.9
1973: II.....	4,133.3	4,094.4	4,168.3	4.1	1.9	33.27	32.69	33.25	33.25	6.8	7.7	6.9	6.9
1973: III.....	4,117.0	4,100.7	4,158.0	-1.6	.6	33.90	33.29	33.86	33.86	7.9	7.6	7.5	7.5
1973: IV.....	4,151.1	4,106.3	4,192.5	3.4	.5	34.48	33.91	34.58	34.58	7.0	7.6	8.7	8.7
1974: I.....	4,119.3	4,101.8	4,168.1	-3.0	-4	35.18	34.80	35.20	35.20	8.4	10.9	7.4	7.4
1974: II.....	4,130.4	4,105.6	4,176.5	1.1	.4	35.97	35.79	36.02	36.02	9.2	11.9	9.6	9.6
1974: III.....	4,084.5	4,089.8	4,126.5	-4.4	-1.5	37.07	36.87	37.09	37.08	12.8	12.7	12.4	12.4
1974: IV.....	4,062.0	4,025.8	4,098.0	-2.2	-6.1	38.20	37.93	38.20	38.19	12.7	12.0	12.5	12.5
1975: I.....	4,010.0	4,054.7	4,040.1	-5.0	2.9	39.08	38.76	39.08	39.08	9.6	9.0	9.6	9.6
1975: II.....	4,045.2	4,099.2	4,075.6	3.6	4.5	39.63	39.33	39.63	39.63	5.8	6.0	5.7	5.7
1975: III.....	4,115.4	4,135.9	4,148.4	7.1	3.6	40.35	39.99	40.33	40.33	7.5	7.0	7.3	7.3
1975: IV.....	4,167.2	4,184.3	4,206.7	5.1	4.8	41.05	40.67	41.05	41.05	7.1	6.9	7.3	7.3
1976: I.....	4,266.1	4,248.8	4,304.2	9.8	6.3	41.49	41.11	41.50	41.50	4.3	4.4	4.5	4.5
1976: II.....	4,301.5	4,264.1	4,341.2	3.4	1.4	41.93	41.56	41.92	41.92	4.3	4.5	4.1	4.1
1976: III.....	4,321.9	4,289.7	4,362.0	1.9	2.4	42.51	42.18	42.50	42.51	5.6	6.1	5.7	5.7
1976: IV.....	4,357.4	4,352.4	4,398.4	3.3	6.0	43.25	42.88	43.27	43.28	7.1	6.8	7.4	7.4
1977: I.....	4,410.5	4,393.8	4,457.6	5.0	3.9	43.97	43.68	43.97	43.97	6.9	7.7	6.6	6.6
1977: II.....	4,489.8	4,464.0	4,535.9	7.4	6.5	44.69	44.45	44.69	44.71	6.7	7.2	6.8	6.8
1977: III.....	4,570.6	4,509.7	4,616.4	7.4	4.2	45.32	45.14	45.23	45.25	5.8	6.4	4.9	4.9
1977: IV.....	4,576.1	4,547.5	4,616.6	.5	3.4	46.08	45.92	46.16	46.17	6.9	7.0	8.5	8.4
1978: I.....	4,588.9	4,552.0	4,636.0	1.1	.4	46.86	46.67	46.86	46.87	6.9	6.8	6.2	6.2
1978: II.....	4,765.7	4,730.8	4,804.8	16.3	16.7	47.79	47.60	47.77	47.78	8.2	8.2	8.0	8.0
1978: III.....	4,811.7	4,774.7	4,854.6	3.9	3.8	48.64	48.45	48.60	48.61	7.3	7.3	7.1	7.1
1978: IV.....	4,876.0	4,834.2	4,925.8	5.5	5.1	49.62	49.37	49.59	49.60	8.3	7.8	8.4	8.4
1979: I.....	4,888.3	4,855.1	4,939.6	1.0	1.7	50.58	50.38	50.55	50.56	8.0	8.4	7.9	7.9
1979: II.....	4,891.4	4,852.9	4,949.3	.3	-2	51.73	51.58	51.71	51.72	9.4	9.9	9.5	9.5
1979: III.....	4,926.2	4,921.9	4,995.6	2.9	5.8	52.79	52.89	52.81	52.82	8.5	10.5	8.8	8.8
1979: IV.....	4,942.6	4,947.7	5,011.4	1.3	2.1	53.86	54.20	53.90	53.90	8.3	10.3	8.5	8.5
1980: I.....	4,958.9	4,961.4	5,028.8	1.3	1.1	55.08	55.73	55.11	55.12	9.4	11.8	9.3	9.3
1980: II.....	4,857.8	4,861.6	4,922.5	-7.9	-7.8	56.35	57.14	56.34	56.35	9.5	9.5	9.2	9.2
1980: III.....	4,850.3	4,923.9	4,911.3	-6	5.2	57.62	58.43	57.60	57.61	9.4	10.3	9.2	9.2
1980: IV.....	4,936.6	4,965.2	4,986.3	7.3	3.4	59.16	59.89	59.13	59.14	11.1	10.4	11.0	11.1
1981: I.....	5,032.5	4,985.6	5,086.4	8.0	1.7	60.67	61.42	60.66	60.67	10.6	10.7	10.8	10.8
1981: II.....	4,997.3	4,995.9	5,048.1	-2.8	.8	61.75	62.53	61.76	61.77	7.3	7.4	7.5	7.5
1981: III.....	5,056.8	5,003.5	5,110.5	4.9	.6	62.95	63.56	62.95	62.97	8.0	6.7	8.0	8.0
1981: IV.....	4,997.1	4,972.9	5,056.8	-4.6	-2.4	64.10	64.70	64.10	64.11	7.5	7.0	7.5	7.5
1982: I.....	4,914.3	4,959.7	4,969.4	-6.5	-1.1	65.00	65.56	64.99	65.00	5.8	5.4	5.7	5.7
1982: II.....	4,935.5	4,954.2	4,996.9	1.7	-4	65.84	66.29	65.83	65.84	5.3	4.6	5.3	5.2
1982: III.....	4,912.1	4,916.8	4,963.4	-1.9	-3.0	66.75	67.16	66.75	66.76	5.6	5.4	5.7	5.7
1982: IV.....	4,915.6	4,989.1	4,964.8	.3	6.0	67.44	67.83	67.45	67.46	4.2	4.0	4.3	4.3
1983: I.....	4,972.4	5,036.1	5,021.5	4.7	3.8	67.98	68.22	67.95	67.95	3.3	2.3	3.0	3.0
1983: II.....	5,089.8	5,113.1	5,142.2	9.8	6.3	68.59	68.80	68.56	68.57	3.6	3.5	3.7	3.7
1983: III.....	5,180.4	5,200.3	5,233.9	7.3	7.0	69.17	69.35	69.16	69.18	3.4	3.2	3.6	3.6
1983: IV.....	5,286.8	5,268.5	5,342.0	8.5	5.4	69.75	69.83	69.77	69.79	3.4	2.8	3.6	3.6

D. Domestic Perspectives

This table presents data collected from other government agencies and private organizations, as noted. Quarterly data are shown in the middle month of the quarter.

Table D.1. Domestic Perspectives

	2001	2002	2002												2003	
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	
Consumer and producer prices, (monthly data seasonally adjusted) ¹																
Consumer price index for all urban consumers, 1982-84=100:																
All items	177.1	179.9	177.9	178.5	179.3	179.5	179.8	180.1	180.5	180.9	181.2	181.4	181.6	182.2	183.3	
Commodities	150.7	149.7	148.3	149.0	150.1	149.8	149.9	150.0	150.2	150.3	150.4	150.3	150.0	150.5	152.2	
Services	203.4	209.8	207.3	207.8	208.4	209.1	209.5	210.0	210.7	211.2	211.8	212.3	212.9	213.6	214.1	
All items less food and energy	186.1	190.5	189.0	189.2	189.7	190.0	190.2	190.5	191.1	191.4	191.6	191.8	192.1	192.3	192.5	
Food	173.1	176.2	175.8	176.0	176.1	175.9	175.9	176.1	176.0	176.4	176.6	177.0	177.3	177.0	178.2	
Energy	129.3	121.7	113.1	117.2	121.9	122.1	122.9	123.7	123.9	124.4	126.2	125.6	125.1	130.1	137.8	
Producer price index, 1982=100:																
Finished goods	140.7	138.8	138.1	139.2	139.0	138.4	138.6	138.6	138.6	139.0	140.1	139.6	139.4	141.6	143.0	
Consumer goods	141.5	139.3	138.2	139.6	139.6	138.7	139.0	139.1	139.2	139.6	141.0	140.4	140.3	143.0	145.2	
Capital equipment	139.7	139.1	139.5	139.5	139.2	139.1	139.2	138.8	138.6	139.0	139.3	138.9	138.4	139.4	138.9	
Less food and energy	150.0	150.2	150.2	150.1	150.3	150.3	150.4	150.0	149.8	150.2	150.7	150.4	149.7	151.0	150.3	
Intermediate materials	129.7	127.8	125.5	126.4	127.5	127.1	127.4	127.7	128.2	128.9	129.8	129.8	129.5	131.2	133.9	
Less food and energy	136.4	135.8	134.7	135.0	135.3	135.3	135.6	135.9	136.2	136.4	136.7	137.0	136.8	137.2	138.2	
Crude materials	121.0	108.1	98.9	104.0	108.5	109.3	105.1	105.9	107.8	110.2	112.6	117.9	120.5	128.8	135.0	
Less energy	130.7	135.6	128.2	128.9	131.4	133.9	137.7	140.0	139.5	139.2	139.6	140.9	141.6	143.0	146.9	
Money, interest rates, and stock prices																
Money stock (monthly and quarterly data seasonally adjusted): ²																
Percent change:																
M1			0.54	0.17	-1.21	0.91	0.49	0.60	-0.93	0.52	0.93	-0.07	0.65	0.14	1.61	
M2			0.70	0.01	-0.22	1.20	0.57	0.87	0.69	0.46	0.69	0.68	0.26	0.50	0.93	
Ratio:																
Gross domestic product to M1	8.867	8.766	8.706			8.773			8.813			8.783				
Personal income to M2	1.664	1.592	1.601	1.606	1.614	1.602	1.605	1.585	1.578	1.575	1.569	1.563	1.565	1.563	1.552	
Interest rates (percent, not seasonally adjusted): ²																
Prime rate charged by banks	6.92	4.68	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.35	4.25	4.25	4.25	
3-month Treasury bills, secondary market	3.39	1.60	1.73	1.79	1.72	1.73	1.70	1.68	1.62	1.63	1.58	1.23	1.19	1.17	1.17	
3-Year U.S. Treasury bonds	4.08	3.10	3.55	4.14	4.01	3.80	3.49	3.01	2.52	2.32	2.25	2.32	2.23	2.18	2.05	
10-Year U.S. Treasury bonds	5.02	4.61	4.91	5.28	5.21	5.16	4.93	4.65	4.26	3.87	3.94	4.05	4.03	4.05	3.90	
Federal funds rate	4.08	1.67	1.74	1.73	1.75	1.75	1.75	1.74	1.74	1.75	1.75	1.34	1.24	1.24	1.26	
New home mortgages	6.97	6.54	6.89	7.01	6.99	6.81	6.65	6.49	6.29	6.09	6.11	6.07	6.05	5.92	5.84	
Index of stock prices (not seasonally adjusted): ³																
500 common stocks, 1941-43=10	1,194.18	993.94	1,100.67	1,153.79	1,112.03	1,079.27	1,014.05	903.59	912.55	867.81	854.63	909.93	899.18	895.84	837.62	
Labor markets (thousands, monthly and quarterly data seasonally adjusted, unless otherwise noted) ¹																
Civilian labor force	143,734	144,863	144,510	144,367	144,763	144,911	144,852	144,786	145,123	145,634	145,393	145,180	145,150	145,838	145,857	
Labor force participation rates (percent):																
Total	66.8	66.6	66.7	66.6	66.7	66.7	66.6	66.5	66.6	66.8	66.6	66.4	66.4	66.3	66.3	
Males, age 20 and over	76.5	76.3	76.4	76.4	76.5	76.7	76.5	76.4	76.4	76.6	76.3	76.0	75.9	75.8	76.0	
Females, age 20 and over	60.6	60.5	60.8	60.4	60.7	60.5	60.5	60.4	60.5	60.6	60.6	60.5	60.6	60.7	60.5	
Both sexes, age 16-19	49.6	47.4	47.5	48.2	47.6	47.4	47.7	47.5	47.3	48.1	47.2	47.0	46.3	46.0	45.5	
Civilian employment	136,933	136,485	136,450	136,143	136,196	136,487	136,383	136,343	136,757	137,312	136,988	136,542	136,439	137,536	137,408	
Ratio, civilian employment to working-age population (percent)	63.7	62.7	63.0	62.8	62.8	62.7	62.6	62.8	62.8	63.0	62.7	62.5	62.4	62.5	62.4	
Employees on nonagricultural payrolls	131,922	130,791	130,706	130,701	130,680	130,702	130,736	130,790	130,913	130,829	130,898	130,817	130,670	130,855	130,547	
Goods-producing industries	24,944	23,836	24,041	23,975	23,905	23,870	23,861	23,812	23,801	23,748	23,688	23,631	23,551	23,570	23,466	
Services-producing industries	106,978	106,955	106,665	106,726	106,775	106,832	106,875	106,978	107,112	107,081	107,210	107,186	107,119	107,285	107,081	
Hours of production workers:																
Average weekly hours, total private sector	34.2	34.2	34.2	34.2	34.2	34.2	34.3	34.0	34.1	34.2	34.2	34.2	34.1	34.3	34.1	
Average weekly hours, manufacturing	40.7	40.9	40.7	41.0	40.9	40.9	41.1	40.7	40.9	40.8	40.7	40.6	40.9	40.8	40.8	
Average weekly overtime hours, manufacturing	3.9	4.1	3.9	4.1	4.2	4.2	4.3	4.0	4.2	4.1	4.1	4.0	4.2	4.1	4.2	
Number of persons unemployed	6,801	8,378	8,060	8,224	8,567	8,424	8,469	8,443	8,366	8,321	8,405	8,637	8,711	8,302	8,450	
Unemployment rates (percent):																
Total	4.7	5.8	5.6	5.7	5.9	5.8	5.8	5.8	5.8	5.7	5.8	5.9	6.0	5.7	5.8	
Males, age 20 and over	4.2	5.3	5.0	5.2	5.3	5.2	5.4	5.3	5.3	5.3	5.4	5.6	5.6	5.4	5.3	
Females, age 20 and over	4.1	5.1	5.0	5.0	5.3	5.2	5.1	5.1	5.0	5.0	5.2	5.0	5.2	4.7	5.0	
Both sexes, age 16-19	14.7	16.5	16.0	16.6	16.9	17.0	16.9	17.0	16.9	16.2	15.1	16.8	16.4	16.8	17.1	
15 weeks and over	1.2	2.0	1.8	1.9	1.9	2.0	2.1	2.0	2.0	2.1	2.1	2.2	2.3	2.2	2.2	
Average weeks unemployed	13.1	16.6	15.0	15.4	16.3	16.8	17.1	16.6	16.3	17.8	17.6	17.9	18.4	18.4	18.6	
Median weeks unemployed	6.8	9.1	8.2	8.3	8.8	9.6	11.6	8.9	8.7	9.5	9.6	9.4	9.6	9.8	9.4	
Productivity and costs, nonfarm business sector, 1992=100:																
Indexes:																
Output per hour of all persons	117.5	123.1	121.8			122.3			123.9			124.2				
Unit labor costs	116.3	114.1	113.4			114.1			114.0			115.1				
Hourly compensation	136.6	140.5	138.1			139.5			141.3			142.9				
Percent change from preceding quarter, annual rate:																
Output per hour	1.1	4.8	8.6			1.7			5.5			0.8				
Unit labor costs	1.6	-1.9	-5.3			2.3			-0.1			3.8				
Real hourly compensation	-0.1	1.2	1.6			0.4			3.1			2.5				

See footnotes at end of table.

Table D.1. Domestic Perspectives—Continued

	2001	2002	2002										2003		
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Construction (monthly data seasonally adjusted at annual rates) ⁴															
New construction put in place (billions of dollars)	842.5	846.6	874.3	855.2	856.9	847.1	833.7	837.8	829.8	832.2	840.0	850.5	863.4	877.9	.....
Private construction	650.0	642.6	659.4	655.3	656.7	642.2	634.6	635.7	627.1	626.5	636.8	643.8	655.5	667.9	.....
Residential buildings	388.7	415.6	413.5	413.8	411.8	413.5	410.8	414.0	409.3	412.2	418.0	427.2	441.5	452.6	.....
Nonresidential buildings	201.1	168.1	183.2	178.5	179.6	170.5	166.7	163.7	159.8	156.5	160.2	161.8	158.4	157.9	.....
Public construction	192.5	203.9	214.9	199.9	200.2	204.9	199.1	202.1	202.8	205.7	203.2	206.7	207.9	210.0	.....
Housing starts (thousands of units):															
Total	1,603	1,273	1,788	1,675	1,566	1,742	1,692	1,652	1,631	1,808	1,660	1,761	1,824	1,822	1,622
1-unit structures	1,706	1,359	1,472	1,298	1,261	1,380	1,344	1,319	1,249	1,452	1,375	1,404	1,464	1,501	1,295
New 1-family houses sold (thousands of units) ...	908	974	937	915	932	974	947	958	1,047	1,056	1,001	1,022	1,063	929	854
Manufacturing and trade, inventories and sales (millions of dollars, monthly data seasonally adjusted) ⁴															
Inventories:															
Total manufacturing and trade .....	.....	.....	1,120,288	1,116,303	1,113,864	1,116,527	1,119,454	1,124,317	1,125,024	1,132,074	1,133,221	1,136,646	1,144,423	1,146,705	.....
Manufacturing .....	.....	.....	434,087	431,434	430,153	428,592	428,230	427,996	428,574	429,385	429,074	428,220	430,951	430,804	.....
Retail trade .....	.....	.....	401,693	401,137	402,518	406,855	408,884	412,238	412,102	417,303	420,176	423,537	426,346	429,403	.....
Merchant wholesalers .....	.....	.....	284,508	283,732	281,193	281,080	282,340	284,083	284,348	285,386	283,971	284,889	287,126	286,498	.....
Sales:															
Total manufacturing and trade	9,781,327	9,882,029	804,588	808,644	822,615	820,227	822,795	833,564	834,562	828,454	832,466	832,955	834,481	844,902	.....
Manufacturing	3,897,730	3,855,872	311,476	315,593	322,962	323,736	320,810	326,101	323,729	322,608	326,339	322,863	321,016	328,144	.....
Retail trade	3,167,842	3,265,945	268,374	268,196	271,522	268,439	272,347	276,110	277,519	273,048	273,236	274,621	278,830	279,859	.....
Merchant wholesalers	2,715,755	2,760,212	224,738	224,855	228,131	228,052	229,638	231,353	233,314	232,798	232,891	235,471	234,635	236,899	.....
Inventory-sales ratio:															
Total manufacturing and trade .....	.....	.....	1.39	1.38	1.35	1.36	1.36	1.35	1.35	1.37	1.36	1.36	1.37	1.36	.....
Manufacturing .....	.....	.....	1.39	1.37	1.33	1.32	1.33	1.31	1.32	1.33	1.31	1.33	1.34	1.31	.....
Retail trade .....	.....	.....	1.50	1.50	1.48	1.52	1.50	1.49	1.48	1.53	1.54	1.54	1.53	1.53	.....
Merchant wholesalers .....	.....	.....	1.27	1.26	1.23	1.23	1.23	1.23	1.22	1.23	1.22	1.21	1.22	1.21	.....
Industrial production indexes and capacity utilization rates (monthly data seasonally adjusted) ²															
Industrial production indexes, 1997=100:															
Total	111.2	110.5	109.2	109.6	110.1	110.4	110.8	111.6	111.3	111.2	110.6	110.8	110.1	111.0	111.1
Final products	109.0	107.2	106.8	107.2	107.2	107.1	107.5	107.9	107.6	107.4	106.6	107.1	106.0	107.1	106.9
Consumer goods	106.5	107.5	106.7	107.4	107.5	107.3	107.8	108.5	107.8	107.9	107.0	107.8	106.7	107.8	107.5
Business equipment	117.3	107.3	108.1	107.8	107.7	108.0	108.0	107.3	108.1	106.9	106.0	106.1	104.7	105.6	105.6
Nonindustrial supplies	115.3	114.6	112.8	113.3	113.9	114.6	114.8	115.5	115.4	115.8	115.4	114.9	114.2	115.0	115.5
Materials	111.8	112.2	110.2	110.7	111.6	112.2	112.6	113.8	113.6	113.4	112.8	113.1	112.8	113.4	113.8
Capacity utilization rates (percent):															
Total industry	77.3	75.6	75.1	75.3	75.6	75.7	75.9	76.4	76.1	76.0	75.5	75.6	75.1	75.6	75.6
Manufacturing	75.6	73.8	73.4	73.5	73.6	73.9	74.1	74.3	74.3	74.1	73.7	73.7	73.2	73.6	73.4
Credit market borrowing (billions of dollars, quarterly data seasonally adjusted at annual rates) ²															
All sectors, by instrument:															
Total	2,047.1	2,308.6	1,913.3	.....	.....	2,512.7	.....	.....	2,118.0	.....	.....	2,690.5	.....	.....	.....
Open market paper	-164.4	-98.0	-255.9	.....	.....	-154.3	.....	.....	70.8	.....	.....	-52.4	.....	.....	.....
U.S. government securities	623.8	818.1	730.9	.....	.....	1,013.8	.....	.....	686.7	.....	.....	841.0	.....	.....	.....
Municipal securities	119.3	163.0	74.6	.....	.....	195.4	.....	.....	156.9	.....	.....	224.9	.....	.....	.....
Corporate and foreign bonds	669.5	515.5	605.5	.....	.....	586.2	.....	.....	136.9	.....	.....	733.4	.....	.....	.....
Bank loans, n.e.c.	-76.2	-75.8	-3.0	.....	.....	-139.0	.....	.....	-54.3	.....	.....	-107.0	.....	.....	.....
Other loans and advances	60.4	49.4	-24.2	.....	.....	91.5	.....	.....	147.6	.....	.....	-17.2	.....	.....	.....
Mortgages	706.0	880.9	703.1	.....	.....	838.3	.....	.....	915.4	.....	.....	1,066.7	.....	.....	.....
Consumer credit	108.8	55.5	82.3	.....	.....	80.8	.....	.....	57.9	.....	.....	1.0	.....	.....	.....

Sources:

1. Bureau of Labor Statistics
2. Federal Reserve Board

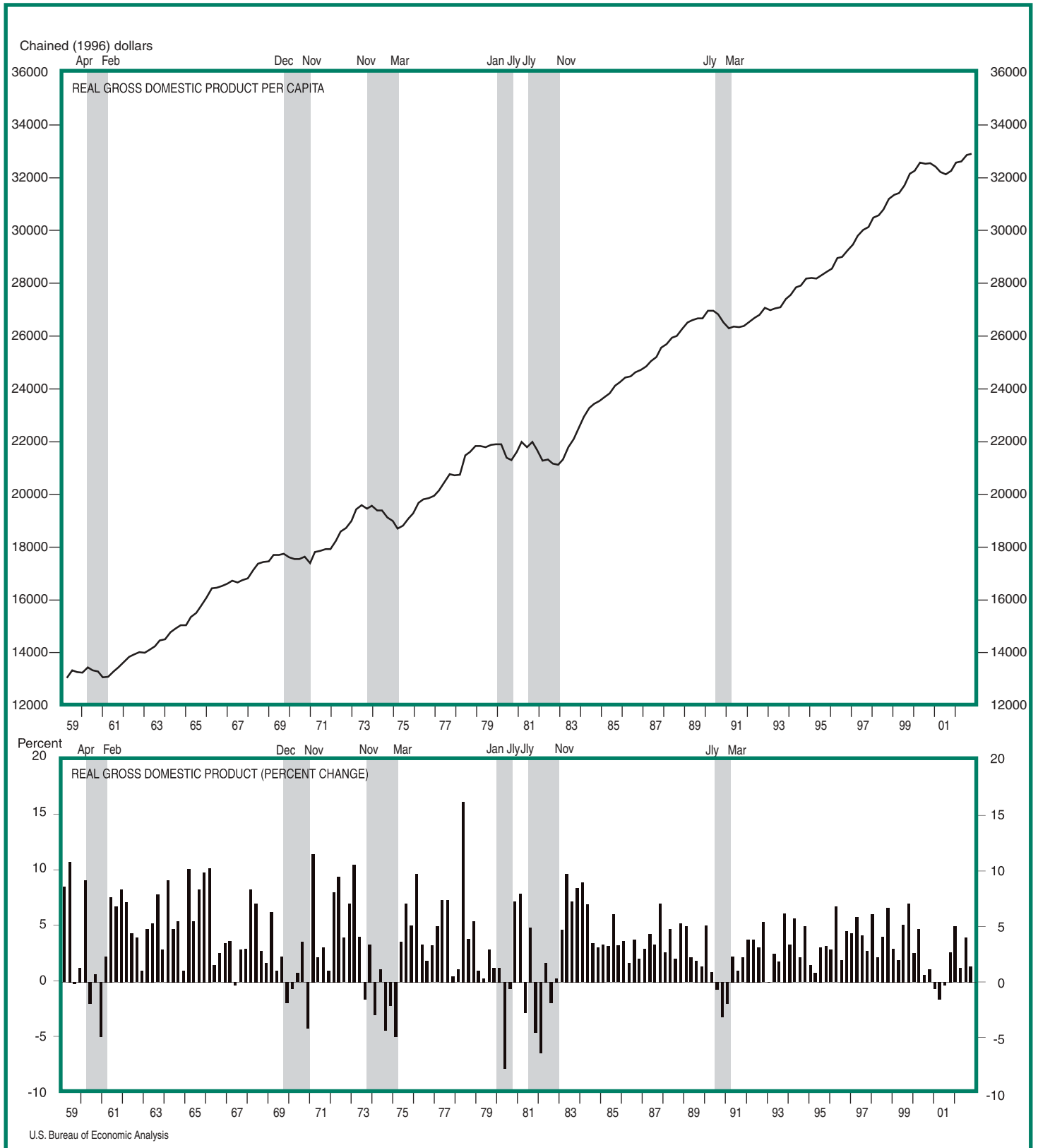
3. Standard and Poor's, Inc.

4. Bureau of the Census
n.e.c. Not elsewhere classified

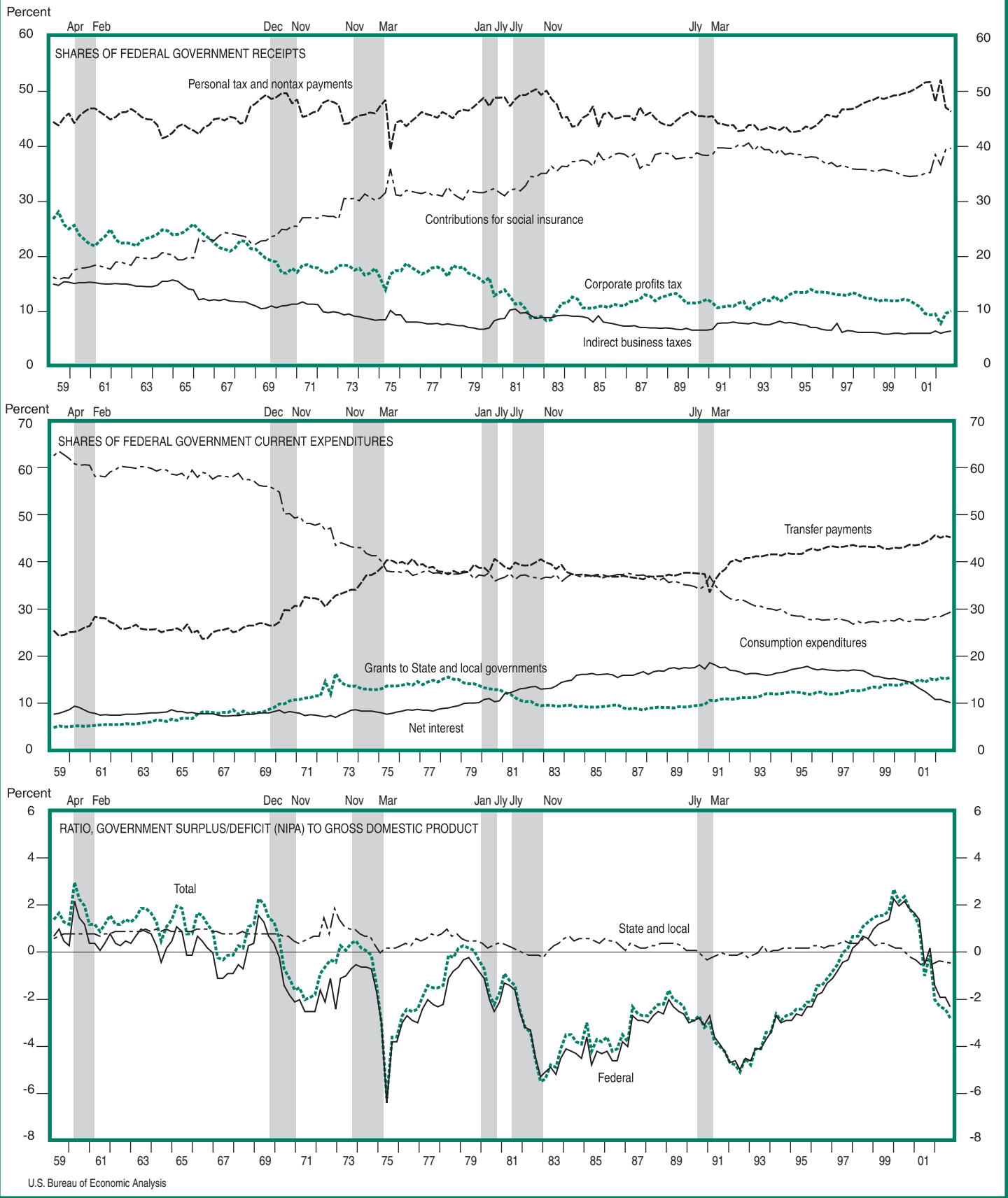
E. Charts

Percent changes shown in this section are based on quarter-to-quarter changes and are expressed at seasonally adjusted annual rates; likewise, levels of series are expressed at seasonally adjusted annual rates as appropriate.

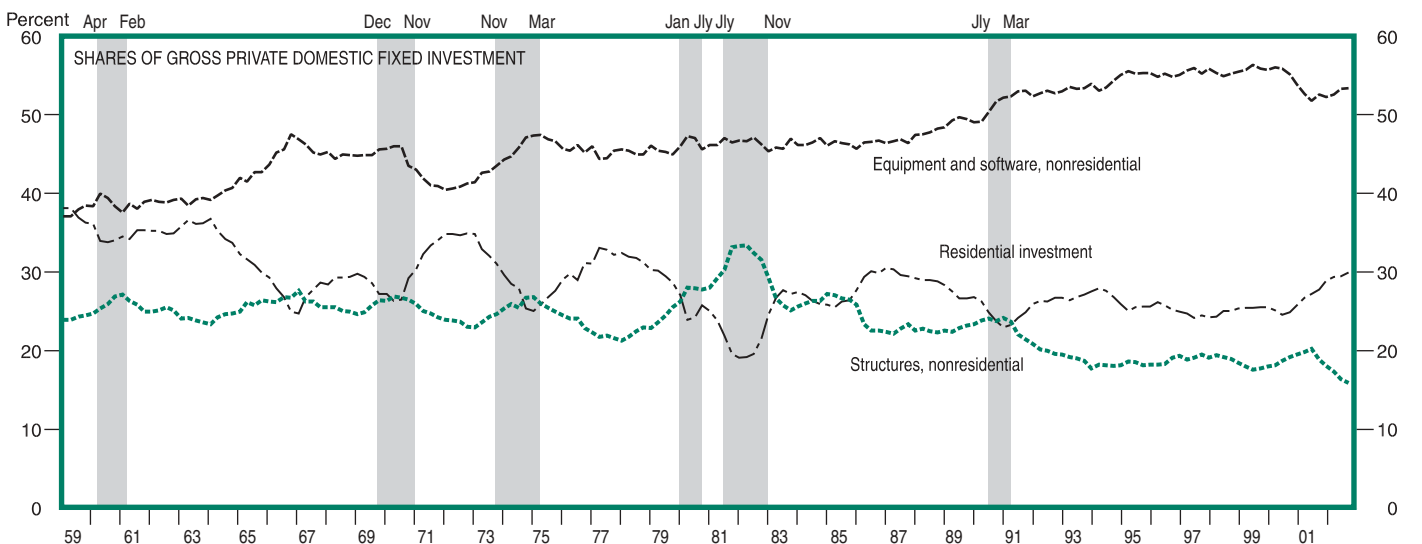
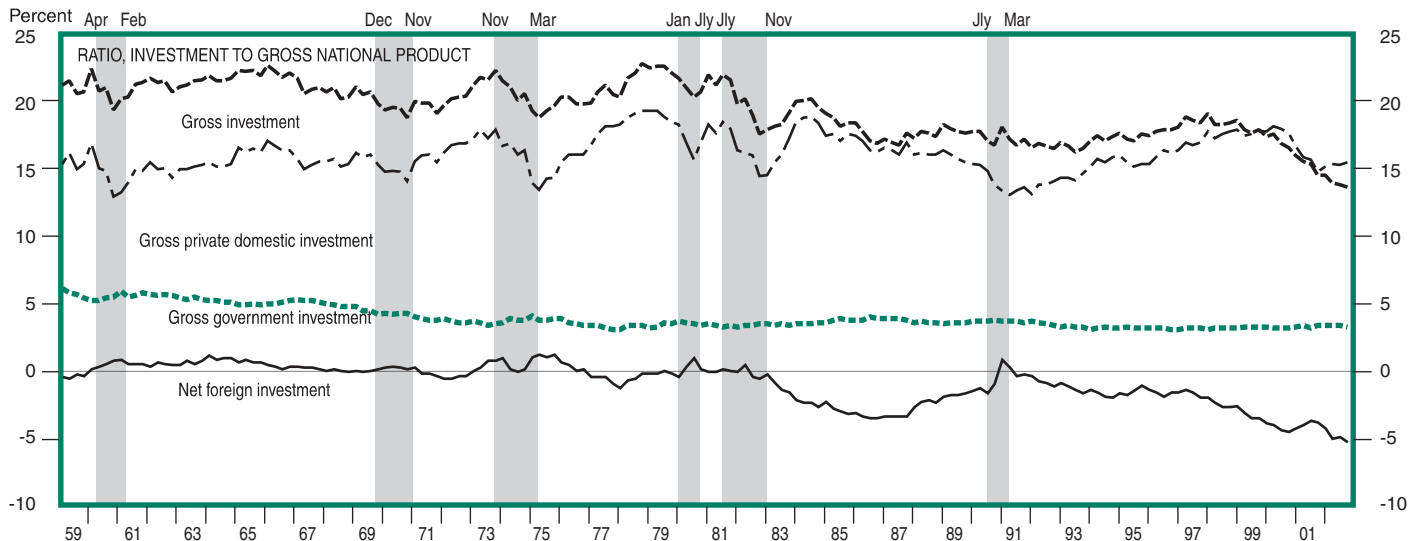
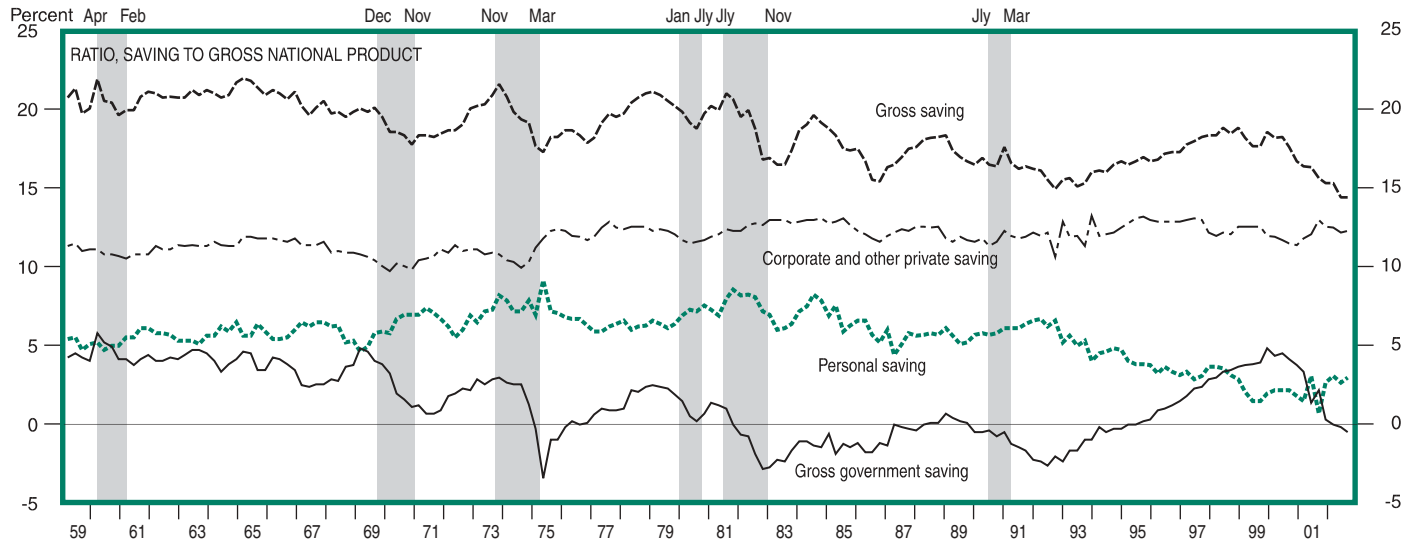
SELECTED NIPA SERIES



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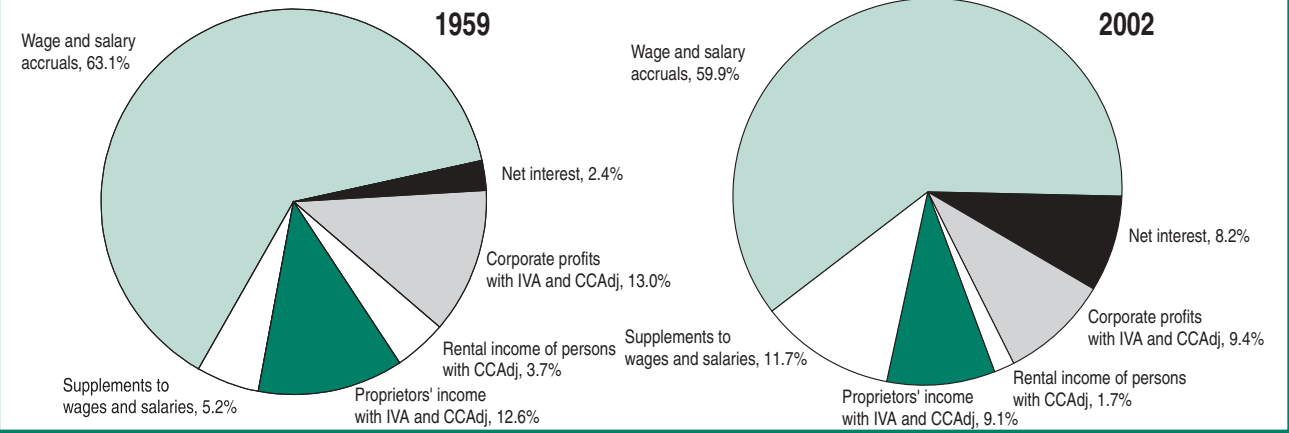


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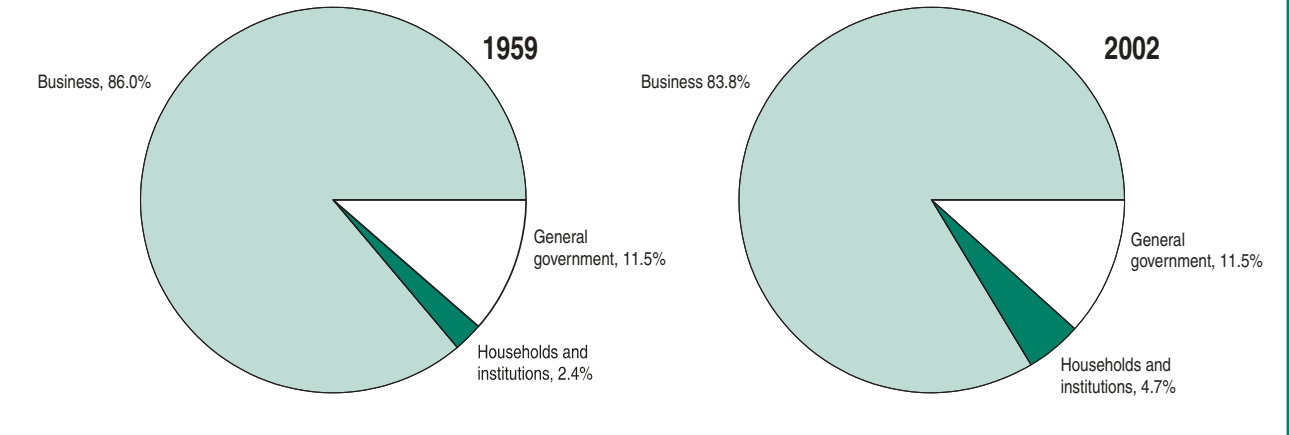


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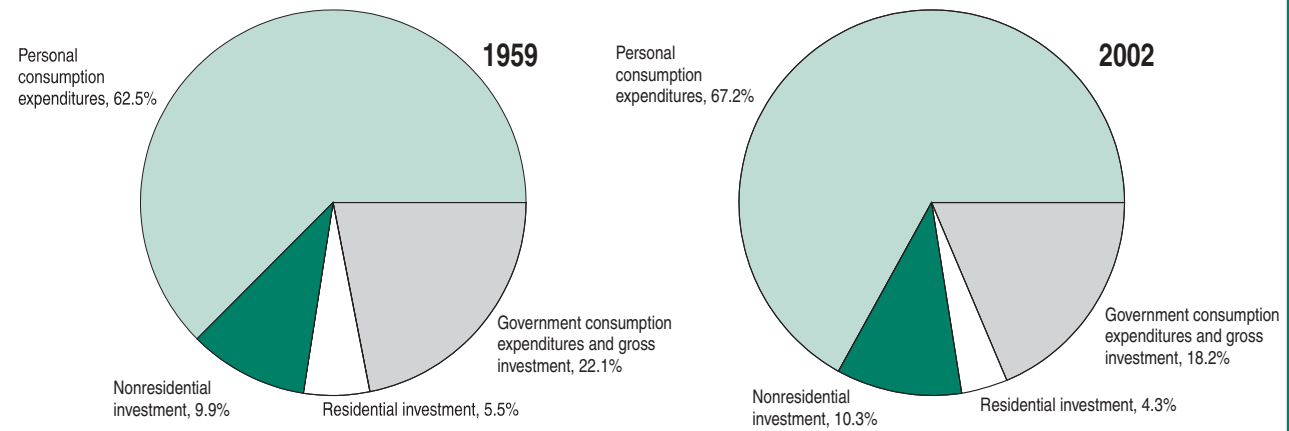
SHARES OF NATIONAL INCOME



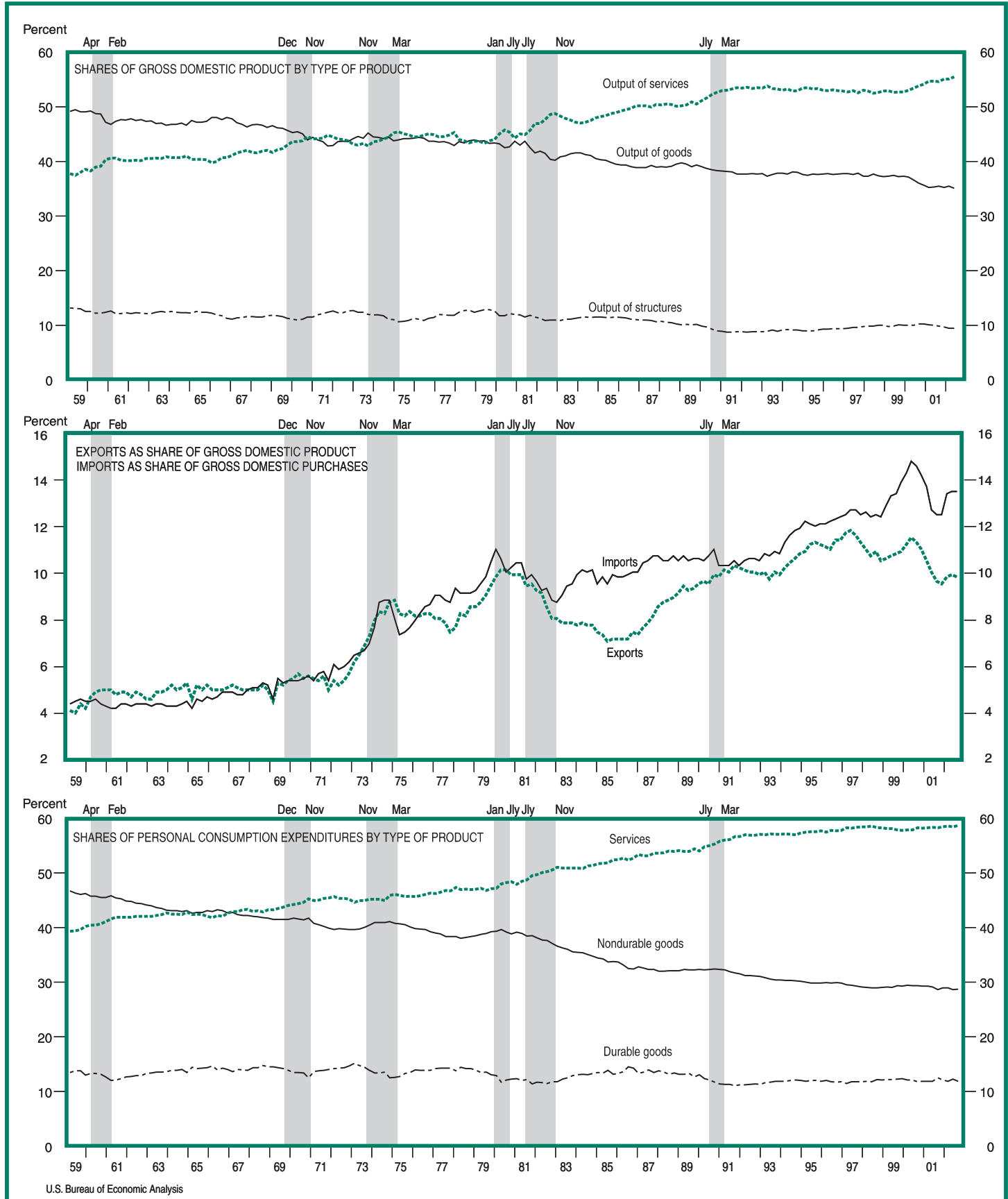
SHARES OF GROSS DOMESTIC PRODUCT BY SECTOR



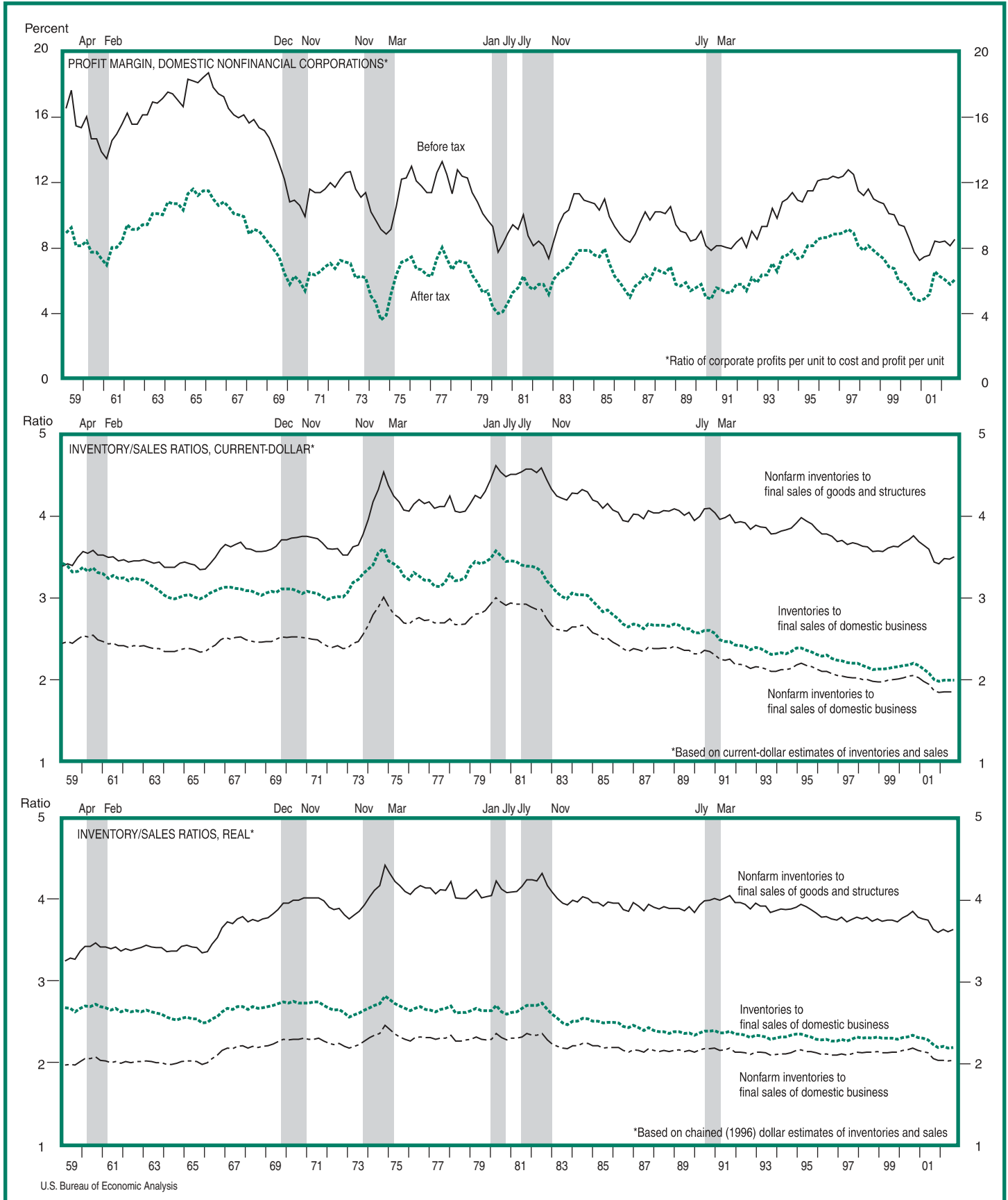
SHARES OF GROSS DOMESTIC PURCHASES



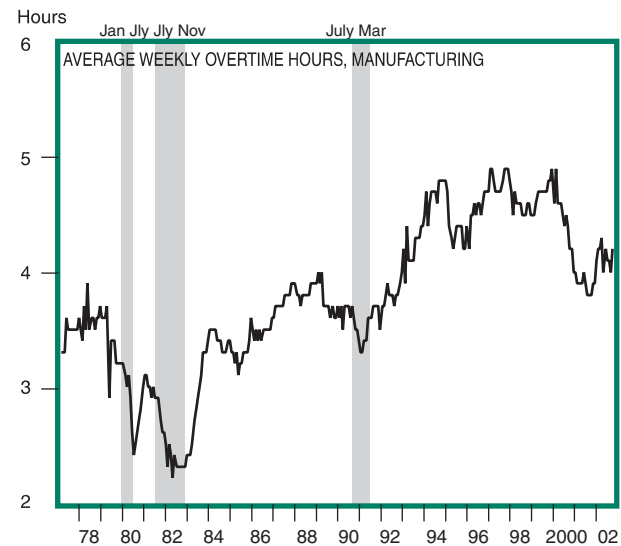
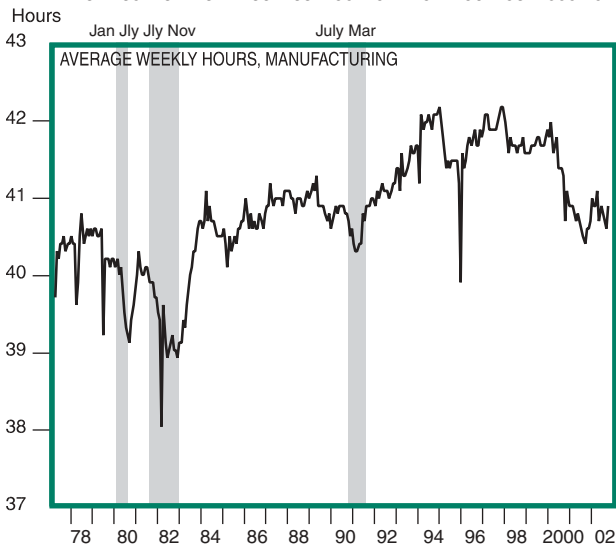
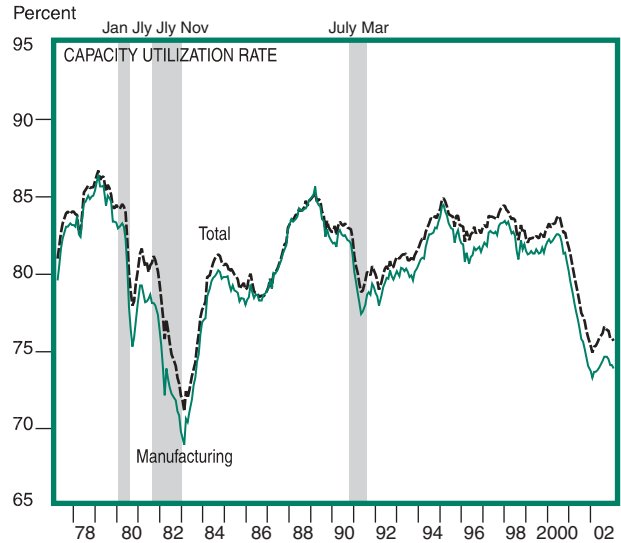
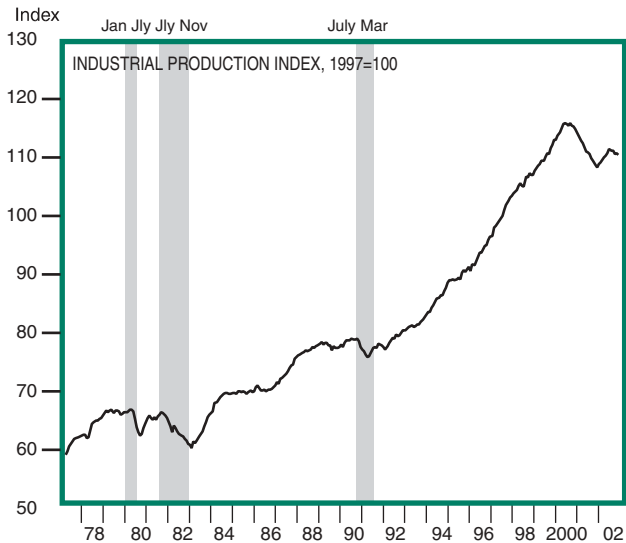
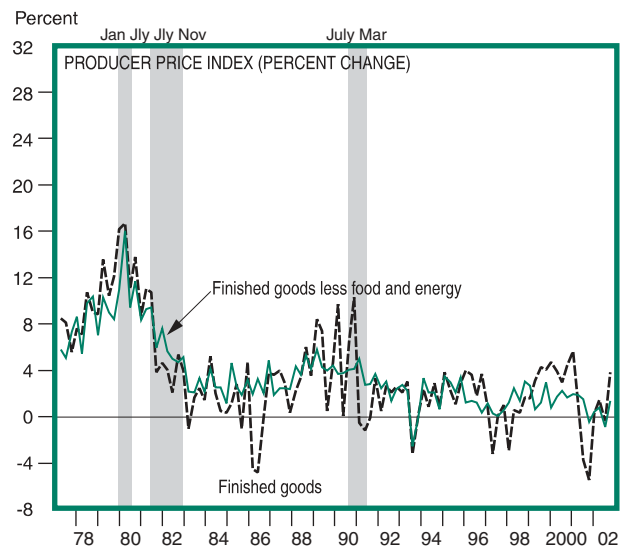
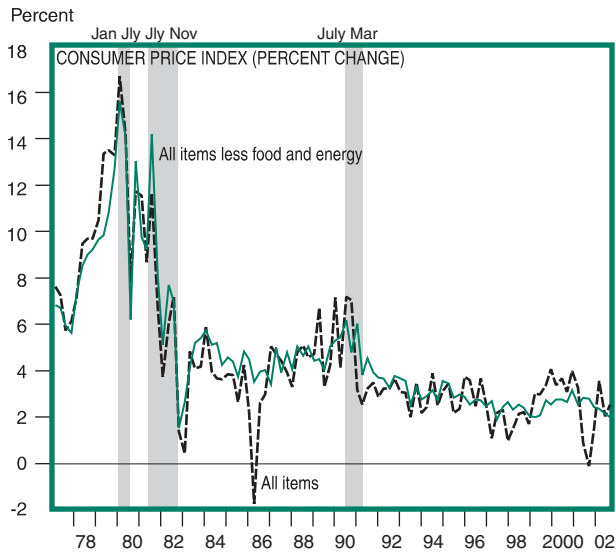
SELECTED NIPA SERIES



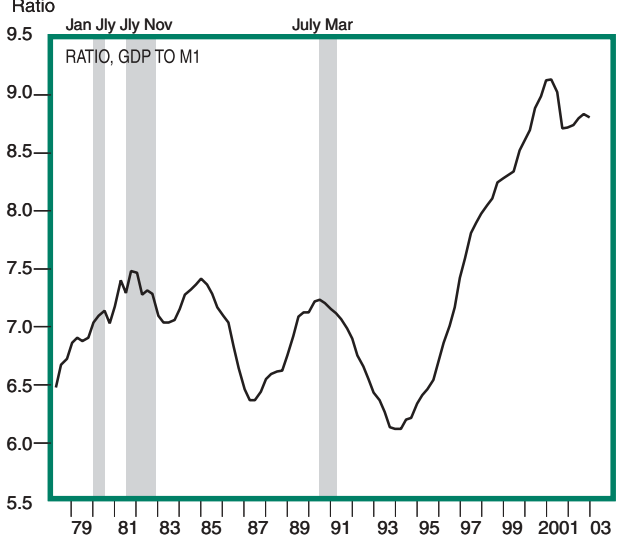
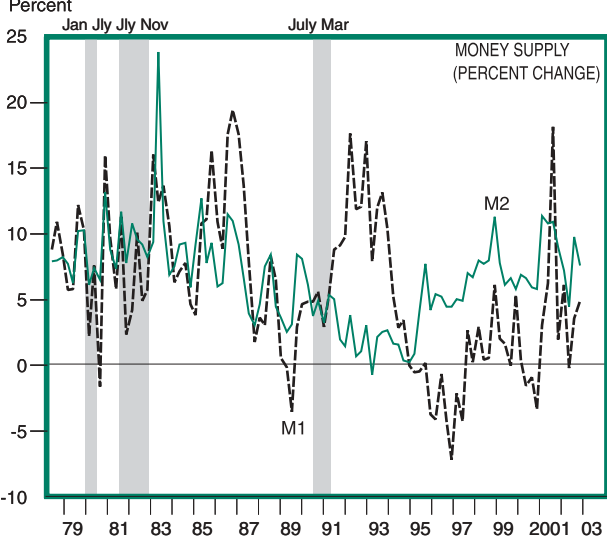
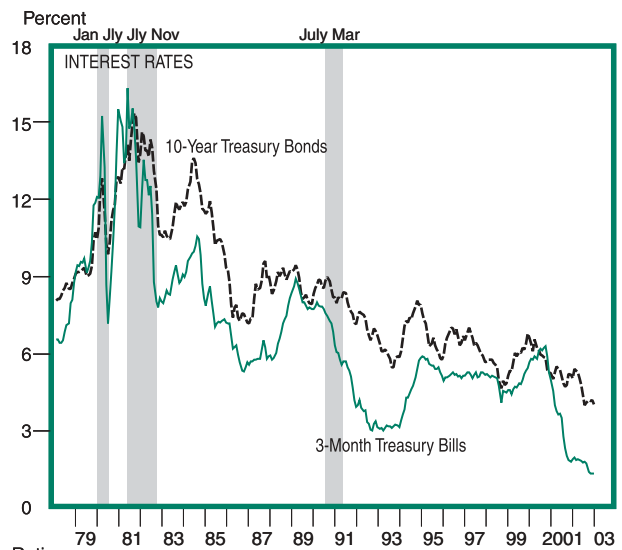
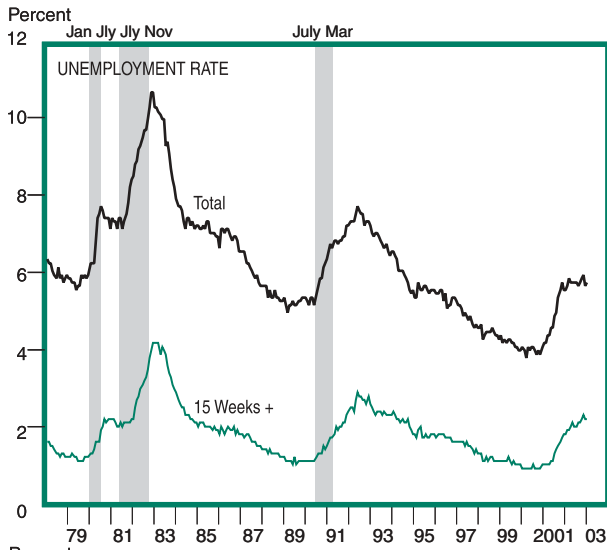
SELECTED NIPA SERIES



OTHER INDICATORS OF THE DOMESTIC ECONOMY



OTHER INDICATORS OF THE DOMESTIC ECONOMY



International Data

F. Transactions Tables

Table F.1 contains estimates of U.S. international trade in goods and services that were released on March 12, 2003, including “preliminary” estimates for January 2003 and “revised” estimates for January–December 2002. The sources for the other tables in this section are as noted.

Table F.1. U.S. International Transactions in Goods and Services

[Millions of dollars; monthly estimates seasonally adjusted]

	2001	2002 ^r	2002												2003	
			Dec.	Jan. ^r	Feb. ^r	March ^r	April ^r	May ^r	June ^r	July ^r	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^r		Dec. ^r	Jan. ^{p}
Exports of goods and services	998,022	971,665	77,477	77,431	77,235	78,294	80,455	81,433	82,364	83,201	83,031	82,684	81,939	82,977	80,626	81,907
Goods	718,762	682,387	54,991	54,922	54,564	54,886	56,756	57,237	58,157	59,013	58,186	58,173	57,276	57,841	55,377	56,770
Foods, feeds, and beverages	49,407	49,502	4,104	4,232	4,288	3,900	3,890	3,993	4,258	4,305	4,037	4,020	3,872	4,310	4,397	4,350
Industrial supplies and materials	160,104	156,869	12,445	12,286	12,235	12,281	13,107	13,304	13,315	13,226	13,372	13,321	13,122	13,625	13,674	14,024
Capital goods, except automotive	321,714	290,587	23,511	23,600	23,249	24,068	24,056	24,216	25,077	25,205	24,917	25,127	24,547	24,403	22,122	22,675
Automotive vehicles, engines, and parts	75,435	78,442	6,009	6,009	6,191	6,235	6,680	6,753	6,652	7,084	6,824	6,686	6,612	6,307	6,410	6,527
Consumer goods (nonfood), except automotive	88,331	84,371	7,126	6,942	6,844	6,735	7,069	6,861	7,093	7,241	7,122	7,095	7,217	7,221	6,931	7,409
Other goods	34,110	33,531	2,674	2,585	2,638	2,715	2,803	3,046	2,637	2,896	2,923	2,773	2,877	2,888	2,750	2,511
Adjustments ¹	-10,339	-10,915	-878	-732	-881	-1,048	-850	-936	-875	-943	-1,010	-849	-970	-914	-906	-726
Services	279,260	289,278	22,486	22,509	22,671	23,408	23,699	24,196	24,207	24,188	24,845	24,511	24,663	25,136	25,249	25,137
Travel	73,119	70,320	5,366	5,520	5,630	5,889	5,643	5,828	5,731	5,581	6,020	5,837	5,948	6,266	6,427	6,254
Passenger fares	18,007	17,443	1,311	1,373	1,376	1,421	1,343	1,441	1,387	1,440	1,579	1,483	1,482	1,542	1,576	1,546
Other transportation	28,306	28,377	2,179	2,251	2,227	2,393	2,334	2,327	2,332	2,375	2,437	2,371	2,402	2,486	2,504	2,488
Royalties and license fees	38,668	42,959	3,256	3,264	3,304	3,354	3,624	3,709	3,744	3,723	3,716	3,699	3,626	3,604	3,593	3,637
Other private services	108,109	117,340	9,205	9,031	9,071	9,359	9,607	9,825	9,941	10,034	10,052	10,074	10,112	10,153	10,082	10,123
Transfers under U.S. military agency sales contracts ²	12,220	12,044	1,105	1,005	998	987	1,082	1,000	1,005	968	974	981	1,025	1,018	1,001	1,024
U.S. Government miscellaneous services	831	795	64	65	65	65	66	66	67	67	67	66	68	67	66	65
Imports of goods and services	1,356,312	1,407,341	104,756	107,303	110,394	110,889	116,264	118,386	119,045	118,284	121,031	119,855	117,254	123,138	125,503	123,022
Goods	1,145,927	1,166,874	86,525	88,448	90,976	91,549	96,964	98,994	98,835	98,109	100,581	99,531	96,890	102,113	103,884	101,584
Foods, feeds, and beverages	46,641	49,700	3,821	3,860	4,019	3,965	4,065	4,134	4,122	4,233	4,196	4,129	3,982	4,395	4,599	4,523
Industrial supplies and materials	273,870	269,007	18,258	18,910	18,969	19,913	22,757	23,041	22,508	22,779	23,752	23,425	24,467	23,904	24,581	24,852
Capital goods, except automotive	297,993	283,817	22,464	22,844	23,051	23,399	23,821	24,071	24,166	23,966	23,775	23,550	22,205	24,356	24,611	24,341
Automotive vehicles, engines, and parts	189,782	203,877	15,507	15,265	16,340	15,973	16,996	17,640	17,212	17,222	17,574	17,675	16,767	17,502	17,711	16,848
Consumer goods (nonfood), except automotive	284,293	307,843	22,222	23,273	24,443	23,701	25,036	25,649	26,174	25,599	26,916	26,289	25,043	27,764	27,956	26,878
Other goods	48,421	49,318	4,085	4,061	3,925	4,325	3,968	4,138	4,373	4,035	4,089	4,167	4,116	3,909	4,214	3,951
Adjustments ¹	4,928	3,313	169	235	229	274	320	321	280	275	278	296	309	283	213	191
Services	210,385	240,467	18,231	18,855	19,418	19,340	19,300	19,392	20,210	20,175	20,450	20,324	20,364	21,025	21,619	21,438
Travel	60,117	59,303	4,691	4,735	4,773	5,030	4,687	4,690	5,028	4,841	4,962	4,829	4,891	5,240	5,597	5,336
Passenger fares	22,418	20,993	1,598	1,676	1,680	1,731	1,662	1,597	1,743	1,744	1,769	1,763	1,793	1,850	1,985	1,890
Other transportation	38,823	38,555	3,045	3,021	2,932	2,918	3,270	3,275	3,207	3,282	3,275	3,174	3,239	3,447	3,515	3,556
Royalties and license fees	16,359	19,899	1,376	1,390	1,952	1,419	1,510	1,567	1,871	1,769	1,798	1,785	1,643	1,606	1,591	1,628
Other private services	54,588	79,379	5,805	6,313	6,339	6,475	6,368	6,433	6,503	6,648	6,731	6,840	6,861	6,924	6,947	7,003
Direct defense expenditures ²	15,198	19,418	1,479	1,475	1,494	1,519	1,560	1,589	1,617	1,649	1,673	1,692	1,693	1,715	1,742	1,775
U.S. Government miscellaneous services	2,882	2,920	237	245	248	248	243	241	241	242	242	241	244	243	242	250
Memoranda:																
Balance on goods	-427,165	-484,487	-31,534	-33,526	-36,412	-36,663	-40,208	-41,757	-40,678	-39,096	-42,396	-41,358	-39,614	-44,271	-48,507	-44,814
Balance on services	68,875	48,811	4,255	3,654	3,253	4,068	4,399	4,804	3,997	4,013	4,395	4,187	4,299	4,111	3,630	3,699
Balance on goods and services	-358,290	-435,676	-27,279	-29,872	-33,159	-32,595	-35,809	-36,953	-36,681	-35,083	-38,001	-37,171	-35,315	-40,160	-44,877	-41,115

^p Preliminary.

^r Revised.

1. Reflects adjustments necessary to bring the Census Bureau's component data in line with the concepts and definitions used to prepare BEA's international and national accounts.

2. Contains goods that cannot be separately identified.

Source: U.S. Bureau of Economic Analysis and U.S. Bureau of the Census.

Table F.3. U.S. International Transactions, by Area—Continued

[Millions of dollars]

Line	(Credits +; debits -) ¹	Australia			Other countries in Asia and Africa			International organizations and unallocated ¹⁶		
		2002			2002			2002		
		II	III ^r	IV ^p	II	III ^r	IV ^p	II	III ^r	IV ^p
Current account										
1	Exports of goods and services and income receipts	5,739	6,290	6,138	59,915	62,166	60,298	8,272	8,379	8,397
2	Exports of goods and services	4,491	4,740	4,729	52,561	54,356	52,271	1,462	1,467	1,537
3	Goods, balance of payments basis ²	3,228	3,369	3,333	38,881	38,810	38,414	.....	.....	.....
4	Services ³	1,263	1,371	1,396	13,680	15,546	13,857	1,462	1,467	1,537
5	Transfers under U.S. military agency sales contracts ⁴	68	55	55	1,686	1,608	1,714	.....	.....	.....
6	Travel	341	356	377	2,994	3,611	2,388	.....	.....	.....
7	Passenger fares	75	92	99	409	454	324	.....	.....	.....
8	Other transportation	70	74	76	2,366	2,549	2,371	121	117	126
9	Royalties and license fees ⁵	199	235	221	1,294	1,315	1,384	570	574	613
10	Other private services ⁵	507	556	565	4,867	5,944	5,611	771	776	798
11	U.S. Government miscellaneous services	3	3	3	64	65	65	.....	.....	.....
12	Income receipts	1,248	1,550	1,409	7,354	7,810	8,027	6,810	6,912	6,860
13	Income receipts on U.S.-owned assets abroad	1,247	1,549	1,408	7,332	7,788	8,005	6,322	6,422	6,369
14	Direct investment receipts	530	835	723	5,085	5,462	5,695	3,881	3,957	4,054
15	Other private receipts	717	714	685	2,041	2,044	1,906	2,333	2,333	2,188
16	U.S. Government receipts .....	.....	.....	.....	206	282	404	108	132	127
17	Compensation of employees	1	1	1	22	22	22	488	490	491
18	Imports of goods and services and income payments	-2,976	-3,306	-3,123	-106,304	-117,463	-115,532	-3,918	-3,674	-3,697
19	Imports of goods and services	-2,423	-2,876	-2,617	-98,718	-110,074	-108,532	-871	-681	-703
20	Goods, balance of payments basis ²	-1,670	-1,756	-1,643	-87,939	-98,731	-96,707	.....	.....	.....
21	Services ³	-753	-1,120	-974	-10,779	-11,343	-11,825	-871	-681	-703
22	Direct defense expenditures	-29	-34	-35	-1,939	-2,124	-2,231	.....	.....	.....
23	Travel	-287	-541	-342	-2,620	-2,560	.....	.....	.....	.....
24	Passenger fares	-124	-185	-227	-1,066	-1,167	-1,341	.....	.....	.....
25	Other transportation	-54	-56	-50	-3,071	-3,324	-3,457	-334	-342	-353
26	Royalties and license fees ⁵	-24	-25	-37	-69	-72	-82	-464	-253	-259
27	Other private services ⁵	-225	-269	-273	-1,817	-1,900	-1,980	-73	-86	-91
28	U.S. Government miscellaneous services	-10	-10	-10	-197	-196	-197	.....	.....	.....
29	Income payments	-553	-430	-506	-7,586	-7,389	-6,970	-3,047	-2,993	-2,994
30	Income payments on foreign-owned assets in the United States	-548	-425	-500	-7,418	-7,243	-6,720	-3,047	-2,993	-2,994
31	Direct investment payments	-323	-157	-228	-23	-144	21	-1,820	-1,780	-1,876
32	Other private payments	-123	-150	-151	-1,803	-1,745	-1,594	-850	-852	-776
33	U.S. Government payments	-102	-118	-121	-5,592	-5,354	-5,147	-377	-361	-342
34	Compensation of employees	-5	-5	-6	-168	-146	-250	.....	.....	.....
35	Unilateral current transfers, net	-78	-83	-90	-4,758	-4,966	-5,934	-1,710	-1,592	-2,216
36	U.S. Government grants ⁴ .....	.....	.....	.....	-1,904	-1,691	-2,881	-249	-232	-120
37	U.S. Government pensions and other transfers	-13	-13	-11	-131	-131	-140	-130	-58	-852
38	Private remittances and other transfers ⁶	-65	-70	-79	-2,723	-3,144	-2,913	-1,331	-1,302	-1,244
Capital and financial account										
Capital account										
39	Capital account transactions, net	1	1	1	18	-36	-2	.....	.....	.....
Financial account										
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-2,125	2,845	754	-7,237	-6,180	16,802	-4,170	-3,154	3,057
41	U.S. official reserve assets, net .....	.....	.....	.....	.....	.....	.....	-1,714	-1,268	-668
42	Gold ⁷ .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
43	Special drawing rights .....	.....	.....	.....	.....	.....	.....	-107	-132	-127
44	Reserve position in the International Monetary Fund .....	.....	.....	.....	.....	.....	.....	-1,607	-1,136	-541
45	Foreign currencies .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
46	U.S. Government assets, other than official reserve assets, net .....	.....	.....	.....	146	158	233	-262	-251	-261
47	U.S. credits and other long-term assets .....	.....	.....	.....	-157	-422	-2,027	-262	-251	-261
48	Repayments on U.S. credits and other long-term assets ⁸ .....	.....	.....	.....	290	614	2,267	.....	.....	.....
49	U.S. foreign currency holdings and U.S. short-term assets, net .....	.....	.....	.....	13	-34	-7	.....	.....	.....
50	U.S. private assets, net	-2,125	2,845	754	-7,383	-6,338	16,569	-2,194	-1,635	3,986
51	Direct investment	-264	834	-137	-1,577	-2,860	-3,029	-3,693	-3,718	-3,843
52	Foreign securities	-395	906	127	1,577	5,478	4,809	110	356	244
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-527	730	.....	1,106	664	.....	.....	.....	8,728
54	U.S. claims reported by U.S. banks, not included elsewhere	-939	375	764	-8,489	-9,620	14,789	1,389	1,727	-1,143
55	Foreign owned assets in the United States, net (increase/financial inflow (+))	3,944	5,537	1,553	29,927	25,590	27,029	14,749	3,485	16,349
56	Foreign official assets in the United States, net	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	.....	5	.....
57	U.S. Government securities	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	.....	.....	.....
58	U.S. Treasury securities ⁹	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	.....	.....	.....
59	Other ¹⁰	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	.....	.....	.....
60	Other U.S. Government liabilities ¹¹	4	16	-2	176	422	175	.....	5	.....
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	.....	.....	.....
62	Other foreign official assets ¹²	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	.....	.....	.....
63	Other foreign assets in the United States, net	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	14,749	3,480	16,349
64	Direct investment	2,180	907	-736	176	888	-203	1,605	1,632	1,668
65	U.S. Treasury securities	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
66	U.S. securities other than U.S. Treasury securities	888	4,133	520	7,911	9,931	6,569	-257	-338	313
67	U.S. currency .....	.....	.....	.....	.....	.....	.....	7,183	2,556	7,249
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	631	-984	.....	2,405	1,708	.....	-9	1	2,714
69	U.S. liabilities reported by U.S. banks, not included elsewhere	¹⁸ 241	¹⁸ 1,465	¹⁸ 1,771	¹⁸ 19,259	¹⁸ 12,641	¹⁸ 20,488	¹⁸ 6,227	¹⁸ -371	¹⁸ 4,405
70	Statistical discrepancy (sum of above items with sign reversed)	-4,505	-11,284	-5,233	40,889	28,439	17,309	-13,223	-3,444	-21,890
Memoranda:										
71	Balance on goods (lines 3 and 20)	1,558	1,613	1,690	-49,058	-59,921	-58,293	.....	.....	.....
72	Balance on services (lines 4 and 21)	510	251	422	2,901	4,203	2,032	591	786	834
73	Balance on goods and services (lines 2 and 19)	2,068	1,864	2,112	-46,157	-55,718	-56,261	591	786	834
74	Balance on income (lines 12 and 29)	695	1,120	903	-232	421	1,057	3,763	3,919	3,866
75	Unilateral current transfers, net (line 35)	-78	-83	-90	-4,758	-4,966	-5,934	-1,710	-1,592	-2,216
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	2,685	2,901	2,925	-51,147	-60,263	-61,138	2,644	3,113	2,484

^p Preliminary.^r Revised.

See footnotes on page D-57.

Source: Table 10 in "U.S. International Transactions, Fourth Quarter and Year 2002" in the April 2003 issue of the SURVEY OF CURRENT BUSINESS.

G. Investment Tables

Table G.1. International Investment Position of the United States at Yearend, 2000 and 2001

[Millions of dollars]

Line	Type of investment	Position, 2000 ^r	Changes in position in 2001 (decrease (-))				Total (a+b+c+d)	Position, 2001 ^p
			Attributable to:					
			Financial flows	Valuation adjustments				
				Price changes	Exchange rate changes ¹	Other changes ²		
(a)	(b)	(c)	(d)	(a+b+c+d)				
Net international investment position of the United States:								
1	With direct investment positions at current cost (line 3 less line 24)	-1,350,791	-381,845	-116,510	-103,402	4,414	-597,343	-1,948,134
2	With direct investment positions at market value (line 4 less line 25)	-1,583,153	-381,845	-215,482	-145,572	16,935	-725,964	-2,309,117
U.S.-owned assets abroad:								
3	With direct investment positions at current cost (lines 5+10+15)	6,191,934	370,962	-258,272	-124,662	16,177	4,205	6,196,139
4	With direct investment positions at market value (lines 5+10+16)	7,350,862	370,962	-715,843	-163,854	20,816	-487,919	6,862,943
5	U.S. official reserve assets	128,400	4,911	536	-3,879	-7	1,561	129,961
6	Gold	71,799	.....	³ 536	.....	⁴ -7	529	72,328
7	Special drawing rights	10,539	630	.....	-386	.....	244	10,783
8	Reserve position in the International Monetary Fund	14,824	3,600	.....	-555	.....	3,045	17,869
9	Foreign currencies	31,238	681	.....	-2,938	.....	-2,257	28,981
10	U.S. Government assets, other than official reserve assets	85,164	486	.....	.....	.....	486	85,650
11	U.S. credits and other long-term assets ⁵	82,570	558	.....	.....	.....	558	83,128
12	Repayable in dollars	82,289	561	.....	.....	.....	561	82,850
13	Other ⁶	281	-3	.....	.....	.....	-3	278
14	U.S. foreign currency holdings and U.S. short-term assets	2,594	-72	.....	.....	.....	-72	2,522
U.S. private assets:								
15	With direct investment at current cost (lines 17+19+22+23)	5,978,370	365,565	-258,808	-120,783	16,184	2,158	5,980,528
16	With direct investment at market value (lines 18+19+22+23)	7,137,298	365,565	-716,379	-159,975	20,823	-489,966	6,647,332
Direct investment abroad:								
17	At current cost	1,515,279	127,840	19,533	-17,713	-21,817	107,843	1,623,122
18	At market value	2,674,207	127,840	-438,038	-56,905	-17,178	-384,281	2,289,926
19	Foreign securities	2,389,427	94,662	-278,341	-95,228	.....	-278,907	2,110,520
20	Bonds	557,019	-12,147	18,214	-17,304	.....	-11,237	545,782
21	Corporate stocks	1,832,408	106,809	-296,555	-77,924	.....	-267,670	1,564,738
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	821,564	14,358	.....	-5,811	.....	8,547	830,111
23	U.S. claims reported by U.S. banks, not included elsewhere	1,252,100	128,705	.....	-2,031	38,001	164,675	1,416,775
Foreign-owned assets in the United States:								
24	With direct investment at current cost (lines 26+33)	7,542,725	752,807	-141,762	-21,260	11,763	601,548	8,144,273
25	With direct investment at market value (lines 26+34)	8,934,015	752,807	-500,361	-18,282	3,881	238,045	9,172,060
26	Foreign official assets in the United States	1,008,890	5,225	1,623	.....	6,000	12,848	1,021,738
27	U.S. Government securities	749,904	31,666	11,274	.....	6,000	48,940	798,844
28	U.S. Treasury securities	625,161	10,745	8,796	.....	6,001	25,542	650,703
29	Other	124,743	20,921	2,478	.....	-1	23,398	148,141
30	Other U.S. Government liabilities ⁷	13,739	-1,882	.....	.....	.....	-1,882	11,857
31	U.S. liabilities reported by U.S. banks, not included elsewhere	153,403	-30,278	.....	.....	.....	-30,278	123,125
32	Other foreign official assets	91,844	5,719	-9,651	.....	.....	-3,932	87,912
Other foreign assets:								
33	With direct investment at current cost (lines 35+37+38+41+42+43)	6,533,835	747,582	-143,385	-21,260	5,763	588,700	7,122,535
34	With direct investment at market value (lines 36+37+38+41+42+43)	7,925,125	747,582	-501,984	-18,282	-2,119	225,197	8,150,322
Direct investment in the United States:								
35	At current cost	1,374,752	130,796	14,214	-2,978	-17,860	124,172	1,498,924
36	At market value	2,766,042	130,796	-344,385	.....	-25,742	-239,331	2,526,711
37	U.S. Treasury securities	400,966	-7,670	4,719	.....	-9,241	-12,192	388,774
38	U.S. securities other than U.S. Treasury securities	2,623,628	407,653	-162,318	-12,309	.....	233,026	2,856,654
39	Corporate and other bonds	1,075,988	288,200	40,741	-12,309	.....	316,632	1,392,620
40	Corporate stocks	1,547,640	119,453	-203,059	.....	.....	-83,606	1,464,034
41	U.S. currency	251,786	23,783	.....	.....	.....	23,783	275,569
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	729,340	82,353	.....	-2,140	-5,136	75,077	804,417
43	U.S. liabilities reported by U.S. banks, not included elsewhere	1,153,363	110,667	.....	-3,833	38,000	144,834	1,298,197

^p Preliminary.^r Revised.

1. Represents gains or losses on foreign-currency-denominated assets due to their revaluation at current exchange rates.

2. Includes changes in coverage, statistical discrepancies, and other adjustments to the value of assets.

3. Reflects changes in the value of the official gold stock due to fluctuations in the market price of gold.

4. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These demonetizations/monetizations are not included in international transactions financial flows.

5. Also includes paid-in capital subscriptions to international financial institutions and resources provided to foreigners under foreign assistance programs requiring repayment over several years. Excludes World War I debts that are not being serviced.

6. Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.

7. Primarily U.S. Government liabilities associated with military sales contracts and other transactions arranged with or through foreign official agencies.

Source: Table 1 in "The International Investment Position of the United States at Yearend 2001" in the July 2002 issue of the SURVEY OF CURRENT BUSINESS.

Table G.2. U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 1999-2001

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital outflows (inflows (-))			Income		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
All countries, all industries	1,173,122	1,293,431	1,381,674	174,576	164,969	113,977	112,359	135,109	111,089
By country									
Canada	111,747	128,814	139,031	18,122	18,950	14,440	12,103	14,688	11,773
Europe	611,958	679,457	725,793	99,224	92,427	56,133	57,704	66,523	55,667
<i>Of which:</i>									
France	39,960	38,752	38,457	512	2,011	655	1,386	2,404	1,920
Germany	48,445	50,963	61,437	4,268	3,099	11,360	4,621	4,588	2,690
Netherlands	110,321	117,557	131,884	8,253	2,953	16,058	12,598	11,858	13,417
Switzerland	44,499	55,854	62,897	8,407	9,959	6,629	7,098	7,025	7,576
United Kingdom	228,574	241,663	249,201	47,839	35,763	13,231	14,915	20,655	12,051
Latin America and Other Western Hemisphere	237,748	251,863	269,556	34,277	23,442	26,510	19,636	18,703	18,718
<i>Of which:</i>									
Bermuda	51,613	56,594	61,929	7,786	6,532	5,865	4,373	6,036	5,045
Brazil	37,383	39,033	36,317	3,484	3,091	-17	1,511	1,579	756
Mexico	32,888	37,332	52,168	5,978	5,302	15,078	4,448	4,371	4,409
Panama	33,143	29,316	25,296	2,259	1,231	753	2,365	501	452
Africa	13,621	14,417	15,872	498	1,151	798	1,876	2,675	2,063
Middle East	10,712	11,087	12,643	5	1,635	1,269	1,180	2,254	1,314
Asia and Pacific	184,313	205,317	216,501	21,890	27,333	15,012	19,927	29,983	21,153
<i>Of which:</i>									
Australia	34,743	35,364	34,041	3,244	2,421	-423	2,472	3,586	1,690
Japan	56,393	59,441	64,103	9,449	6,279	5,474	4,749	7,805	5,683
International	3,024	2,476	2,278	560	31	-184	-68	282	402
By industry									
Petroleum	90,493	95,834	102,074	9,481	10,594	12,668	10,174	18,667	13,866
Manufacturing	306,156	353,550	376,259	34,939	58,049	36,381	33,213	38,965	28,806
Food and kindred products	34,225	35,933	35,496	1,359	2,913	1,692	3,821	3,868	4,029
Chemicals and allied products	81,656	100,872	108,663	7,346	16,462	10,800	9,250	9,882	10,355
Primary and fabricated metals	18,328	18,773	21,488	1,088	633	2,895	1,381	1,631	1,211
Industrial machinery and equipment	35,337	41,199	52,392	6,393	7,305	12,039	4,445	6,652	4,940
Electronic and other electric equipment	36,996	49,065	48,391	3,940	16,156	905	3,679	5,683	2,768
Transportation equipment	36,045	40,052	39,142	6,687	7,159	578	4,416	3,613	612
Other manufacturing	63,569	67,656	70,687	8,126	7,420	7,473	6,220	7,637	4,890
Wholesale trade	74,215	83,724	92,836	6,413	12,434	9,289	10,837	12,524	12,093
Depository institutions	38,365	38,071	49,319	533	-2,221	9,925	856	1,826	2,520
Finance, (except depository institutions), insurance, and real estate	498,468	542,641	572,545	86,419	54,147	34,983	45,906	52,938	46,135
Services	72,054	80,144	86,491	14,473	10,785	7,513	8,050	8,912	6,817
Other industries	93,371	99,469	102,150	22,318	21,182	3,217	3,323	1,277	854

NOTE: In this table, unlike in the international transactions accounts, income and capital outflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 16 and 17 in "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 2001" in the September 2002 issue of the SURVEY OF CURRENT BUSINESS.

Table G.3. Selected Financial and Operating Data for Nonbank Foreign Affiliates of U.S. Companies by Country and by Industry of Affiliate, 2000

	All nonbank affiliates						Majority-owned nonbank foreign affiliates (MOFA's)						
	Millions of dollars					Thousands of employees	Millions of dollars						Thousands of employees
	Total assets	Sales	Net income	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates		Total assets	Sales	Net income	Gross product	U.S. exports of goods shipped to MOFA's	U.S. imports of goods shipped by MOFA's	
All countries, all industries.....	5,260,182	2,891,497	209,605	203,007	215,300	9,606.9	4,647,439	2,486,855	191,115	605,888	195,951	201,374	8,064.7
By country													
Canada.....	428,185	366,701	18,897	61,511	82,226	1,145.4	376,574	328,026	16,712	72,398	59,508	77,827	1,038.7
Europe.....	3,046,124	1,438,611	113,288	51,783	38,244	4,095.8	2,840,082	1,302,959	105,202	333,375	50,816	36,594	3,687.9
<i>Of which:</i>													
France.....	186,053	137,511	3,307	(D)	3,391	586.3	163,929	124,751	3,445	35,754	5,005	3,124	544.0
Germany.....	300,512	236,095	9,806	8,590	4,488	657.8	258,561	200,192	8,347	54,819	8,535	4,467	605.2
Netherlands.....	361,574	145,337	17,345	7,611	(D)	197.0	343,897	126,261	15,735	23,371	7,572	1,770	169.0
United Kingdom.....	1,315,404	413,467	29,948	(D)	10,848	1,266.6	1,272,450	397,179	29,590	110,643	13,340	10,842	1,185.7
Latin America and Other Western Hemisphere	797,682	360,845	37,864	41,708	47,582	2,006.8	656,101	295,893	33,412	70,401	40,277	45,111	1,583.8
<i>Of which:</i>													
Brazil.....	137,776	80,024	3,341	3,722	(D)	403.6	100,130	61,895	2,998	19,413	3,650	2,182	343.5
Mexico.....	114,653	123,970	6,162	32,000	38,957	1,048.1	86,056	99,466	5,321	20,180	31,017	37,408	804.4
Africa.....	59,118	43,595	4,436	831	(D)	237.7	44,127	34,726	3,709	13,877	771	1,972	127.0
Middle East.....	54,491	33,111	4,185	1,068	1,831	94.1	21,578	16,131	2,166	6,910	857	1,831	64.7
Asia and Pacific.....	874,581	648,635	30,937	46,106	(D)	2,027.0	708,976	509,119	29,913	108,927	43,722	38,039	1,562.5
<i>Of which:</i>													
Australia.....	116,562	69,807	3,619	4,228	(D)	324.0	103,055	56,605	3,497	18,646	4,100	1,216	257.4
Japan.....	342,967	240,240	4,813	15,281	7,188	432.2	257,953	159,593	5,979	36,277	13,815	2,627	233.7
By industry													
Mining.....	226,750	103,583	21,088	1,335	8,316	157.6	198,715	92,211	18,487	60,060	1,034	7,585	136.7
Utilities.....	163,071	66,065	4,558	9	13	105.8	102,414	39,624	2,767	10,839	3	11	57.7
Manufacturing.....	1,176,742	1,380,870	65,861	143,189	186,356	5,067.4	996,919	1,197,293	61,830	317,339	137,960	173,295	4,352.5
<i>Of which:</i>													
Food.....	68,547	94,095	3,618	2,338	3,479	406.2	61,536	84,377	3,372	19,139	2,258	3,402	355.6
Chemicals.....	261,128	225,477	19,791	19,091	14,502	620.4	228,750	200,982	17,955	58,200	17,962	13,889	559.2
Primary and fabricated metals.....	64,704	49,753	2,321	4,110	4,857	269.4	58,134	43,213	2,155	13,249	3,907	4,660	245.9
Machinery.....	74,811	79,741	3,017	7,506	8,200	389.6	60,548	64,429	2,949	18,035	7,101	7,126	343.6
Computer and electronic products.....	175,761	227,081	12,056	35,555	46,899	816.9	168,785	222,380	12,134	41,886	35,268	46,065	777.1
Electrical equipment, appliances, and components.....	28,900	31,024	1,333	3,434	4,123	272.1	25,370	27,341	1,223	7,350	3,317	3,529	232.0
Transportation equipment.....	194,785	308,096	5,424	57,144	86,907	982.0	156,162	256,286	6,624	48,851	54,817	77,984	872.4
Wholesale trade.....	382,980	668,048	26,924	50,106	17,909	717.8	365,091	629,051	26,130	87,025	48,977	17,847	669.1
Information.....	283,101	153,265	4,445	863	220	698.8	119,966	76,042	307	22,364	846	220	333.0
Finance (except depository institutions) and insurance.....	1,841,581	207,633	24,502	4	0	343.7	1,770,932	194,933	24,007	23,307	4	0	309.8
Professional, scientific, and technical services	121,023	85,531	6,698	2,032	(D)	450.8	118,038	81,458	6,576	33,050	2,029	844	422.9
Other industries.....	1,064,934	226,501	55,529	5,469	(D)	2,065.1	975,364	176,243	51,012	51,904	5,097	1,572	1,782.9

D Suppressed to avoid disclosure of data of individual companies.

NOTE: The data in this table are from "U.S. Multinational Companies: Operations in 2000" in the December 2002 issue of the SURVEY OF CURRENT BUSINESS.

Table G.4. Foreign Direct Investment in the United States: Selected Items, by Country of Foreign Parent and by Industry of U.S. Affiliate, 1999-2001

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital inflows (outflows (-))			Income		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
All countries, all industries.....	955,726	1,214,254	1,321,063	283,376	300,912	124,435	46,385	52,465	15,965
By country									
Canada.....	90,559	114,599	108,600	26,367	26,036	4,627	2,215	1,057	-7,736
Europe.....	639,923	835,137	946,758	223,406	238,740	118,059	36,753	41,511	26,043
<i>Of which:</i>									
France.....	89,945	131,484	147,207	29,834	49,436	14,676	2,954	3,930	7,663
Germany.....	112,126	124,839	152,760	23,478	14,290	28,015	6,123	2,390	-6,273
Luxembourg.....	35,644	53,794	40,232	6,887	25,230	-13,801	2,241	4,672	3,172
Netherlands.....	125,010	146,493	158,020	41,689	32,599	15,171	7,299	8,990	4,368
Switzerland.....	52,973	69,240	125,521	2,503	16,697	51,959	2,844	4,113	1,816
United Kingdom.....	153,797	213,820	217,746	108,566	75,654	14,226	11,899	14,046	11,823
Latin America and Other Western Hemisphere.....	40,771	54,463	58,881	16,929	12,253	954	2,397	2,407	-1,399
<i>Of which:</i>									
Bermuda.....	14,798	18,502	15,748	10,338	2,523	-3,223	41	-457	-1,602
Mexico.....	1,999	7,832	7,418	1,273	5,266	-84	175	-68	-1,070
Panama.....	5,275	3,726	4,199	-226	-1,477	449	752	647	480
United Kingdom Islands, Caribbean.....	11,573	15,353	18,244	4,137	3,865	3,966	1,527	1,829	118
Africa.....	1,361	2,756	3,264	423	652	407	-66	6	-193
Middle East.....	4,362	6,189	6,039	376	2,142	-159	156	259	311
Asia and Pacific.....	178,749	201,110	197,522	15,876	21,088	547	4,931	7,225	-1,060
<i>Of which:</i>									
Australia.....	15,616	20,701	23,488	4,193	5,963	3,649	643	1,074	-918
Japan.....	153,815	163,577	158,988	11,555	7,773	-1,550	4,006	5,825	169
By industry									
Petroleum.....	51,231	87,055	95,922	4,778	44,869	10,308	4,510	11,435	8,971
Manufacturing.....	385,253	479,851	508,535	69,851	100,693	29,246	24,674	23,860	3,177
Food and kindred products.....	18,864	23,975	23,847	-1,460	5,293	-233	1,570	1,792	1,051
Chemicals and allied products.....	97,009	122,446	127,139	7,562	26,196	3,062	6,317	5,906	4,472
Primary and fabricated metals.....	19,778	24,741	25,683	1,839	9,057	-965	1,083	1,320	802
Machinery.....	92,038	151,237	166,198	39,483	40,040	14,699	2,181	6,847	-6,444
Other manufacturing.....	157,564	157,453	165,668	22,428	20,107	12,687	13,524	7,996	3,297
Wholesale trade.....	100,251	110,286	112,997	16,195	11,320	1,855	5,813	7,016	5,549
Retail trade.....	24,199	29,666	35,811	4,156	5,243	7,245	1,641	1,677	816
Depository institutions.....	61,756	68,128	78,094	19,326	9,672	8,427	2,994	3,948	3,370
Finance, except depository institutions.....	65,453	84,383	85,990	17,964	19,957	6,414	816	399	-5,921
Insurance.....	83,760	112,482	120,400	23,026	34,562	8,496	2,963	4,767	3,183
Real estate.....	40,209	42,682	44,163	2,492	998	1,873	1,075	2,291	1,095
Services.....	64,335	109,504	125,660	21,675	60,539	14,718	1,873	-920	-1,853
Other industries.....	79,281	90,219	113,491	103,913	13,058	35,853	25	-2,008	-2,422

NOTE: In this table, unlike in the international transactions accounts, income and capital inflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 16 and 17 in "Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 2001" in the September 2002 issue of the SURVEY OF CURRENT BUSINESS.

Table G.5. Selected Financial and Operating Data of Nonbank U.S. Affiliates and Majority-Owned Nonbank U.S. Affiliates of Foreign Companies by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 2000

	All nonbank affiliates						Majority-owned nonbank affiliates							
	Millions of dollars				Thousands of employees	Millions of dollars		Millions of dollars				Thousands of employees	Millions of dollars	
	Total assets	Sales	Net income	Gross product		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Total assets	Sales	Net income	Gross product		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All countries, all industries	4,847,267	2,334,692	30,641	522,238	6,429.2	165,321	366,647	4,180,503	2,053,022	22,086	449,396	5,562.6	151,521	348,741
By country														
Canada.....	434,177	168,457	-3,670	40,514	643.0	9,019	19,509	416,420	159,257	-3,792	36,272	555.2	8,859	19,365
Europe.....	3,274,267	1,420,093	27,465	349,863	4,361.9	89,063	145,037	3,020,496	1,247,041	22,226	301,085	3,815.7	81,543	139,222
<i>Of which:</i>														
France.....	469,643	193,135	2,516	57,762	648.8	15,194	16,294	390,343	144,432	2,765	38,854	401.0	(D)	(D)
Germany.....	572,565	320,249	3,186	57,995	729.8	32,770	53,080	558,092	308,197	2,730	54,033	691.4	32,167	52,740
Netherlands.....	582,054	254,092	4,965	46,620	561.4	7,498	21,895	560,755	(D)	(D)	42,641	546.9	7,214	21,827
Sweden.....	66,738	42,435	-214	11,096	234.2	4,003	(D)	66,068	41,520	-186	10,724	225.5	3,982	4,696
Switzerland.....	695,092	132,392	2,513	39,924	554.0	6,004	8,540	671,046	120,011	2,154	34,015	459.0	5,917	8,373
United Kingdom.....	734,634	363,251	14,877	111,871	1,189.9	16,970	25,105	637,335	331,175	12,270	100,143	1,102.8	16,303	24,701
Latin America and Other Western Hemisphere.....	146,009	105,033	-599	26,597	275.8	9,272	20,978	136,603	95,183	-813	25,073	262.1	8,998	17,488
<i>Of which:</i>														
Bermuda.....	60,491	35,792	-762	11,872	135.7	(D)	1,597	58,264	35,179	-715	11,796	132.2	(D)	1,592
Mexico.....	19,507	16,278	46	2,952	57.2	(D)	3,291	18,080	14,977	110	2,759	53.8	(D)	(D)
Panama.....	1,679	1,238	18	524	6.8	126	109	1,563	1,170	6	498	6.7	126	109
United Kingdom Islands, Caribbean.....	39,199	9,576	-360	1,673	34.1	(D)	1,947	38,679	9,298	-348	1,584	32.3	(D)	1,947
Venezuela.....	13,297	29,800	656	6,480	8.3	403	10,590	(D)	(D)	(D)	(D)	H	(D)	(D)
Africa.....	11,758	6,449	181	1,322	14.2	474	269	(D)	(D)	(D)	1,283	14.0	(D)	266
Middle East.....	29,912	16,011	568	3,150	50.9	802	1,846	27,434	14,301	489	2,434	38.1	789	1,758
Asia and Pacific.....	705,084	576,943	1,072	89,282	1,019.5	54,686	177,721	557,549	513,157	3,868	77,928	848.2	48,943	169,450
<i>Of which:</i>														
Australia.....	69,095	31,948	-643	9,319	83.3	1,428	1,438	60,519	25,605	-741	7,909	69.6	(D)	(D)
Japan.....	558,934	477,831	4,316	72,041	826.8	44,130	151,368	445,551	429,732	5,015	62,241	699.9	40,894	147,125
United States.....	246,060	41,707	5,625	11,510	63.9	2,004	1,287	(D)	(D)	(D)	5,320	29.4	(D)	1,192
By industry¹														
Manufacturing.....	1,108,046	979,597	11,796	237,032	2,658.3	101,248	149,875	1,000,442	852,164	10,985	217,358	2,441.9	91,048	134,932
<i>Of which:</i>														
Food.....	45,143	47,388	302	11,018	147.6	2,467	4,398	44,099	45,567	296	10,631	140.8	2,374	4,377
Chemicals.....	257,094	160,496	3,887	44,832	386.8	15,528	16,388	238,314	145,362	3,195	40,821	356.7	14,295	16,099
Primary and fabricated metals.....	65,699	66,282	1,244	17,282	219.2	4,930	7,719	57,252	57,196	669	15,069	204.9	4,125	6,830
Machinery.....	66,528	54,207	-885	15,506	230.6	6,735	7,849	64,744	52,612	-36	15,323	223.6	6,545	7,375
Computers and electronic products.....	173,303	129,225	-4,847	28,705	337.4	19,329	37,731	137,673	117,587	-3,755	27,229	305.3	14,645	30,463
Electrical equipment, appliances, and components.....	66,099	60,221	280	19,878	284.4	8,717	4,284	65,680	59,765	254	19,737	282.7	8,583	4,231
Transportation equipment.....	199,695	205,220	3,890	35,016	390.8	30,731	46,806	192,444	193,099	3,519	32,278	358.3	29,213	(D)
Wholesale trade.....	407,715	637,978	14,530	86,444	574.4	57,844	207,041	398,811	616,015	13,683	82,849	543.7	54,431	204,816
Retail trade.....	74,259	114,977	-279	24,676	674.4	1,535	(D)	60,826	102,648	163	22,346	603.5	(D)	(D)
Information.....	318,489	121,684	-4,387	41,878	408.9	709	240	169,464	69,125	-4,050	19,959	242.8	687	161
<i>Of which:</i>														
Publishing industries.....	71,021	35,582	98	13,764	139.2	(D)	127	(D)	30,415	-385	10,695	122.8	(D)	(D)
Broadcasting and telecommunications.....	165,541	59,205	-3,848	21,895	178.4	5	(D)	38,335	13,517	-3,692	2,837	35.1	(*)	1
Finance (except depository institutions) and insurance.....	2,472,481	243,337	10,543	41,433	291.8	(*)	5	2,162,327	211,823	3,396	33,260	252.0	(*)	5
Real estate and rental and leasing.....	122,797	25,691	1,331	10,936	49.5	(D)	649	110,543	22,589	1,069	9,418	38.7	(D)	649
Professional, scientific, and technical services.....	51,405	32,241	-1,135	9,672	148.9	366	336	46,919	29,665	-634	9,038	133.4	356	336
Other industries.....	292,075	179,186	-1,759	70,167	1,623.1	(D)	(D)	231,172	148,994	-2,527	55,169	1,306.7	3,242	(D)

D Suppressed to avoid disclosure of data of individual companies.

* Less than \$500,000.

1. The industry classification system used to classify the data for U.S. affiliates is based on the North American Industry Classification System. Prior to 1997, the affiliate data were classified using an industry classification system based on the Standard Industrial Classification system.

NOTES: The data in this table are from BEA's annual survey of the operations of U.S. affiliates of foreign companies; see "U.S. Affiliates of Foreign Companies: Operations in 2000," in the August 2002 issue of the Survey of Current Business.

Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

H. International Perspectives

The quarterly data in this table are shown in the middle month of the quarter.

Table H.1. International Perspectives

	2002												2003	
	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
Unemployment rate (percent)														
Euro area	8.1	8.2	8.2	8.2	8.3	8.3	8.3	8.4	8.4	8.5	8.5	8.6	.....
France	8.8	8.9	8.9	8.9	9.0	9.0	9.0	9.0	9.0	9.0	9.1	9.1	9.2	
Germany	9.6	9.6	9.6	9.7	9.8	9.8	9.8	9.8	9.9	10.0	10.1	10.3	10.5	
Italy .....	.....	9.2	.....	.....	9.2	.....	.....	8.7	.....	.....	8.9	.....	.....
Netherlands	3.9	3.7	3.9	4.1	4.3	4.3	4.2	4.2	4.3	4.3	4.1	4.6	.....
United Kingdom	3.1	3.1	3.2	3.2	3.2	3.1	3.1	3.1	3.1	3.1	3.1	3.1	.....
Japan	5.3	5.3	5.3	5.4	5.4	5.4	5.5	5.4	5.5	5.3	5.3	5.5	5.2	
Singapore	4.5	.....	.....	4.3	.....	.....	4.6	.....	.....	4.2	.....	.....	.....
South Korea	3.8	3.6	3.2	3.0	2.8	2.8	3.0	2.6	2.8	2.8	3.1	3.5	.....
Taiwan	5.1	5.2	5.0	5.0	5.1	5.2	5.4	5.3	5.3	5.2	5.0	5.0	.....
Canada	7.8	7.7	7.6	7.7	7.5	7.6	7.5	7.7	7.6	7.5	7.5	7.4	7.4	
Mexico	2.7	2.8	2.8	2.7	2.4	2.9	2.8	3.1	2.7	2.6	2.1	2.8	2.8	
United States	5.6	5.7	5.9	5.8	5.8	5.8	5.8	5.7	5.8	5.9	6.0	5.7	5.8	
Short-term interest rate (percent per year)														
Euro area	3.36	3.39	3.41	3.46	3.46	3.41	3.35	3.31	3.26	3.12	2.94	2.83	2.69	
France	3.34	3.40	3.40	3.45	3.46	3.40	3.32	3.25	3.17	3.02	2.86	2.79	2.67	
Germany	3.34	3.37	3.39	3.44	3.45	3.39	3.33	3.29	3.24	3.11	2.93	2.81	.....
Italy	3.35	3.47	3.52	3.58	3.54	3.37	3.20	3.11	3.01	2.94	2.69	2.60	2.43	
Netherlands	3.36	3.39	3.41	3.47	3.46	3.41	3.35	3.31	3.26	3.12	2.94	2.83	2.69	
United Kingdom	3.89	4.00	3.94	4.00	3.93	3.72	3.82	3.77	3.69	3.83	3.84	3.75	.....
Singapore	0.82	0.87	0.78	0.77	0.74	0.70	0.78	1.20	0.95	0.65	0.67	0.66	0.62	
South Korea	4.54	4.64	4.79	4.81	4.85	4.91	4.80	4.81	4.91	4.91	4.90	4.70	4.54	
Taiwan	2.30	2.29	2.27	2.24	2.08	1.85	1.86	1.90	1.91	1.73	1.52	1.37	1.21	
Canada	2.07	2.34	2.41	2.62	2.74	2.85	3.00	2.83	2.81	2.73	2.67	2.81	2.86	
Mexico	8.74	8.57	6.80	7.68	8.62	8.38	7.47	8.50	8.85	8.61	8.47	9.49	9.83	
United States	1.73	1.79	1.72	1.73	1.70	1.68	1.62	1.63	1.58	1.23	1.19	1.17	1.17	
Long-term interest rate (percent per year)														
Euro area	5.07	5.32	5.30	5.30	5.16	5.03	4.73	4.52	4.62	4.59	4.41	4.27	4.06	
France	5.11	5.29	5.31	5.31	5.18	5.01	4.70	4.46	4.63	4.66	4.43	4.27	4.07	
Germany .....	.....	.....	5.20	5.20	5.00	4.90	4.60	4.40	4.50	4.50	4.30	4.20	4.00
Italy	5.20	5.41	5.40	5.41	5.26	5.11	4.83	4.62	4.76	4.74	4.55	4.38	4.16	
Netherlands	5.02	5.27	5.25	5.30	5.16	4.99	4.71	4.50	4.58	4.55	4.36	4.19	3.97	
United Kingdom	4.83	5.11	5.13	5.18	5.02	4.90	4.64	4.45	4.59	4.64	4.62	4.44	.....
Japan	1.50	1.35	1.41	1.36	1.30	1.33	1.16	1.17	1.03	0.96	0.89	0.75	.....
Singapore	3.80	3.98	3.91	3.93	3.70	3.72	3.51	3.31	3.04	2.97	2.55	2.44	2.24	
South Korea	7.00	7.17	7.30	7.09	6.76	6.54	6.24	6.16	6.11	5.80	5.77	5.43	5.15	
Taiwan	3.71	4.03	4.12	4.02	3.78	3.50	3.37	3.23	2.99	2.82	2.48	1.96	1.90	
Canada	5.31	5.79	5.64	5.49	5.37	5.23	5.14	4.92	5.16	5.18	4.88	5.02	4.93	
United States	4.91	5.28	5.21	5.16	4.93	4.65	4.26	3.87	3.94	4.05	4.03	4.05	3.90	
Real GDP (percent change from same quarter a year earlier)														
Euro area	0.3	.....	.....	0.6	.....	.....	0.9	.....	.....	1.3	.....	.....	.....
France	0.7	.....	.....	1.2	.....	.....	1.2	.....	.....	1.7	.....	.....	.....
Germany	-12.0	.....	.....	4.0	.....	.....	10.0	.....	.....	5.0	.....	.....	.....
Italy	0.0	.....	.....	0.1	.....	.....	0.4	.....	.....	1.0	.....	.....	.....
Netherlands	-2.2	.....	.....	-0.7	.....	.....	-0.2	.....	.....	0.5	.....	.....	.....
United Kingdom	1.0	.....	.....	1.3	.....	.....	2.0	.....	.....	2.1	.....	.....	.....
Japan	-3.0	.....	.....	-0.2	.....	.....	1.8	.....	.....	2.6	.....	.....	.....
Singapore	-1.5	.....	.....	3.8	.....	.....	3.8	.....	.....	3.0	.....	.....	.....
South Korea	6.2	.....	.....	6.6	.....	.....	6.8	.....	.....	6.8	.....	.....	.....
Taiwan	1.6	.....	.....	4.2	.....	.....	5.6	.....	.....	5.0	.....	.....	.....
Canada	2.2	.....	.....	3.2	.....	.....	4.2	.....	.....	3.9	.....	.....	.....
Mexico	-2.2	.....	.....	2.0	.....	.....	1.8	.....	.....	1.9	.....	.....	.....
United States	1.4	.....	.....	2.2	.....	.....	3.3	.....	.....	2.9	.....	.....	.....
Stock market prices (index number)														
France	71.3	74.9	71.3	68.3	62.3	54.6	53.8	44.4	50.3	53.1	48.9	46.9	44.0	
Germany	71.5	76.6	71.5	68.4	62.2	52.5	52.7	39.3	44.7	47.1	41.1	39.0	36.1	
Italy	71.9	76.3	74.1	69.5	64.6	59.0	59.6	51.0	55.5	60.3	55.4	53.2	54.2	
Netherlands	75.0	80.5	77.5	73.5	66.7	55.1	56.3	44.9	52.0	54.9	48.9	44.7	40.4	
United Kingdom	80.4	83.1	81.4	80.2	73.4	66.9	66.6	58.7	63.7	65.7	62.1	56.2	57.6	
Japan	62.6	65.2	68.0	69.6	62.8	58.4	56.9	55.5	51.1	54.5	50.7	49.3	49.5	
Singapore	83.2	88.1	84.3	81.7	75.9	73.7	72.8	66.1	71.5	68.0	65.5	63.1	62.3	
South Korea	116.1	126.8	119.2	112.7	105.1	101.6	104.2	91.5	93.3	102.6	88.8	83.8	81.4	
Taiwan	73.7	79.8	78.5	73.5	66.7	64.0	61.7	54.3	59.3	60.2	57.6	64.9	57.4	
Canada	79.5	81.7	79.8	79.7	74.4	68.8	68.8	64.3	65.0	68.4	68.8	68.4	68.2	
Mexico	103.5	113.1	114.9	108.0	99.3	92.5	95.5	88.0	91.7	94.6	94.1	91.5	91.1	
United States	78.0	80.8	75.9	75.2	69.7	64.2	64.5	57.4	62.4	65.9	62.0	60.3	59.2	
Exchange rate ¹														
Euro area (E)	0.8707	0.8766	0.8860	0.9170	0.9561	0.9935	0.9781	0.9806	0.9812	1.0013	1.0194	1.0622	1.0785	
United Kingdom (£)	1.4227	1.4230	1.4429	1.4598	1.4837	1.5565	1.5368	1.5563	1.5575	1.5711	1.5863	1.6175	1.6079	
Japan (¥)	133.64	131.06	130.77	126.38	123.29	117.90	118.99	121.08	123.91	121.61	121.89	118.81	119.34	
Singapore (S\$)	1.8312	1.8295	1.8285	1.8004	1.7831	1.7524	1.7553	1.7682	1.7843	1.7653	1.7532	1.7363	1.7451	
South Korea (W)	1320.55	1322.90	1318.09	1262.20	1219.70	1179.99	1197.51	1211.61	1240.19	1210.20	1206.61	1176.45	1190.37	
Taiwan (NT\$)	35.073	35.020	34.917	34.454	33.889	33.272	33.884	34.573	34.947	34.673	34.799	34.571	34.734	
Canada (Can\$)	1.5964	1.5877	1.5815	1.5502	1.5318	1.5456	1.5694	1.5761	1.5780	1.5715	1.5592	1.5414	1.5121	
Mexico (Ps)	9.105	9.064	9.165	9.51	9.767	9.779	9.839	10.071	10.094	10.195	10.225	10.622	10.945	
United States (\$)	129.74	129.27	128.95	127.35	125.96	124.20	125.64	126.67	127.69	126.38	125.70	124.21	124.12	

1. Figures for the Euro area and for the United Kingdom are in U.S. dollars per euro and per pound sterling, respectively. The rate for the United States is a weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of major U.S. trading partners. For other countries, figures are in currency units per U.S. dollar.

Sources: Exchange rates are from the Board of Governors of the Federal Reserve System. Indexes of stock market prices are calculated from data taken from finance oriented web sites and are rebased

to 2000 = 100 to facilitate comparisons. Other series are drawn from the web sites of the statistical agencies of the countries shown.

NOTE: In 2002, the countries in this table accounted for 62 percent of the value of U.S. imports of goods and 70 percent of the value of U.S. exports of goods. The Euro area consists of Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain.

I. Charts

THE U.S. IN THE INTERNATIONAL DOMESTIC ECONOMY

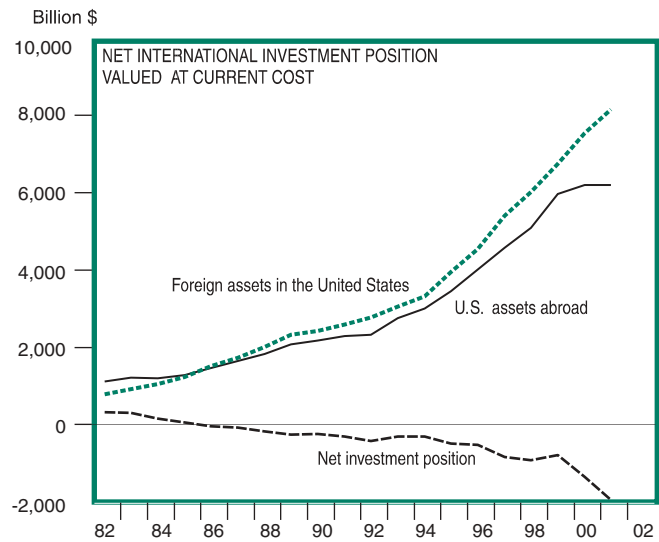
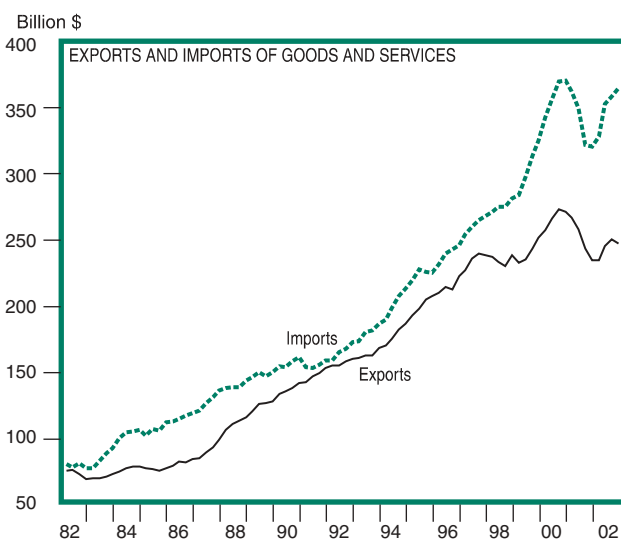
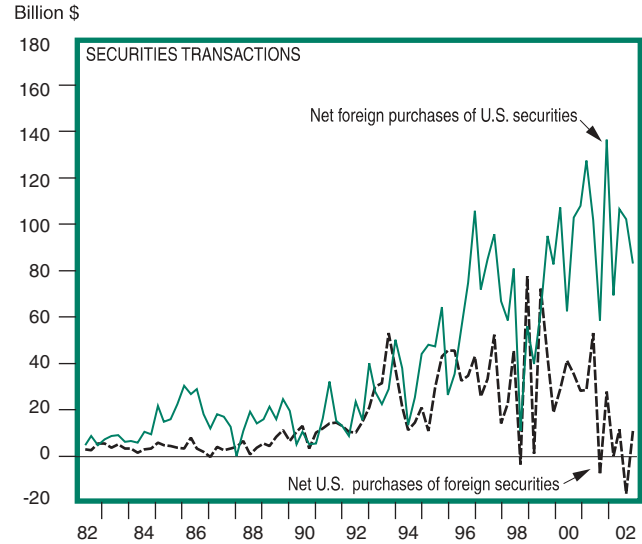
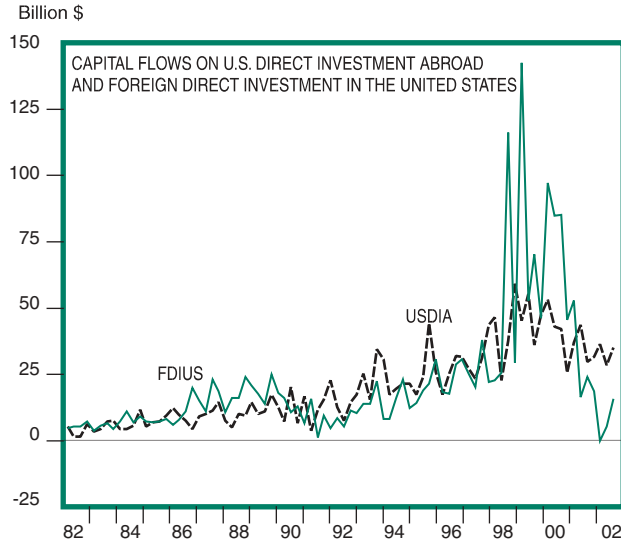
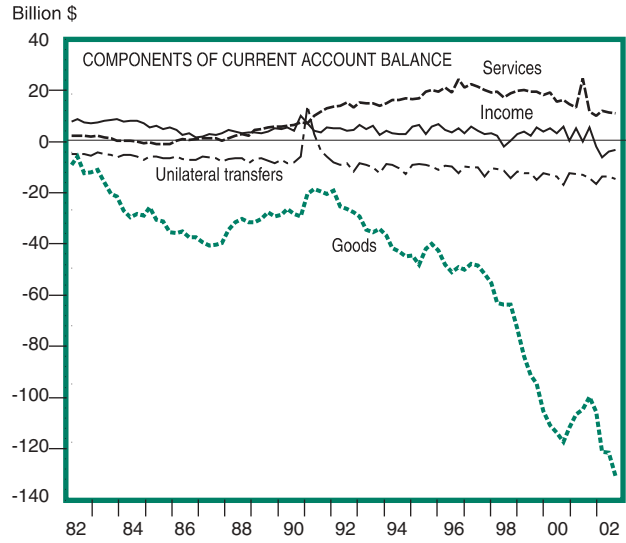
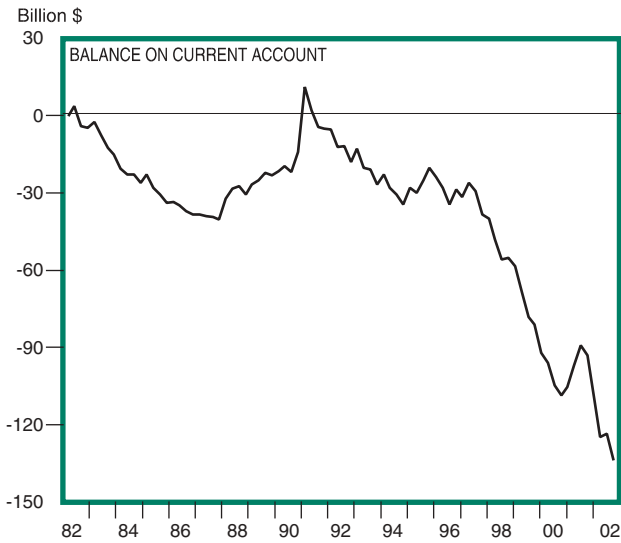


Table J.4. Gross State Product (GSP) by Industry for States and Regions, 2000

[Millions of dollars]

State and region	Rank of total GSP	Total GSP	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
United States		9,941,552	135,750	127,084	463,635	1,566,579	825,016	674,145	893,855	1,936,304	2,164,630	1,154,555
New England		582,776	4,298	297	24,619	85,821	34,328	38,418	48,794	149,028	143,603	53,570
Connecticut.....	22	159,288	1,090	112	5,579	24,897	9,399	9,726	12,876	47,045	35,235	13,328
Maine.....	44	35,981	693	5	1,693	5,561	2,457	2,138	4,253	6,667	7,422	5,090
Massachusetts.....	11	284,934	1,545	97	12,556	37,956	16,075	20,467	22,004	69,651	79,674	24,908
New Hampshire.....	38	47,708	341	36	2,060	9,777	2,707	3,212	4,617	11,587	9,685	3,684
Rhode Island.....	42	36,453	227	11	1,898	4,450	2,343	1,854	3,244	10,796	7,465	4,164
Vermont.....	49	18,411	401	36	831	3,179	1,346	1,021	1,799	3,281	4,121	2,396
Mideast		1,848,116	11,090	3,667	70,536	228,623	146,359	118,790	138,089	481,675	436,048	213,239
Delaware.....	43	36,336	317	2	1,578	5,535	1,876	1,482	2,579	13,840	5,790	3,336
District of Columbia.....		59,397	21	29	571	833	3,044	746	1,672	8,017	22,753	21,711
Maryland.....	16	186,108	1,600	153	10,519	14,955	14,137	11,392	16,164	38,915	45,895	32,377
New Jersey.....	8	363,089	1,919	242	14,235	50,198	34,131	33,575	27,339	85,452	81,545	34,453
New York.....	2	799,202	3,385	615	25,958	81,644	58,750	46,841	54,630	259,929	188,190	79,260
Pennsylvania.....	6	403,985	3,848	2,627	17,674	75,457	34,421	24,754	35,705	75,522	91,875	42,102
Great Lakes		1,530,982	15,630	4,414	74,009	351,203	116,507	109,716	137,490	257,073	306,776	158,165
Illinois.....	5	467,284	4,163	1,058	22,310	73,413	41,203	37,013	37,669	96,849	107,674	45,932
Indiana.....	15	192,195	2,225	674	9,836	58,906	14,436	11,448	17,365	25,422	32,755	19,128
Michigan.....	9	325,384	2,910	881	16,619	85,465	21,335	23,548	30,046	46,417	64,863	33,301
Ohio.....	7	372,640	3,481	1,531	16,809	89,399	27,100	26,483	36,183	60,960	69,897	40,799
Wisconsin.....	20	173,478	2,851	271	8,434	44,021	12,433	11,225	16,227	27,424	31,588	19,005
Plains		635,821	16,886	3,449	31,195	111,677	60,941	47,702	59,475	104,091	126,218	74,188
Iowa.....	30	89,600	3,678	210	3,822	19,747	7,758	6,338	7,950	13,938	15,392	10,768
Kansas.....	31	85,063	2,204	1,236	4,018	14,004	11,408	6,449	8,380	11,141	14,851	11,373
Minnesota.....	17	184,766	3,318	684	9,575	32,459	13,842	14,555	17,069	35,354	39,566	18,344
Missouri.....	18	178,845	2,517	423	9,150	32,849	18,299	12,985	17,040	27,394	37,761	20,425
Nebraska.....	36	56,072	2,471	86	2,710	8,022	6,082	4,289	4,918	8,763	11,031	7,701
North Dakota.....	50	18,283	952	686	924	1,580	1,783	1,561	1,797	2,846	3,518	2,636
South Dakota.....	46	23,192	1,745	125	995	3,015	1,769	1,524	2,322	4,655	4,100	2,941
Southeast		2,156,521	32,736	30,526	108,230	351,257	190,197	148,028	212,493	361,852	434,586	286,617
Alabama.....	25	119,921	2,166	1,448	5,845	22,959	10,544	7,788	12,134	18,027	20,849	18,161
Arkansas.....	34	67,724	2,246	474	3,300	15,065	7,036	4,466	7,868	8,117	10,769	8,382
Florida.....	4	472,105	8,084	899	25,357	32,590	39,503	36,250	52,887	100,537	118,762	57,236
Georgia.....	10	296,142	3,894	1,127	14,821	49,553	33,355	26,471	27,206	47,076	58,036	34,603
Kentucky.....	27	118,508	2,693	2,135	5,538	31,633	9,605	7,316	10,976	13,664	19,211	15,735
Louisiana.....	24	137,700	1,281	18,526	6,635	20,145	12,233	7,519	11,790	19,005	24,039	16,526
Mississippi.....	35	67,315	1,600	770	3,222	13,307	6,401	3,912	7,270	8,158	11,753	10,923
North Carolina.....	12	281,741	4,979	521	13,913	67,502	18,773	16,689	24,119	54,987	45,998	34,260
South Carolina.....	28	113,377	1,359	177	6,814	23,897	10,397	7,071	12,037	15,819	18,522	17,285
Tennessee.....	19	178,362	1,805	541	8,243	36,055	14,790	13,301	19,943	25,678	37,475	20,531
Virginia.....	13	261,355	2,320	1,044	12,561	31,792	23,009	15,007	22,024	45,969	61,451	46,178
West Virginia.....	40	42,271	309	2,863	1,980	6,760	4,551	2,237	4,239	4,816	7,719	6,795
Southwest		1,044,714	15,067	57,581	51,262	149,173	106,628	75,069	100,350	156,992	209,961	122,632
Arizona.....	23	156,303	2,246	1,136	9,292	24,382	11,154	10,124	16,463	28,714	34,652	18,140
New Mexico.....	37	54,364	1,043	5,051	2,290	8,862	4,067	2,186	4,838	7,219	9,787	9,022
Oklahoma.....	29	91,773	2,138	5,146	3,614	14,824	8,480	5,375	9,338	11,383	16,849	14,625
Texas.....	3	742,274	9,639	46,247	36,066	101,105	82,927	57,384	69,711	109,676	148,674	80,845
Rocky Mountain		314,569	6,145	9,800	20,135	36,195	34,340	19,342	29,999	51,085	67,522	40,006
Colorado.....	21	167,918	2,261	2,913	11,084	16,257	20,376	10,726	15,911	28,734	40,342	19,313
Idaho.....	41	37,031	1,870	169	2,414	8,468	2,874	2,277	3,632	4,306	6,180	4,842
Montana.....	47	21,777	846	812	1,218	1,578	2,563	1,352	2,180	3,074	4,566	3,587
Utah.....	33	68,549	713	1,208	4,405	8,559	5,901	4,254	6,881	12,685	14,268	9,675
Wyoming.....	48	19,294	454	4,698	1,014	1,333	2,626	733	1,394	2,286	2,166	2,589
Far West		1,828,052	33,898	17,350	83,651	252,629	135,717	117,080	167,165	374,507	439,917	206,137
Alaska.....	45	27,747	433	6,041	1,266	1,073	4,401	837	1,858	2,852	3,690	5,296
California.....	1	1,344,623	24,587	9,233	55,472	189,962	94,183	87,392	121,300	293,110	328,274	141,109
Hawaii.....	39	42,364	509	44	1,853	1,296	4,288	1,602	4,663	9,520	9,515	9,074
Nevada.....	32	74,745	582	1,392	7,399	3,066	5,924	3,386	7,920	13,379	24,131	7,566
Oregon.....	26	118,637	3,066	159	6,365	30,608	8,199	8,521	9,630	16,768	21,218	14,102
Washington.....	14	219,937	4,722	481	11,296	26,625	18,722	15,341	21,795	38,877	53,089	28,990

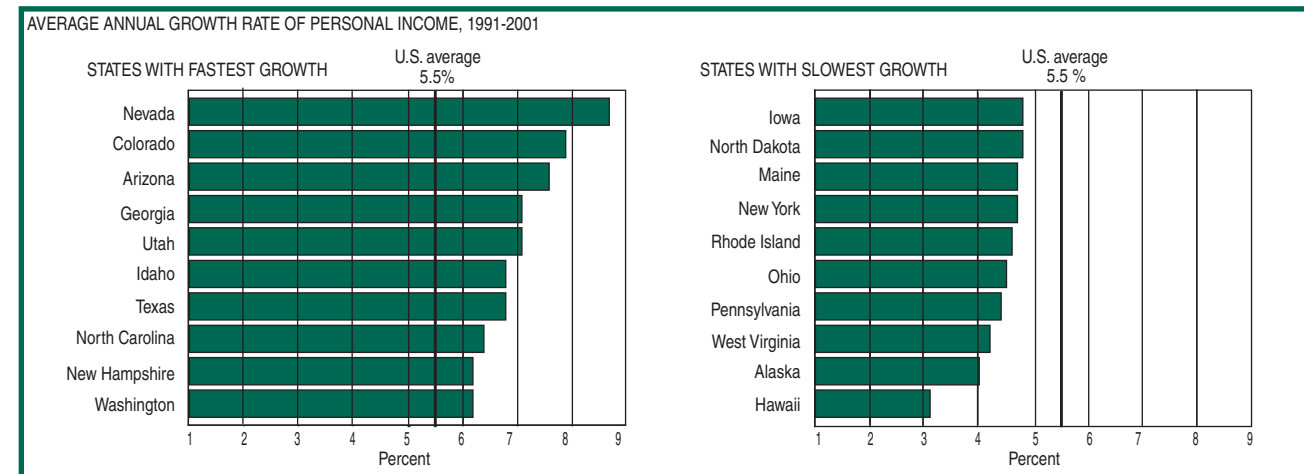
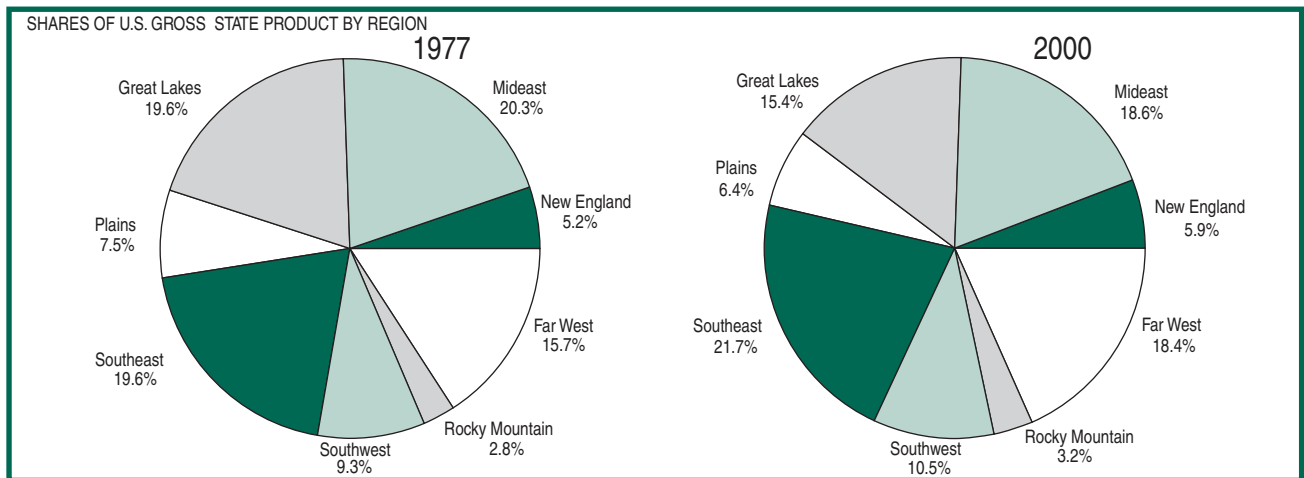
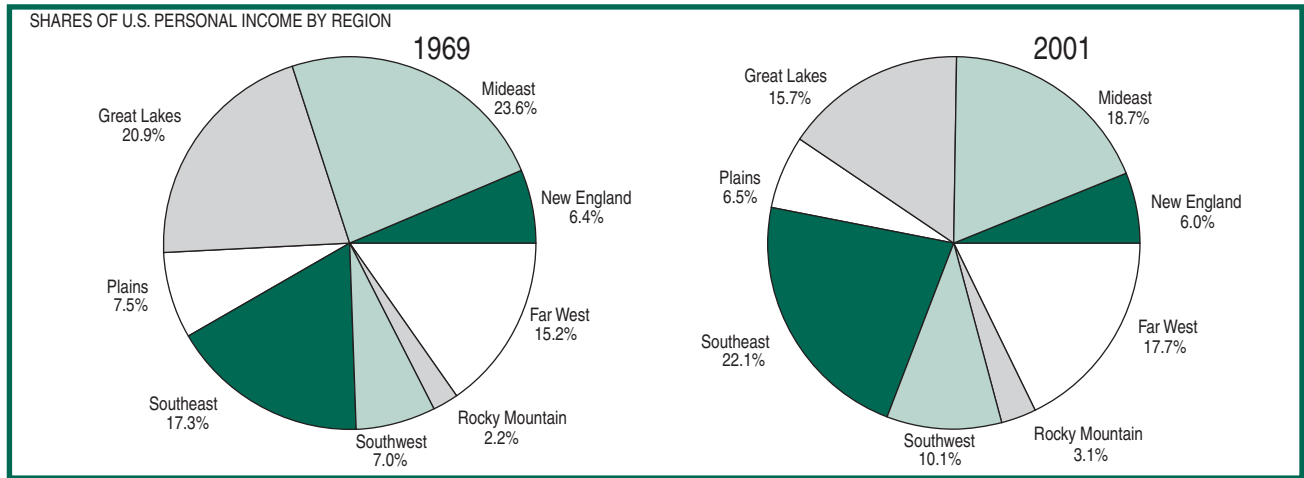
NOTE: Totals shown for the United States differ from the national income and product account estimates of gross domestic product (GDP) because GSP is derived from gross domestic income, which differs from GDP by the statistical discrepancy. In addition, GSP excludes and GDP includes the compensation of Federal civilian and military personnel

stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment, except office equipment. Also, GSP and GDP have different revision schedules.

Source: This table reflects the GSP estimates for 2000 that were released on June 10, 2002. Detailed estimates are available on BEA's Web site at <www.bea.gov> under "State and local area data."

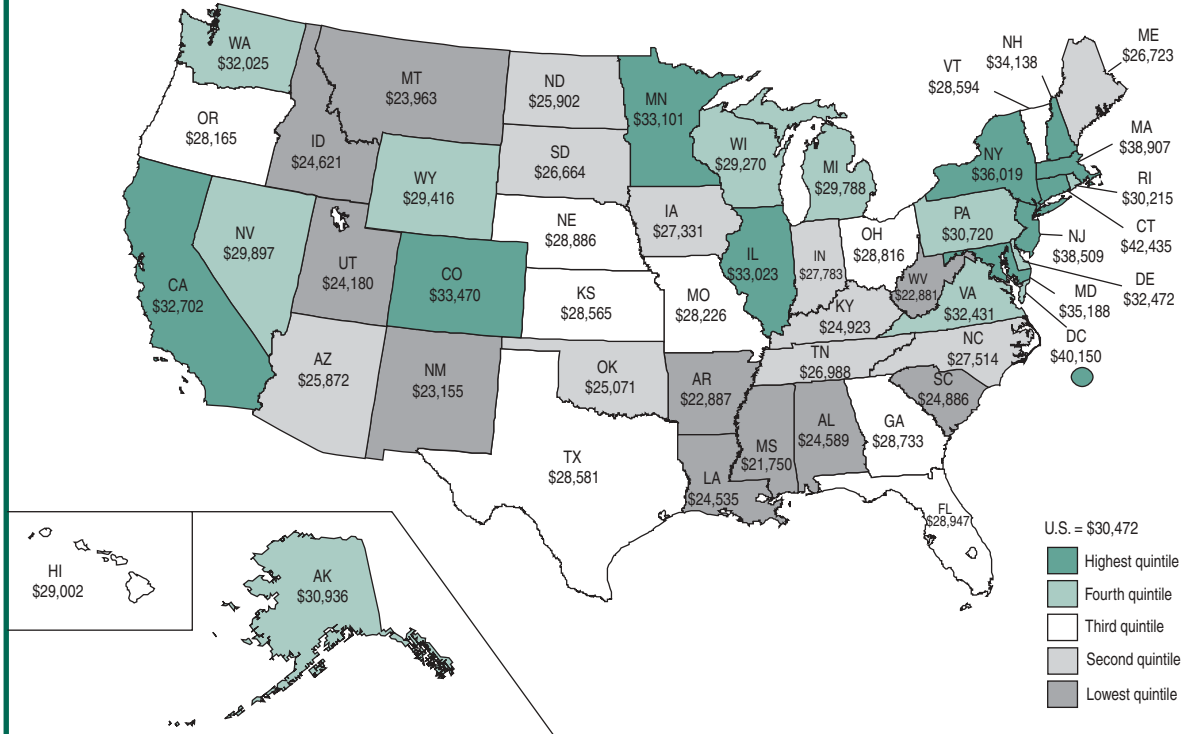
L. Charts

SELECTED REGIONAL ESTIMATES

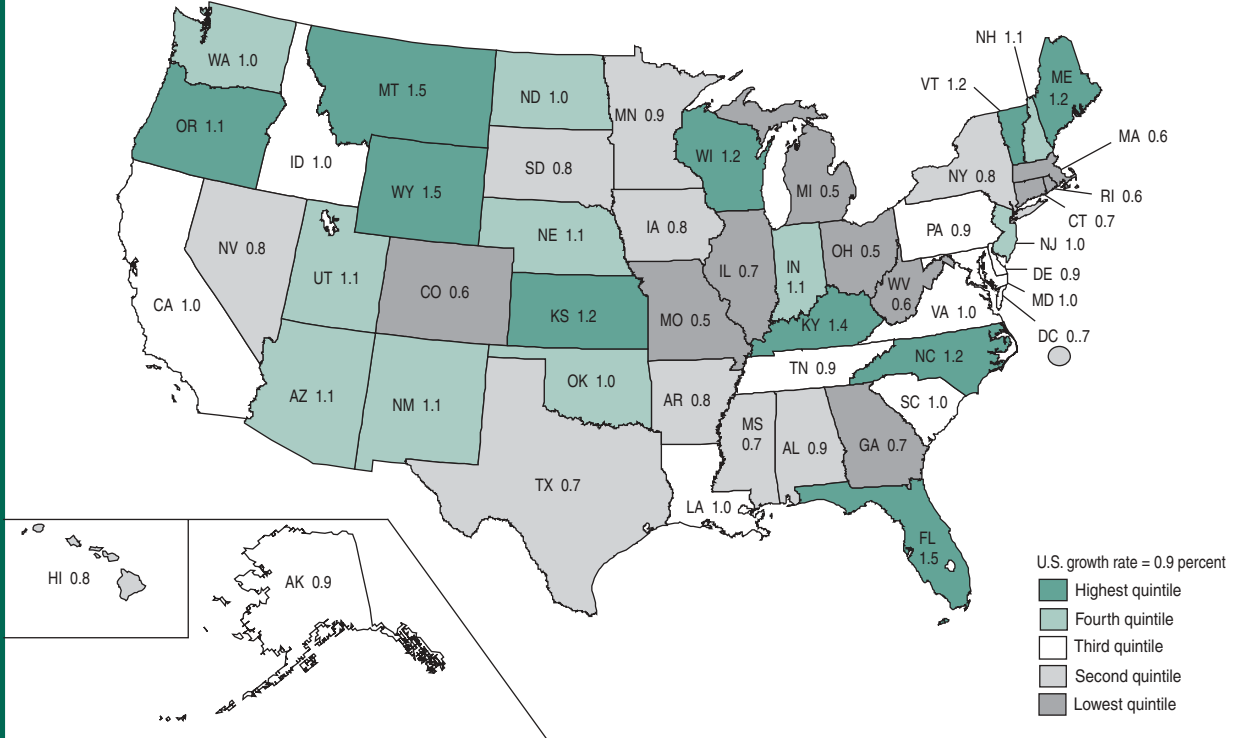


SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 2001



PERSONAL INCOME: PERCENT CHANGE, 2002:II-2002:III



Appendix A

Additional Information About the NIPA Estimates

Statistical Conventions

Changes in current-dollar GDP measure changes in the market value of goods and services produced in the economy in a particular period. For many purposes, it is necessary to decompose these changes into quantity and price components. To compute the quantity indexes, changes in the quantities of individual goods and services are weighted by their prices. (Quantity changes for GDP are often referred to as changes in “real GDP.”) For the price indexes, changes in the prices for individual goods and services are weighted by quantities produced. (In practice, the current-dollar value and price indexes for most GDP components are determined largely using data from Federal Government surveys, and the real values of these components are calculated by deflation at the most detailed level for which all the required data are available.)

The annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from 2 adjacent years. For example, the annual percent change in real GDP in 1997–98 uses prices for 1997 and 1998 as weights, and the 1997–98 annual percent change in the GDP price index uses quantities for 1997 and 1998 as weights. Because the Fisher formula allows for the effects of changes in relative prices and in the composition of output over time, the resulting quantity or price changes are not affected by the substitution bias that is associated with changes in quantities and prices calculated using a fixed-weighted formula.¹ These annual changes are “chained” (multiplied) together to form time series of quantity and price; the percent changes that are calculated from these time series are not affected by the choice of reference period.

The quarterly changes in quantities and prices are calculated with weights from two adjacent quarters. As part of an annual or comprehensive revision, the quarterly indexes through the most recent complete year are adjusted to ensure that the average of the quarterly indexes conforms to the corresponding annual index.

In addition, BEA prepares measures of real GDP and its components in a dollar-denominated form, designated “chained (1996) dollar estimates.” These estimates are computed by multiplying the 1996 current-dollar value of GDP, or of a GDP component, by the corresponding quantity index number. For example, if a current-dollar GDP component equaled \$100 in 1996 and if real output for this component increased by 10 percent in 1997, then the “chained (1996) dollar” value of this com-

ponent in 1997 would be \$110 ($\100×1.10). Note that percentage changes in the chained (1996) dollar estimates and the percentage changes calculated from the quantity indexes are identical, except for small differences due to rounding.

Because of the formula used for calculating real GDP, the chained (1996) dollar estimates for detailed GDP components do not add to the chained-dollar value of GDP or to any intermediate aggregates. A “residual” line is shown as the difference between GDP and the sum of the most detailed components shown in each table. The residual generally is small close to the base period but tends to become larger as one moves further from it. Accurate measures of component contributions to the percentage changes in real GDP and its major components are shown in NIPA tables 8.2–8.6.

BEA also publishes the “implicit price deflator” (IPD), which is calculated as the ratio of current-dollar value to the corresponding chained-dollar value, multiplied by 100; the values of the IPD and of the corresponding “chain-type” price index are very close.

For quarters and months, the estimates are presented at annual rates, which show the value that would be registered if the rate of activity measured for a quarter or a month were maintained for a full year. Annual rates are used so that time periods of different lengths—for example, quarters and years—may be compared easily. These annual rates are determined simply by multiplying the estimated rate of activity by 4 (for quarterly data) or by 12 (for monthly data).

Percent changes in the estimates are also expressed at annual rates. Calculating these *changes* requires a variant of the compound interest formula:

$$r = \left[\left(\frac{x_t}{x_o} \right)^{m/n} - 1 \right] \times 100,$$

where r is the percent change at an annual rate; x_t is the level of activity in the later period; x_o is the level of activity in the earlier period; m is the periodicity of the data (for example, 1 for annual data, 4 for quarterly, or 12 for monthly); and n is the number of periods between the earlier and later periods (that is, $t - o$).

Quarterly and monthly NIPA estimates are seasonally adjusted, if necessary. Seasonal adjustment removes from the time series the average impact of variations that normally occur at about the same time and in about the same magnitude each year—for example, weather, holidays, and tax payment dates. After seasonal adjustment, cyclical and other short-term changes in the economy stand out more clearly.

1. In addition, because the changes in quantities and prices calculated using these weights are symmetric, the product of a quantity index and the corresponding price index is generally equal to the current-dollar index.

Reconciliation Tables

Table 1. Reconciliation of Changes in BEA-Derived Compensation Per Hour with BLS Average Hourly Earnings

[Percent change from preceding period]

	2001	2002	Seasonally adjusted at annual rates					
			2001		2002			
			III	IV	I	II	III	IV
BEA-derived compensation per hour of all persons in the nonfarm business sector (less housing) ¹	2.7	2.4	1.0	1.5	2.9	4.0	2.1	4.1
<i>Less:</i> Contribution of supplements to wages and salaries per hour	0.3	0.6	0.1	0.1	1.3	0.8	0.8	0.6
<i>Plus:</i> Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions	0.0	-0.1	0.0	-0.5	0.0	0.1	0.4	0.1
<i>Less:</i> Contribution of wages and salaries per hour of persons in government enterprises, unpaid family workers, and self-employed	0.0	0.1	-0.4	0.2	-0.2	0.1	0.5	0.3
Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector	2.5	1.7	1.3	0.7	1.8	3.1	1.3	3.2
<i>Less:</i> Contribution of wages and salaries per hour of nonproduction workers in manufacturing	-0.1	0.0	0.0	0.2	-0.2	0.0	-0.2	0.4
<i>Less:</i> Other differences ²	-1.4	-1.5	-2.6	-3.1	-0.9	0.7	-1.8	-0.6
Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls	4.0	3.2	3.9	3.7	2.9	2.4	3.2	3.5
Addendum: BLS estimates of compensation per hour in the nonfarm business sector ³	2.7	2.8	1.0	1.5	2.9	4.0	5.4	4.6

1. Includes BLS data on compensation and hours of nonfarm proprietors and hours worked of unpaid family workers.

2. Includes BEA use of non-BLS data and differences in detailed weighting. Annual estimates also include differences in BEA and BLS benchmark procedures; quarterly estimates also include differences in seasonal adjustment procedures.

3. These estimates differ from the BEA-derived estimates (first line) because the BLS estimates include compensation and hours of tenant-occupied housing. In addition, the published BLS estimates for the third and fourth quarters of 2002 do not reflect revisions to BEA wages and salaries for the third and fourth quarters of 2002.

BLS Bureau of Labor Statistics.

Table 2. Relation of Net Exports of Goods and Services and Net Receipts of Income in the NIPA's to Balance on Goods and Services and Income in the ITA's

[Billions of dollars]

	Line	2001	2002	Seasonally adjusted at annual rates					
				2001		2002			
				III	IV	I	II	III	IV
Exports of goods and services and income receipts, ITA's	1	1,281.8	1,216.5	1,237.9	1,166.7	1,164.0	1,219.7	1,249.6	1,232.7
<i>Less:</i> Gold, ITA's	2	4.9	3.4	2.4	2.9	2.5	3.5	3.6	4.0
Statistical differences ¹	3	0.0	1.5	0.0	0.0	-1.8	2.9	2.1	2.8
Other items	4	1.0	0.9	1.0	0.8	0.9	1.1	0.9	0.9
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments	5	6.2	4.9	6.0	5.9	4.6	5.5	4.7	5.1
Adjustment for U.S. territories and Puerto Rico	6	50.7	57.3	49.3	53.3	56.6	56.6	57.7	58.2
Services furnished without payment by financial intermediaries except life insurance carriers	7	18.3	20.1	18.0	17.8	18.6	19.8	20.6	21.3
Equals: Exports of goods and services and income receipts, NIPA's	8	1,351.1	1,292.9	1,307.8	1,240.0	1,242.2	1,294.1	1,325.9	1,309.6
Imports of goods and services and income payments, ITA's	9	1,625.7	1,663.9	1,553.8	1,492.7	1,550.5	1,678.8	1,702.6	1,723.8
<i>Less:</i> Gold, ITA's	10	4.3	2.9	2.2	2.4	2.0	3.5	3.0	2.9
Statistical differences ¹	11	0.0	-5.4	0.0	0.0	-1.9	-5.6	-7.2	-7.0
Other items	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Plus:</i> Gold, NIPA's	13	-3.4	-3.3	-3.6	-3.3	-3.3	-3.6	-3.5	-2.9
Adjustment for grossing of parent/affiliate interest payments	14	6.2	4.9	6.0	5.9	4.6	5.5	4.7	5.1
Adjustment for U.S. territories and Puerto Rico	15	35.6	38.0	36.9	38.6	30.1	37.2	41.1	43.4
Imputed interest paid to rest of world	16	18.3	20.1	18.0	17.8	18.6	19.8	20.6	21.3
Equals: Imports of goods and services and income payments, NIPA's	17	1,678.0	1,726.1	1,608.9	1,549.3	1,600.4	1,739.8	1,769.7	1,794.7
Balance on goods and services and income ITA's (1-9)	18	-343.9	-447.4	-315.9	-326.0	-386.5	-459.1	-453.0	-491.1
<i>Less:</i> Gold (2-10+13)	19	-2.8	-2.8	-3.4	-2.8	-2.8	-3.6	-2.9	-1.8
Statistical differences (3-11) ¹	20	0.0	6.9	0.0	0.0	0.1	8.5	9.3	9.8
Other items (4-12)	21	1.0	0.9	1.0	0.8	0.9	1.1	0.9	0.9
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15)	22	15.1	19.3	12.4	14.7	26.5	19.4	16.6	14.8
Equals: Net exports of goods and services and net receipts of income, NIPA's (8-17)	23	-326.9	-433.2	-301.1	-309.3	-358.2	-445.7	-443.8	-485.1

1. Consists of statistical revisions in the NIPA's that have not yet been incorporated into the ITA's (2002:IV) and statistical revisions in the ITA's that have not yet been incorporated into the NIPA's (2002:I-2002:IV).

ITA's International transactions accounts
NIPA's National income and product accounts

Appendix B

Suggested Reading

The Bureau of Economic Analysis (BEA) has published a wealth of information about the methodologies that are used to prepare its national, industry, international, and regional accounts. In addition, most of this information is available on BEA's Web site at <www.bea.gov>. Look under "Methodologies"; for articles from the SURVEY OF CURRENT BUSINESS, look under "Publications."

National accounts

The national accounts encompass the detailed estimates in the national income and product accounts (including gross domestic product) and the estimates of wealth and related estimates.

National income and product accounts (NIPAs).

This series of papers documents the conceptual framework of the NIPAs and the methodologies that have been used to prepare the estimates.

An Introduction to National Economic Accounting (1985) [also in the March 1985 SURVEY]

Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends (1985) [An updated version (March 2002) is available on BEA's Web site.]

Foreign Transactions (1987)

GNP: An Overview of Source Data and Estimating Methods (1987)

Government Transactions (1988)

Personal Consumption Expenditures (1990)

The methodologies described in these papers have been updated and improved, typically as part of the comprehensive and annual revisions of the NIPAs. For more information, see the following.

National Income and Product Accounts of the United States, 1929-97 (2001) provides the definitions of the major NIPA aggregates and components, discusses the measures of real output and prices, explains how production is classified and how the NIPAs are presented, describes the statistical conventions that are used, and lists the principal source data and methods that are used to prepare the estimates of gross domestic product (GDP). [Go to <www.bea.gov/bea/an/nipaguid.htm>.]

Information about the sources and methods that are used to prepare the national estimates of personal income, which are the basis for the State estimates, is in *State Personal Income, 1929-97* (1999).

In addition, see the following articles in the SURVEY.

"Updated Summary NIPA Methodologies" (October 2002) briefly describes the principal source data and methods used to prepare the current-dollar and real estimates of GDP.

"Annual Revision of the National Income and Product Accounts" (August 2002).

"BEA's Chain Indexes, Time Series, and Measures of Long-Term Economic Growth" (May 1997) is the most recent in a series of articles that describe the conceptual basis for the chain-type measures of real output and prices that are used in the NIPAs.

"Reliability of GDP and Related NIPA Estimates" (January 2002) evaluates the principal NIPA estimates by examining the record of revisions to them.

Wealth and related estimates. *Fixed Reproducible Tangible Wealth in the United States, 1925-94* (1999) discusses the concepts and statistical considerations that underlie the estimates and their derivation.

"Fixed Assets and Consumer Durable Goods for 1925-98" (April 2000) describes the definitional and statistical improvements that were incorporated in the comprehensive revision of the estimates.

Industry accounts

The industry accounts consist of the estimates of gross domestic product by industry, the input-output accounts, and two satellite accounts.

Gross product by industry. "Improved Estimates of Gross Product by Industry for 1947-98" (June 2000) describes the most recent comprehensive revision of these estimates.

Mission Statement and Strategic Plan

The mission statement of the Bureau of Economic Analysis and the latest update to its strategic plan for improving the accuracy, reliability, and relevance of the national, industry, regional, and international accounts are available on BEA's Web site at <www.bea.gov>. See also "BEA's Strategic Plan for 2001-2005" in the May 2002 issue of the SURVEY OF CURRENT BUSINESS.

“Gross Domestic Product by Industry for 1998–2000” (November 2001) describes the most recent annual revision of these estimates.

Input-output accounts. “Benchmark Input-Output Accounts for the U.S. Economy, 1997” (December 2002) presents the 1997 accounts and describes the improvements that were incorporated.

“Annual Input-Output Accounts of the U.S. Economy” presents annual tables that update the 1992 benchmark accounts

For 1996 (January 2000)

For 1997 (January 2001)

For 1998 (December 2001)

Satellite accounts. These accounts extend the analytical capacity of the input-output accounts by focusing on a particular aspect of economic activity.

“U.S. Transportation Satellite Accounts”

For 1992 (April 1998)

For 1996 (May 2000)

“U.S. Travel and Tourism Satellite Accounts”

For 1992 (July 1998)

For 1996 and 1997 (July 2000)

International accounts

The international accounts encompass the international transactions accounts, direct investment, and international transactions in services.

International transactions accounts (ITA's). *The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures* (1990) describes the methodologies used to prepare the estimates in the ITA's and the international investment position of the United States. These methodologies are usually updated and improved as part of the annual revisions of the ITA's.

The annual revisions of the ITA's are described in a series of articles, the latest of which is published in the July 2002 SURVEY.

Direct investment. *International Direct Investment: Studies by the Bureau of Economic Analysis* (1999) is a collection of previously published articles on U.S. direct investment abroad and foreign direct investment in the United States. It also includes the following information.

The “Methodology for U.S. Direct Investment Abroad,” which is also available in *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final*

Results (1998)

“A Guide to BEA Statistics on U.S. Multinational Companies,” which is also available in the March 1995 SURVEY

“A Guide to BEA Statistics on Foreign Direct Investment in the United States,” which is also available in the February 1990 SURVEY

In addition, the updated methodology for foreign direct investment in the United States is available in *Foreign Direct Investment in the United States: Final Results From the 1997 Benchmark Survey* (2001)

International services. *U.S. International Transactions in Private Services: A Guide to the Surveys Conducted by the Bureau of Economic Analysis* (1998) describes 11 surveys. It includes classifications, definitions, release schedules, the methods used to prepare the estimates, and samples of the survey forms.

“Selected Issues in the Measurement of U.S. International Services” (June 2002) describes key issues in defining and measuring insurance, wholesale and retail trade, finance, construction, and utilities services and explores possible actions to address these issues.

Regional accounts

The regional accounts include estimates of personal income and gross state product.

Personal income. Estimates of personal income are prepared for States and for local areas.

“Comprehensive Revision of State Personal Income for 1969–99” (June 2000) summarizes the changes in the methodology that is used to prepare the estimates. The detailed methodology is available on the CD-ROM *State Personal Income, 1929–2000*.

“Comprehensive Revision of Local Area Personal Income for 1969–98” (July 2000) summarizes the changes in the methodology that is used to prepare the estimates for counties and metropolitan areas. The detailed methodology is available on the CD-ROM *Regional Economic Information System, 1969–2000*.

Gross state product. “Comprehensive Revision of Gross State Product by Industry, 1977–94” (June 1997) summarizes the sources and the methods that are used to prepare the estimates. “Gross State Product by Industry, 1977–98” (October 2000) describes the most recent comprehensive revision of these estimates.