

Business Situation

Preliminary Estimates for the Fourth Quarter of 2002

PRELIMINARY estimates of the national income and product accounts (NIPA's) show more economic growth in the fourth quarter of 2002 than was reported in last month's "advance" estimates.

- Real gross domestic product (GDP) increased 1.4 percent, according to the preliminary estimate, up from 0.7 percent in the advance estimate. Real GDP increased 4.0 percent in the third quarter (table 1 and chart 1).¹ Since the trough in real GDP in the

third quarter of 2001, growth has averaged 2.9 percent.

- Gross domestic purchases increased 2.8 percent in the fourth quarter, according to the preliminary estimate, up from 1.4 percent in the advance estimate. In the third quarter, gross domestic purchases increased 3.9 percent.

The larger-than-usual revisions mainly reflect new and revised estimates of inventory investment, based on revised source data from the Census Bureau. (The source data underlying the GDP revisions are dis-

1. Quarterly estimates in the NIPA's 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.

This article was prepared by Daniel Larkins.

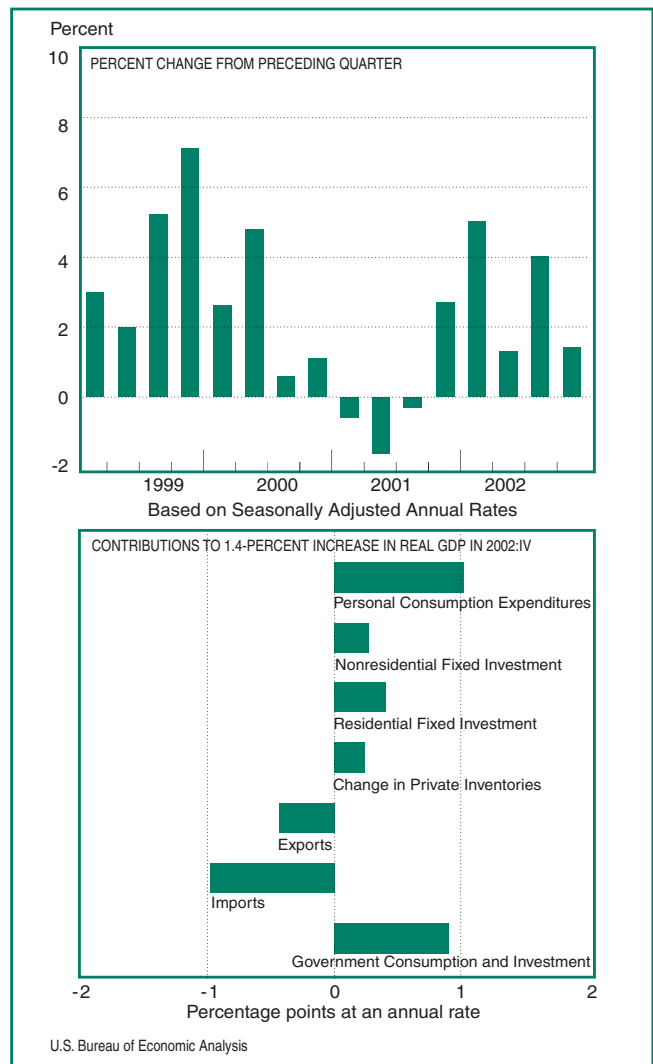
Table 1. Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers

[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.....	9,519.5	114.4	29.2	93.2	33.9	5.0	1.3	4.0	1.4
Less: Exports of goods and services.....	1,065.5	8.8	34.9	12.2	-12.2	3.5	14.3	4.6	-4.4
Plus: Imports of goods and services.....	1,593.1	29.9	75.8	12.8	27.4	8.5	22.2	3.3	7.2
Equals: Gross domestic purchases.....	10,002.8	132.9	62.6	93.9	68.1	5.6	2.6	3.9	2.8
Less: Change in private inventories.....	24.7	69.5	33.8	13.9	5.9				
Equals: Final sales to domestic purchasers.....	9,968.3	72.1	31.6	80.1	62.2	3.0	1.3	3.3	2.5
Personal consumption expenditures.....	6,634.1	49.8	28.6	67.5	24.2	3.1	1.8	4.2	1.5
Durable goods.....	1,009.7	-16.1	4.8	51.7	-22.7	-6.3	2.0	22.8	-8.5
Nondurable goods.....	1,949.7	36.4	-0.5	4.9	23.9	7.9	-0.1	1.0	5.1
Services.....	3,704.3	25.6	24.0	20.8	17.3	2.9	2.7	2.3	1.9
Private fixed investment.....	1,589.2	-2.0	-3.8	-1.0	17.6	-0.5	-1.0	-0.3	4.5
Nonresidential.....	1,186.1	-18.0	-7.3	-2.4	7.4	-5.8	-2.4	-0.8	2.5
Structures.....	212.6	-9.5	-11.5	-13.5	-5.6	-14.2	-17.6	-21.4	-9.8
Equipment and software.....	992.8	-6.6	7.7	15.8	15.6	-2.7	3.3	6.7	6.6
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.....	1,736.3	22.8	6.0	12.3	20.7	5.6	1.4	2.9	4.9
Federal.....	631.6	10.6	10.9	6.4	16.5	7.4	7.5	4.3	11.2
National defense.....	413.5	10.5	7.3	6.7	11.0	11.6	7.8	6.9	11.4
Nondefense.....	218.2	0.2	3.6	-0.2	5.5	0.4	6.9	-0.3	10.8
State and local.....	1,105.1	12.2	-4.6	5.9	4.5	4.6	-1.7	2.2	1.6
Addendum: Final sales of domestic product.....	9,485.3	54.5	-1.5	79.3	28.1	2.4	-0.1	3.4	1.2

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 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.)

Chart 1. Real Gross Domestic Product



cussed at the end of this article.) In the preliminary estimates, inventory investment increased in the fourth quarter and contributed 0.24 percentage point to GDP growth; in the advance, it had decreased, subtracting 0.56 percentage point.²

In most other respects, the general picture presented in the preliminary estimates is similar to that in the advance estimates. In both, consumer spending, exports, and inventory investment contributed to the slow-down in real GDP growth from the third quarter to the fourth. (Although inventory investment did increase in the fourth quarter, that increase was smaller than the third-quarter increase.) According to the preliminary estimates,

- Consumer spending contributed 1.03 percentage points to fourth-quarter growth after contributing almost three times 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.
- Exports subtracted 0.44 percentage point from fourth-quarter growth, about as much as they had

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.”

added to third-quarter growth. Imports subtracted 0.98 percentage point from fourth-quarter growth, about twice as much as they had subtracted from third-quarter growth.

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	5.0	1.3	4.0	1.4
Percentage points at annual rates:				
Personal consumption expenditures	2.22	1.22	2.93	1.03
Durable goods	-0.55	0.16	1.74	-0.75
Nondurable goods	1.57	-0.02	0.22	1.00
Services	1.20	1.08	0.97	0.78
Gross private domestic investment	2.53	1.16	0.55	0.92
Fixed investment	-0.07	-0.15	-0.03	0.67
Nonresidential	-0.66	-0.27	-0.08	0.27
Structures	-0.44	-0.53	-0.62	-0.25
Equipment and software	-0.22	0.26	0.53	0.52
Residential	0.60	0.12	0.05	0.41
Change in private inventories	2.60	1.31	0.58	0.24
Net exports of goods and services	-0.75	-1.40	-0.01	-1.42
Exports	0.33	1.29	0.45	-0.44
Goods	-0.23	0.99	0.28	-0.80
Services	0.56	0.30	0.17	0.35
Imports	-1.08	-2.69	-0.47	-0.98
Goods	-0.40	-2.74	-0.40	-0.70
Services	-0.68	0.05	-0.07	-0.28
Government consumption expenditures and gross investment	1.04	0.27	0.56	0.91
Federal	0.47	0.47	0.29	0.71
National defense	0.46	0.32	0.29	0.47
Nondefense	0.01	0.16	-0.01	0.24
State and local	0.56	-0.21	0.27	0.20

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.

The dampening effects of these components on GDP growth were partly offset by step-ups in Federal Government spending and residential investment and by an upturn in nonresidential fixed investment.

- Federal Government spending increased more than twice as much as in the third quarter; it added 0.71 percentage point to fourth-quarter growth after adding 0.29 percentage point to third-quarter growth. Defense spending accelerated, and nondefense spending turned up.
- Residential investment increased much more than in the third quarter. The increase was the fourth in a row.

Table 3. Real Gross Domestic Product by Type of 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	9,519.5	114.4	29.2	93.2	33.9	5.0	1.3	4.0	1.4
Goods	3,739.9	72.6	3.6	80.4	-14.9	8.3	0.4	9.0	-1.6
Services	5,014.7	34.1	42.3	30.9	38.3	2.8	3.5	2.5	3.1
Structures.....	770.1	11.6	-17.2	-10.9	6.1	6.1	-8.4	-5.5	3.2
Addenda:									
Motor vehicle output	363.0	7.9	6.7	28.5	-12.7	9.9	8.1	37.1	-12.9
Gross domestic product less motor vehicle output	9,158.6	106.9	23.3	67.9	44.8	4.9	1.0	3.0	2.0
Final sales of computers						-7.8	13.1	78.5	25.3
Gross domestic product less final sales of computers						5.1	1.2	3.6	1.3

NOTE: See note to table 1 for an explanation of chained (1996) dollar series. Chained (1996) dollar levels and residuals for most items are shown in NIPA table 1.4. Detail on motor vehicle output is shown in NIPA table 8.9B.

- Nonresidential fixed investment registered a modest increase after declining for eight consecutive quarters. The declines became progressively smaller in the first three quarters of 2002.

The preliminary estimates for the fourth quarter also show the following:

- The deceleration in GDP growth was more than accounted for by a downturn in the production of goods (table 3). In contrast, the construction of structures turned up, and the production of services increased somewhat more than in the third quarter.
- Real motor vehicle output decreased 12.9 percent after jumping 37.1 percent. GDP less motor vehicle output increased 2.0 percent after increasing 3.0 percent.
- Final sales of domestic product—GDP less inventory investment—increased 1.2 percent after increasing 3.4 percent.
- Real disposable personal income (DPI) moderated, increasing 2.7 percent after increasing 3.1 percent. Personal saving as a percentage of current-dollar DPI increased to 4.2 percent from 3.8 percent.³

3. The personal saving rate is measured as personal saving as a percentage of current-dollar DPI. The fourth-quarter estimate of the *national* saving rate (which is measured as gross saving as a percentage of gross national product) will be available at the end of March along with the “final” estimates of fourth-quarter GDP.

Personal Consumption Expenditures

Real personal consumption expenditures slowed sharply in the fourth quarter (table 4 and chart 2).

Table 4. Real Personal Consumption Expenditures

[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
Personal consumption expenditures	6,634.1	49.8	28.6	67.5	24.2	3.1	1.8	4.2	1.5
Durable goods	1,009.7	-16.1	4.8	51.7	-22.7	-6.3	2.0	22.8	-8.5
Motor vehicles and parts	382.5	-30.4	-0.9	38.5	-25.1	-27.1	-1.0	48.8	-22.4
Of which:									
New autos	100.0	-12.5	-1.0	7.8	-13.6	-35.9	-3.7	32.9	-39.8
New light trucks	141.5	-15.8	-3.1	26.9	-14.1	-36.4	-9.2	114.1	-31.7
Furniture and household equipment	447.7	14.6	7.0	6.2	6.3	14.9	6.7	5.8	5.8
Other ¹	187.4	5.3	-0.1	2.9	0.4	12.4	-0.1	6.4	0.9
Nondurable goods	1,949.7	36.4	-0.5	4.9	23.9	7.9	-0.1	1.0	5.1
Food	911.1	14.3	-2.2	-1.3	13.2	6.6	-0.9	-0.6	6.0
Clothing and shoes	361.5	11.0	-0.7	0.2	6.2	13.5	-0.9	0.3	7.2
Gasoline, fuel oil, and other energy goods	158.6	3.8	-0.7	1.0	1.1	10.5	-1.9	2.7	2.6
Other ²	521.8	8.1	3.0	4.9	3.8	6.6	2.3	3.9	3.0
Services	3,704.3	25.6	24.0	20.8	17.3	2.9	2.7	2.3	1.9
Housing	885.9	4.4	4.5	3.6	3.8	2.1	2.1	1.7	1.7
Household operation	386.5	3.6	1.6	1.8	1.8	3.9	1.7	1.9	1.9
Electricity and gas	139.6	3.3	0.1	2.1	3.9	10.4	0.5	6.3	11.9
Other household operation	247.0	0.2	1.5	-0.4	-2.1	0.4	2.3	-0.6	-3.4
Transportation	250.0	2.3	-0.6	-0.5	0.2	3.8	-1.0	-0.8	0.3
Medical care	992.0	8.5	11.3	9.7	7.6	3.6	4.8	4.1	3.1
Recreation	240.3	0.8	1.5	0.0	3.2	1.3	2.5	0.1	5.5
Other ³	947.7	6.1	5.7	6.0	0.7	2.7	2.4	2.6	0.3

1. Includes jewelry and watches, ophthalmic products and orthopedic equipment, books and maps, bicycles and motorcycles, guns and sporting equipment, photographic equipment, boats, and pleasure aircraft.

2. Includes tobacco, toilet articles, drug preparations and sundries, stationery and writing supplies, toys, film, flowers, cleaning preparations and paper products, semidurable house furnishings, and magazines and newspapers.

3. Includes personal care, personal business, education and research, religious and welfare activities, and net foreign travel.

NOTE: See note to table 1 for an explanation of chained (1996) dollar series. Chained (1996) dollar levels and residuals are shown in NIPA tables 2.3 and 8.9B (motor vehicles). Percent changes in major aggregates are shown in NIPA table S.1.

Purchases of durable goods decreased after surging in the third quarter in response to generous rebates and zero-rate financing for new motor vehicles. Purchases of services increased somewhat less than in the third quarter. In contrast, purchases of nondurable goods increased more than in the third quarter.

Among durable goods excluding motor vehicles, furniture and household equipment increased about as much as in the third quarter, despite a step-up in purchases of computer equipment and software. "Other" durable goods, which includes such complements as books and eyeglasses, slowed.

In nondurable goods, purchases of food turned up, and clothing increased after little change. Fuels and lubricants increased about as much as in the third quarter. "Other" nondurable goods increased somewhat less than in the third quarter.

In services, the mild slowdown partly reflected a downturn in brokerage charges and investment counseling (in "other" services) and a deceleration in hospital services (in "medical care").

Factors frequently considered in the analysis of consumer spending were not encouraging in the fourth quarter (chart 3). The Index of Consumer Sentiment (prepared by the University of Michigan's Survey Research Center) dropped, the unemployment rate edged higher, and real DPI posted a subpar increase of 2.7 percent.⁴

4. From the trough in real GDP in the first quarter of 1991 to the peak in real GDP in the fourth quarter of 2000, real DPI increased at an average annual rate of 3.1 percent.

Chart 2. Real Personal Consumption Expenditures

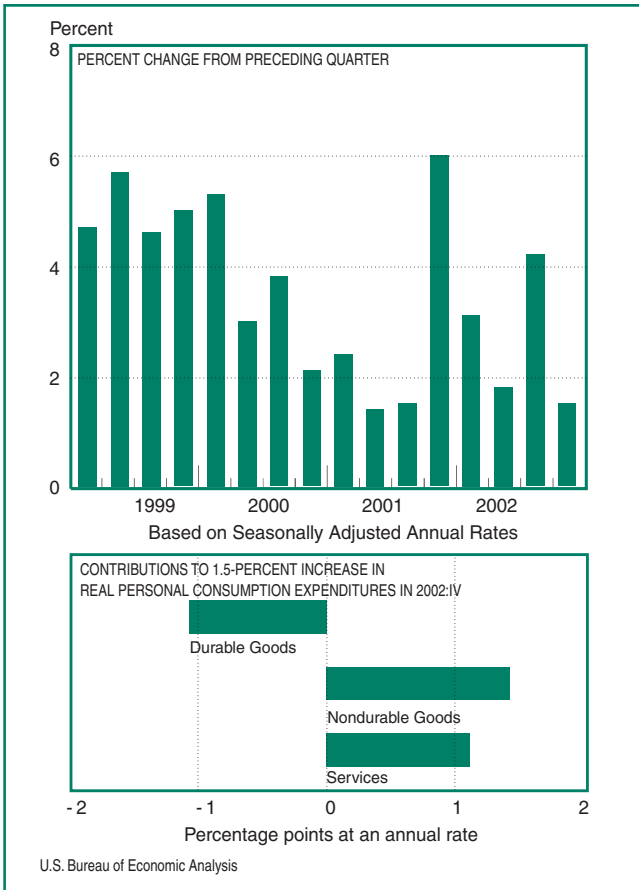
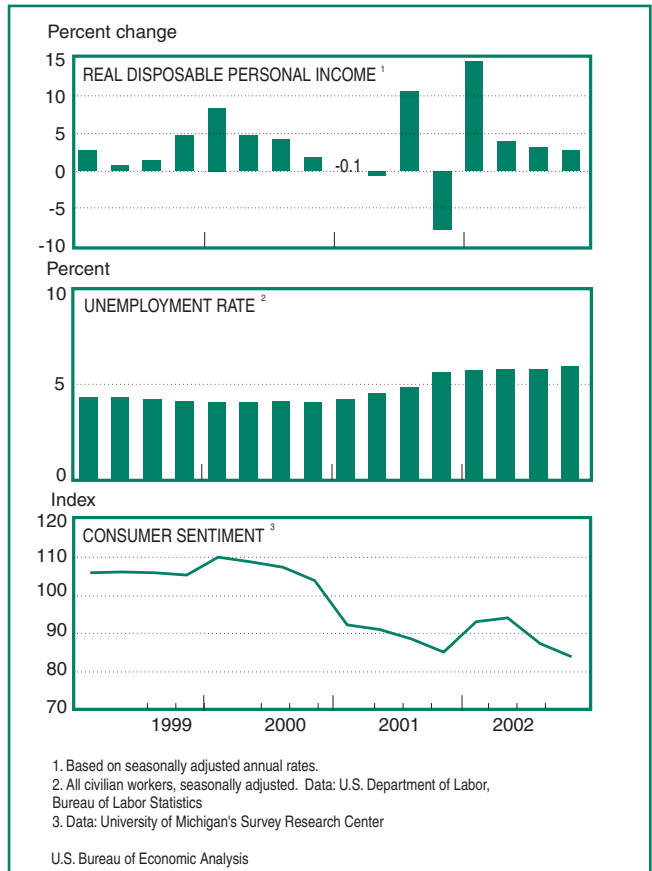


Chart 3. Selected Factors Affecting Consumer Spending



Private Fixed Investment

Real private fixed investment increased in the fourth quarter, its first increase in 2 years. Nonresidential structures continued to be weak, but nonresidential equipment and software increased about as much as in the third quarter, and residential investment increased more than in the third quarter (table 5 and chart 4).

Nonresidential. All major categories of nonresidential structures decreased in the fourth quarter. Oil-well drilling decreased for the fourth time in the last five quarters. Construction of utilities decreased for the fifth time in six quarters. Commercial buildings decreased for the eighth consecutive quarter; investment in commercial buildings is about two-thirds of its level in the fourth quarter of 2000 and is lower than at any time since the beginning of 1996. Industrial buildings decreased slightly. Investment in these buildings, which is much smaller than investment in commercial buildings, has fallen even more precipitously: It is less than half of its level in the fourth quarter of 2000 and is lower than at any time since the beginning of the chained (1996) dollar series in 1987.

Transportation equipment increased in the fourth quarter after decreasing for three consecutive quarters, as purchases of aircraft turned up; purchases of motor vehicles increased, but substantially less than in the third quarter. Information processing equipment also increased much less than in the third quarter; computer equipment and software accounted for about half of the fourth-quarter increase. In industrial equipment, the up-and-down pattern of recent quarters continued, as a 5.5-percent decrease followed a 6.4-percent increase; "special industry machinery" (which includes equipment for manufacturing semiconductors) was flat after increasing, and metalworking machinery turned down.

In recent quarters, conditions that are frequently considered in the analysis of investment spending have been mixed (chart 5). The capacity utilization rate for manufacturing, mining, and utilities remains about 10 percent below the level reached in the expansion of the 1990s, and no clear trend characterizes the most recent quarters. Domestic corporations' profits from current production are also well below the levels reached in the

Table 5. Real Private Fixed Investment

[Seasonally adjusted at annual rates]

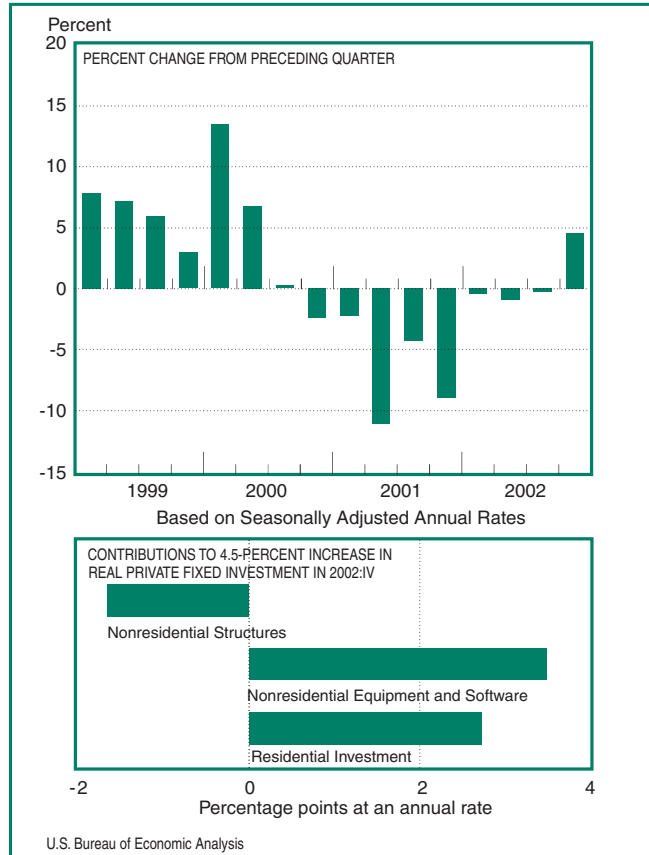
	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter							
	2002	2002				2002			
	IV	I	II	III	IV	I	II	III	IV
Private fixed investment	1,589.2	-2.0	-3.8	-1.0	17.6	-0.5	-1.0	-0.3	4.5
Nonresidential.....	1,186.1	-18.0	-7.3	-2.4	7.4	-5.8	-2.4	-0.8	2.5
Structures.....	212.6	-9.5	-11.5	-13.5	-5.6	-14.2	-17.6	-21.4	-9.8
Nonresidential buildings, including farm.....	137.9	-6.4	-8.9	-9.1	-1.2	-14.8	-20.8	-22.2	-3.5
Utilities.....	44.3	1.5	-2.4	-2.8	-1.3	12.7	-18.2	-20.9	-10.6
Mining exploration, shafts, and wells.....	26.5	-4.6	0.1	-0.4	-3.4	-43.0	1.0	-4.4	-38.3
Other structures.....	4.8	0.0	0.0	-1.3	-0.2	1.7	-3.1	-60.5	-9.6
Equipment and software..	992.8	-6.6	7.7	15.8	15.6	-2.7	3.3	6.7	6.6
Information processing equipment and software.....	580.0	8.6	16.6	18.2	4.8	6.7	12.9	13.7	3.3
Computers and peripheral equipment ¹	303.1	.....	.....	.....	.....	34.8	15.4	44.1	7.6
Software ¹	190.4	.....	.....	.....	.....	-3.6	12.4	11.7	2.1
Other ¹	160.8	.....	.....	.....	.....	7.8	12.2	2.8	2.8
Industrial equipment....	145.8	3.6	-2.7	2.3	-2.1	10.4	-7.1	6.4	-5.5
Transportation equipment.....	151.6	-13.9	-8.1	-1.7	9.9	-29.7	-19.7	-4.6	30.9
Of which: Motor vehicles.....	131.5	-10.9	5.9	7.2	2.6	-30.2	21.9	26.1	8.2
Other.....	142.6	-1.6	5.5	0.2	2.3	-4.6	17.5	0.5	6.7
Residential.....	395.9	12.6	2.5	1.0	8.8	14.2	2.7	1.1	9.4
Structures.....	386.1	12.4	2.5	1.0	8.7	14.4	2.7	1.1	9.5
Single-family.....	206.2	5.9	1.2	1.4	6.4	12.9	2.5	2.7	13.7
Multifamily.....	25.2	1.9	-0.2	-0.6	-1.0	34.7	-2.6	-8.3	-14.4
Other structures ²	154.6	4.5	1.4	0.3	3.3	13.1	3.9	0.8	8.9
Equipment.....	9.8	0.1	0.0	0.0	0.1	4.1	3.1	-0.3	2.4

1. "Computers and peripheral equipment" include new items only; "software" excludes software "embedded" or bundled, in computers and other equipment. Because of the large price changes that characterize the components of information processing equipment, the nonadditivity of the chained-dollar estimates is substantial, and the relative importance of the components cannot be inferred on the basis of these estimates. Contributions may be taken directly from NIPA table 8.4.

2. Includes home improvements, new manufactured home sales, brokers' commissions on home sales, net purchases of used structures, and other residential structures (which consists primarily of dormitories and of fraternity and sorority houses).

NOTE: See note to table 1 for an explanation of chained (1996) dollar series. Chained (1996) dollar levels and residuals are shown in NIPA tables 5.5 and 8.9B (motor vehicles). Percent changes in major aggregates are shown in NIPA table S.1.

Chart 4. Real Private Fixed Investment

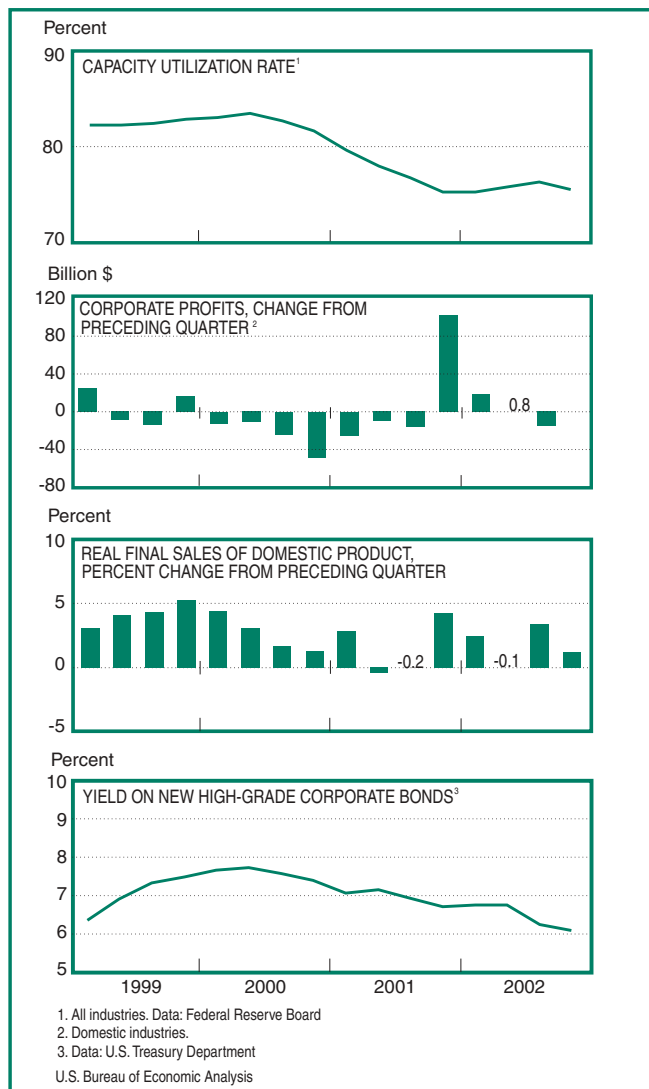


1990s.⁵ Growth of real final sales of domestic product has averaged 1.7 percent over the past four quarters, compared with a 3.4-percent average over the most recent expansion. Long-term interest rates have trended down, but not dramatically; the rate in the fourth quarter was 63 basis points lower than a year ago and 132 basis points lower than 2 years ago.

Residential. Real private residential investment increased 9.4 percent after increasing modestly in the two preceding quarters (table 5 and chart 4). Single-family investment accounted for most of the step-up, but “other” structures also contributed; the step-up in other structures was more than accounted for by an upturn in brokers’ commissions on home sales.

5. Corporate profits for the fourth quarter of 2002 will be released at the end of March, along with the final NIPA estimates.

Chart 5. Selected Factors Affecting Nonresidential Investment



Inventory Investment, next page

Inventory Investment

Real inventory investment increased in the fourth quarter but less than in the third (table 6 and chart 6).

In manufacturing, inventory liquidation in the third quarter gave way to slight accumulation in the fourth. Inventories of aircraft manufacturers turned up sharply. This swing from liquidation to accumulation was partly offset by swings in the other direction by manufacturers of chemicals, plastics, and motor vehicles.

Retail trade inventories increased about as much as in the third quarter. Inventories of motor vehicle dealers and of general merchandise stores increased more than in the third quarter; these step-ups were largely offset by slower accumulation by furniture stores and a swing from accumulation to liquidation in inventories of "other" retail stores.

Wholesale trade inventories also increased about as much as in the third quarter. Apparel wholesalers decreased their inventories in the fourth quarter after increasing them in the third; this downturn was largely

offset by wholesalers of farm products, who did not decrease their inventories as much as in the third quarter.

Inventories in the construction, mining, and utilities group increased modestly after decreasing. Materials at construction sites more than accounted for the upswing.

Farm inventories were drawn down a little in the fourth quarter after a larger decrease in the third. An upturn in crop inventories more than offset a downturn in livestock inventories.

The ratio of real private nonfarm inventories to final sales of goods and structures increased to 3.64 from 3.61 (see NIPA table 5.13B). A ratio that includes all final sales of domestic businesses increased to 2.02 from 2.01.⁶ Both ratios have been trending down since the mid-1970s.

Table 6. Real Change in Private Inventories, by Industry

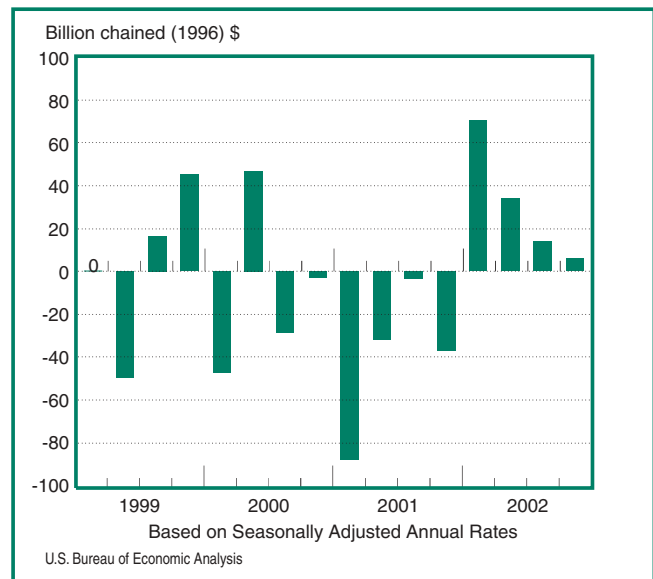
[Billions of chained (1996) dollars; seasonally adjusted at annual rates]

	Level					Change from preceding quarter			
	2001		2002			2002			
	IV	I	II	III	IV	I	II	III	IV
Change in private inventories	-98.4	-28.9	4.9	18.8	24.7	69.5	33.8	13.9	5.9
Farm.....	3.6	6.4	0.8	-2.2	-0.8	2.8	-5.6	-3.0	1.4
Construction, mining, and utilities	4.3	1.6	-1.0	-2.3	0.4	-2.7	-2.6	-1.3	2.7
Manufacturing	-40.2	-31.9	-14.1	-2.6	0.2	8.3	17.8	11.5	2.8
Durable goods industries	-35.2	-25.9	-15.0	-10.3	4.7	9.3	10.9	4.7	15.0
Nondurable goods industries.....	-5.1	-6.0	0.8	7.4	-4.3	-0.9	6.8	6.6	-11.7
Wholesale trade	-26.8	-19.8	-8.7	7.9	7.0	7.0	11.1	16.6	-0.9
Durable goods industries	-29.9	-17.0	-7.7	6.5	4.4	12.9	9.3	14.2	-2.1
Nondurable goods industries.....	1.9	-3.2	-1.3	1.6	2.6	-5.1	1.9	2.9	1.0
Retail trade.....	-40.6	13.8	22.0	15.5	14.9	54.4	8.2	-6.5	-0.6
Of which: Motor vehicle dealers	-34.8	14.0	15.6	4.7	8.2	48.8	1.6	-10.9	3.5
Other industries ¹	2.3	0.0	5.0	2.3	2.6	-2.3	5.0	-2.7	0.3
Addenda:									
Motor vehicles.....	-33.5	10.2	20.1	6.3	12.2	43.7	9.9	-13.8	5.9
Autos.....	-12.7	7.8	10.8	6.0	6.6	20.5	3.0	-4.8	0.6
Trucks.....	-18.8	2.8	8.7	0.9	5.3	21.6	5.9	-7.8	4.4

1. Includes inventories held by establishments in the following industries: Transportation; communication; finance, insurance, and real estate; and services.

NOTE: See note to table 1 for an explanation of chained (1996) dollar series. Chained (1996) dollar levels and residuals are shown in NIPA tables 5.11B and 8.9B (motor vehicles).

Chart 6. Real Private Inventory Investment: Change from Preceding Quarter



6. Using the ratio that includes all final sales of domestic businesses in the denominator implies that the production of services results in a demand for inventories that is similar to that generated in the production of goods and structures. In contrast, using the "goods and structures" ratio implies that the production of services does not generate demand for inventories. Both implications are extreme. Production of some services may require substantial inventories, while production of other services may not.

Exports and Imports

Real exports of goods and services decreased about as much in the fourth quarter as they had increased in the third. Real imports of goods and services increased about twice as much as in the third quarter (table 7 and charts 7 and 8).

Exports of goods decreased 11.1 percent after increasing 4.1 percent. A downturn in nonautomotive

capital goods dominated the movement in exports; auto exports also turned down. Exports of services increased 12.3 percent, twice as much as in the third quarter; step-ups in travel and in passenger fares were mainly responsible.

Imports of goods increased 6.1 percent after increasing 3.4 percent. The step-up primarily reflected

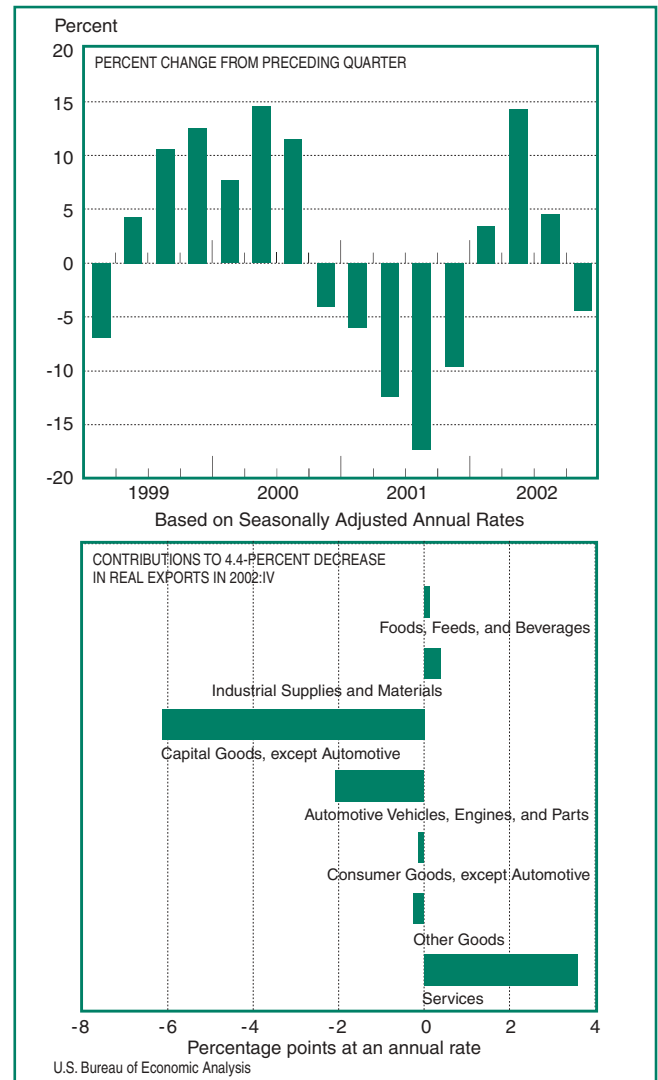
Table 7. Real Exports and Imports of Goods and Services

[Seasonally adjusted at annual rates]

	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				Percent change from preceding quarter			
	2002	2002				2002			
	IV	I	II	III	IV	I	II	III	IV
Exports of goods and services	1,065.5	8.8	34.9	12.2	-12.2	3.5	14.3	4.6	-4.4
Exports of goods ¹	751.1	-6.5	27.7	7.7	-22.4	-3.4	15.9	4.1	-11.1
Foods, feeds, and beverages	59.8	0.3	-2.1	-1.9	0.4	1.5	-12.1	-12.0	2.9
Industrial supplies and materials	164.1	-1.3	7.3	-2.7	1.0	-3.1	19.5	-6.4	2.5
Capital goods, except automotive	319.0	-4.9	11.7	9.1	-17.8	-5.9	15.6	11.6	-19.5
Automotive vehicles, engines, and parts	74.7	-0.6	6.4	1.8	-5.2	-3.2	40.5	9.6	-23.6
Consumer goods, except automotive	85.7	-1.6	2.2	1.5	-0.3	-7.5	11.2	7.2	-1.6
Other	47.0	1.7	1.3	-0.2	-0.7	15.8	11.5	-1.5	-5.5
Exports of services ¹	313.0	14.0	7.5	4.3	9.0	21.7	10.7	5.9	12.3
Imports of goods and services	1,593.1	29.9	75.8	12.8	27.4	8.5	22.2	3.3	7.2
Imports of goods ¹	1,360.4	11.3	79.2	11.1	20.1	3.7	27.9	3.4	6.1
Foods, feeds, and beverages	55.8	0.6	1.4	0.4	0.8	4.7	10.5	3.5	5.3
Industrial supplies and materials, except petroleum and products	171.0	2.3	4.3	4.0	1.9	5.9	11.1	9.9	4.5
Petroleum and products	90.6	-4.4	6.3	-3.1	5.1	-19.0	34.5	-13.3	25.9
Capital goods, except automotive	398.2	10.6	16.1	-3.3	3.3	11.8	17.9	-3.2	3.4
Automotive vehicles, engines, and parts	203.5	3.1	16.5	2.1	-2.4	6.8	40.4	4.0	-4.5
Consumer goods, except automotive	342.7	8.2	24.0	8.0	8.3	11.6	35.8	10.1	10.4
Other	88.0	-7.2	7.6	2.6	1.4	-30.3	46.3	12.6	7.0
Imports of services ¹	232.7	16.6	-1.2	1.7	6.7	35.7	-2.1	3.1	12.4

1. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services.
 Note. See note to table 1 for an explanation of chained (1996) dollar series. Chained (1996) dollar levels and residuals are shown in NIPA table 4.4. Percent changes in major aggregates are shown in NIPA table S.1.

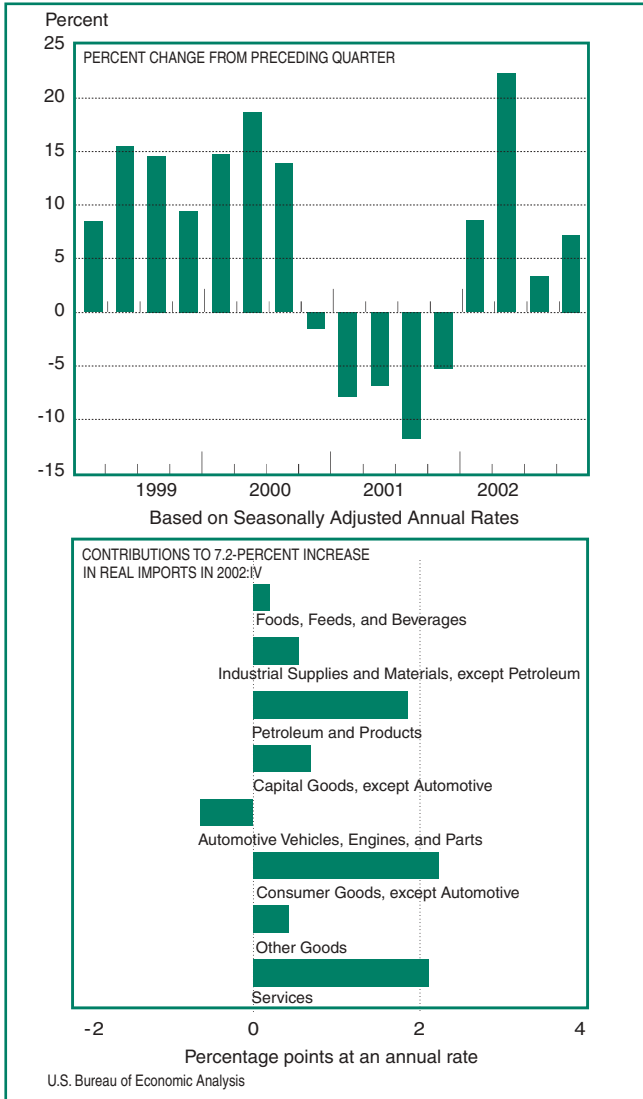
Chart 7. Real Exports



upturns in petroleum and in nonautomotive capital goods. In contrast, imports of autos turned down. Imports of services increased 12.4 percent after increasing

3.1 percent; virtually all categories of services were stronger than in the third quarter.

Chart 8. Real Imports



Government Spending

Government spending increased 4.9 percent in the fourth quarter after increasing 2.9 percent in the third (table 8 and chart 9). A step-up in spending by the Federal Government more than offset a mild slowdown in spending by State and local governments.

Spending on national defense increased 11.4 percent after increasing 6.9 percent. Federal nondefense spending increased 10.8 percent after decreasing slightly; the upturn mainly reflected a step-up in compensation of employees.

Gross investment by State and local governments increased 2.6 percent after increasing 4.4 percent; investment in structures slowed, and investment in

equipment and software turned down. Consumption expenditures increased a little less than in the third quarter, partly reflecting a slowdown in compensation of employees.

Chart 9. Real Government Consumption and Investment

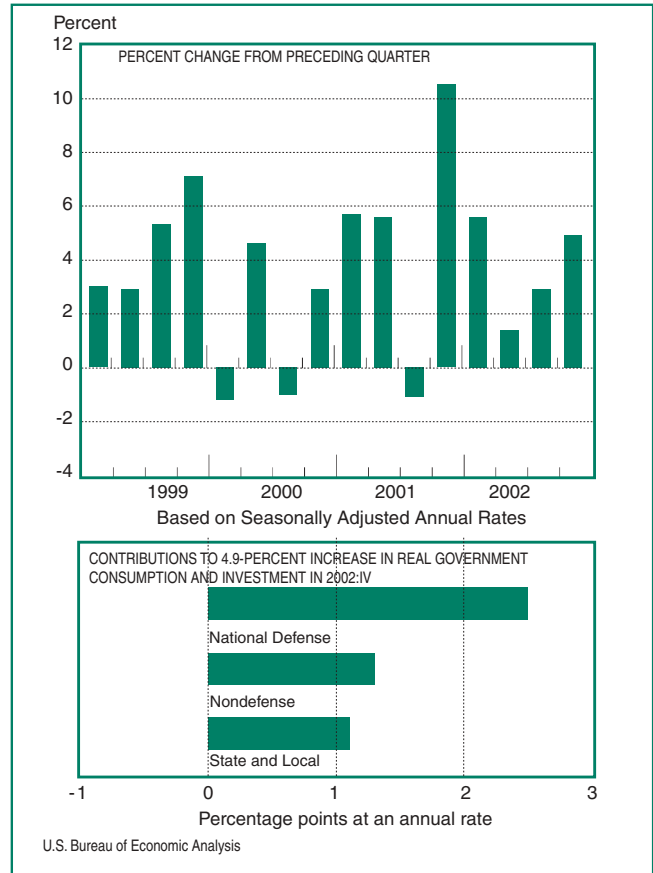


Table 8. Real Government Consumption Expenditures and Gross Investment

[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
Government consumption expenditures and gross investment¹	1,736.3	22.8	6.0	12.3	20.7	5.6	1.4	2.9	4.9
Federal	631.6	10.6	10.9	6.4	16.5	7.4	7.5	4.3	11.2
National defense	413.5	10.5	7.3	6.7	11.0	11.6	7.8	6.9	11.4
Consumption expenditures	349.3	7.6	7.2	4.1	11.3	9.8	9.1	5.1	14.0
Gross investment	64.3	3.2	0.0	2.8	-0.7	23.5	-0.4	19.6	-4.2
Nondefense	218.2	0.2	3.6	-0.2	5.5	0.4	6.9	-0.3	10.8
Consumption expenditures	172.6	0.6	2.2	1.4	4.7	1.5	5.3	3.4	11.7
Gross investment	45.9	-0.5	1.6	-1.9	0.8	-4.0	14.0	-15.1	7.2
State and local	1,105.1	12.2	-4.6	5.9	4.5	4.6	-1.7	2.2	1.6
Consumption expenditures	886.1	5.2	3.5	3.6	3.1	2.4	1.6	1.7	1.4
Gross investment	219.0	7.2	-8.4	2.3	1.4	14.0	-14.3	4.4	2.6

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

Note. See note to table 1 for an explanation of chained (1996) dollar series. Chained (1996) dollar levels and residuals are shown in NIPA table 3.8. Percent changes in major aggregates are shown in NIPA table S.1.

Prices

Inflation stepped up slightly in the fourth quarter; most of the step-up was accounted for by food and energy prices. The price index for gross domestic purchases, which measures the prices of goods and services purchased by U.S. residents, increased 1.6 percent after increasing 1.2 percent (table 9). Excluding food and energy, the price index increased 1.3 percent after increasing 1.2 percent (chart 10).

Prices of goods and services purchased by consumers increased 1.6 percent, virtually the same as in the third quarter. Food and energy prices accelerated, but prices of other goods and services slowed. Prices of “other nondurable goods,” including prices of nonprescription drugs, turned down. Prices of “other ser-

vices,” which includes brokerage charges and investment counseling, also moderated.

Prices paid by government increased 1.5 percent, about the same as in the third quarter. A step-up in prices paid by State and local governments, mainly in energy-related prices, was largely offset a slowdown in prices paid by the Federal Government.

Prices of private nonresidential fixed investment increased after decreasing for five consecutive quarters. An increase in the price of structures more than offset a small decrease in the price of equipment and software. Prices of residential investment increased after no change.

The GDP price index, which measures the prices paid for goods and services produced in the United States, increased 1.6 percent in the fourth quarter, the same as the increase in the price index for gross domestic purchases. Prices of both exports and imports slowed considerably.

Table 9. Price Indexes

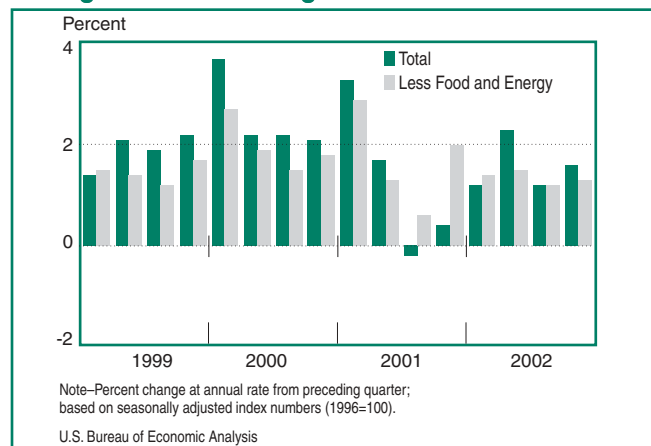
[Percent change at annual rates; based on seasonally adjusted index numbers (1996=100)]

	2002			
	I	II	III	IV
Gross domestic product	1.3	1.2	1.0	1.6
<i>Less:</i> Exports of goods and services.....	-0.8	3.0	3.5	0.8
<i>Plus:</i> Imports of goods and services	-1.6	11.1	4.4	0.8
Equals: Gross domestic purchases	1.2	2.3	1.2	1.6
<i>Less:</i> Change in private inventories.....	.....	.....	.....	.....
Equals: Final sales to domestic purchasers	1.1	2.3	1.3	1.6
Personal consumption expenditures.....	1.1	2.7	1.7	1.6
Durable goods	-4.2	-2.9	-1.9	-2.2
Nondurable goods	0.2	4.6	0.6	1.2
Services.....	2.7	3.0	3.0	2.6
Private fixed investment.....	-1.5	-0.2	-0.9	1.6
Nonresidential.....	-2.0	-1.4	-1.3	0.3
Structures.....	-3.6	0.7	0.4	2.3
Equipment and software.....	-1.5	-2.1	-1.9	-0.3
Residential.....	0.0	3	0.0	4.7
Government consumption expenditures and gross investment.....	3.6	2.8	1.4	1.5
Federal.....	8.4	2.3	1.3	0.3
National defense.....	7.3	2.0	1.5	1.1
Nondefense	10.4	2.9	1.0	-1.2
State and local.....	1.1	3.1	1.5	2.2
Addenda:				
Gross domestic purchases:.....				
Food	2.4	0.4	0.7	1.8
Energy	-8.7	29.9	3.8	8.9
Less food and energy	1.4	1.5	1.2	1.3
Personal consumption expenditures:.....				
Food	2.4	0.5	0.9	1.8
Energy goods and services ¹	-9.1	29.6	3.3	7.6
Less food and energy	2.7	1.4	1.9	1.8

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

NOTE: Percent changes in major aggregates are shown in NIPA table 8.1. Index numbers are shown in tables 7.1, 7.2, and 7.4.

Chart 10. Gross Domestic Purchases Prices: Change From Preceding Quarter



Revisions

The preliminary estimate of a 1.4-percent increase in real GDP in the fourth quarter is 0.7 percentage point higher than the advance estimate released last month (table 10). In the past 20 years, the average revision, without regard to sign, from the advance estimate to the preliminary estimate was 0.5 percentage point.

An upward revision to inventory investment reflected the incorporation of revised Census Bureau data for November, newly available data for December, revised Department of Agriculture data for 2002, and newly available data for 2003. In the preliminary estimate, inventory investment contributed 0.24 percentage point to GDP growth; in the advance, it had subtracted 0.56 percentage point.

Consumer purchases of nondurable goods were revised up (adding an additional 0.23 percentage point to GDP growth) on the basis of the following:

- revised Census Bureau data on retail sales for November and December,
- monthly survey data from the Energy Information Administration on gasoline and fuel oil consumption for November, and
- revised seasonally adjusted consumer price indexes from the Bureau of Labor Statistics.

Consumer purchases of services were also revised up (adding an additional 0.23 percentage point to GDP growth); the revision mainly reflected the incorporation of newly available data from the Energy Information Administration on electricity and natural gas usage and unit values for October.

The effect of these upward revisions on GDP was partly offset by a downward revision to exports and an upward revision to imports that primarily reflected the incorporation of newly available Census Bureau goods data for December.

Table 10. Revisions to Change in Real Gross Domestic Product and Prices, Fourth Quarter 2002

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Preliminary estimate minus advance estimate	
	Advance estimate	Preliminary estimate	Percentage points	Billions of chained (1996) dollars
Gross domestic product	0.7	1.4	0.7	16.3
<i>Less:</i> Exports	-1.7	-4.4	-2.7	-7.5
Goods	-6.7	-11.1	-4.4	-9.2
Services	10.3	12.3	2.0	1.4
<i>Plus:</i> Imports	3.7	7.2	3.5	13.2
Goods	2.7	6.1	3.4	11.2
Services	8.6	12.4	3.8	2.0
Equals: Gross domestic purchases	1.4	2.8	1.4	34.2
<i>Less:</i> Change in private inventories				21.4
Equals: Final sales to domestic purchasers	1.9	2.5	0.6	14.9
Personal consumption expenditures	1.0	1.5	0.5	8.4
Durable goods	-7.3	-8.5	-1.2	-3.2
Nondurable goods	3.9	5.1	1.2	5.5
Services	1.3	1.9	0.6	5.2
Private fixed investment	3.1	4.5	1.4	5.6
Nonresidential	1.5	2.5	1.0	2.9
Structures	-9.3	-9.8	-0.5	-0.3
Equipment and software	5.0	6.6	1.6	3.5
Residential	6.8	9.4	2.6	2.3
Government consumption expenditures and gross investment	4.6	4.9	0.3	1.2
Federal	10.1	11.2	1.1	1.4
National defense	11.2	11.4	0.2	0.2
Nondefense	8.3	10.8	2.5	1.2
State and local	1.7	1.6	-0.1	-0.2
Addenda:				
Final sales of domestic product	1.3	1.2	-0.1	-2.9
Gross domestic purchases price index	1.8	1.6	-0.2	.....
GDP price index	1.8	1.6	-0.2	.....

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

Personal consumption expenditures: Retail sales (revised) for October, November, and December, consumers' share of new-car purchases for December, average unit value for domestic new autos for December (revised), brokerage services data for the fourth quarter, electricity and natural gas usage.

Nonresidential fixed investment: Construction put-in-place for October and November (revised) and December, manufacturers' shipments of machinery and equipment for November and December (revised), and manufacturers' shipments of complete civilian aircraft for November (revised) and December.

Residential fixed investment: Construction put-in-place for October and November (revised) and December.

Change in private inventories: Manufacturing and trade inventories for November (revised) and December.

Exports and imports of goods and services: Exports and imports of goods for November (revised) and December.

Government consumption expenditures and gross investment: Monthly Treasury Statement detailed data for December, and State and local government construction put-in-place for October and November (revised) and December.

Wages and salaries: Employment, average hourly earnings, and average weekly hours for November and December (revised).

GDP prices: Detailed merchandise export and import price indexes for October through December (revised), unit-value index for petroleum imports for November (revised) and December, seasonally adjusted consumer price indexes for October through December (revised), and housing prices for the fourth quarter.

Federal Budget Estimates, Fiscal Year 2004

By Claire G. Pitzer and Benyam Tsehaye

The Federal *Budget of the United States Government, Fiscal Year 2004* calls for an economic growth package that is designed to accelerate tax relief and stimulate job growth. The budget also calls for priority spending on the war on terrorism and other threats abroad and sets an overall cap of 4 percent on the growth of discretionary Government spending. The fiscal year 2004 budget shows a \$307.4 billion deficit, a \$3.2 billion increase from the projected \$304.2 billion deficit in fiscal year 2003.¹ Fiscal year 2002 ended with a deficit of \$157.8 billion. These Federal budget estimates are derived from all Federal transactions, that is, from all unified budget receipts and all unified budget outlays.²

Because of delay in the enactment of most fiscal 2003 appropriations, the current-services estimates for discretionary programs in this year's budget, used by BEA, were not prepared by the Office of Management and Budget in the usual way.³ Instead, for 2003, they were based on the enacted appropriations for the Department of Defense and an extension of the continuing resolution (in force at the time of budget preparation) to cover the entire year for other appropriations. For 2004, the 2003 levels were adjusted for

inflation.⁴

Each year, the Bureau of Economic Analysis prepares an adjusted presentation of the budget's receipts and outlays that puts them on a consistent basis with the framework of the national income and product accounts (NIPAs). The NIPA framework, which differs in concept and timing from the budget, is designed to show the composition of production and the distribution of the incomes earned in production (see the box "Relation Between Budget Estimates and NIPA Estimates" on page 17). The NIPA framework provides a means of gauging the effects of the Federal budget on aggregate measures of U.S. economic activity, such as gross domestic product (GDP), that are part of the NIPAs. The NIPA estimates presented in this article use the same economic assumptions as the budget for rates of unemployment, inflation, and long-term interest.⁵ The budget and the NIPA estimates both exclude the costs of any potential military action in Iraq. On the NIPA basis, the current deficit of the Federal Government in fiscal year 2004 is \$301.2 billion, a \$6.0 billion increase from the projected \$295.2 billion deficit in fiscal year 2003.

This article briefly summarizes the budget estimates for receipts and outlays, including major proposed legislation and program changes. It then explains how the budget estimates are transformed into the NIPA framework of current receipts and expenditures and how the results of this process affect the quarterly NIPA estimates for the current year. The article concludes with the presentation of fiscal year and quarterly NIPA projections based on the budget receipts and outlays.⁶

The budget estimates

In the administration's budget, receipts in fiscal year 2004 are projected to increase \$85.8 billion, to \$1,922.0 billion (table 1). Receipts in 2003 are estimated at \$1,836.2 billion, down \$17.0 billion from 2002. Most

1. Executive Office of the President, Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2004* (Washington, DC: U.S. Government Printing Office, 2003); <www.whitehouse.gov/omb/budget/fy2004/index.html>.

2. Other presentations of the Federal budget distinguish between off-budget and on-budget transactions or between the trust funds surplus and the Federal funds deficit. In the off-budget/on-budget breakdown, off-budget receipts and outlays, which consist of the social security trust funds and the Postal Service fund, would show surpluses of \$163.5 billion in 2003 and \$174.7 billion in 2004; on-budget receipts and expenditures, which include all other transactions, would show deficits of \$467.6 billion in 2003 and \$482.1 billion in 2004. In the trust funds/Federal funds breakdown, trust fund receipts and outlays—which consist of all trust funds, including social security, Medicare, and unemployment compensation—would show surpluses of \$192.3 billion in 2003 and \$240.7 billion in 2004; Federal funds receipts and outlays, which consist of all transactions not classified as trust funds, would show deficits of \$496.5 billion in 2003 and \$548.1 billion in 2004. There are no equivalent measures of these presentations in the national income and product accounts.

3. The current-services estimates, which are based on the economic assumptions underlying the budget, are designed to show what Federal receipts and outlays would be if no changes are made to the laws that have already been enacted; an exception is that excise taxes dedicated to trust funds are assumed to be extended for all years, including the years after the law is to expire. In concept, these estimates are neither recommended amounts nor forecasts; they form a baseline from which administration or congressional proposals can be analyzed.

4. *Analytical Perspectives: Budget of the United States Government*, 322.

5. See "Economic Assumptions," *Analytical Perspectives*, 21–32.

6. This article is published after the release of the Federal budget. It provides updated fourth-quarter 2002 estimates that incorporate information that became available since the release of the budget, and it provides more detailed estimates of receipts and expenditures than those shown in the NIPA estimates in *Analytical Perspectives*, 383–87.

Table 1. Budget Receipts by Source
[Billions of dollars]

	Level for fiscal year				Change from preceding year		
	2001	2002	2003	2004	2002	2003	2004
Budget receipts	1,991.2	1,853.2	1,836.2	1,922.0	-138.0	-17.0	85.8
Individual income taxes ...	994.3	858.3	849.1	849.9	-136.0	-9.3	0.8
Social insurance taxes and contributions.....	694.0	700.8	726.6	764.5	6.8	25.8	38.0
Corporation income taxes	151.1	148.0	143.2	169.1	-3.0	-4.9	25.9
Excise taxes.....	66.2	67.0	68.4	70.9	0.8	1.4	2.5
Miscellaneous receipts	37.8	33.9	34.7	38.5	-3.9	0.8	3.8
Estate and gift taxes	28.4	26.5	20.2	23.4	-1.9	-6.3	3.2
Customs duties.....	19.4	18.6	19.1	20.7	-0.8	0.4	1.7
Adjustments for revenue uncertainty			-25.0	-15.0		-25.0	10.0

Source: Budget of the United States Government, Fiscal Year 2004.

of the upturn in 2004 is accounted for by an upturn in corporation income taxes, which would increase \$25.9 billion in 2004 after decreasing \$4.9 billion in 2003, and by an acceleration in social insurance taxes and contributions, which would increase \$38.0 billion after increasing \$25.8 billion. The upturn in receipts also reflects the impact of “adjustments for revenue uncertainty,” which are included in the budget; these adjustments would reduce receipts \$25.0 billion in 2003 but would reduce receipts only \$15.0 billion in 2004.

Total budget outlays in fiscal year 2004 are projected to increase \$89.0 billion, to \$2,229.4 billion (table 2).

Table 2. Budget Outlays by Function
[Billions of dollars]

	Level for fiscal year				Change from preceding year		
	2001	2002	2003	2004	2002	2003	2004
Budget outlays	1,863.9	2,011.0	2,140.4	2,229.4	147.1	129.4	89.0
Social security	433.0	456.4	478.5	497.3	23.5	22.1	18.8
National defense	305.5	348.6	376.3	390.4	43.1	27.7	14.1
Income security.....	269.6	312.5	330.1	325.0	42.9	17.6	-5.2
Medicare	217.4	230.9	244.7	258.9	13.5	13.8	14.2
Health.....	172.3	196.5	223.1	246.6	24.3	26.5	23.5
Net interest.....	206.2	171.0	161.4	176.4	-35.2	-9.5	15.0
Education, training, employment, and social services.....	57.1	70.5	86.3	85.3	13.4	15.7	-0.9
Transportation	54.4	61.9	64.2	63.4	7.4	2.4	-0.8
Veterans benefits and services	45.0	51.0	57.1	62.0	5.9	6.1	5.0
Administration of justice ..	29.7	34.3	36.1	39.4	4.7	1.8	3.3
Natural resources and environment.....	25.6	29.5	30.6	31.6	3.8	1.1	1.0
International affairs.....	16.5	22.4	20.7	25.6	5.9	-1.6	4.9
General science, space, and technology	19.8	20.8	21.7	22.9	1.0	0.9	1.2
Agriculture	26.4	22.2	20.8	20.8	-4.2	-1.3	0.0
General government	14.6	17.4	19.0	20.5	2.8	1.6	1.5
Community and regional development.....	11.9	13.0	18.5	17.1	1.1	5.5	-1.4
Energy.....	0.0	0.5	0.7	0.9	0.4	0.2	0.2
Allowances ¹			-0.4	-0.3		-0.4	0.1
Commerce and housing credit.....	5.9	-0.4	1.3	-0.7	-6.3	1.6	-2.0
Undistributed offsetting receipts ²	-47.0	-47.8	-50.3	-53.7	-0.8	-2.5	-3.4

1. Allowances are included in budget totals to cover certain budgetary transactions that are expected to increase or decrease outlays, receipts, or budget authority but are not reflected in the program details. Allowances include funding for emergencies, such as natural disasters, and for unforeseen defense and nondefense costs.

2. Undistributed offsetting receipts are collections that are governmental in nature and that are not credited to expenditure accounts. Undistributed offsetting receipts fall into two categories: Receipts from performing business-like activities, such as proceeds from selling Federal assets or leases; and shifts from one account to another, such as agency payments to retirement funds.

Source: Budget of the United States Government, Fiscal Year 2004.

Outlays in 2003 are estimated at \$2,140.4 billion, up \$129.4 billion from 2002. The deceleration in 2004 is more than accounted for by a downturn in outlays for income security (which would decrease \$5.2 billion in 2004 after increasing \$17.6 billion in 2003), by a downturn in education, training, employment, and social services (which would decrease \$0.9 billion after increasing \$15.7 billion), and by a deceleration in outlays for national defense (which would increase \$14.1 billion after increasing \$27.7 billion).

Proposed legislation and program changes

The fiscal year 2004 budget presents proposed legislation and program changes that would increase the deficit \$39.8 billion in 2003 and \$149.1 billion in 2004 (table 3).⁷

7. The estimates of the administration’s proposed legislation and program changes are the differences between the current-services estimates and the actual budget.

Table 3. Relation of Current-Services Estimates to the Budget
[Billions of dollars]

	Fiscal year	
	2003	2004
Receipts		
Current-services estimates ¹	1,867.0	2,031.1
Plus: Proposed legislation	-30.8	-109.1
Economic growth package.....	-31.1	-110.7
Accelerate reduction in individual income tax rates	-5.8	-35.7
Accelerate doubling of the individual standard deduction for married taxpayers filing joint returns	-2.8	-27.1
Eliminate double taxation of corporate earnings.....	-3.8	-24.9
Increase alternative minimum tax exemption amount for individuals....	-3.1	-8.5
Accelerate 10-percent individual income tax rate bracket expansion....	-1.0	-7.8
Accelerate increase in child tax credit	-13.5	-5.1
Increase expensing for small business.....	-1.0	-1.7
Other provisions	0.3	1.6
Expand tax-free savings opportunities	1.4	10.6
Allow net operating loss offset of 100 percent of alternative minimum taxable income.....	-0.6	-3.0
Provide charitable contribution deduction for nonitemizers	-0.2	-1.4
Other.....	-0.3	-4.6
Equals: The budget.....	1,836.2	1,922.0
Outlays		
Current-services estimates ¹	2,131.4	2,189.4
Plus: Program changes	9.0	40.0
Health	1.2	7.4
National defense	0.5	6.6
Medicare.....	0.1	6.0
Veterans benefits and services.....	1.0	3.4
General government.....	1.5	3.2
Net interest	0.3	3.1
Community and regional development	1.7	2.8
Undistributed offsetting receipts ²	3.5	2.7
International affairs	0.8	2.2
Income security	0.3	2.2
Other.....	-1.9	0.4
Equals: The budget.....	2,140.4	2,229.4
Current-services surplus or deficit (-)	-264.4	-158.3
Proposed changes, receipts less outlays.....	-39.8	-149.1
Administration budget surplus or deficit (-)	-304.2	-307.4

1. The current-services estimates, which are based on the economic assumptions underlying the budget, are designed to show what Federal receipts and outlays would be if no changes are made to the laws that have already been enacted, with the exception that excise taxes dedicated to trust funds are assumed to be extended in all years, including the years after the law is to expire. In concept, these estimates are neither recommended amounts nor forecasts; they form a baseline with which administration or congressional proposals can be analyzed.

2. Undistributed offsetting receipts are collections that are governmental in nature and that are not credited to expenditure accounts. Undistributed offsetting receipts fall into two categories: Receipts from performing business-like activities, such as proceeds from selling Federal assets or leases; and shifts from one account to another, such as agency payments to retirement funds.

Source: Budget of the United States Government, Fiscal Year 2004.

Receipts. Proposed legislation would decrease receipts by \$30.8 billion in 2003 and \$109.1 billion in 2004. These decreases are more than accounted for by the proposed economic growth package, which would decrease receipts by \$31.1 billion in 2003 and \$110.7 billion in 2004. Key elements of the economic growth package would have the following effects:

- A proposal to accelerate the reduction in individual income tax rates would lower receipts \$5.8 billion in 2003 and \$35.7 billion in 2004.
- A proposal to accelerate the doubling of the individual standard deduction for married taxpayers filing joint returns would lower receipts \$2.8 billion in 2003 and \$27.1 billion in 2004.
- A proposal to eliminate dividends that have already been taxed at the corporate level from shareholders' taxable income would lower receipts \$3.8 billion in 2003 and \$24.9 billion in 2004.

Outlays. The fiscal year 2004 budget includes proposed program changes that would increase total outlays \$9.0 billion in 2003 and \$40.0 billion in 2004.⁸ About half of the increase in 2004 is accounted for by the following program changes:

- An increase of \$7.4 billion for health, mainly for reform of Medicaid. Short-term financial incentives for States that choose a new funding structure (to include the State Children's Health Insurance Program) would be coupled with greater flexibility to design benefit packages and improve coordination with private insurance options. In the long term, State allotments would grow more slowly.
- An increase of \$6.6 billion for national defense, mainly for military pay and missile defense.
- An increase of \$6.0 billion for Medicare modernization, including providing to all seniors the option of a subsidized prescription drug benefit.

Transformation of budget data into the NIPA framework

Budget receipts and expenditures are transformed into the NIPA framework by a detailed analytical process. Fiscal year budget data for receipts are supplemented by information on the effects of the budget proposals from the Department of the Treasury's Office of Tax Analysis. These data are analyzed for their effects on each of the NIPA receipts components—personal tax and nontax receipts, corporate profit tax accruals, indirect business tax and nontax accruals, and contributions for social insurance. Quarterly projections are based on interpolations using the economic assumptions from the budget. For the monthly and quarterly NIPA estimates released by BEA during the year, these

initial projections are reevaluated and revised as actual data from the Department of the Treasury become available.

Fiscal year budget outlays are organized by appropriation in the budget's appendix.⁹ These fiscal year data, along with supplemental information from the Office of Management and Budget, are used to allocate Federal fiscal year spending to the various NIPA categories—transfer payments, net interest paid, grants-in-aid to State and local governments, subsidies, current surplus of government enterprises, and consumption expenditures and gross investment.¹⁰ The quarterly projections shown in this article are mainly derived by interpolating the fiscal year projections.

For the quarterly NIPA estimates released by BEA during the current year, the fiscal year relationships derived from budget data are used to allocate spending detailed in the *Monthly Treasury Statement of Receipts and Outlays of the United States Government*.¹¹ Supplemental data are also used. A detailed reconciliation of defense consumption expenditures and gross investment to outlays is prepared using extensive financial, delivery, and other data from the Department of Defense. In order to prepare seasonally adjusted estimates of nondefense consumption expenditures and gross investment, data derived from the budget are used to extrapolate portions of nondefense expenditures (for durable goods, other nondurable goods, other services, and equipment) for which there are no quarterly data sources. These extrapolations are combined with actual quarterly data for certain spending categories, such as estimates of structures from the Census Bureau and estimates of compensation from the Office of Personnel Management.

BEA's users should keep in mind that budget data are based on economic assumptions about the year. Actual outcomes will differ. In addition, the budget includes proposals for the budget year that may not become law, and it may exclude proposals that are subsequently enacted. Even with these caveats, the information on hundreds of receipt and expenditure programs contained in the budget forms the foundation of the NIPA Federal Government estimates. These estimates are initially prepared using the budget data, and they are updated during the year as new laws are enacted, as actual spending occurs, and as economic conditions change. Thus, the NIPA monthly and quarterly estimates released by BEA during the year may diverge from the initial quarterly projections.

9. Appendix: Budget of the United States Government, Fiscal Year 2004.

10. Outlays by program are first adjusted for coverage (for example, geographical adjustments) and for netting and grossing (for example, supplemental medical insurance premiums).

11. Department of the Treasury, Financial Management Service, *Monthly Treasury Statement* (Washington, DC: U.S. Government Printing Office) <www.fms.treas.gov/mts>.

8. Outlays for homeland security are spread throughout certain functions, including national defense, health, transportation, and administration of justice.

Relation Between Budget Estimates and NIPA Estimates

The Bureau of Economic Analysis (BEA) prepares estimates of the Federal sector in a framework of the national income and product accounts (NIPA's). Unlike the budget, which is a financial plan of the Government on a cash basis, the NIPA's facilitate macroeconomic analyses of the impact of changes in Federal current receipts, current expenditures, and gross investment on gross domestic product and its components, which are mainly on an accrual basis.¹

One major conceptual difference between the budget and the NIPA's is in the treatment of government investment in fixed assets; in the NIPA's, government consumption expenditures excludes investment in fixed assets but includes a depreciation charge on past investment as consumption of fixed capital. Certain transactions that are associated with the acquisition or disposal of assets are included in the budget but are classified in the NIPA's as capital transfers and are excluded from government current receipts and expenditures. These transactions include certain investment grants-in-aid to State and local governments, investment subsidies to businesses, and estate and gift taxes. In the NIPA's, government employee retirement plans are treated similarly to private pension plans; thus their assets are treated as belonging to the NIPA household sector. For example, employee contributions to these plans are included in budget receipts but are not included in NIPA current receipts. Likewise, Federal employee retirement benefits are included in budget outlays but are not included in NIPA current expenditures. Net purchases of nonproduced assets, such as land and the radio spectrum, are excluded from the NIPA's because they do not affect current production. Similarly, certain financial transactions are excluded from the NIPA's. The NIPA's also exclude transactions with residents of Puerto Rico and the U.S. Territories, whose product and income are by definition not included in the NIPA's, and transactions of the Federal Communication Commission Universal Service Fund, which pass through a nonprofit institution regulated by the Federal Communication Commission. Differences between the budget and the NIPA's are detailed in tables 4 and 5.

1. The adjustments made by BEA are shown in NIPA table 3.18B, "Relation of Federal Government Current Receipts and Expenditures in the NIPA's to the Budget," SURVEY OF CURRENT BUSINESS 82 (October 2002): 15. For a summary of these adjustments, see "National Income and Product Accounts," *Analytical Perspectives*, 383-387.

For a detailed discussion of the NIPA adjustments, see *Government Transactions*, Methodology Paper No. 5 (November 1988), which is available on BEA's Web site, <www.bea.gov>, under "Methodologies." For changes since the publication of this paper, see Brent R. Moulton, Robert P. Parker, and Eugene P. Seskin, "A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts: Definitional and Classificational Changes," SURVEY 79 (August 1999): 11-14; Robert P. Parker, "Preview of the Comprehensive Revision of the National Income and Product Accounts: Recognition of Government Investment and Incorporation of a New Methodology For Calculating Depreciation," SURVEY 75 (September 1995): 33-41; and Robert P. Parker, "A Preview of the Comprehensive Revision of the National Income and Product Accounts: Definitional and Classificational Changes," SURVEY 71 (September 1991): 24-25.

NIPA current receipts differ from budget receipts because of differences in coverage, netting and grossing and timing.² For most years, the differences between NIPA current receipts and budget receipts primarily reflect capital transfers received, supplementary medical insurance premiums, and personal and business nontaxes. (Personal and business nontaxes, which are included in "other" netting and grossing differences in table 4, are classified as receipts in the NIPA's and are netted against outlays in the budget.)

Similarly, NIPA current expenditures differ from budget outlays because of differences in coverage, netting and grossing, and timing. For most years, the differences between NIPA current expenditures and budget outlays primarily reflect capital transfers paid, Federal employee retirement plan transactions, and personal and business nontaxes.

In the NIPA framework, budget outlays for national defense and nondefense are reflected in both consumption expenditures and gross investment. For national defense, the budget outlays differ from the NIPA estimates for four principal reasons. First, the NIPA measure includes general government consumption of fixed capital. Second, in defense outlays, the cost of the military retirement program is measured as the cash payment from the military personnel appropriation account to the military retirement trust fund. In the NIPA's, payments are added to amortize the unfunded liability for military and civilian retirement benefits; these payments are recorded in the budget as intergovernmental transactions. Payments to amortize unfunded liabilities arise, in part, from new or liberalized retirement benefits, from increases in pay, and in the case of the military, from the initial unfunded liability prior to the establishment of the military retirement fund in fiscal year 1985. Third, NIPA expenditures are recorded on a delivery basis, and budget outlays are recorded on a cash basis. Thus, in the NIPA's, all work in progress, except ships and structures, are included in the change-in-private-inventories component of gross domestic product. Fourth, some defense outlays, primarily disbursements for foreign military sales, are treated as exports in the NIPA's. Initially, the production of military equipment is recorded as an increase in private inventories; when the equipment is delivered, a decrease in private inventories is recorded. For sales of equipment to foreign governments, the decrease in inventories is offset by an increase in exports; for sales of equipment to the U.S. Government, the decrease in inventories is offset by an increase in government consumption expenditures and gross investment.

2. Coverage differences arise because certain transactions are excluded from the NIPA's but are included in the budget and vice versa. Netting and grossing differences arise because certain transactions are recorded as offsets to outlays in the budget but are recorded as receipts in the NIPA's (and vice versa). Timing differences arise because in the budget, most receipts and outlays are recorded on a cash basis, and in the NIPA's, some transactions are recorded on an accrual basis.

Comparison of the budget and NIPA estimates

As previously mentioned, BEA adjusts the budget estimates in order to produce estimates of Federal current receipts and expenditures that are consistent over time with NIPA concepts and methodologies.

For fiscal year 2004, NIPA current receipts would exceed budget receipts by \$33.0 billion as a result of netting and grossing, coverage, and timing adjustments (table 4). Netting and grossing adjustments would add \$62.0 billion, timing adjustments would add \$8.9 billion, and coverage adjustments would subtract \$37.9 billion. Within netting and grossing, "Other"—which includes Federal Government payments to the old-age, survivors, and disability trust funds—would add \$38.1 billion, and supplementary medical insurance premiums would add \$31.0 billion. Within coverage adjustments, capital transfers received, which consist of estate and gift taxes, would subtract \$23.2 billion.

For fiscal year 2004, NIPA current expenditures would exceed budget outlays by \$26.8 billion (table 5). Netting and grossing adjustments, which have the same effect described in the receipts section, would add \$62.0 billion, timing adjustments would add \$6.6 billion, and coverage adjustments would subtract \$41.8 billion. Within coverage adjustments, Federal employee retirement plan transactions would add \$35.0 billion, and capital transfers paid, which include capital grants to State and local governments, would subtract \$43.3 billion. For national defense, largely because of the treatment of military and defense civilian

Table 4. Relation of Federal Government Current Receipts in the NIPA's to the Budget
[Billions of dollars]

	Fiscal year		
	2002	2003	2004
Budget receipts	1,853.2	1,836.2	1,922.0
<i>Less:</i> Coverage differences	39.8	34.7	37.9
Geographic ¹	3.7	4.0	3.8
Contributions received by Federal employee retirement plans ²	4.6	4.5	4.5
Capital transfers received ³	26.3	20.0	23.2
Financial transactions	0.0	0.0	0.0
Other ⁴	5.2	6.1	6.4
Netting and grossing differences	-53.7	-58.9	-62.0
Supplementary medical insurance premiums	-26.0	-28.3	-31.0
Taxes received from the rest of the world ⁵	6.9	7.1	7.1
Other ⁶	-34.7	-37.7	-38.1
<i>Plus:</i> Timing differences	-20.2	2.2	8.9
Corporate profits taxes	0.5	-0.4	-0.5
Federal and State unemployment insurance taxes	-0.2	-0.4	0.6
Withheld personal income tax and social security contributions	-20.0	1.1	3.0
Excise taxes	0.2	0.4	-0.3
Other	-0.7	1.5	6.1
Equals: Federal Government current receipts, NIPA's	1,846.9	1,862.7	1,955.0

1. Consists largely of contributions for social insurance by residents of U.S. territories and Puerto Rico.
2. These transactions are included in the NIPA personal sector.
3. Consists of estate and gift taxes.
4. Consists largely of Treasury receipts from sales of foreign currencies to Government agencies.
5. Taxes received from the rest of the world are included in receipts in the budget and netted against expenditures (transfer payments) in the NIPA's.
6. Includes proprietary receipts that are netted against outlays in the budget and classified as receipts in the NIPA's. Also includes some transactions not reflected in the budget but are added to both receipts and expenditures in the NIPA's.
Sources: *Budget of the United States Government, Fiscal Year 2004* and the Bureau of Economic Analysis.

retirement funds, the NIPA estimate of consumption expenditures would exceed the budget estimate of outlays by \$25.1 billion (table 6).

For fiscal year 2004, the budget deficit would exceed the NIPA current deficit by \$6.2 billion (table 7). The difference reflects the combined effects of coverage and timing adjustments. The coverage adjustments lower both NIPA current receipts and NIPA current expenditures, while the timing adjustments both raise NIPA current receipts and NIPA current expenditures. Netting and grossing adjustments have an equal effect on current receipts and expenditures and therefore have no effect on the deficit.

Fiscal year 2004 NIPA estimates

In the NIPA framework, the current deficit would increase \$6.0 billion in fiscal year 2004, following an in-

Table 5. Relation of Federal Government Current Expenditures in the NIPA's to the Budget
[Billions of dollars]

	Fiscal year		
	2002	2003	2004
Budget outlays	2,011.0	2,140.4	2,229.4
<i>Less:</i> Coverage differences	25.9	43.1	41.8
Geographic ¹	13.2	14.2	14.4
Federal employee retirement plan transactions ²	-33.9	-31.1	-35.0
Interest received	-49.9	-51.6	-53.3
Contributions received (employer)	-70.0	-68.5	-71.7
Benefits paid	85.9	88.9	89.9
Administrative expenses	0.1	0.1	0.1
Financing disbursements from credit programs ³	-22.5	-15.0	-18.3
Other differences in funds covered ⁴	4.8	5.8	6.2
Net investment ⁵	4.6	8.3	9.5
Capital transfers paid ⁶	43.9	42.6	43.3
Financial transactions	15.6	18.1	21.8
Loan disbursements less loan repayments and sales ..	19.7	18.0	20.0
Deposit insurance	0.7	2.5	4.8
Net purchases of foreign currency	0.0	0.0	0.0
Other	-4.8	-2.4	-3.0
Net purchases of nonproduced assets	0.2	0.1	0.0
Outer Continental Shelf	0.0	0.0	0.0
Land and other ⁷	0.2	0.1	0.0
Other ⁸	0.0	0.0	0.0
Netting and grossing differences	-53.7	-58.9	-62.0
Supplementary medical insurance premiums	-26.0	-28.3	-31.0
Taxes received from the rest of the world ⁹	6.9	7.1	7.1
Other ¹⁰	-34.7	-37.7	-38.1
<i>Plus:</i> Timing differences	-3.5	1.7	6.6
Purchases (increase in payables net of advances)	0.3	0.7	5.0
Interest	0.0	0.0	0.0
Transfer payments	-1.0	1.4	1.4
Subsidies less current surplus of government enterprises	-2.9	-0.3	0.2
Equals: Federal Government current expenditures, NIPA's	2,035.2	2,157.9	2,256.2

1. Consists largely of transfer payments, subsidies, and grants-in-aid to residents of U.S. territories and Puerto Rico.
2. These transactions are included in the NIPA personal sector.
3. Consists of transactions (not included in the budget totals) that record all cash flows arising from post-1991 direct loan obligations and loan guarantee commitments. Many of these flows are for new loans or loan repayments; consequently, related entries are included in "Loan disbursements less loan repayments and sales."
4. Consists largely of agencies or accounts, such as the Postal Service and the Federal Financing Bank, that were not included in the budget in some time periods.
5. Net investment is gross investment less consumption of fixed capital for government enterprises and general government.
6. Consists of investment grants to State and local governments and maritime construction subsidies. Does not include the forgiveness of debts owed by foreign governments to the U.S. Government; this forgiveness is classified as a capital transfer paid by the United States and is excluded from both budget outlays and NIPA current expenditures.
7. Consists of net sales of land other than the Outer Continental Shelf and, beginning with 1995, the auction of the radio spectrum.
8. Consists largely of net expenditures of foreign currencies.
9. Taxes received from the rest of the world are included in receipts in the budget and netted against expenditures (transfer payments) in the NIPA's.
10. Includes proprietary receipts that are netted against outlays in the budget and classified as receipts in the NIPA's. Also includes some transactions that are not reflected in the budget data but are added to both receipts and expenditures in the NIPA's.
Sources: *Budget of the United States Government, Fiscal Year 2004* and the Bureau of Economic Analysis.

crease of \$106.9 billion in fiscal year 2003 (table 7 and chart 1). The smaller increase in the deficit in fiscal year 2004 results from an acceleration in current receipts and a deceleration in current expenditures. The acceleration in current receipts is accounted for by upturns in corporate profits tax accruals and in personal tax and nontax receipts. The deceleration in current expenditures is accounted for by decelerations in transfer payments, in grants-in-aid to State and local governments, and in consumption expenditures that more than offset an upturn in net interest paid.

On a NIPA basis, Federal current receipts would increase \$92.3 billion in fiscal year 2004 after increasing \$15.8 billion in fiscal year 2003 (table 8 and chart 2). The acceleration results from an acceleration in the tax base that would increase receipts \$163.7 billion. (The tax base is estimated using the administration's economic assumptions and excludes the impact of proposed legislation.) Within current receipts, contributions for social insurance would increase \$45.3 billion after increasing \$37.4 billion, reflecting an acceleration in taxable wages and salaries. Corporate profits tax accruals would increase \$29.3 billion after decreasing \$6.0 billion, reflecting an upturn in the tax base. The decrease in corporate profits tax accruals in 2003 partly reflects provisions of the economic growth package that exclude corporate dividends from the taxable income of corporations. Personal tax and nontax receipts would increase \$13.9 billion after decreasing \$19.2 billion; the upturn is more than accounted for by an acceleration in the tax base. Personal tax and nontax

receipts are estimated to fall in fiscal year 2003 as a result of provisions of the economic growth package, particularly the proposal to increase the child tax credit. In fiscal year 2004, personal tax and nontax receipts are projected to fall sharply as a result of provisions of the economic growth package that accelerate the reduction of income tax rates, that exclude corporate dividends from the taxable income of individuals, and that accelerate increases in standard deduction for married taxpayers filing joint returns. Indirect business tax and nontax accruals would increase \$3.9 billion after increasing \$3.6 billion.

In the NIPA framework, Federal current expenditures would increase \$98.3 billion in fiscal year 2004 after increasing an estimated \$122.7 billion in fiscal year 2003 (table 9 and chart 3). Transfer payments would increase \$28.3 billion after increasing \$57.5 billion; the

Table 6. Relation of National Defense Consumption Expenditures and Gross Investment in the NIPA's to National Defense Outlays in the Budget

[Billions of dollars]

	Fiscal year		
	2002	2003	2004
National defense outlays in the budget	348.6	376.3	390.4
Department of Defense, military	332.0	358.2	370.7
Military personnel	86.8	92.7	98.7
Operation and maintenance	130.0	136.3	133.1
Procurement	62.5	63.2	67.9
Aircraft	20.5	20.3	22.1
Missiles	4.0	4.0	4.5
Ships	8.3	8.0	7.7
Weapons	3.6	3.8	3.8
Ammunition	1.3	1.1	1.2
Other	24.8	26.0	28.5
Research, development, test, and evaluation	44.4	52.8	58.2
Other	8.2	13.1	12.9
Atomic energy and other defense-related activities	16.6	18.1	19.7
Plus: Consumption of general government fixed capital	63.9	65.1	66.4
Additional payments to military and civilian retirement funds	23.4	24.8	25.6
Timing difference	0.1	0.6	5.0
Military assistance programs	0.3	0.2	0.2
Less: Grants-in-aid to State and local governments and net interest paid	3.1	3.3	3.6
Other differences	0.4	3.0	3.7
Equals: National defense consumption expenditures and gross investment, NIPA's	432.6	460.6	480.3
Less: National defense gross investment ¹	58.7	61.9	64.7
Equals: National defense consumption expenditures, NIPA's	373.9	398.7	415.5

1. Gross investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in Federal Government consumption expenditures.
Sources: *Budget of the United States Government, Fiscal Year 2004* and the Bureau of Economic Analysis.

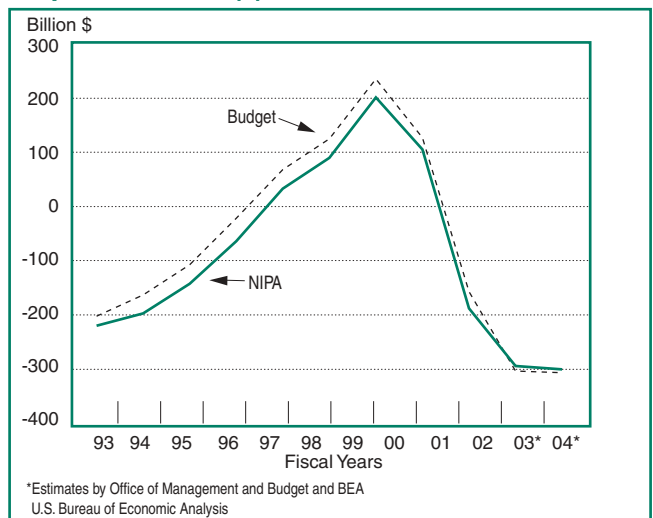
Table 7. Relation of Administration Budget and NIPA Estimates of Federal Government Current Receipts and Expenditures

[Billions of dollars]

	Level for fiscal year			Change from preceding fiscal year	
	Actual	Estimates		2003	2004
	2002	2003	2004		
Administration budget:					
Receipts	1,853.2	1,836.2	1,922.0	-17.0	85.8
Outlays	2,011.0	2,140.4	2,229.4	129.4	89.0
Surplus or deficit (-)	-157.8	-304.2	-307.4	-146.4	-3.2
NIPA's:					
Current receipts	1,846.9	1,862.7	1,955.0	15.8	92.3
Current expenditures	2,035.2	2,157.9	2,256.2	122.7	98.3
Surplus or deficit (-)	-188.3	-295.2	-301.2	-106.9	-6.0
	Differences				
Administration budget less NIPA's:					
Receipts / Current receipts	6.3	-26.5	-33.0	-32.8	-6.5
Outlays / Current expenditures	-24.2	-17.5	-26.8	6.7	-9.3
Surplus or deficit (-)	30.5	-9.0	-6.2	-39.5	2.8

Sources: *Budget of the United States Government, Fiscal Year 2004* and the Bureau of Economic Analysis.

Chart 1. Federal Fiscal Position, Surplus or Deficit (-)



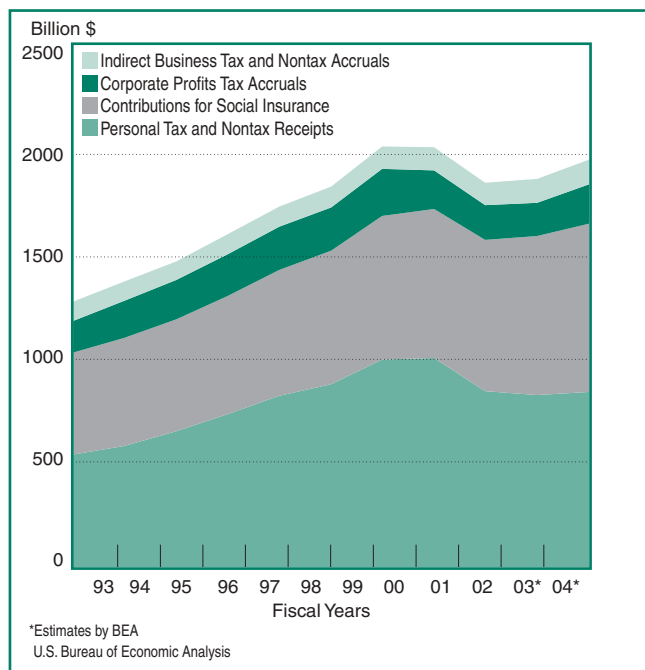
slowdown is mainly attributable to a downturn in unemployment benefits and a deceleration in "other" transfer payments. Grants-in-aid to State and local governments would increase \$22.8 billion after increasing \$33.6 billion; the slowdown is more than accounted for by a deceleration in education and a downturn in "other." Consumption expenditures would increase \$31.8 billion after increasing \$41.2 billion. The slowdown is mainly accounted for by a deceleration in defense consumption expenditures. In contrast, net interest would turn up, increasing \$14.0 billion after decreasing \$9.6 billion. "Subsidies less current surplus of government enterprises" would increase \$1.4 billion after decreasing \$0.1 billion; the current surplus of government enterprises, particularly of the Postal Service, accounts for the upturn.

Table 8. Sources of Change in Federal Government Current Receipts, NIPA Framework
[Billions of dollars]

	Change from preceding fiscal year		
	2002	2003	2004
Total receipts	-169.3	15.8	92.3
Due to tax bases	-169.2	44.3	163.7
Due to proposed legislation	0.0	-28.5	-71.3
Personal tax and nontax receipts	-160.7	-19.2	13.9
Due to tax bases	-160.7	6.7	83.2
Due to proposed legislation	0.0	-25.9	-69.3
Corporate profits tax accruals	-17.7	-6.0	29.3
Due to tax bases	-17.7	-3.4	31.3
Due to proposed legislation	0.0	-2.6	-2.0
Indirect business tax and nontax accruals	-2.6	3.6	3.9
Due to tax bases	-2.6	3.6	3.9
Due to proposed legislation	0.0	0.0	0.0
Contributions for social insurance	11.8	37.4	45.3
Due to tax bases	11.8	37.4	45.3
Due to proposed legislation	0.0	0.0	0.0

Sources: *Budget of the United States Government, Fiscal Year 2004* and the Bureau of Economic Analysis.

Chart 2. Federal Government Current Receipts, NIPA Framework



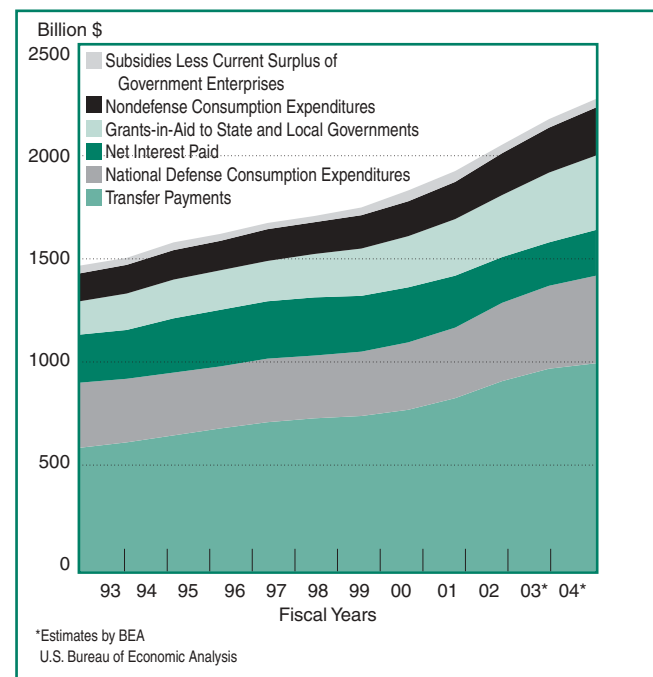
Quarterly pattern. Seasonally adjusted quarterly estimates of NIPA current receipts and current expenditures that are consistent with the budget estimates of receipts and outlays for the fiscal year are shown in table 10. The NIPA estimates of current receipts reflect

Table 9. Sources of Change in Federal Government Current Expenditures, NIPA Framework
[Billions of dollars]

	Change from preceding fiscal year		
	2002	2003	2004
Total current expenditures	125.0	122.7	98.3
Consumption expenditures	57.4	41.2	31.8
National defense	36.6	24.8	16.8
Pay raise and locality pay ¹	0.0	3.2	3.9
Other	36.6	21.7	12.8
Nondefense	20.9	16.3	14.9
Pay raise and locality pay ¹	0.0	2.0	2.0
Other	20.9	14.3	12.9
Transfer payments	81.9	57.5	28.3
Social security	22.0	21.9	18.2
Medicare	15.7	15.4	16.7
Supplemental security income	1.3	2.9	1.9
Earned income and other tax credits	5.8	3.9	1.7
Veterans benefits	2.4	3.3	2.0
Unemployment benefits	24.0	2.6	-14.7
To the rest of the world (net)	3.9	0.1	0.5
Food Stamps	2.6	2.7	0.9
Other	4.1	4.9	1.0
Grants-in-aid to State and local governments	28.2	33.6	22.8
General public service	-1.3	-1.1	-0.5
Public order and safety	1.2	-1.2	0.4
Housing and community services	1.0	1.6	0.2
Health	19.8	17.9	19.6
Medicaid	18.0	15.0	20.0
Other health	1.8	3.0	-0.4
Education	3.2	8.1	1.9
Welfare and social services	2.0	1.8	1.3
Other	2.2	6.5	-0.1
Net interest paid	-30.5	-9.6	14.0
Subsidies less current surplus of government enterprises	-11.9	-0.1	1.4
Agriculture subsidies	-9.1	1.3	0.9
Housing subsidies	2.4	1.0	0.6
Other subsidies	-3.9	-0.1	-0.2
Less: Current surplus of government enterprises:			
Postal Service surplus	-2.8	2.6	-1.3
Other surplus of government enterprises	4.0	-0.2	1.3

1. Consists of pay raises and locality pay beginning in January 2003.
Source: Bureau of Economic Analysis.

Chart 3. Federal Government Current Expenditures, NIPA Framework



the quarterly pattern that results from enacted and proposed legislation, from the administration's projected quarterly pattern of wages, and from the methodology used by BEA to derive quarterly estimates of declarations and settlements (estimated income tax payments and final settlements) less refunds.¹² The NIPA estimates of current expenditures reflect the quarterly pattern that results from enacted and proposed legislation that would adjust pay for Federal Government employees and provide cost-of-living increases in social security and other programs. The quarterly estimates do not control to the fiscal year estimates but instead are estimated changes from the published preliminary estimate for the fourth quarter of 2002. Because of the limited information available to estimate the quarterly patterns, the estimates should be viewed as rough approximations. These approximations will be superseded by BEA's more reliable quarterly estimates that will be prepared and published in NIPA table 3.2.

In the NIPA framework, the current deficit grows from \$145.8 billion in the first quarter of 2002 to \$246.2 billion in the fourth quarter. The current deficit continues to grow in the first quarter of 2003, reflecting a larger increase in current expenditures than in current receipts. The increase in current expenditures is caused by a sharp increase in transfer payments due to cost-of-living adjustments and annual payments to Israel and Egypt. The current deficit decreases through the rest of 2003. The second-quarter decrease results from an increase in receipts and a small decrease in current expenditures; the increase in receipts reflects

increases in contributions for social insurance and in personal tax and nontax receipts. The third-quarter decrease results from a larger increase in current receipts—mainly in personal income tax and nontax receipts—than in current expenditures. The fourth-quarter decrease is attributable to a larger increase in current receipts, reflecting increases in personal tax and nontax receipts and in corporate profits tax accruals, than in expenditures.

The deficit is projected to surge in the first quarter of 2004. This increase stems from an increase in current expenditures and a decrease in current receipts. The increase in current expenditures is primarily due to increases in transfer payments and consumption expenditures, which reflect proposed cost-of-living adjustments and Government employee pay raises. The decrease in current receipts reflects a decrease in personal tax and nontax receipts as a result of the effects of the economic growth package. (In the NIPA's, the full annual amount of change from proposed cost-of-living adjustments, government employee pay raises, and tax legislation is shown in the first quarter of the year.) The current deficit decreases in the second and third quarters of 2004. The second-quarter decrease is accounted for by a larger increase in current receipts than in current expenditures; the increase in current receipts reflects increases in personal tax and nontax receipts, in corporate profit tax accruals, and in contributions for social insurance. The third-quarter decrease is primarily attributable to an increase in current receipts, mainly in personal tax and nontax receipts and in corporate profit tax accruals, that more than offsets an increase in current expenditures.

12. For details on the methodology, see Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts," *SURVEY OF CURRENT BUSINESS* 78 (August 1998): 29–31.

Table 10 follows.

Table 10. Federal Government Current Receipts and Expenditures, NIPA Framework—Continued

[Billions of dollars; calendar year and quarters at seasonally adjusted annual rates]

Line		Fiscal year estimates ¹			Calendar year ²		Quarter ²										
					Published	Estimated	Published				Estimated						
		2002	2003	2004	2002	2003	2002				2003				2004		
							I	II	III	IV	I	II	III	IV	I	II	III
64	Grants-in-aid to State and local governments	297.0	330.6	353.4	305.7	335.8	292.3	309.6	305.0	315.8	326.2	333.4	340.7	342.7	348.8	353.9	361.3
65	General public service.....	2.3	1.2	0.7	3.1	1.5	2.8	3.8	3.3	2.4	1.8	1.6	1.8	0.9	0.7	0.6	0.7
66	National defense.....	3.1	3.3	3.6	3.5	3.3	3.6	3.4	3.6	3.3	3.4	3.3	3.1	3.4	3.8	3.7	3.4
67	Public order and safety.....	4.5	3.3	3.7	3.5	3.3	3.5	3.6	3.6	3.1	3.3	3.3	3.2	3.2	3.5	4.0	4.1
68	Economic affairs.....	11.3	13.8	13.7	10.8	14.5	9.9	11.5	10.7	11.1	13.4	14.8	15.3	14.4	13.5	13.4	13.2
69	General economic and labor	5.5	7.4	7.2	5.4	7.8	5.3	5.3	5.2	5.9	7.3	8.0	8.2	7.8	7.0	7.0	7.0
70	Agriculture	0.9	1.1	1.0	0.9	1.2	0.9	1.0	0.9	0.7	0.9	1.2	1.3	1.2	1.1	0.9	0.9
71	Energy	1.1	1.2	1.4	1.1	1.3	1.0	1.0	1.0	1.2	1.2	1.3	1.3	1.2	1.4	1.4	1.4
72	Natural resources	2.6	3.1	2.9	2.5	3.2	1.8	3.2	2.5	2.4	3.0	3.2	3.5	3.1	3.0	2.9	2.8
73	Transportation ³	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
74	Space	1.0	1.1	1.1	1.0	1.1	0.9	1.0	1.1	0.8	1.0	1.1	1.0	1.1	1.0	1.2	1.1
75	Housing and community services.....	13.9	15.5	15.7	14.2	15.4	12.9	14.4	14.3	15.3	14.8	15.4	15.7	15.6	15.5	15.8	15.9
76	Health.....	166.0	183.9	203.5	169.8	188.6	163.1	171.3	169.2	175.7	182.9	186.4	190.5	194.5	200.5	205.7	213.3
77	Medicaid.....	147.2	162.2	182.2	150.0	166.7	143.8	152.2	149.2	154.7	161.1	164.5	168.3	172.7	179.1	184.5	192.3
78	Other	18.8	21.8	21.4	19.9	21.9	19.3	19.1	20.1	21.1	21.8	21.9	22.2	21.8	21.4	21.2	21.0
79	Recreation and culture	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.3	0.4	0.5	0.5
80	Education	26.6	34.7	36.6	28.0	33.4	28.2	29.8	26.6	27.3	32.5	33.5	33.8	33.9	34.0	34.3	34.6
81	Income security	69.1	74.6	75.6	72.5	75.4	67.9	71.4	73.4	77.2	73.6	74.8	76.8	76.4	77.0	76.0	75.7
82	Welfare and social services.....	59.3	61.1	62.4	62.3	62.0	58.4	61.0	63.3	66.6	60.7	60.8	63.1	63.5	64.0	62.8	62.0
83	Other	9.8	13.5	13.2	10.2	13.4	9.5	10.4	10.1	10.6	13.0	13.9	13.7	12.9	13.0	13.2	13.7
84	Net interest paid	217.4	207.8	221.8	207.9	204.6	208.5	214.9	205.8	202.4	201.7	202.6	205.0	209.2	214.0	219.4	225.3
85	Subsidies less current surplus of government enterprises	39.2	39.1	40.5	43.7	43.8	46.6	46.3	39.9	42.1	43.2	43.8	43.9	44.4	44.7	45.1	45.2
86	Subsidies.....	37.7	40.1	41.3	45.4	48.0	44.9	45.5	45.0	46.3	47.2	48.0	48.4	48.5	48.7	48.9	48.9
87	Agricultural	12.0	13.3	14.2	21.5	23.2	21.5	21.6	20.8	22.0	22.6	23.1	23.5	23.6	23.7	23.7	23.7
88	Housing	23.5	24.5	25.1	21.9	22.6	21.5	21.8	22.1	22.2	22.4	22.6	22.7	22.8	23.0	23.2	23.3
89	Other	2.3	2.2	2.0	2.1	2.2	2.0	2.1	2.1	2.1	2.2	2.3	2.1	2.0	2.0	2.0	1.9
90	Less: Current surplus of government enterprises	-1.5	1.0	0.9	1.7	4.2	-1.7	-0.7	5.0	4.3	4.0	4.2	4.4	4.1	4.0	3.8	3.7
91	Postal Service	-5.4	-2.8	-4.1	-2.6	-0.9	-5.4	-4.6	0.3	-0.5	-0.8	-0.8	-0.7	-1.2	-1.6	-1.9	-2.1
92	Federal Housing Administration	2.6	3.0	4.1	2.9	3.6	2.8	2.9	3.0	3.1	3.3	3.5	3.6	3.8	4.0	4.2	4.3
93	Tennessee Valley Authority	2.4	2.3	1.9	2.7	2.5	2.9	2.8	2.7	2.5	2.6	2.6	2.5	2.4	2.3	2.2	2.2
94	Other	-1.1	-1.6	-1.0	-1.4	-1.0	-1.9	-1.8	-1.0	-0.9	-1.1	-1.1	-1.0	-0.9	-0.8	-0.7	-0.7
95	Less: Wage accruals less disbursements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
96	Current surplus or deficit (-)	-188.3	-295.2	-301.2	-197.1	-260.1	-145.8	-195.6	-200.7	-246.2	-291.7	-272.0	-246.2	-230.5	-314.6	-286.6	-264.2
97	Addenda:																
97	Gross investment ⁴	105.6	113.1	118.7	107.2	112.6	105.7	107.1	107.9	108.2	110.5	110.7	114.4	114.7	115.9	116.5	119.3
98	National defense	58.7	61.9	64.7	60.9	63.6	59.7	59.6	62.4	61.9	62.8	61.9	64.7	64.9	65.5	65.2	67.0
99	Nondefense.....	46.9	51.2	54.0	46.3	49.0	46.1	47.5	45.5	46.3	47.7	48.8	49.7	49.8	50.5	51.3	52.3
100	Consumption expenditures and gross investment.....	679.3	728.0	765.4	693.7	725.8	672.0	688.2	697.7	717.0	725.3	722.9	720.0	735.1	755.4	768.1	777.5
101	National defense	432.6	460.6	480.3	447.5	461.2	431.7	442.1	451.2	464.8	466.6	460.0	453.3	464.7	479.2	487.5	493.3
102	Nondefense.....	246.8	267.4	285.1	246.3	264.7	240.3	246.1	246.5	252.2	258.7	262.9	266.7	270.4	276.2	280.6	284.2
103	Capital transfers received (net).....	-17.6	-22.6	-20.1	-19.1	-18.0	-18.3	-21.8	-16.8	-19.4	-19.1	-18.8	-18.9	-15.3	-15.6	-14.9	-15.7
104	Capital transfers received.....	26.3	20.0	23.2	25.6	24.8	28.5	22.4	28.4	23.1	24.0	23.6	24.0	27.6	28.0	28.1	27.9
105	Estate and gift taxes.....	26.3	20.0	23.2	25.6	24.8	28.5	22.4	28.4	23.1	24.0	23.6	24.0	27.6	28.0	28.1	27.9
106	Less: Capital transfers paid.....	43.9	42.6	43.3	44.7	42.8	46.8	44.2	45.2	42.5	43.1	42.4	42.9	42.8	43.7	43.1	43.6
107	Grants-in-aid to State and local governments	43.9	42.6	43.3	44.7	42.8	46.8	44.2	45.2	42.5	43.1	42.4	42.9	42.8	43.7	43.1	43.6
108	Transportation	40.6	38.9	39.5	41.3	39.1	43.4	40.7	41.8	39.2	39.5	38.5	38.8	39.4	40.0	39.1	39.4
109	Highway.....	30.5	28.9	29.2	31.1	29.0	33.9	30.3	30.4	29.8	29.1	29.1	29.1	28.7	29.4	29.4	29.4
110	Other transportation	10.1	10.0	10.3	10.2	10.1	9.5	10.4	11.3	9.4	10.4	9.5	9.8	10.7	10.6	9.7	10.0
111	Housing and community services	3.3	3.7	3.8	3.4	3.8	3.3	3.5	3.4	3.3	3.6	3.9	4.1	3.4	3.7	4.0	4.2

1. Fiscal year estimates are the sum of quarterly values not seasonally adjusted and are consistent with the budget proposals.

2. Published estimates, both calendar year and quarters, appear in the NIPA tables 3.2 and 3.7 elsewhere in this issue. BEA's estimate of corporate profits tax accruals for the fourth quarter of 2002 will not be available until the release of the final estimate of gross domestic product on March 27, 2003. The value shown is derived from the budget.

Published estimates for the fourth quarter of 2002, as well as estimates for subsequent quarters, differ from the quarterly estimates in *Budget of the United States Government, Analytical Perspectives, Fiscal Year 2004* because of additional data received after the budget was released.

3. Most transportation grants-in-aid to State and local governments are classified as capital transfers paid (see addenda); however, water and railroad transportation grants are still classified as current account transactions.

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

Sources: *Budget of the United States Government, Fiscal year 2004* and the Bureau of Economic Analysis. FICA Federal insurance contributions act NIPA National income and product accounts SECA Self-employment contributions act

The following is a reprint of a set of fliers that presents an overview of the principal statistics prepared by BEA's regional economics program.



BEA's Regional Accounts

The Bureau of Economic Analysis prepares regional economic accounts for the United States. These accounts consist of estimates of State and local area personal income and of gross state product; these estimates are consistent with estimates of personal income and gross domestic product in the Bureau's national economic accounts. BEA also prepares, on a reimbursable basis, regional economic multipliers for areas specified by users.

State personal income

BEA's annual and quarterly estimates of State personal income provide a framework for analyzing individual State economies, and they show how State economies compare with each other. These estimates are widely used by government officials and private citizens to track the levels and types of incomes that are received by the people who live or work in a State.

The personal income of a State is the income received by, or on behalf of, the residents of the State. Estimates of labor and proprietors' earnings by place of work indicate the economic activity of business and government within the State, and estimates of personal income by place of residence indicate the income within a State that is available for spending. BEA's annual estimates of per capita personal income are an indicator of the economic well-being of the residents of a State.

Local area personal income

BEA's annual estimates of personal income for local areas provide the most detailed economic pictures of local areas that are available. These estimates are used by State and local governments for economic planning and by businesses to evaluate marketing strategies.

The personal income of a local area is the income received by, or on behalf of, the residents of the area. BEA prepares estimates for 3,110 counties, 335 metropolitan areas, and 172 BEA economic areas. The esti-

mates include labor and proprietors' earnings by place of work that indicate the economic activity of business and government within an area and personal income by place of residence that indicates the income within an area that is available for spending. BEA's estimates of per capita personal income are an indicator of the economic well-being of the residents of an area.

Gross state product

BEA's annual estimates of gross state product (GSP) measure the value added to the Nation's production by the labor and property in each State. GSP is often considered the State counterpart of the Nation's GDP. The GSP estimates provide the basis for analyzing the regional impacts of national economic trends.

GSP is measured as the sum of the distributions by industry and State of the components of gross domestic income—that is, the sum of the costs incurred and incomes earned in the production of GDP. The GSP estimates are presented in current dollars and in real (chained dollars) for 63 industries.

Regional economic multipliers

BEA will prepare estimates of economic multipliers for any State or county or combination thereof on a reimbursable basis. The multipliers estimate the effects of the changes in the output of one or more industries in an area on the output, employment, and labor earnings in the other industries in that area. For example, these multipliers can be used by government officials to gauge the potential impact of closing a defense facility.

The regional multipliers are derived using the regional input-output modeling system and are based on estimates of local area personal income and on the national input-output accounts.

For more information about BEA's regional estimates, go to our Web site at <www.bea.gov>.

State Personal Income

The Bureau of Economic Analysis prepares estimates of State personal income. The personal income of a State is the income that is received by, or on behalf of, the residents of that State. Personal income consists of the income that is received by persons from participation in production, from government and business transfer payments, and from government interest.

The State personal income accounts are detailed, comprehensive economic time series that provide comparisons among States and among industries within a State. Estimates of labor and proprietors' earnings by place of work indicate economic activity of establishments within the State, and estimates of personal income by place of residence indicate current income within a State that is available for spending. Annual estimates of per capita personal income are an indicator of economic well-being of the residents of a State.

The Bureau prepares quarterly estimates of State personal income and its components, beginning with 1948. The estimates for a quarter are released 4 months after the end of the quarter and are consistent with the quarterly estimates of personal income in the national accounts. Preliminary annual estimates of State personal income are derived as the average of the quarterly estimates for the year and are prepared 4 months after the end of the year. Quarterly State personal income estimates are presented in two tables—the derivation of personal income, including earnings for 14 major industries, and wage and salary disbursements by major industry.

Annual State personal income estimates are presented in six tables—the derivation of personal income, including per capita personal income and earnings for 77 industries; wage and salary disbursements by industry; transfer payments by major program; the derivation of farm proprietors' income; disposable personal income and tax and nontax pay-

ments by government; and State economic profiles. These estimates, which are derived from more detailed and complete source data than the preliminary annual estimates are available 9 months after the end of the year. The annual State personal income estimates begin with 1929. In addition, annual State employment estimates are presented in two tables—total full and part-time employment by industry, and wage and salary employment by industry.

The Bureau prepares regular analyses of the State personal income estimates that accompany the release of new estimates, and it also periodically prepares and releases special data analyses dealing with topics of particular interest.

Uses of the State personal income estimates

The State personal income estimates are used widely in the public and private sectors to study economic trends for States and regions and to measure and track the levels and the types of incomes that are received by the people who live or work in a State. These estimates provide a framework for the analysis of each State's economy, and they serve as a basis for decision making. For example:

- Federal Government agencies use the estimates as a basis for allocating funds and determining matching grants. They also use the estimates in econometric models, such as those used to project energy and water use.
- State governments use the estimates in econometric models to project tax revenues and the need for public services. Many States have set constitutional or statutory limits on State government revenues and spending that are tied to State personal income or to one of its components.
- Academic researchers use the estimates for theoretical and applied economic research.
- Businesses, trade associations, and labor organizations use the estimates for market research.

Availability

The quarterly and annual State personal income estimates, as well as regular and special analyses of the estimates, are published in the SURVEY OF CURRENT BUSINESS, the monthly journal of the Bureau. Examples of articles involving detailed analyses include:

- “Convergence in State Per Capita Personal Income, 1950–99,” by G. Andrew Bernat, Jr. in the June 2001 SURVEY
- “Comprehensive Revision of State Personal Income: Revised Estimates 1969–98 and Preliminary Estimates for 1999,” by Robert L. Brown, et. al., in the June 2000 SURVEY
- “Industrial Composition of State Earnings in 1958–98,” by G. Andrew Bernat, Jr. and Eric S. Repice in

the February 2000 SURVEY

SURVEY articles for recent years are available on our Web site at <www.bea.gov>. In addition, the estimates are available in an interactively accessible database and in downloadable files on our Web site. The entire database and a statement of the sources and methods used to produce the estimates are also presented on the State Personal Income CD-ROM.

For more information

Call the Regional Economic Information System (REIS) staff at 202–606–5360, or e-mail <reis.remd@bea.gov>. To purchase the State Personal Income CD-ROM, call our Order Desk at 1–800–704–0415 (outside the United States, call 202–606–9666).

Local Area Personal Income

The Bureau of Economic Analysis prepares estimates of personal income for local areas (counties, metropolitan areas, and the Bureau's BEA economic areas). The personal income of an area is the income that is received by, or on behalf of, the residents of that area. Personal income consists of the income that is received by persons from participation in production, from government and business transfer payments, and from government interest.

Local area personal income is the only detailed, broadly inclusive economic time series for local areas that is available annually. Estimates of labor and proprietors' earnings by place of work indicate economic activity of establishments in an area, and estimates of personal income by place of residence indicate income within an area that is available for spending. Annual estimates of per capita personal income are an indicator of economic well-being of the residents of an area.

Estimates of total and per capita personal income, beginning with 1969, are available for each of the 3,110 counties and county equivalents, the 335 metropolitan areas, and the 172 BEA economic areas in the United States. Estimates are released 17 months after the end of the year. Annual estimates for areas of earnings for 77 industries, employment for 14 major industries, transfer payments by major program, farm gross income and expenses by major category, and economic profiles are also available. In addition, 1-page narratives containing information on current estimates of personal income, growth rates, and a breakdown of the sources of personal income are available for each county, metropolitan area, and economic area.

The Bureau prepares regular analyses of the local area personal income estimates that accompany the release of new estimates and also periodically prepares and releases special data analyses on topics of particular interest. For example, special analyses have been used to define, and redefine as necessary, the geographic boundaries of the BEA economic areas.

Uses of the local area personal income estimates

The local area estimates of personal income and its components, of per capita personal income, and of employment are widely used by both the public and the private sectors to measure and to track the levels and the types of incomes that are received by the people who live or work in a county, metropolitan area, or BEA economic area. These estimates provide a framework for the analysis of each area's economy, and they serve as a basis for decision making. For example:

- Federal Government agencies use the estimates in econometric models, such as those used to project energy and water use.
- State governments use the estimates to measure the economic base of State planning areas. State and local governments also use the estimates in econometric models to project tax revenues and the need for public utilities and for services.
- Academic researchers use the estimates for theoretical and applied economic research.
- Businesses, trade associations, and labor organizations use the estimates for market research.
- The public and private sectors both use the estimates to prepare environmental impact statements required by the National Environmental Policy Act of 1969.

Availability

The annual local area personal income estimates, as well as regular and special analyses of the estimates, are published in the *SURVEY OF CURRENT BUSINESS*, the monthly journal of the Bureau. Examples of articles involving detailed analyses include:

- "Local Area Personal Income, 1998–2000," by Jeffrey L. Newman in the May 2002 *SURVEY*
- "Comprehensive Revision of Local Area Personal Income: Revised Estimates for 1969–97 and New Estimates for 1998," by Jeffrey L. Newman, et. al., in the July 2000 *SURVEY*

- “Manufacturing Earnings in BEA Component Economic Areas, 1996,” by G. Andrew Bernat, Jr. in the November 1998 SURVEY
- “Redefinition of the BEA Economic Areas,” by Kenneth P. Johnson in the February 1995 SURVEY

SURVEY articles for recent years are available on our Web site at <www.bea.gov>. In addition, the estimates and methodology are available in an interactively accessible database and in downloadable files on our Web site. The entire database and statement of the

sources and methods used to produce the estimates are presented annually on the “Regional Economic Information System” (REIS) CD-ROM.

For more information

Call the Regional Economic Information System (REIS) staff at 202-606-5360, or e-mail <reis.remd@bea.gov>. To purchase the REIS CD-ROM, call our Order Desk at 1-800-704-0415 (outside the United States, call 202-606-9666).

Table 1. Personal Income and Per Capita Personal Income by Metropolitan Area, 1998-2000-Continued

Table with two columns of data. Each column contains 17 sub-columns: Area name, Personal income (Millions of dollars, Percent change), Per capita personal income (Dollars, Rank in U.S.), Area name, Personal income (Millions of dollars, Percent change), and Per capita personal income (Dollars, Rank in U.S.). The table lists 250 metropolitan areas and their corresponding income and population data for 1998, 1999, and 2000, along with percentage changes and ranks.

1. Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 1998-2000 reflect county population estimates available as of April 2002. 2. Percent change calculated from unrounded data. 3. The personal income level shown for the United States is derived as the sum of the county estimates. It differs from the estimate of personal income in the national income and product accounts (NIPAs) because of differences in coverage in the methodologies used to prepare the estimates, and in the timing of the availability of source data. In particular, it

differs from the NIPA estimate because, by definition, it omits the earnings of Federal civilian and military personnel stationed abroad and of U.S. residents employed abroad temporarily by private U.S. firms. 4. Includes Metropolitan Statistical Areas, Primary Metropolitan Statistical Areas (PMSAs designated by *), and New England County Metropolitan Areas (NECMAs). The New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT NECA is presented as a PMSA (part of the New York CMSA). Source: Table 1 in "Local Area Personal Income, 1998-2000" in the May 2002 issue of the SURVEY OF CURRENT BUSINESS.

Gross State Product

The Bureau of Economic Analysis prepares annual estimates of gross state product (GSP) for all States and the District of Columbia. GSP is often considered the State counterpart of the Nation's gross domestic product (GDP), the Bureau's featured and most comprehensive measure of U.S. economic activity. GSP is the value added in production by the labor and property located in a State. In concept, it is the "value added" of all industries in a State and is equivalent to their gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus their intermediate inputs (consumption of goods and services purchased from other United States industries or imported). In practice, GSP estimates are measured as the sum of the distributions by industry and State of the components of gross domestic income—that is, the sum of the costs incurred and incomes earned in the production of GDP.

The Bureau prepares GSP estimates in millions of current and chained dollars by State for 63 industries, beginning with 1977 (table 1). For each industry, current-dollar GSP is composed of three components: Compensation of employees, indirect business tax and nontax liability, and property-type income.

GSP estimates are released 17 months after the end of the year and 6 months after the annual release of GDP by industry for the United States. The Bureau prepares regular analyses of the GSP estimates that accompany the release of new estimates.

Uses of the gross state product estimates

The GSP estimates are used widely in the public and private sectors to study economic trends for States and regions and are used by the Federal and State governments for a variety of administrative purposes. For

example:

- Federal Government agencies use the estimates as a basis for allocating funds and determining matching grants. They also use the estimates in econometric models, such as those used to project energy and water use.
- State governments use the estimates in econometric models to project tax revenues and the need for public services.
- Academic researchers use the estimates for theoretical and applied economic research.
- Businesses, trade associations, and labor organizations use the estimates for market research.

Availability

The annual GSP estimates and analyses of the estimates are published in the SURVEY OF CURRENT BUSINESS, the monthly journal of the Bureau. Examples of articles include:

- "Gross State Product by Industry, 1998–2000," by Sharon D. Panek and George K. Downey in the June 2002 SURVEY
- "Gross State Product by Industry, 1977–98," by Richard M. Beemiller and Clifford H. Woodruff III in the October 2000 SURVEY
- "Comprehensive Revision of Gross State Product by Industry, 1977–94," by Howard L. Friedenber and Richard M. Beemiller in the June 1997 SURVEY

SURVEY articles for recent years are available on our Web site at <www.bea.gov>. The estimates are available on our Web site in free, interactively accessible files.

For more information

Call the Gross State Product by Industry staff at 202–606–5340, or e-mail <gspread@bea.gov>.

Table 1. Industries for Which Gross State Product Estimates Are Available

	1987 SIC code		1987 SIC code
Private industries		Local and interurban passenger transit	41
		Trucking and warehousing.....	42
Agriculture, forestry, and fishing	A	Water transportation.....	44
Farms	01-02	Transportation by air.....	45
Agricultural services, forestry, and fishing.....	07-09	Pipelines, except natural gas	46
		Transportation services	47
Mining	B	Communications.....	48
Metal mining.....	10	Electric, gas, and sanitary services	49
Coal mining	12		
Oil and gas extraction.....	13	Wholesale trade	F
Nonmetallic minerals, except fuels	14		
Construction	C	Retail trade	G
Manufacturing	D		
Durable goods.....		Finance, insurance, and real estate	H
Lumber and wood products.....	24	Depository institutions	60
Furniture and fixtures.....	25	Nondepository institutions.....	61
Stone, clay, and glass products	32	Security and commodity brokers	62
Primary metal industries.....	33	Insurance carriers.....	63
Fabricated metal products.....	34	Insurance agents, brokers, and service.....	64
Industrial machinery and equipment.....	35	Real estate.....	65
Electronic and other electric equipment.....	36	Holding and other investment offices.....	67
Motor vehicles and equipment.....	371		
Other transportation equipment.....	372-79	Services	I
Instruments and related products.....	38	Hotels and other lodging places.....	70
Miscellaneous manufacturing industries.....	39	Personal services.....	72
		Business services.....	73
Nondurable goods.....		Auto repair, services, and parking	75
Food and kindred products	20	Miscellaneous repair services	76
Tobacco products.....	21	Motion pictures.....	78
Textile mill products.....	22	Amusement and recreation services	79
Apparel and other textile products.....	23	Health services.....	80
Paper and allied products	26	Legal services.....	81
Printing and publishing.....	27	Educational services.....	82
Chemicals and allied products	28	Social services.....	83
Petroleum and coal products.....	29	Membership organizations.....	86
Rubber and miscellaneous plastics products.....	30	Other services	84,87,89
Leather and leather products	31	Private households.....	88
Transportation and public utilities	E	Government	J
Transportation		Federal civilian.....	91-96
Railroad transportation	40	Federal military.....	97
		State and local.....	91-96

NOTE. The tables of gross domestic product (GDP) by industry for the Nation that were published in the November 2001 SURVEY OF CURRENT BUSINESS present estimates for all of the industries shown in this table except Federal civilian and Federal military. In addition, the GDP by industry tables present estimates for the following industries: Telephone and telegraph; radio and television; nonfarm housing services; other real estate; Federal general government; Federal government enterprises; State and local general government; and State and local

government enterprises.
SIC Standard Industrial Classification. See Executive Office of the President, Office of Management and Budget, *Standard Industrial Classification Manual 1987* (Washington, DC: U.S. Government Printing Office, 1987).

Regional Economic Multipliers

The Bureau of Economic Analysis prepares, on a reimbursable basis, estimates of economic multipliers for States, counties, and combinations thereof. The multipliers estimate the effects of the changes in the output of one or more industries in an area on the output, employment, and labor earnings in the other industries in that area. The multipliers are produced by BEA's Regional Input-Output Modeling System (RIMS II) using data on the local area personal income and the national input-output accounts. RIMS multipliers can be used to estimate not only total regional impacts but also the impacts on each of 38 industry aggregations (table 1).

Uses of the regional economic multipliers

The regional economic multipliers are widely used by both the public and private sectors to study economic impacts. For example:

- Several Federal Government agencies use the regional economic multipliers to study the local impact of government regulations on specific industries (EPA) and to assess the local economic impacts of Federal actions such as military base closings (DOD).
- State and local governments use the multipliers to estimate the regional economic impacts of government policies and projects and of events, such as firms locating within their State, or to assess the impacts of tourism.
- Businesses and private consultants use the multipliers to estimate the economic impacts of a wide range of projects, such as building a new sports facility or expanding an airport; of natural disasters,

such as Hurricane Andrew; or of special events, such as the 1996 Summer Olympics in Atlanta.

Information required from users

To effectively use the RIMS II multipliers for impact analyses, users must provide geographically and industrially detailed information on the initial changes in output, earnings, or employment that are associated with the project or special event under study. To provide this information, the user must answer five questions about the projects or event:

- What is the affected region?
- Which industries are initially affected?
- Is there more than one phase of the project or program?
- What are the initial changes in output, earnings, or employment?
- Should the initial changes be separated into production costs, transportation costs, and trade margins?

Availability

A more detailed description of the regional economic multipliers is available in *Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II)*, Third Edition (Washington DC: U.S. Government Printing Office, 1997). A version of this publication and other information about the multipliers are available on our Web site at <www.bea.gov>.

For more information

Call the Regional Input-Output Modeling System (RIMS) staff at 202-606-5343, or e-mail <rimsread@bea.gov>.

Table 1. RIMS II Industry Aggregations

Number	RIMS Industries	Input-Output Industries Included in Aggregation
Farm and agricultural services, forestry, and fishing:		
1	Farm products and agricultural, forestry, and fishing services	1.0100-2.0702, 4.0001-4.0002
2	Forestry and fishing products	3.0001-3.0002
Mining:		
3	Coal mining	7.0000
4	Oil and gas extraction	8.0001
5	Metal mining and nonmetallic minerals, except fuels	5.0001-6.0200, 9.0001-10.0000
Construction:		
6	Construction	11.0101-12.0300
Manufacturing:		
7	Food and kindred products and tobacco products	14.0101-15.0200
8	Textile mill products	16.0100-18.0300
9	Apparel and other textile products	18.0400-19.0306
10	Paper and allied products	24.0100-25.0000
11	Printing and publishing	26.0100-26.0806
12	Chemicals and allied products and petroleum and coal products	27.0100-31.0300
13	Rubber and miscellaneous plastic products and leather and leather products	32.0100-34.0305
14	Lumber and wood products and furniture and fixtures	20.0100-23.0700
15	Stone, clay, and glass products	35.0100-36.2200
16	Primary metal industries	37.0101-38.1400
17	Fabricated metal products	13.0200, 13.0500-13.0700, 39.0100-42.1100
18	Industrial machinery and equipment	43.0100-52.0500
19	Electronic and other electric equipment	53.0200-58.0700
20	Motor vehicles and equipment	59.0100-59.0302
21	Other transportation equipment	13.0100, 13.0300, 60.0100-61.0700
22	Instruments and related products	62.0101-63.0300
23	Miscellaneous manufacturing industries	64.0101-64.1200
Transportation and public utilities: 1		
24	Transportation	65.0100-65.0702, 78.0100
25	Communications	66.0100-67.0000
26	Electric, gas, and sanitary services	68.0100-68.0302, 78.0200
Wholesale and retail trade:		
27	Wholesale trade	69.0100
28	Retail trade	69.0200
Finance, insurance, and real estate:		
29	Depository and nondepository institutions and security and commodity brokers	70.0100-70.0300
30	Insurance	70.0400-70.0500
31	Real estate	71.0100-71.0202
Services:		
32	Hotels and other lodging places, amusement and recreation services, and motion pictures	72.0101-72.0102, 76.0101-76.0206
33	Personal services	72.0201-72.0300
34	Business services	73.0101-73.0303
35	Eating and drinking places	74.0000
36	Health services	77.0100-77.0305
37	Miscellaneous services	75.0001-75.0003, 77.0401-77.0900, 78.0500-79.0000
Households:		
38	Households	91.0000

1. Includes Federal government enterprises.

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.

BEA's economic statistics are available on BEA's Web site at <www.bea.gov>. The site contains data, articles, news releases, and other information from BEA's national, industry, international, and regional programs.

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

National Data

A. Selected NIPA tables [A, Q]	
S. Summary tables	D-2
1. National product and income	D-3
2. Personal income and outlays	D-7
3. Government current receipts and expenditures	D-8
4. Foreign transactions	D-12
5. Saving and investment	D-14
6. Income and employment by industry	D-17
7. Quantity and price indexes	D-18
8. Supplemental tables	D-25
B. Other NIPA and NIPA-related tables	
B.1 Personal income [A, M]	D-30
B.2 Disposition of personal income [A, M]	D-30
B.3 Gross domestic product by industry [A]	D-31
B.4 Personal consumption expenditures by type [A]	D-32
B.5 Private fixed investment in structures by type [A]	D-33
B.6 Private fixed investment in equipment and software by type [A]	D-33
B.7 Compensation and wage and salary accruals by industry [A]	D-34
B.8 Employment by industry [A]	D-35
B.9 Wage and salary accruals by employee and by industry [A]	D-36
B.10 Farm sector output, gross product, and national income [A]	D-37
B.11 Housing sector output, gross product, and national income [A]	D-37
B.12 Net stock of private fixed assets by type [A]	D-38
C. Historical measures	
C.1 GDP and other major NIPA aggregates	D-39
D. Domestic perspectives [A, Q, M]	D-42
E. Charts	
Selected NIPA series	D-44
Other indicators of the domestic economy	D-50

International Data

F. Transactions tables	
F.1 U.S. international transactions in goods and services [A, M]	D-52
F.2 U.S. international transactions [A, Q]	D-53
F.3 U.S. international transactions by area [Q]	D-54
F.4 Private services transactions [A]	D-57
G. Investment tables [A]	
G.1 U.S. international investment position	D-58
G.2 USDIA: Selected items	D-59
G.3 Selected financial and operating data of foreign affiliates of U.S. companies	D-60
G.4 FDIUS: Selected items	D-61
G.5 Selected financial and operating data of U.S. affiliates of foreign companies	D-62
H. International perspectives [A, Q, M]	D-63
I. Charts	
The United States in the international economy	D-64

Regional Data

J. State and regional tables	
J.1 Personal income [Q]	D-65
J.2 Personal income and per capita personal income [A]	D-66
J.3 Disposable personal income and per capita disposable personal income [A]	D-67
J.4 Gross state product [A]	D-68
K. Local area table	
K.1 Personal income and per capita personal income by metropolitan area [A]	D-69
L. Charts	
Selected regional estimates	D-71

Appendixes

A: Additional information about the NIPA estimates	
Statistical conventions	D-73
Reconciliation tables [A, Q]	D-74
B: Suggested reading	D-75

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 February 28, 2003, and include the “preliminary” estimates for the fourth 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 NIPA subscription products, 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	1.5
Durable goods.....	6.0	7.3	33.6	-6.3	2.0	22.8	-8.5
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	1.9
Gross private domestic investment.....	-10.7	1.0	-17.3	18.2	7.9	3.6	6.2
Fixed investment.....	-3.8	-3.1	-8.9	-5	-1.0	-3	4.5
Nonresidential.....	-5.2	-5.7	-10.9	-5.8	-2.4	-8	2.5
Structures.....	-1.7	-16.4	-30.1	-14.2	-17.6	-21.4	-9.8
Equipment and software	-6.4	-1.7	-2.5	-2.7	3.3	6.7	6.6
Residential.....	.3	3.9	-3.5	14.2	2.7	1.1	9.4
Change in private inventories							
Net exports of goods and services.....	-5.4	-1.5	-9.6	3.5	14.3	4.6	-4.4
Exports.....	-5.9	-3.6	-7.9	-3.4	15.9	4.1	-11.1
Goods.....	-4.0	3.5	-13.8	21.7	10.7	5.9	12.3
Services.....	-2.9	3.7	-5.3	8.5	22.2	3.3	7.2
Imports.....	-3.3	3.9	-3.3	3.7	27.9	3.4	6.1
Goods.....	-5	2.1	-16.5	35.7	-2.1	3.1	12.4
Services.....							
Government consumption expenditures and gross investment.....	3.7	4.4	10.5	5.6	1.4	2.9	4.9
Federal.....	4.8	7.5	13.5	7.4	7.5	4.3	11.2
National defense.....	5.0	9.3	14.3	11.6	7.8	6.9	11.4
Nondefense.....	4.5	4.3	12.1	.4	6.9	-3	10.8
State and local.....	3.1	2.9	8.9	4.6	-1.7	2.2	1.6
Addenda:							
Final sales of domestic product.....	1.5	1.8	4.2	2.4	-1	3.4	1.2
Gross domestic purchases..	.4	3.0	2.9	5.6	2.6	3.9	2.8
Final sales to domestic purchasers.....	1.6	2.4	4.3	3.0	1.3	3.3	2.5
Gross national product.....	.2		3.7	3.7	.4	4.4	
Disposable personal income	1.8	4.5	-7.6	14.5	3.9	3.1	2.7

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	1.03
Durable goods.....	.48	.59	2.45	-.55	.16	1.74	-.75
Nondurable goods.....	.39	.65	.73	1.57	-.02	.22	1.00
Services.....	.80	.91	.87	1.20	1.08	.97	.78
Gross private domestic investment.....	-1.90	.15	-2.88	2.53	1.16	.55	.92
Fixed investment.....	-.65	-.49	-1.49	-.07	-.15	-.03	.67
Nonresidential.....	-.66	-.66	-1.33	-.66	-.27	-.08	.27
Structures.....	-.05	-.52	-1.12	-.44	-.53	-.62	-.25
Equipment and software	-.61	-.14	-.21	-.22	.26	.53	.52
Residential.....	.01	.18	-.16	.60	.12	.05	.41
Change in private inventories	-1.24	.64	-1.39	2.60	1.31	.58	.24
Net exports of goods and services.....	-.18	-.67	-.28	-.75	-1.40	-.01	-1.42
Exports.....	-.59	-.15	-.99	-.33	1.29	.45	-.44
Goods.....	-.47	-.25	-.56	-.23	.99	.28	-.80
Services.....	-.13	.10	-.42	.56	.30	.17	.35
Imports.....	.42	-.52	.70	-1.08	-2.69	-.47	-.98
Goods.....	.40	-.45	.37	-.40	-2.74	-.40	-.70
Services.....	.01	-.07	.33	-.68	.05	-.07	-.28
Government consumption expenditures and gross investment.....	.65	.82	1.85	1.04	.27	.56	.91
Federal.....	.29	.48	.80	.47	.47	.29	.71
National defense.....	.19	.37	.54	.46	.32	.29	.47
Nondefense.....	.10	.10	.26	.01	.16	-.01	.24
State and local.....	.36	.35	1.05	.56	-.21	.27	.20

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	10,445.6	10,152.9	10,313.1	10,376.9	10,506.2	10,586.3
Personal consumption expenditures	6,987.0	7,301.9	7,099.9	7,174.2	7,254.7	7,360.7	7,417.8
Durable goods	835.9	871.7	882.6	859.0	856.9	897.8	873.2
Nondurable goods	2,041.3	2,115.0	2,044.4	2,085.1	2,108.2	2,116.9	2,149.6
Services	4,109.9	4,315.2	4,172.9	4,230.1	4,289.5	4,346.0	4,395.0
Gross private domestic investment	1,586.0	1,593.0	1,500.7	1,559.4	1,588.0	1,597.3	1,627.2
Fixed investment	1,646.3	1,589.3	1,597.2	1,589.4	1,584.6	1,579.7	1,603.7
Nonresidential	1,201.6	1,117.5	1,149.8	1,126.8	1,115.8	1,109.8	1,117.5
Structures	324.5	269.3	302.3	288.3	275.2	259.4	254.2
Equipment and software	877.1	848.2	847.4	838.5	840.7	850.4	863.3
Residential	444.8	471.8	447.4	462.6	468.7	469.9	486.2
Change in private inventories	-60.3	3.6	-96.5	-29.9	3.4	17.6	23.5
Net exports of goods and services	-348.9	-422.5	-344.5	-360.1	-425.6	-432.9	-471.3
Exports	1,034.1	1,015.8	971.1	977.5	1,018.1	1,038.6	1,028.9
Goods	733.5	703.7	687.7	679.8	709.4	722.6	703.2
Services	300.6	312.0	283.4	297.7	308.8	316.0	325.7
Imports	1,383.0	1,438.2	1,315.6	1,337.5	1,443.7	1,471.5	1,500.3
Goods	1,167.2	1,192.0	1,098.3	1,102.3	1,202.9	1,220.9	1,242.0
Services	215.8	246.2	217.3	235.2	240.8	250.6	258.3
Government consumption expenditures and gross investment	1,858.0	1,973.3	1,896.8	1,939.5	1,959.8	1,981.1	2,012.7
Federal	628.1	693.7	646.9	672.0	688.2	697.7	717.0
National defense	399.9	447.5	412.8	431.7	442.1	451.2	464.8
Nondefense	228.2	246.2	234.1	240.3	246.1	246.5	252.2
State and local	1,229.9	1,279.5	1,249.8	1,267.5	1,271.6	1,283.3	1,295.7

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	9,440.2	9,248.8	9,363.2	9,392.4	9,485.6	9,519.5
Personal consumption expenditures	6,377.2	6,575.1	6,464.0	6,513.8	6,542.4	6,609.9	6,634.1
Durable goods	931.9	999.7	992.0	975.9	980.7	1,032.4	1,009.7
Nondurable goods	1,869.8	1,929.4	1,885.0	1,921.4	1,920.9	1,925.8	1,949.7
Services	3,594.9	3,674.9	3,616.6	3,642.2	3,666.2	3,687.0	3,704.3
Gross private domestic investment	1,574.6	1,589.5	1,490.3	1,554.0	1,583.9	1,598.0	1,622.1
Fixed investment	1,627.4	1,577.4	1,578.4	1,576.4	1,572.6	1,571.6	1,589.2
Nonresidential	1,255.1	1,183.6	1,206.4	1,188.4	1,181.1	1,178.7	1,186.1
Structures	270.9	226.4	252.7	243.2	231.7	218.2	212.6
Equipment and software	988.2	971.3	960.3	953.7	961.4	977.2	992.8
Residential	373.5	388.2	371.0	383.6	386.1	387.1	395.9
Change in private inventories	-61.4	4.9	-98.4	-28.9	4.9	18.8	24.7
Net exports of goods and services	-415.9	-487.4	-425.3	-446.6	-487.4	-488.0	-527.6
Exports	1,076.1	1,059.8	1,021.8	1,030.6	1,065.5	1,077.7	1,065.5
Goods	785.2	757.1	744.6	738.1	765.8	773.5	751.1
Services	292.0	302.2	278.2	292.2	299.7	304.0	313.0
Imports	1,492.0	1,547.2	1,447.2	1,477.1	1,552.9	1,565.7	1,593.1
Goods	1,270.5	1,320.0	1,238.7	1,250.0	1,329.2	1,340.3	1,360.4
Services	222.4	227.1	208.9	225.5	224.3	226.0	232.7
Government consumption expenditures and gross investment	1,640.4	1,713.1	1,674.5	1,697.3	1,703.3	1,715.6	1,736.3
Federal	570.6	613.3	587.2	597.8	608.7	615.1	631.6
National defense	366.0	400.1	378.0	388.5	395.8	402.5	413.5
Nondefense	204.4	213.3	209.1	209.3	212.9	212.7	218.2
State and local	1,069.4	1,099.9	1,087.1	1,099.3	1,094.7	1,100.6	1,105.1
Residual	22.6	19.9	20.2	20.2	25.1	12.1	22.0

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 1.3. Gross Domestic Product by Major Type of Product
[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
Gross domestic product	10,082.2	10,445.6	10,152.9	10,313.1	10,376.9	10,506.2	10,586.3
Final sales of domestic product ..	10,142.5	10,442.0	10,249.4	10,343.0	10,373.5	10,488.7	10,562.8
Change in private inventories.....	-60.3	3.6	-96.5	-29.9	3.4	17.6	23.5
Goods	3,593.7	3,694.0	3,599.1	3,664.2	3,659.1	3,732.7	3,720.0
Final sales.....	3,654.0	3,690.4	3,695.5	3,694.1	3,655.7	3,715.2	3,696.5
Change in private inventories.....	-60.3	3.6	-96.5	-29.9	3.4	17.6	23.5
Durable goods.....	1,611.4	1,644.8	1,594.1	1,621.2	1,612.0	1,683.1	1,662.8
Final sales.....	1,676.4	1,643.8	1,689.1	1,641.5	1,616.8	1,678.3	1,638.6
Change in private inventories ¹	-65.0	1.0	-95.0	-20.3	-4.8	4.8	24.3
Nondurable goods.....	1,982.3	2,049.2	2,005.0	2,042.9	2,047.1	2,049.6	2,057.2
Final sales.....	1,977.6	2,046.6	2,006.4	2,052.6	2,038.9	2,036.9	2,057.9
Change in private inventories ¹	4.7	2.6	-1.5	-9.7	8.2	12.7	-8
Services	5,535.1	5,813.9	5,613.1	5,696.6	5,781.5	5,849.7	5,927.7
Structures	953.3	937.8	940.7	952.3	936.3	923.8	938.7
Addenda:							
Motor vehicle output	312.0	344.2	327.7	331.8	334.7	360.7	349.7
Gross domestic product less motor vehicle output.....	9,770.2	10,101.4	9,825.2	9,981.3	10,042.1	10,145.5	10,236.6

1. Estimates for durable goods and nondurable goods for 1997 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

NOTE: Percent changes from preceding period for gross domestic product and for final sales of domestic product are shown in table 8.1.

Table 1.5. Relation of Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers
[Billions of dollars]

Gross domestic product	10,082.2	10,445.6	10,152.9	10,313.1	10,376.9	10,506.2	10,586.3
Less: Exports of goods and services.....	1,034.1	1,015.8	971.1	977.5	1,018.1	1,038.6	1,028.9
Plus: Imports of goods and services.....	1,383.0	1,438.2	1,315.6	1,337.5	1,443.7	1,471.5	1,500.3
Equals: Gross domestic purchases	10,431.0	10,868.1	10,497.4	10,673.1	10,802.4	10,939.1	11,057.7
Less: Change in private inventories.....	-60.3	3.6	-96.5	-29.9	3.4	17.6	23.5
Equals: Final sales to domestic purchasers	10,491.4	10,864.5	10,593.9	10,703.1	10,799.0	10,921.5	11,034.2

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

Table 1.7. Gross Domestic Product by Sector
[Billions of dollars]

Gross domestic product	10,082.2	10,445.6	10,152.9	10,313.1	10,376.9	10,506.2	10,586.3
Business ¹	8,482.7	8,758.5	8,525.2	8,656.2	8,700.1	8,808.6	8,869.0
Nonfarm ²	8,402.1	8,679.6	8,443.7	8,567.6	8,631.5	8,731.3	8,787.8
Nonfarm less housing.....	7,571.1	7,813.7	7,601.5	7,712.8	7,757.5	7,862.0	7,922.4
Housing.....	831.1	865.9	842.1	854.8	874.1	869.2	865.4
Farm.....	80.6	78.9	81.6	88.6	68.6	77.4	81.2
Households and institutions	459.6	486.1	466.6	472.5	481.4	490.5	500.0
Private households.....	11.9	10.8	10.7	10.5	10.7	10.8	11.0
Nonprofit institutions.....	447.7	475.3	455.9	462.0	470.8	479.7	488.9
General government ³	1,139.8	1,201.0	1,161.1	1,184.4	1,195.3	1,207.1	1,217.4
Federal.....	332.8	355.6	334.3	350.1	354.1	357.7	360.4
State and local.....	807.0	845.5	826.8	834.3	841.3	849.3	857.0

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 as shown in table 3.7.

Table 1.4. Real Gross Domestic Product by Major Type of 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	9,440.2	9,248.8	9,363.2	9,392.4	9,485.6	9,519.5
Final sales of domestic product.....	9,258.4	9,424.9	9,324.9	9,379.4	9,377.9	9,457.2	9,485.3
Change in private inventories.....	-61.4	4.9	-98.4	-28.9	4.9	18.8	24.7
Residual.....	17.5	10.4	22.3	12.7	9.6	9.6	9.5
Goods	3,589.9	3,710.0	3,598.2	3,670.8	3,674.4	3,754.8	3,739.9
Final sales.....	3,643.3	3,697.8	3,686.8	3,693.4	3,663.0	3,728.1	3,706.7
Change in private inventories.....	-61.4	4.9	-98.4	-28.9	4.9	18.8	24.7
Durable goods.....	1,754.9	1,822.9	1,741.7	1,781.1	1,784.6	1,872.5	1,853.3
Final sales.....	1,823.9	1,819.5	1,843.8	1,801.6	1,787.6	1,864.6	1,824.0
Change in private inventories ¹	-67.9	1.3	-99.3	-20.3	-4.4	5.0	24.9
Nondurable goods.....	1,834.2	1,888.1	1,853.1	1,886.8	1,887.2	1,888.0	1,890.2
Final sales.....	1,825.6	1,879.9	1,849.1	1,890.7	1,874.5	1,870.2	1,884.3
Change in private inventories ¹	4.8	3.6	-8	-8.8	9.0	13.6	.6
Services	4,826.4	4,960.0	4,869.1	4,903.2	4,945.5	4,976.4	5,014.7
Structures	797.1	775.3	780.5	792.1	774.9	764.0	770.1
Residual.....	4.6	.6	6.4	4.7	5.3	-8.2	.9
Addenda:							
Motor vehicle output.....	315.9	356.6	332.6	340.5	347.2	375.7	363.0
Gross domestic product less motor vehicle output.....	8,896.6	9,085.2	8,915.7	9,022.6	9,045.9	9,113.8	9,158.6

1. Estimates for durable goods and nondurable goods for 1997 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).

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 following change in private inventories is the difference between gross domestic product and the sum of final sales of domestic product and of change in private inventories; the residual line following structures is the difference between gross domestic product and the sum of the detailed lines of goods, of services, and of structures.

Percent changes from preceding period for gross domestic product and for final sales of domestic product are shown in table 8.1.

Chain-type quantity indexes for the series in this table are shown in table 7.17.

Table 1.6. Relation of Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers
[Billions of chained (1996) dollars]

Gross domestic product	9,214.5	9,440.2	9,248.8	9,363.2	9,392.4	9,485.6	9,519.5
Less: Exports of goods and services.....	1,076.1	1,059.8	1,021.8	1,030.6	1,065.5	1,077.7	1,065.5
Plus: Imports of goods and services.....	1,492.0	1,547.2	1,447.2	1,477.1	1,552.9	1,565.7	1,593.1
Equals: Gross domestic purchases	9,600.7	9,889.1	9,645.3	9,778.2	9,840.8	9,934.7	10,002.8
Less: Change in private inventories.....	-61.4	4.9	-98.4	-28.9	4.9	18.8	24.7
Equals: Final sales to domestic purchasers	9,644.9	9,873.7	9,722.3	9,794.4	9,826.0	9,906.1	9,968.3

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 selected series in this table are shown in table 8.1.

Chain-type quantity indexes for selected series in this table are shown in table 7.2.

Table 1.8. Real Gross Domestic Product by Sector
[Billions of chained (1996) dollars]

Gross domestic product	9,214.5	9,440.2	9,248.8	9,363.2	9,392.4	9,485.6	9,519.5
Business ¹	7,838.3	8,033.0	7,859.4	7,966.9	7,989.2	8,075.1	8,101.0
Nonfarm ²	7,724.7	7,918.0	7,739.2	7,849.1	7,876.8	7,961.0	7,985.1
Nonfarm less housing.....	7,012.9	7,209.1	7,032.2	7,140.4	7,157.0	7,252.6	7,286.4
Housing.....	712.6	711.8	708.3	710.9	721.0	711.7	703.5
Farm.....	114.3	114.7	124.4	119.8	110.8	112.9	115.5
Households and institutions	398.7	407.4	401.0	403.4	406.4	409.0	411.8
Private households.....	10.1	8.8	9.0	8.7	8.8	8.9	9.0
Nonprofit institutions.....	388.7	398.9	392.0	394.8	397.7	400.3	402.9
General government ³	978.5	1,000.9	988.9	994.3	998.1	1,003.2	1,008.2
Federal.....	291.3	297.5	292.0	294.3	296.0	298.5	301.3
State and local.....	687.0	703.1	696.5	699.7	701.7	704.4	706.6
Residual.....	-2.4	-3.7	-5.6	-5.4	-6	-3.7	-5.7

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 as shown in table 3.8.

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.

Chain-type quantity indexes for the series in this table are shown in table 7.14.

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	10,445.6	10,152.9	10,313.1	10,376.9	10,506.2	10,586.3
<i>Plus: Income receipts from the rest of the world</i>	316.9		269.0	264.7	276.0	287.3	
<i>Less: Income payments to the rest of the world</i>	295.0		233.7	262.8	296.1	298.2	
Equals: Gross national product	10,104.1		10,188.1	10,314.9	10,356.8	10,495.3	
<i>Less: Consumption of fixed capital</i>	1,329.3	1,393.3	1,338.6	1,363.5	1,389.8	1,405.3	1,414.9
Private	1,106.8	1,163.8	1,114.4	1,136.9	1,161.2	1,174.8	1,182.3
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: Capital consumption adjustment</i>	61.6	156.2	217.5	187.0	160.8	143.1	133.7
Government	222.4	229.5	224.2	226.5	228.6	230.5	232.6
General government	187.7	195.0	190.4	192.5	194.1	195.7	197.5
Government enterprises	34.8	34.6	33.8	34.0	34.4	34.8	35.1
Equals: Net national product	8,774.8		8,849.5	8,951.5	8,967.0	9,090.0	
<i>Less: Indirect business tax and nontax liability</i>	774.8	800.4	779.9	786.2	795.1	806.9	813.5
Business transfer payments	42.5	44.2	42.8	43.8	43.9	44.4	44.5
Statistical discrepancy	-117.3		-132.6	-110.0	-165.0	-120.3	
<i>Plus: Subsidies less current surplus of government enterprises</i>	47.3	32.5	37.5	37.0	35.1	29.1	28.9
Equals: National income	8,122.0		8,196.8	8,268.5	8,328.0	8,388.1	
<i>Less: Corporate profits with inventory valuation and capital consumption adjustments</i>	731.6		811.4	797.6	785.0	771.0	
Net interest	649.8	682.7	653.9	672.8	678.1	687.6	692.4
Contributions for social insurance	726.1	749.6	725.8	740.4	746.1	752.5	759.5
Wage accruals less disbursements	.0	.0	.0	.0	.0	.0	.0
<i>Plus: Personal interest income</i>	1,091.3	1,077.2	1,072.9	1,069.9	1,082.3	1,080.7	1,076.1
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	1,283.3
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	8,947.2	8,700.9	8,803.4	8,914.0	8,993.3	9,077.8
Addenda:							
Gross domestic income	10,199.4		10,285.5	10,423.1	10,541.8	10,626.5	
Gross national income	10,221.4		10,320.7	10,424.9	10,521.8	10,615.6	
Net domestic product	8,752.9	9,052.3	8,814.3	8,949.6	8,987.0	9,101.0	9,171.5

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	9,440.2	9,248.8	9,363.2	9,392.4	9,485.6	9,519.5
<i>Plus: Income receipts from the rest of the world</i>	292.0		247.4	242.8	251.8	261.3	
<i>Less: Income payments to the rest of the world</i>	269.2		213.1	239.2	268.2	269.5	
Equals: Gross national product	9,237.3		9,283.5	9,367.5	9,376.7	9,477.9	
<i>Less: Consumption of fixed capital</i>	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	1,216.1
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		7,961.1	8,022.0	8,001.6	8,078.2	
Addenda:							
Gross domestic income ¹	9,321.7		9,369.5	9,463.1	9,541.7	9,594.2	
Gross national income ²	9,344.5		9,404.2	9,467.4	9,526.0	9,586.6	
Net domestic product	7,905.4	8,056.1	7,926.7	8,017.7	8,017.0	8,085.5	8,104.3

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		9,283.5	9,367.5	9,376.7	9,477.9	
<i>Less: Exports of goods and services and income receipts from the rest of the world</i>	1,366.5		1,264.7	1,268.0	1,311.9	1,334.2	
<i>Plus: Command-basis exports of goods and services and income receipts from the rest of the world</i>	1,410.0		1,314.9	1,321.2	1,345.6	1,365.6	
Equals: Command-basis gross national product	9,280.9		9,333.7	9,420.6	9,410.3	9,509.3	
Addendum:							
Terms of trade ²	103.2		104.0	104.2	102.6	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				
			2001	2002			
			IV	I	II	III	IV
National income	8,122.0		8,196.8	8,268.5	8,328.0	8,388.1	
Compensation of employees	5,874.9	5,998.4	5,860.9	5,908.4	5,963.9	6,026.6	6,094.5
Wage and salary accruals....	4,950.6	5,023.6	4,931.4	4,957.8	4,997.3	5,043.6	5,095.7
Government.....	810.8	852.8	825.2	840.4	848.4	857.1	865.5
Other	4,139.8	4,170.8	4,106.2	4,117.4	4,148.9	4,186.5	4,230.2
Supplements to wages and salaries.....	924.3	974.7	929.4	950.7	966.6	982.9	998.8
Employer contributions for social insurance.....	353.9	364.1	353.2	359.9	362.5	365.4	368.6
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	743.6	712.1	726.7	740.0	748.0	759.9
Proprietors' income.....	621.6	630.1	594.1	612.5	626.9	635.0	645.9
Inventory valuation adjustment.....	.9	-1.0	3.6	-2	-1.1	-1.7	-8
Capital consumption adjustment.....	86.3	114.5	114.3	114.4	114.2	114.6	114.8
Rental income of persons with capital consumption adjustment	137.9	142.8	139.3	141.3	153.5	144.1	132.4
Rental income of persons....	204.4	212.4	206.9	209.1	221.9	214.5	204.3
Capital consumption adjustment.....	-66.5	-69.6	-67.6	-67.8	-68.4	-70.3	-71.9
Corporate profits with inventory valuation and capital consumption adjustments	731.6		811.4	797.6	785.0	771.0	
Corporate profits with inventory valuation adjustment.....	675.1		626.3	641.3	652.2	653.4	
Profits before tax.....	670.2		599.1	639.4	657.9	668.5	
Profits tax liability	199.3		170.6	202.4	213.7	214.7	
Profits after tax	470.9		428.5	437.0	444.3	453.8	
Dividends	409.6	434.3	417.7	424.2	430.8	437.7	444.3
Undistributed profits	61.2		10.8	12.8	13.5	16.1	
Inventory valuation adjustment.....	5.0		27.2	1.9	-5.7	-15.1	
Capital consumption adjustment.....	56.5	129.2	185.1	156.3	132.8	117.6	110.0
Net interest	649.8	682.7	653.9	672.8	678.1	687.6	692.4
Addenda:							
Corporate profits after tax with inventory valuation and capital consumption adjustments.....	532.3		640.8	595.2	571.3	556.3	
Net cash flow with inventory valuation and capital consumption adjustments.....	911.8		1,015.6	979.3	966.7	954.7	
Undistributed profits with inventory valuation and capital consumption adjustments.....	122.7		223.0	171.0	140.5	118.6	
Consumption of fixed capital.....	789.1	827.4	792.6	808.3	826.1	836.1	839.1
Less: Inventory valuation adjustment.....	5.0		27.2	1.9	-5.7	-15.1	
Equals: Net cash flow	906.8		988.4	977.4	972.4	969.8	

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				
			2001	2002			
			IV	I	II	III	IV
			Billions of dollars				
Gross product of corporate business	6,117.5		6,153.4	6,249.2	6,320.3	6,366.9	
Consumption of fixed capital ..	789.1	827.4	792.6	808.3	826.1	836.1	839.1
Net product.....	5,328.4		5,360.8	5,440.9	5,494.1	5,530.8	
Indirect business tax and nontax liability plus business transfer payments less subsidies..	565.7	592.7	576.7	582.1	588.8	598.0	601.7
Domestic income.....	4,762.7		4,784.1	4,858.9	4,905.3	4,932.7	
Compensation of employees.....	3,945.6	4,003.6	3,921.6	3,941.7	3,979.5	4,022.4	4,070.9
Wage and salary accruals.....	3,378.6	3,404.1	3,351.4	3,360.6	3,386.5	3,416.9	3,452.5
Supplements to wages and salaries.....	567.0	599.5	570.2	581.1	593.1	605.5	618.4
Corporate profits with inventory valuation and capital consumption adjustments.....	580.9		646.7	665.6	669.9	654.9	
Profits before tax.....	519.4		434.4	507.4	542.9	552.4	
Profits tax liability	199.3		170.6	202.4	213.7	214.7	
Profits after tax	320.1		263.8	305.0	329.2	337.7	
Dividends	383.1		391.9	402.8	385.1	379.2	
Undistributed profits	-63.0		-128.1	-97.9	-56.0	-41.5	
Inventory valuation adjustment.....	5.0		27.2	1.9	-5.7	-15.1	
Capital consumption adjustment.....	56.5	129.2	185.1	156.3	132.8	117.6	110.0
Net interest.....	236.3		215.8	251.6	255.8	255.4	
Gross product of financial corporate business	763.3		761.8	825.5	831.3	833.8	
Gross product of nonfinancial corporate business	5,354.2		5,391.6	5,423.8	5,489.0	5,533.0	
Consumption of fixed capital ..	652.8	686.5	657.0	670.7	685.1	693.7	696.6
Net product.....	4,701.4		4,734.6	4,753.1	4,803.8	4,839.3	
Indirect business tax and nontax liability plus business transfer payments less subsidies..	523.7	549.1	534.3	539.3	545.6	554.2	557.5
Domestic income.....	4,177.7		4,200.3	4,213.9	4,258.2	4,285.2	
Compensation of employees.....	3,573.5	3,626.2	3,551.8	3,570.1	3,604.4	3,643.2	3,687.2
Wage and salary accruals.....	3,056.4	3,079.5	3,031.8	3,040.2	3,063.5	3,091.0	3,123.3
Supplements to wages and salaries.....	517.1	546.7	520.0	529.9	540.8	552.2	563.9
Corporate profits with inventory valuation and capital consumption adjustments.....	407.4		449.0	452.4	459.3	447.6	
Profits before tax.....	328.8		234.3	289.2	324.4	336.3	
Profits tax liability	123.5		94.0	119.8	130.8	133.4	
Profits after tax	205.3		140.3	169.5	193.6	202.9	
Dividends	278.5		285.2	293.1	280.2	275.9	
Undistributed profits	-73.2		-144.9	-123.6	-86.6	-73.0	
Inventory valuation adjustment.....	5.0		27.2	1.9	-5.7	-15.1	
Capital consumption adjustment.....	73.6	136.8	187.4	161.3	140.6	126.4	118.8
Net interest.....	196.8		199.5	191.4	194.6	194.3	
			Billions of chained (1996) dollars				
Gross product of nonfinancial corporate business ¹	5,141.8		5,189.3	5,231.3	5,298.7	5,348.0	
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		4,508.4	4,536.0	4,583.3	4,616.6	

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		2,986.1	2,865.7	2,876.7	2,881.5	
Personal tax and nontax receipts	1,292.1	1,118.1	1,309.7	1,136.8	1,121.8	1,107.3	1,106.4
Corporate profits tax accruals	199.3		170.6	202.4	213.7	214.7	
Indirect business tax and nontax accruals	774.8	800.4	779.9	786.2	795.1	806.9	813.5
Contributions for social insurance	726.1	749.6	725.8	740.4	746.1	752.5	759.5
Current expenditures	2,951.6	3,126.2	2,994.9	3,067.3	3,117.4	3,134.6	3,185.4
Consumption expenditures	1,522.2	1,621.0	1,551.8	1,584.0	1,611.6	1,629.4	1,658.9
Transfer payments (net)	1,146.6	1,267.2	1,186.3	1,240.2	1,258.3	1,272.8	1,297.4
To persons	1,137.0	1,252.9	1,171.0	1,217.4	1,247.7	1,263.1	1,283.3
To the rest of the world (net)	9.6	14.3	15.3	22.8	10.6	9.7	14.1
Net interest paid	236.0	206.0	219.9	206.6	212.8	203.8	200.7
Interest paid	341.1	314.1	326.1	312.7	319.5	312.2	311.8
To persons and business	260.4		250.2	238.7	244.9	239.4	
To the rest of the world	80.7		75.9	74.0	74.7	72.8	
Less: Interest received by government	105.1	108.1	106.2	106.2	106.7	108.4	111.2
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	28.9
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		-8.9	-201.6	-240.7	-253.1	
Social insurance funds	93.2	54.9	76.3	63.9	49.6	51.7	54.6
Other	-52.5		-85.1	-265.5	-290.3	-304.9	
Addenda:							
Net lending or net borrowing (-)	-46.9		-105.6	-305.6	-341.3	-350.0	
Current surplus or deficit (-), national income and product accounts	40.7		-8.9	-201.6	-240.7	-253.1	
Plus: Consumption of fixed capital	222.4	229.5	224.2	226.5	228.6	230.5	232.6
Plus: Capital transfers received (net)	35.4	32.9	34.7	35.8	29.7	35.7	30.4
Less: Gross investment	335.8	352.3	345.0	355.5	348.2	351.7	353.8
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		1,992.3	1,884.7	1,883.7	1,874.0	
Personal tax and nontax receipts.....	1,010.9	850.3	1,025.5	874.8	856.6	837.5	832.3
Income taxes.....	1,000.3	840.9	1,015.1	864.8	847.0	828.4	823.3
Nontaxes.....	10.6	9.4	10.4	10.0	9.6	9.1	9.0
Corporate profits tax accruals.....	170.2		142.9	170.5	180.2	181.1	
Federal Reserve banks.....	27.1		24.3	22.7	23.2	22.2	
Other.....	143.2		118.6	147.8	157.0	158.8	
Indirect business tax and nontax accruals.....	110.3	110.6	107.3	108.4	110.2	112.4	111.3
Excise taxes.....	66.3	69.5	64.9	68.4	69.9	69.8	70.2
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	740.2	716.6	731.1	736.7	743.0	750.0
Current expenditures	1,936.4	2,075.4	1,971.0	2,030.5	2,079.3	2,074.6	2,117.1
Consumption expenditures.....	528.4	586.5	543.6	566.3	581.0	589.8	608.8
Transfer payments (net).....	842.2	931.6	870.9	916.9	927.6	934.1	947.9
To persons.....	832.6	917.3	855.6	894.1	917.0	924.4	933.9
To the rest of the world (net).....	9.6	14.3	15.3	22.8	10.6	9.7	14.1
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	207.9	221.6	208.5	214.9	205.8	202.4
Interest paid.....	257.8	228.9	242.1	228.3	234.6	226.8	225.9
To persons and business.....	177.2		166.2	154.2	159.9	154.0	
To the rest of the world.....	80.7		75.9	74.0	74.7	72.8	
Less: Interest received by government.....	19.7	21.0	20.5	19.8	19.7	21.0	23.5
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	4.3
Less: Wage accruals less disbursements.....	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts..	72.0		21.3	-145.8	-195.6	-200.7	
Social insurance funds.....	93.3	55.1	76.4	64.1	49.7	51.8	54.7
Other.....	-21.3		-55.1	-209.9	-245.3	-252.5	
Addenda:							
Net lending or net borrowing (-).....	58.9		3.3	-169.5	-223.2	-223.7	
Current surplus or deficit (-), national income and product accounts.....	72.0		21.3	-145.8	-195.6	-200.7	
Plus: Consumption of fixed capital.....	98.7	101.9	99.7	100.6	101.3	102.2	103.5
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	108.2
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		1,283.2	1,273.3	1,302.5	1,312.6	
Personal tax and nontax receipts.....	281.2	267.8	284.3	262.0	265.3	269.9	274.0
Income taxes.....	218.7	201.9	220.5	197.4	199.9	203.7	206.9
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		27.7	32.0	33.5	33.7	
Indirect business tax and nontax accruals.....	664.4	689.9	672.5	677.8	684.9	694.5	702.3
Sales taxes.....	321.2	333.6	326.0	327.4	330.6	337.2	339.2
Property taxes.....	257.4	267.8	261.0	263.5	265.9	268.6	273.2
Other.....	85.8	88.4	85.6	86.9	88.3	88.7	89.8
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	1,356.5	1,313.3	1,329.1	1,347.6	1,365.0	1,384.2
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	-1.9	-1.8	-1.9	-2.0	-2.0	-1.8
Interest paid.....	83.3	85.2	84.0	84.5	84.9	85.4	85.9
Less: Interest received by government.....	85.4	87.1	85.7	86.4	87.0	87.4	87.7
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		-30.2	-55.8	-45.1	-52.5	
Social insurance funds.....	-1	-1	-2	-2	-1	-1	-1
Other.....	-31.2		-30.0	-55.6	-44.9	-52.4	
Addenda:							
Net lending or net borrowing (-).....	-105.8		-108.8	-136.1	-118.1	-126.3	
Current surplus or deficit (-), national income and product accounts.....	-31.3		-30.2	-55.8	-45.1	-52.5	
Plus: Consumption of fixed capital.....	123.7	127.6	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	245.1	241.7	249.7	241.1	243.8	245.6
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	1,973.3	1,896.8	1,939.5	1,959.8	1,981.1	2,012.7
Federal	628.1	693.7	646.9	672.0	688.2	697.7	717.0
National defense	399.9	447.5	412.8	431.7	442.1	451.2	464.8
Consumption							
expenditures	344.5	386.6	356.0	372.1	382.5	388.9	403.0
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	349.8	320.7	336.5	345.9	350.6	366.3
Compensation of general government employees, except own-account investment ³	143.7	154.3	143.9	152.7	155.0	155.8	153.8
Consumption of general government fixed capital ⁴	63.5	64.2	63.6	63.8	64.0	64.3	64.8
Other services	102.5	131.3	113.2	120.0	127.0	130.5	147.7
Gross investment	55.5	60.9	56.8	59.7	59.6	62.4	61.9
Structures	5.4	5.3	5.7	5.1	5.4	5.4	5.3
Equipment and software	50.0	55.6	51.1	54.6	54.2	57.0	56.6
Nondefense	228.2	246.2	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	1.5
Nondurable goods	8.7	9.4	8.2	8.6	10.1	9.4	9.5
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	194.8
Compensation of general government employees, except own-account investment ³	95.2	104.3	95.6	101.7	102.7	104.6	108.1
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	46.3
Structures	10.4	12.3	11.6	13.3	12.1	11.3	12.6
Equipment and software	33.8	34.0	35.0	32.8	35.4	34.3	33.7
State and local	1,229.9	1,279.5	1,249.8	1,267.5	1,271.6	1,283.3	1,295.7
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	743.9
Consumption of general government fixed capital ⁴	95.4	99.9	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	245.1	241.7	249.7	241.1	243.8	245.6
Structures	177.6	188.6	183.1	192.5	184.4	187.4	190.0
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	260.6	241.2	256.2	259.6	262.5	264.0
State and local ⁵	711.6	745.5	729.5	735.7	741.6	748.9	755.9

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	1,713.1	1,674.5	1,697.3	1,703.3	1,715.6	1,736.3
Federal	570.6	613.3	587.2	597.8	608.7	615.1	631.6
National defense	366.0	400.1	378.0	388.5	395.8	402.5	413.5
Consumption							
expenditures	308.9	337.0	319.1	326.7	333.9	338.0	349.3
Durable goods ²	24.3	25.3	24.2	24.8	24.9	26.4	25.3
Nondurable goods	9.9	11.4	11.3	11.5	11.7	11.6	10.8
Services	275.1	300.5	284.0	290.7	297.6	300.5	313.3
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	63.5	59.0	62.2	62.2	65.0	64.3
Structures	4.6	4.4	4.7	4.2	4.5	4.4	4.3
Equipment and software	53.0	59.6	54.6	58.5	58.2	61.1	60.6
Nondefense	204.4	213.3	209.1	209.3	212.9	212.7	218.2
Consumption							
expenditures	161.1	167.8	163.7	164.3	166.5	167.9	172.6
Durable goods ²	1.5	1.7	1.6	1.7	1.7	1.7	1.8
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	162.3
Compensation of general government employees, except own-account investment ³	79.0	80.7	79.0	79.4	79.2	80.4	83.7
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	45.8	45.9	45.4	47.0	45.1	45.9
Structures	8.9	10.4	9.9	11.3	10.2	9.5	10.6
Equipment and software	35.4	35.9	36.6	34.4	37.3	36.3	35.7
State and local	1,069.4	1,099.9	1,087.1	1,099.3	1,094.7	1,100.6	1,105.1
Consumption expenditures..	856.8	881.1	870.7	875.9	879.4	883.0	886.1
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	750.4	742.7	746.6	749.2	751.9	754.0
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	57.0
Gross investment	212.8	218.9	216.5	223.7	215.3	217.6	219.0
Structures	148.6	155.2	151.7	159.4	151.9	153.9	155.7
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	-6.7
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	611.4	607.0	609.1	610.3	612.2	613.8

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.

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.

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	447.5	412.8	431.7	442.1	451.2	464.8
Consumption expenditures	344.5	386.6	356.0	372.1	382.5	388.9	403.0
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	349.8	320.7	336.5	345.9	350.6	366.3
Compensation of general government employees, except own-account investment ³	143.7	154.3	143.9	152.7	155.0	155.8	153.8
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	52.3
Consumption of general government fixed capital ⁴	63.5	64.2	63.6	63.8	64.0	64.3	64.8
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	38.9
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	60.9	56.8	59.7	59.6	62.4	61.9
Structures	5.4	5.3	5.7	5.1	5.4	5.4	5.3
Equipment and software	50.0	55.6	51.1	54.6	54.2	57.0	56.6
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	2.7	2.0	2.1	2.8	3.0	3.0
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

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	400.1	378.0	388.5	395.8	402.5	413.5
Consumption expenditures	308.9	337.0	319.1	326.7	333.9	338.0	349.3
Durable goods²	24.3	25.3	24.2	24.8	24.9	26.4	25.3
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	300.5	284.0	290.7	297.6	300.5	313.3
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	39.8
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	15.9	12.2	13.9	14.9	16.6	17.9
Personnel support	23.4	28.6	24.8	26.3	27.6	29.4	31.1
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	63.5	59.0	62.2	62.2	65.0	64.3
Structures	4.6	4.4	4.7	4.2	4.5	4.4	4.3
Equipment and software	53.0	59.6	54.6	58.5	58.2	61.1	60.6
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	2.9	2.1	2.2	2.9	3.2	3.1
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	-1.4	-8	-1.3	-9	-1.5	-9
Addendum:							
Compensation of general government employees ³ ..	121.7	124.1	121.8	123.1	124.5	125.1	123.7

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.

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		1,240.0	1,242.2	1,294.1	1,325.9	
Exports of goods and services	1,034.1	1,015.8	971.1	977.5	1,018.1	1,038.6	1,028.9
Goods ¹	733.5	703.7	687.7	679.8	709.4	722.6	703.2
Durable	522.4	493.1	481.8	477.2	499.3	509.5	486.4
Nondurable	211.2	210.6	205.8	202.6	210.0	213.1	216.8
Services ¹	300.6	312.0	283.4	297.7	308.8	316.0	325.7
Income receipts	316.9		269.0	264.7	276.0	287.3	
Payments to the rest of the world	1,351.1		1,240.0	1,242.2	1,294.1	1,325.9	
Imports of goods and services	1,383.0	1,438.2	1,315.6	1,337.5	1,443.7	1,471.5	1,500.3
Goods ¹	1,167.2	1,192.0	1,098.3	1,102.3	1,202.9	1,220.9	1,242.0
Durable	754.4	771.0	721.0	732.4	781.6	783.8	786.3
Nondurable	412.8	421.0	377.3	369.9	421.3	437.2	455.7
Services ¹	215.8	246.2	217.3	235.2	240.8	250.6	258.3
Income payments	295.0		233.7	262.8	296.1	298.2	
Transfer payments (net)	49.8	55.7	54.6	63.5	51.5	51.8	56.0
From persons (net)	31.1	32.4	30.6	31.5	31.9	32.9	33.1
From government (net)	9.6	14.3	15.3	22.8	10.6	9.7	14.1
From business	9.1	9.1	8.8	9.2	9.0	9.2	8.9
Net foreign investment	-376.7		-363.9	-421.7	-497.2	-495.6	

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	1,059.8	1,021.8	1,030.6	1,065.5	1,077.7	1,065.5
Goods ¹	785.2	757.1	744.6	738.1	765.8	773.5	751.1
Durable	558.3	529.3	517.3	512.3	536.3	546.6	521.9
Nondurable	226.7	227.6	227.1	225.7	229.3	226.7	228.8
Services ¹	292.0	302.2	278.2	292.2	299.7	304.0	313.0
Income receipts	292.0		247.4	242.8	251.8	261.3	
Imports of goods and services	1,492.0	1,547.2	1,447.2	1,477.1	1,552.9	1,565.7	1,593.1
Goods ¹	1,270.5	1,320.0	1,238.7	1,250.0	1,329.2	1,340.3	1,360.4
Durable	865.6	901.4	838.2	856.0	912.5	915.5	921.5
Nondurable	402.3	415.4	397.1	391.5	414.3	421.7	434.4
Services ¹	222.4	227.1	208.9	225.5	224.3	226.0	232.7
Income payments	269.2		213.1	239.2	268.2	269.5	

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		1,614.4	1,603.2	1,604.0	1,573.7	
Gross private saving	1,399.3		1,399.0	1,578.3	1,616.1	1,596.4	
Personal saving	169.7	306.3	61.5	270.4	314.3	303.0	337.6
Undistributed corporate profits with inventory valuation and capital consumption adjustments	122.7		223.0	171.0	140.5	118.6	
Undistributed profits	61.2		10.8	12.8	13.5	16.1	
Inventory valuation adjustment	5.0		27.2	1.9	-5.7	-15.1	
Capital consumption adjustment	56.5	129.2	185.1	156.3	132.8	117.6	110.0
Corporate consumption of fixed capital	789.1	827.4	792.6	808.3	826.1	836.1	839.1
Noncorporate consumption of fixed capital	317.7	336.4	321.9	328.6	335.1	338.7	343.2
Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
Gross government saving	263.1		215.3	24.9	-12.1	-22.7	
Federal	170.7		121.1	-45.2	-94.3	-98.4	
Consumption of fixed capital	98.7	101.9	99.7	100.6	101.3	102.2	103.5
Current surplus or deficit (-), national income and product accounts	72.0		21.3	-145.8	-195.6	-200.7	
State and local	92.4		94.3	70.1	82.2	75.8	
Consumption of fixed capital	123.7	127.6	124.5	125.9	127.3	128.3	129.1
Current surplus or deficit (-), national income and product accounts	-31.3		-30.2	-55.8	-45.1	-52.5	
Gross investment	1,545.1		1,481.8	1,493.2	1,439.0	1,453.4	
Gross private domestic investment	1,586.0	1,593.0	1,500.7	1,559.4	1,588.0	1,597.3	1,627.2
Gross government investment	335.8	352.3	345.0	355.5	348.2	351.7	353.8
Net foreign investment	-376.7		-363.9	-421.7	-497.2	-495.6	
Statistical discrepancy	-117.3		-132.6	-110.0	-165.0	-120.3	
Addendum:							
Gross saving as a percentage of gross national product	16.5		15.8	15.5	15.5	15.0	

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	1,603.7
Nonresidential	1,201.6	1,117.5	1,149.8	1,126.8	1,115.8	1,109.8	1,117.5
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	53.0	54.4	56.3	53.9	51.5	50.3
Mining exploration, shafts, and wells	42.7	30.6	40.4	32.3	31.7	31.0	27.4
Other structures	10.5	6.5	7.2	7.3	7.3	5.8	5.6
Equipment and software	877.1	848.2	847.4	838.5	840.7	850.4	863.3
Information processing equipment and software	404.3	399.8	385.5	388.7	397.1	406.9	406.4
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	186.8
Other	149.8	142.7	137.3	139.6	143.3	143.8	144.2
Industrial equipment	159.0	152.1	149.8	153.4	150.5	153.3	151.4
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	151.0
Residential	444.8	471.8	447.4	462.6	468.7	469.9	486.2
Structures	435.4	462.3	438.0	453.0	459.2	460.4	476.6
Single family	232.1	246.9	234.3	241.1	244.3	245.3	256.8
Multifamily	30.7	33.6	31.8	34.2	34.2	33.4	32.6
Other structures	172.7	181.8	171.9	177.7	180.7	181.7	187.2
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	1,577.4	1,578.4	1,576.4	1,572.6	1,571.6	1,589.2
Nonresidential	1,255.1	1,183.6	1,206.4	1,188.4	1,181.1	1,178.7	1,186.1
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	137.9
Utilities	50.3	47.3	49.3	50.8	48.4	45.6	44.3
Mining exploration, shafts, and wells	34.0	29.2	34.8	30.2	30.3	29.9	26.5
Other structures	9.3	5.6	6.3	6.3	6.3	5.0	4.8
Equipment and software	988.2	971.3	960.3	953.7	961.4	977.2	992.8
Information processing equipment and software	548.5	563.2	531.8	540.4	557.0	575.2	580.0
Computers and peripheral equipment ¹	239.9	283.6	243.3	262.1	271.6	297.6	303.1
Software ²	182.0	185.8	180.6	179.0	184.3	189.4	190.4
Other	163.9	158.3	151.2	154.1	158.5	159.7	160.8
Industrial equipment	153.8	146.9	144.7	148.3	145.6	147.9	145.8
Transportation equipment	163.6	147.0	165.4	151.5	143.4	141.7	151.6
Other	140.7	139.4	136.2	134.6	140.1	140.3	142.6
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	200.4	191.3	197.2	198.4	199.8	206.2
Multifamily	24.4	26.3	25.1	27.0	26.8	26.2	25.2
Other structures	146.9	151.6	145.1	149.6	151.0	151.3	154.6
Equipment	9.5	9.7	9.6	9.7	9.7	9.7	9.8
Residual	-62.2	-99.3	-68.0	-81.1	-90.0	-111.6	-114.4

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; 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	3.6	-96.5	-29.9	3.4	17.6	23.5
Farm	1.6	.5	3.0	5.3	.4	-2.3	-1.4
Construction, mining, and utilities	7.6	-5	4.7	1.6	-1.1	-2.5	.1
Manufacturing	-35.9	-12.0	-39.6	-31.1	-14.2	-2.7	.2
Durable goods industries	-29.3	-11.5	-34.3	-25.4	-14.9	-10.2	4.7
Nondurable goods industries	-6.5	-5	-5.3	-5.8	.6	7.6	-4.5
Wholesale trade	-15.6	-3.7	-25.4	-19.5	-9.0	7.1	6.6
Durable goods industries	-19.7	-3.3	-26.6	-16.2	-7.4	6.1	4.2
Nondurable goods industries	4.0	-4	1.3	-3.3	-1.6	.9	2.4
Retail trade	-20.7	16.7	-41.5	13.8	22.2	15.6	15.3
Motor vehicle dealers	-15.5	10.5	-34.7	13.9	15.4	4.6	8.1
Food and beverage stores .....	.6	-1	1.3	-2.2	.1	1.7	-1
General merchandise stores	-5	1.2	-3.3	-4.5	.0	2.6	6.9
Other retail stores	-5.3	5.1	-4.7	6.7	6.8	6.6	.5
Other industries	2.7	2.5	2.3	.0	5.1	2.3	2.7
Addenda:							
Change in private inventories	-60.3	3.6	-96.5	-29.9	3.4	17.6	23.5
Durable goods industries	-65.0	1.0	-95.0	-20.3	-4.8	4.8	24.3
Nondurable goods industries	4.7	2.6	-1.5	-9.7	8.2	12.7	-8
Nonfarm industries	-61.9	3.1	-99.5	-35.3	3.0	19.8	24.9
Nonfarm change in book value ¹	-75.5	13.6	-133.4	-37.1	13.4	38.1	40.0
Nonfarm inventory valuation adjustment ²	13.6	-10.5	33.9	1.8	-10.4	-18.2	-15.1
Wholesale trade	-15.6	-3.7	-25.4	-19.5	-9.0	7.1	6.6
Merchant wholesale trade	-12.6	-4.1	-21.9	-16.2	-8.4	3.9	4.4
Durable goods industries	-16.8	-3.7	-23.2	-14.2	-7.1	3.8	2.6
Nondurable goods industries	4.2	-4	1.3	-2.1	-1.3	.1	1.8
Nonmerchant wholesale trade	-3.1	.4	-3.5	-3.3	-6	3.2	2.2

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	4.9	-98.4	-28.9	4.9	18.8	24.7
Farm	2.0	1.1	3.6	6.4	.8	-2.2	-8
Construction, mining, and utilities	6.4	-3	4.3	1.6	-1.0	-2.3	.4
Manufacturing	-36.2	-12.1	-40.2	-31.9	-14.1	-2.6	.2
Durable goods industries	-30.1	-11.6	-35.2	-25.9	-15.0	-10.3	4.7
Nondurable goods industries	-6.3	-5	-5.1	-6.0	.8	7.4	-4.3
Wholesale trade	-16.5	-3.4	-26.8	-19.8	-8.7	7.9	7.0
Durable goods industries	-21.8	-3.4	-29.9	-17.0	-7.7	6.5	4.4
Nondurable goods industries	4.3	-1	1.9	-3.2	-1.3	1.6	2.6
Retail trade	-20.3	16.5	-40.6	13.8	22.0	15.5	14.9
Motor vehicle dealers	-15.5	10.6	-34.8	14.0	15.6	4.7	8.2
Food and beverage stores .....	.5	-1	1.1	-2.0	.1	1.6	-1
General merchandise stores	-4	1.2	-3.2	-4.4	.0	2.6	6.6
Other retail stores	-5.2	5.1	-4.7	6.7	6.7	6.6	.5
Other industries	2.6	2.5	2.3	.0	5.0	2.3	2.6
Residual	2.1	.4	1.3	.9	.9	.3	-1
Addenda:							
Change in private inventories	-61.4	4.9	-98.4	-28.9	4.9	18.8	24.7
Durable goods industries	-67.9	1.3	-99.3	-20.3	-4.4	5.0	24.9
Nondurable goods industries	4.8	3.6	-8	-8.8	9.0	13.6	.6
Nonfarm industries	-63.2	3.8	-101.5	-35.1	4.2	20.8	25.3
Wholesale trade	-16.5	-3.4	-26.8	-19.8	-8.7	7.9	7.0
Merchant wholesale trade	-13.3	-3.8	-23.3	-16.4	-8.2	4.6	4.8
Durable goods industries	-18.7	-3.9	-26.1	-14.8	-7.5	4.0	2.7
Nondurable goods industries	4.5	.0	1.9	-2.0	-9	.8	2.0
Nonmerchant wholesale trade	-3.2	.3	-3.6	-3.4	-6	3.2	2.2

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	1,462.7
Farm.....	100.8	104.7	104.0	100.1	106.2
Construction, mining, and utilities.....	39.3	39.5	41.9	41.3	43.9
Manufacturing.....	451.9	447.0	445.7	447.9	448.9
Durable goods industries.....	282.0	275.8	273.2	270.2	271.3
Nondurable goods industries.....	170.0	171.2	172.5	177.7	177.6
Wholesale trade.....	337.3	334.5	335.1	341.2	342.4
Durable goods industries.....	198.5	194.5	193.6	195.1	196.1
Nondurable goods industries.....	138.8	140.0	141.6	146.1	146.3
Retail trade.....	388.9	392.4	398.0	402.3	406.2
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	65.3
Other retail stores.....	173.3	175.6	177.9	180.4	181.3
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	1,462.7
Durable goods industries.....	676.9	671.5	672.3	672.9	677.5
Nondurable goods industries.....	753.2	757.9	765.8	774.0	785.2
Nonfarm industries.....	1,329.4	1,324.7	1,334.1	1,346.8	1,356.5
Wholesale trade.....	337.3	334.5	335.1	341.2	342.4
Merchant wholesale trade.....	290.3	287.4	287.5	292.1	292.7
Durable goods industries.....	171.1	167.6	166.6	167.6	168.2
Nondurable goods industries.....	119.3	119.9	120.9	124.5	124.6
Nonmerchant wholesale trade.....	47.0	47.0	47.6	49.1	49.6
Final sales of domestic business ²	718.5	723.8	724.7	732.6	737.1
Final sales of goods and structures of domestic business ²	386.4	387.2	382.7	386.6	386.3
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	1,463.6
Farm.....	106.0	107.6	107.8	107.2	107.1
Construction, mining, and utilities.....	40.0	40.4	40.2	39.6	39.7
Manufacturing.....	459.6	451.7	448.1	447.5	447.5
Durable goods industries.....	286.7	280.3	276.5	273.9	275.1
Nondurable goods industries.....	172.8	171.3	171.5	173.3	172.3
Wholesale trade.....	357.6	352.6	350.4	352.4	354.2
Durable goods industries.....	217.3	213.1	211.2	212.8	213.9
Nondurable goods industries.....	139.2	138.4	138.1	138.5	139.1
Retail trade.....	381.3	384.7	390.2	394.1	397.8
Motor vehicle dealers.....	118.9	122.4	126.3	127.5	129.5
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	174.6
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	1,463.6
Durable goods industries.....	701.6	696.5	695.4	696.6	702.9
Nondurable goods industries.....	754.5	752.3	754.6	758.0	758.1
Nonfarm industries.....	1,351.8	1,343.1	1,344.1	1,349.3	1,355.6
Wholesale trade.....	357.6	352.6	350.4	352.4	354.2
Merchant wholesale trade.....	308.5	304.4	302.3	303.5	304.7
Durable goods industries.....	187.7	184.0	182.1	183.1	183.8
Nondurable goods industries.....	119.9	119.4	119.2	119.4	119.9
Nonmerchant wholesale trade.....	49.2	48.3	48.2	49.0	49.5
Final sales of domestic business ²	661.4	665.3	664.6	670.6	672.2
Final sales of goods and structures of domestic business ²	371.6	373.3	369.2	373.3	372.2
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		7,972.8	8,073.8	8,158.0	8,235.0	
Domestic industries	8,031.5		7,937.6	8,071.9	8,178.1	8,245.9	
Private industries	6,969.4		6,857.4	6,970.6	7,067.0	7,124.6	
Agriculture, forestry, and fishing	111.1		110.6	116.8	102.8	108.4	
Mining	69.5		60.8	58.2	57.5	57.5	
Construction	438.9		435.0	439.3	440.6	443.9	
Manufacturing	1,132.2		1,075.3	1,092.9	1,126.8	1,140.8	
Durable goods	640.5		597.0	610.3	634.2	641.3	
Nondurable goods	491.8		478.3	482.6	492.6	499.4	
Transportation and public utilities	529.9		496.1	508.5	514.3	513.7	
Transportation	236.6		226.0	231.0	233.8	238.0	
Communications	148.4		137.1	139.8	135.9	135.8	
Electric, gas, and sanitary services	144.9		132.9	137.6	144.6	139.9	
Wholesale trade	458.4		452.7	457.4	463.9	467.9	
Retail trade	686.1		686.1	695.2	705.5	706.3	
Finance, insurance, and real estate	1,571.1		1,578.9	1,613.2	1,649.0	1,652.8	
Services	1,972.0		1,961.8	1,989.1	2,006.6	2,033.3	
Government	1,062.1		1,080.2	1,101.4	1,111.1	1,121.3	
Rest of the world	21.9		35.2	1.9	-20.0	-10.9	

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		811.4	797.6	785.0	771.0	
Domestic industries	580.9		646.7	665.6	669.9	654.9	
Financial	173.5		197.8	213.2	210.7	207.3	
Nonfinancial	407.4		449.0	452.4	459.3	447.6	
Rest of the world	150.8		164.7	132.0	115.1	116.1	
Receipts from the rest of the world	172.4		156.1	161.4	173.4	185.9	
Less: Payments to the rest of the world	21.6		-8.5	29.4	58.3	69.7	
Corporate profits with inventory valuation adjustment	675.1		626.3	641.3	652.2	653.4	
Domestic industries	524.4		461.6	509.3	537.1	537.3	
Financial	190.6		200.1	218.2	218.5	216.1	
Federal Reserve banks	27.9		25.0	23.4	23.9	22.9	
Other	162.8		175.2	194.8	194.6	193.2	
Nonfinancial	333.7		261.5	291.1	318.6	321.2	
Manufacturing	83.4		50.9	68.9	91.9	100.5	
Durable goods	9.9		-14.9	2.5	17.8	22.8	
Primary metal industries	-1.6		-2.2	.5	.3	1.3	
Fabricated metal products	9.0		6.8	5.2	5.8	4.7	
Industrial machinery and equipment	-6		-7.5	-4.9	-2.9	-1	
Electronic and other electric equipment	-3.2		-8.4	-6.2	-9	4.0	
Motor vehicles and equipment	-9.4		-13.3	-11.8	-4.4	-6.6	
Other	15.7		9.7	19.7	20.0	19.5	
Nondurable goods	73.5		65.8	66.4	74.1	77.6	
Food and kindred products	16.6		18.3	18.9	19.2	21.0	
Chemicals and allied products	15.2		18.5	15.1	16.7	17.0	
Petroleum and coal products	25.7		19.4	14.1	15.4	17.4	
Other	16.0		9.5	18.3	22.8	22.3	
Transportation and public utilities	27.7		6.5	15.0	17.1	13.2	
Transportation	1.2		-5.1	-5	-1.7	-3	
Communications	-5.8		-11.2	-9.3	-12.7	-13.1	
Electric, gas, and sanitary services	32.2		22.7	24.8	31.4	26.5	
Wholesale trade	44.8		46.9	41.2	44.8	44.5	
Retail trade	79.1		80.5	81.4	86.0	82.5	
Other	98.8		76.7	84.6	78.9	80.6	
Rest of the world	150.8		164.7	132.0	115.1	116.1	

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

Table 7.6. Chain-Type Quantity and Price Indexes for Private Fixed Investment by Type

[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2001		2002		
			IV	I	II	III	IV
Chain-type quantity indexes							
Private fixed investment	134.20	130.08	130.16	129.99	129.68	129.60	131.04
Nonresidential	139.55	131.59	134.13	132.13	131.32	131.05	131.87
Structures	120.43	100.63	112.30	108.09	102.97	96.97	94.49
Nonresidential buildings, including farm.....	110.52	90.05	101.14	97.17	91.65	86.07	85.30
Utilities.....	139.52	131.19	136.88	141.04	134.15	126.53	123.03
Mining exploration, shafts, and wells.....	161.41	138.63	164.84	143.20	143.55	141.96	125.83
Other structures.....	149.20	90.20	101.33	101.75	100.97	80.03	78.04
Equipment and software	146.51	144.01	142.39	141.41	142.55	144.88	147.20
Information processing equipment and software.....	190.92	196.04	185.12	188.13	193.91	200.24	201.89
Computers and peripheral equipment ¹	338.61	400.27	343.30	369.90	383.36	420.05	427.79
Software ²	191.35	195.24	189.82	188.10	193.67	199.09	200.11
Other.....	135.16	130.50	124.66	127.03	130.74	131.65	132.57
Industrial equipment.....	112.69	107.66	106.02	108.69	106.71	108.38	106.86
Transportation equipment.....	117.80	105.86	119.08	109.04	103.23	102.02	109.13
Other.....	125.83	124.67	121.77	120.36	125.33	125.47	127.52
Residential	119.22	123.92	118.44	122.44	123.25	123.59	126.39
Structures	119.12	123.84	118.30	122.35	123.17	123.51	126.35
Single family.....	121.05	125.94	120.22	123.91	124.70	125.53	129.62
Multi-family.....	120.21	129.55	123.31	132.84	131.98	129.14	124.22
Other structures.....	116.48	120.19	114.98	118.56	119.71	119.95	122.53
Equipment	123.67	127.22	125.10	126.36	127.32	127.23	127.98
Chain-type price indexes							
Private fixed investment	101.16	100.75	101.19	100.82	100.76	100.52	100.91
Nonresidential	95.73	94.43	95.31	94.82	94.48	94.17	94.23
Structures	119.76	118.95	119.66	118.56	118.77	118.89	119.57
Nonresidential buildings, including farm.....	121.05	123.05	122.47	122.43	122.97	122.92	123.86
Utilities.....	109.45	112.12	110.23	110.68	111.50	112.82	113.46
Mining exploration, shafts, and wells.....	125.45	104.43	116.10	106.93	104.41	103.41	102.98
Other structures.....	113.16	116.02	113.89	115.35	115.93	116.35	116.47
Equipment and software	88.76	87.35	88.26	87.93	87.46	87.04	86.97
Information processing equipment and software.....	73.72	71.04	72.52	71.96	71.31	70.76	70.11
Computers and peripheral equipment ¹	30.91	26.26	28.53	27.48	26.84	25.84	24.90
Software ²	99.10	98.42	99.05	98.99	98.24	98.34	98.13
Other.....	91.37	90.23	90.86	90.68	90.39	90.10	89.76
Industrial equipment.....	103.40	103.56	103.54	103.42	103.33	103.67	103.82
Transportation equipment.....	101.32	101.23	101.78	101.73	101.25	100.03	101.92
Other.....	105.16	105.75	105.60	105.70	105.58	105.84	105.86
Residential	119.09	121.54	120.60	120.61	121.40	121.38	122.78
Structures	119.61	122.13	121.16	121.16	121.98	121.98	123.41
Single family.....	120.50	123.17	122.47	122.30	123.10	122.80	124.50
Multi-family.....	125.60	127.71	126.98	126.81	127.64	127.33	129.09
Other structures.....	117.49	119.88	118.49	118.76	119.62	120.04	121.08
Equipment	98.50	98.17	98.50	98.66	98.14	97.91	97.97

1. Includes new computers and peripheral equipment only.

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

Table 7.9. Chain-Type Quantity and Price Indexes for Exports and Imports of Goods and Services and for Receipts and Payments of Income

[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2001		2002		
			IV	I	II	III	IV
Chain-type quantity indexes							
Exports of goods and services	123.10	121.24	116.89	117.89	121.89	123.28	121.89
Goods ¹	126.97	122.43	120.40	119.36	123.84	125.08	121.45
Durable.....	132.39	125.52	122.68	121.50	127.18	129.63	123.77
Nondurable.....	115.23	115.71	115.45	114.72	116.56	115.23	116.31
Services ¹	114.18	118.16	108.77	114.24	117.18	118.87	122.37
Imports of goods and services	118.90	100.73	100.73	98.87	102.55	106.41	.....
Imports of goods and services	154.91	160.64	150.26	153.37	161.24	162.56	165.41
Goods ¹	157.18	163.30	153.24	154.63	164.44	165.81	168.30
Durable.....	162.31	169.02	157.17	160.51	171.12	171.66	172.79
Nondurable.....	146.27	151.04	144.37	142.32	150.62	153.30	157.92
Services ¹	143.71	146.74	134.98	145.69	144.92	146.02	150.33
Income receipts	118.35	.....	93.68	105.14	117.90	118.46	.....
Chain-type price indexes							
Exports of goods and services	96.10	95.87	95.06	94.88	95.58	96.41	96.60
Goods ¹	93.42	92.98	92.39	92.14	92.67	93.45	93.66
Durable.....	93.56	93.19	93.16	93.17	93.13	93.23	93.22
Nondurable.....	93.17	92.54	90.64	89.78	91.61	94.02	94.75
Services ¹	102.94	103.25	101.89	101.90	103.04	103.97	104.10
Income receipts	108.55	.....	108.73	109.02	109.61	109.95	.....
Imports of goods and services	92.70	92.98	90.97	90.61	93.03	94.05	94.24
Goods ¹	91.87	90.32	88.71	88.24	90.55	91.15	91.35
Durable.....	87.16	85.57	86.05	85.60	85.67	85.65	85.36
Nondurable.....	102.59	101.23	95.04	94.52	101.73	103.71	104.96
Services ¹	97.03	108.44	104.08	104.37	107.43	110.92	111.05
Income payments	109.57	.....	109.66	109.86	110.36	110.64	.....

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 7.11. Chain-Type Quantity and Price Indexes for Government Consumption Expenditures and Gross Investment by Type

[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted					2001	2002	Seasonally adjusted						
			2001	2002						2001	2002	2001	2002			
				IV	I	II	III						IV	IV	I	II	III	IV
	Chain-type quantity indexes						Chain-type price indexes									
Government consumption expenditures and gross investment¹	115.36	120.48	117.76	119.37	119.79	120.65	122.11	113.27	115.18	113.27	114.27	115.06	115.47	115.92		
Federal	107.33	115.38	110.46	112.46	114.50	115.71	118.82	110.09	113.11	110.18	112.42	113.07	113.44	113.51		
National defense	102.51	112.06	105.87	108.82	110.87	112.74	115.82	109.27	111.85	109.21	111.14	111.71	112.12	112.41		
Consumption expenditures	102.17	111.45	105.55	108.05	110.42	111.80	115.53	111.50	114.71	111.55	113.89	114.56	115.04	115.35		
Durable goods ²	116.02	120.88	115.45	118.29	118.91	125.79	120.55	99.37	99.68	99.31	99.52	99.72	99.65	99.83		
Nondurable goods	129.00	148.43	147.67	149.88	152.03	151.30	140.49	106.08	100.69	99.09	94.31	99.84	103.19	105.42		
Services	100.50	109.79	103.74	106.22	108.71	109.77	114.45	112.61	116.40	112.95	115.74	116.26	116.67	116.93		
Compensation of general government employees, except own-account investment ³	91.09	92.71	91.13	91.99	93.03	93.44	92.40	118.58	125.09	118.68	124.71	125.19	125.33	125.13		
Consumption of general government fixed capital ⁴	99.03	99.35	99.01	99.06	99.22	99.42	99.70	101.84	102.60	101.89	102.30	102.37	102.60	103.13		
Other services	118.09	148.00	129.50	136.73	143.65	146.55	165.05	111.79	114.20	112.61	113.04	113.84	114.66	115.25		
Gross investment	104.87	116.14	108.08	113.93	113.83	119.04	117.77	96.77	95.96	96.11	95.88	95.89	95.95	96.13		
Structures	68.01	65.04	70.49	63.21	66.47	66.30	64.19	118.80	121.70	119.97	120.94	121.56	121.89	122.42		
Equipment and software	110.58	124.30	113.87	122.04	121.32	127.46	126.36	94.40	93.29	93.58	93.26	93.23	93.27	93.42		
Nondefense	117.10	122.17	119.78	119.91	121.93	121.83	125.01	111.64	115.46	111.99	114.79	115.61	115.89	115.55		
Consumption expenditures	112.76	117.43	114.55	114.99	116.48	117.48	120.76	114.18	119.12	114.58	118.21	119.31	119.70	119.29		
Durable goods ²																
Nondurable goods																
Commodity Credit Corporation inventory change																
Other nondurables	111.07	132.69	119.91	127.22	135.70	129.39	138.44	108.99	110.94	105.96	106.60	111.34	113.42	112.40		
Services	111.72	116.18	113.74	113.95	114.83	116.35	119.59	114.75	119.92	115.30	119.16	120.07	120.42	120.05		
Compensation of general government employees, except own-account investment ³	103.40	105.65	103.41	103.95	103.75	105.28	109.63	120.51	129.23	121.05	128.03	129.63	130.11	129.13		
Consumption of general government fixed capital ⁴	155.81	167.02	159.86	162.56	165.47	168.46	171.61	102.45	102.48	102.71	102.68	102.44	102.34	102.45		
Other services	109.87	116.05	115.13	113.63	115.97	116.86	117.74	110.27	112.56	110.99	111.93	112.39	112.79	113.14		
Gross investment	137.77	144.68	144.89	143.43	148.22	142.28	144.78	101.39	101.15	101.55	101.39	101.18	101.04	101.00		
Structures	80.33	93.17	88.85	101.08	91.85	84.94	94.81	116.73	118.72	117.67	117.97	118.42	118.91	119.59		
Equipment and software	172.20	174.96	178.17	167.59	181.69	176.60	173.98	95.58	94.74	95.55	95.26	94.85	94.54	94.30		
State and local	120.11	123.54	122.09	123.47	122.95	123.62	124.12	115.01	116.33	114.97	115.29	116.17	116.60	117.25		
Consumption expenditures	117.93	121.28	119.84	120.56	121.04	121.54	121.97	115.99	117.40	115.79	116.19	117.19	117.72	118.50		
Durable goods ²	139.80	147.53	143.12	145.10	146.72	148.34	149.97	100.11	100.57	100.29	100.58	100.67	100.55	100.48		
Nondurable goods	136.09	141.40	138.57	139.93	140.90	141.89	142.89	109.20	107.14	102.88	103.13	106.74	108.10	110.61		
Services	115.40	118.45	117.22	117.84	118.25	118.68	119.02	117.18	119.13	117.89	118.31	118.94	119.36	119.90		
Compensation of general government employees, except own-account investment ³	108.72	110.96	110.19	110.53	110.79	111.13	111.40	118.80	121.95	120.18	120.79	121.53	122.33	123.16		
Consumption of general government fixed capital ⁴	129.92	135.67	132.15	133.88	135.17	136.31	137.31	107.64	107.97	107.92	107.94	108.04	107.99	107.90		
Other services	231.02	246.55	240.18	245.08	246.56	247.35	247.21	114.44	105.94	108.42	107.45	107.86	104.98	103.48		
Gross investment	129.86	133.63	132.17	136.57	131.41	132.83	133.70	111.00	111.94	111.60	111.62	111.97	112.02	112.15		
Structures	121.33	126.72	123.86	130.10	123.97	129.67	127.14	119.49	121.51	120.67	120.81	121.47	121.74	122.03		
Equipment and software	159.28	156.25	160.55	157.30	156.32	156.51	154.87	88.96	87.41	88.28	88.02	87.62	87.14	86.87		
Addenda:								Addenda:								
Compensation of general government employees ⁵	105.41	107.58	106.48	106.98	107.30	107.79	108.27	118.94	123.15	120.04	122.10	122.88	123.56	124.04		
Federal	95.56	97.47	95.59	96.38	96.94	97.80	98.76	119.30	126.69	119.58	125.98	126.91	127.19	126.67		
State and local ⁵	109.21	111.48	110.69	111.06	111.29	111.63	111.92	118.80	121.96	120.19	120.80	121.53	122.34	123.16		

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	121.84
Business ¹	119.56	122.53	119.88	121.52	121.86	123.17	123.57
Nonfarm ²	119.51	122.50	119.73	121.43	121.86	123.16	123.54
Nonfarm less housing	120.48	123.85	120.81	122.67	122.95	124.60	125.18
Housing	110.86	110.73	110.18	110.59	112.17	110.72	109.44
Farm	124.00	124.46	134.98	129.90	120.17	122.49	125.29
Households and institutions	114.39	116.96	115.04	115.74	116.59	117.35	118.14
Private households	84.25	73.60	75.03	72.41	73.19	73.92	74.88
Nonprofit institutions	115.49	118.53	116.49	117.31	118.17	118.93	119.71
General government ³	107.69	110.16	108.83	109.42	109.84	110.41	110.96
Federal	99.77	101.90	100.02	100.78	101.39	102.24	103.19
State and local	111.40	114.02	112.95	113.46	113.79	114.22	114.58
Chain-type price indexes							
Gross domestic product	109.42	110.65	109.78	110.14	110.48	110.76	111.21
Business ¹	108.23	109.03	108.47	108.65	108.89	109.08	109.48
Nonfarm ²	108.78	109.62	109.11	109.16	109.59	109.68	110.06
Nonfarm less housing	107.97	108.39	108.11	108.02	108.39	108.41	108.73
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	120.75
Federal	114.23	119.50	114.47	118.97	119.60	119.83	119.60
State and local	117.47	120.26	118.71	119.25	119.90	120.59	121.30

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		1.039	1.037	1.036	1.035	
Compensation of employees (unit labor cost)	.695		.684	.682	.680	.681	
Unit nonlabor cost	.267		.268	.268	.269	.270	
Consumption of fixed capital	.127		.127	.128	.129	.130	
Indirect business tax and nontax liability plus business transfer payments less subsidies	.102		.103	.103	.103	.104	
Net interest	.038		.038	.037	.037	.036	
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production)	.079		.087	.086	.087	.084	
Profits tax liability	.024		.018	.023	.025	.025	
Profits after tax with inventory valuation and capital consumption adjustments	.055		.068	.064	.062	.059	

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	99.23
Construction, mining, and utilities	98.19	97.69	104.47	104.34	110.56
Manufacturing	98.32	98.96	99.45	100.10	100.31
Durable goods industries	98.34	98.41	98.81	98.65	98.62
Nondurable goods industries	98.36	99.93	100.57	102.52	103.10
Wholesale trade	94.34	94.85	95.62	96.80	96.67
Durable goods industries	91.33	91.26	91.66	91.68	91.68
Nondurable goods industries	99.73	101.16	102.50	105.46	105.12
Retail trade	102.00	102.00	101.98	102.08	102.09
Motor vehicle dealers	99.48	98.93	98.59	98.17	97.32
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	96.40
Nondurable goods industries	99.82	100.74	101.49	102.12	103.57
Nonfarm industries	98.34	98.63	99.25	99.81	100.06
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	91.52
Nondurable goods industries	99.45	100.39	101.44	104.27	103.89
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	121.84
Final sales of domestic product	118.95	121.09	119.81	120.51	120.49	121.51	121.87
Change in private inventories							
Goods	121.64	125.71	121.92	124.38	124.50	127.23	126.72
Final sales	124.71	126.58	126.21	126.43	125.39	127.62	126.89
Change in private inventories							
Durable goods	129.90	134.93	128.92	131.84	132.10	138.60	137.19
Final sales	136.94	136.61	138.44	135.27	134.22	140.00	136.95
Change in private inventories							
Nondurable goods	114.62	117.98	115.79	117.90	117.93	117.98	118.11
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	119.66
Structures	118.80	115.56	116.33	118.06	115.51	113.88	114.79
Addenda:							
Motor vehicle output	114.63	129.38	120.66	123.54	125.97	136.32	131.69
Gross domestic product less motor vehicle output	118.03	120.53	118.28	119.70	120.01	120.91	121.51

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	129.38	120.66	123.54	125.97	136.32	131.69
Auto output	89.86	94.17	92.77	95.00	93.02	97.86	90.80
Truck output ¹	135.17	158.43	143.75	147.17	153.18	168.04	165.32
Final sales of domestic product.....	119.40	122.50	132.37	117.53	115.98	131.99	124.50
Personal consumption expenditures.....	143.85	152.41	161.11	146.80	146.73	164.00	152.11
New motor vehicles	152.65	164.19	178.16	159.22	156.46	179.76	161.33
Autos	131.93	130.12	145.74	130.40	129.18	138.70	122.19
Light trucks.....	177.01	204.20	216.21	193.06	188.48	227.97	207.29
Net purchases of used autos.....	117.43	117.37	110.58	109.88	117.67	117.26	124.68
Private fixed investment ...	106.83	103.04	104.88	95.86	100.72	106.73	108.85
New motor vehicles	106.87	104.26	103.77	96.41	102.26	107.74	110.64
Autos	95.08	92.02	88.51	84.78	90.77	95.56	96.97
Trucks	118.27	116.08	118.41	107.62	113.36	119.50	123.82
Light trucks	137.74	135.75	140.85	126.81	132.07	136.71	147.40
Other	82.30	79.70	77.15	72.21	78.64	87.11	80.82
Net purchases of used autos.....	106.65	108.39	99.52	98.10	107.53	111.10	116.85
Gross government investment.....	126.36	122.96	131.08	125.94	117.17	115.74	132.98
Autos	97.37	97.51	102.43	101.19	92.55	87.91	108.40
New trucks	142.63	137.21	147.13	139.76	130.97	131.45	146.66
Net exports	92.55	104.05	95.81	94.07	102.26	109.72	110.14
Exports	101.19	115.48	107.12	104.95	116.09	121.85	119.03
Autos	77.15	83.63	75.64	74.65	77.57	88.05	94.25
Trucks	153.19	161.43	150.61	150.99	164.52	164.33	165.88
Imports	157.44	167.41	152.16	155.00	171.40	171.52	171.69
Autos	132.92	132.99	142.97	131.76	131.82	130.20	138.19
Trucks							
Change in private inventories							
Autos.....							
New							
Domestic							
Foreign.....							
Used							
New trucks.....							
Domestic							
Foreign							
Addenda:							
Final sales of motor vehicles to domestic purchasers ...	129.80	133.50	139.68	127.60	129.04	141.60	135.77
Private fixed investment in new autos and new light trucks	112.41	109.80	109.79	101.87	107.57	112.31	117.45
Domestic output of new autos ²	92.85	98.80	92.11	96.57	101.17	104.43	93.05
Sales of imported new autos ³	152.80	157.88	159.00	151.28	153.87	166.84	159.52

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	1.03
Durable goods.....	.48	.59	2.45	-.55	.16	1.74	-.75
Motor vehicles and parts.....	.24	.20	1.88	-1.18	-.03	1.46	-.94
Furniture and household equipment.....	.19	.29	.42	.43	.20	.18	.17
Other.....	.06	.10	.15	.20	.00	.11	.02
Nondurable goods.....	.39	.65	.73	1.57	-.02	.22	1.00
Food.....	.09	.17	.13	.65	-.09	-.05	.58
Clothing and shoes.....	.08	.18	.28	.40	-.03	.01	.21
Gasoline, fuel oil, and other energy goods.....	.02	.07	.07	.16	-.03	.05	.04
Other.....	.21	.23	.25	.37	.13	.22	.17
Services.....	.80	.91	.87	1.20	1.08	.97	.78
Housing.....	.17	.17	.12	.22	.21	.18	.17
Household operation.....	.05	.01	-.18	.15	.06	.07	.07
Electricity and gas.....	-.03	.01	-.10	.14	.01	.09	.16
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	.15
Other.....	.09	.23	.38	.30	.26	.29	.03
Gross private domestic investment.....	-1.90	.15	-2.88	2.53	1.16	.55	.92
Fixed investment.....	-.65	-.49	-1.49	-.07	-.15	-.03	.67
Nonresidential.....	-.66	-.66	-1.33	-.66	-.27	-.08	.27
Structures.....	-.05	-.52	-1.12	-.44	-.53	-.62	-.25
Equipment and software.....	-.61	-.14	-.21	-.22	.26	.53	.52
Information processing equipment and software.....	-.26	.10	-.05	.25	.46	.50	.13
Computers and peripheral equipment.....	-.02	.11	.22	.21	.10	.26	.05
Software ¹	-.02	.04	.01	-.06	.20	.20	.04
Other.....	-.22	-.05	-.27	.10	.16	.04	.04
Industrial equipment.....	-.07	-.07	-.18	.15	-.11	.09	-.08
Transportation equipment.....	-.23	-.16	.22	-.56	-.32	-.06	.38
Other.....	-.04	-.01	-.20	-.06	.23	.01	.09
Residential.....	.01	.18	-.16	.60	.12	.05	.41
Change in private inventories.....	-1.24	.64	-1.39	2.60	1.31	.58	.24
Farm.....	.04	-.01	.05	.09	-.20	-.10	.05
Nonfarm.....	-1.28	.65	-1.43	2.51	1.51	.68	.20
Net exports of goods and services.....	-.18	-.67	-.28	-.75	-1.40	-.01	-1.42
Exports.....	-.59	-.15	-.99	.33	1.29	.45	-.44
Goods.....	-.47	-.25	-.56	-.23	.99	.28	-.80
Services.....	-.13	.10	-.42	.56	.30	.17	.35
Imports.....	.42	-.52	.70	-1.08	-2.69	-.47	-.98
Goods.....	.40	-.45	.37	-.40	-2.74	-.40	-.70
Services.....	.01	-.07	.33	-.68	.05	-.07	-.28
Government consumption expenditures and gross investment.....	.65	.82	1.85	1.04	.27	.56	.91
Federal.....	.29	.48	.80	.47	.47	.29	.71
National defense.....	.19	.37	.54	.46	.32	.29	.47
Consumption expenditures.....	.16	.31	.53	.34	.32	.19	.49
Gross investment.....	.02	.06	.01	.12	.00	.11	-.03
Nondefense.....	.10	.10	.26	.01	.16	-.01	.24
Consumption expenditures.....	.08	.08	.11	.03	.10	.07	.21
Gross investment.....	.01	.02	.15	-.02	.06	-.07	.03
State and local.....	.36	.35	1.05	.56	-.21	.27	.20
Consumption expenditures.....	.30	.28	.41	.25	.16	.17	.14
Gross investment.....	.07	.07	.64	.32	-.37	.10	.06
Addenda:							
Goods.....	-.85	1.19	1.52	2.89	.14	3.10	-.56
Services.....	1.11	1.52	1.75	1.60	1.91	1.43	1.72
Structures.....	-.01	-.26	-.54	.56	-.80	-.50	.28
Motor vehicle output.....	-.21	.39	.48	.31	.25	1.06	-.47
Final sales of computers ².....	.08	.08	.19	-.06	.08	.39	.16

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	1.5
Percentage points at annual rates:							
Durable goods.....	.71	.86	3.56	-.80	.23	2.49	-1.07
Motor vehicles and parts.....	.35	.29	2.72	-1.70	-.05	2.09	-1.34
Furniture and household equipment.....	.28	.43	.62	.61	.29	.25	.25
Other.....	.08	.14	.21	.29	.00	.15	.02
Nondurable goods.....	.58	.92	1.08	2.23	-.03	.32	1.43
Food.....	.13	.25	.20	.92	-.13	-.08	.82
Clothing and shoes.....	.12	.25	.41	.57	-.04	.01	.30
Gasoline, fuel oil, and other energy goods.....	.03	.10	.10	.22	-.04	.07	.06
Gasoline and oil.....	.05	.10	.10	.21	-.02	.05	-.03
Fuel oil and coal.....	-.03	.00	.00	.01	-.02	.02	.09
Other.....	.30	.33	.37	.52	.19	.31	.24
Services.....	1.17	1.32	1.33	1.69	1.56	1.38	1.12
Housing.....	.25	.24	.19	.30	.30	.25	.25
Household operation.....	.07	.01	-.25	.21	.09	.11	.11
Electricity and gas.....	-.04	.01	-.14	.20	.01	.12	.23
Other household operation.....	.12	.00	-.12	.01	.08	-.02	-.12
Transportation.....	-.03	-.01	-.08	.14	-.04	-.03	.01
Medical care.....	.64	.66	.72	.56	.73	.64	.49
Recreation.....	.11	.07	.19	.05	.10	.00	.21
Other.....	.13	.34	.57	.41	.37	.41	.05
Addenda:							
Energy goods and services ¹	-.01	.11	-.04	.42	-.03	.19	.29
Personal consumption expenditures less food and energy.....	2.35	2.75	5.81	1.78	1.94	4.07	.36

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	4.5
Percentage points at annual rates:							
Nonresidential.....	-3.88	-4.17	-8.03	-4.29	-1.74	-58	1.82
Structures.....	-3.1	-3.23	-6.87	-2.83	-3.44	-4.05	-1.66
Nonresidential buildings, including farm.....	-.95	-2.46	-3.14	-1.98	-2.75	-2.81	-.38
Utilities.....	-.01	-.21	-.08	.42	-.69	-.78	-.36
Mining exploration, shafts, and wells.....	.48	-.31	-.33	-1.28	.02	-.09	-.89
Other structures.....	.16	-.26	-3.33	.01	-.01	-.38	-.04
Equipment and software.....	-3.57	-.94	-1.16	-1.46	1.70	3.47	3.48
Information processing equipment and software.....	-1.54	.61	-.24	1.57	2.99	3.26	.87
Computers and peripheral equipment ¹	-.13	.71	1.36	1.32	.65	1.73	.35
Software ²	-.13	.22	.03	-.41	1.31	1.28	.25
Other.....	-1.27	-.32	-1.63	.66	1.02	.25	.26
Industrial equipment.....	-.43	-.43	-1.11	.95	-.70	.60	-.54
Transportation equipment.....	-1.37	-1.03	1.39	-3.56	-2.06	-.43	2.53
Other.....	-.23	-.08	-1.20	-.42	1.48	.04	.62
Residential.....	.07	1.10	-.88	3.79	.78	.32	2.73
Structures.....	.07	1.08	-.92	3.77	.76	.32	2.72
Single family.....	.11	.59	-.77	1.80	.38	.41	2.04
Multifamily.....	.11	.15	.24	.62	-.06	-.19	-.32
Other structures.....	-.15	.34	-.39	1.35	.43	.09	1.00
Equipment.....	.00	.02	.04	.02	.02	.00	.01

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	-1.5	-9.6	3.5	14.3	4.6	-4.4
Percentage points at annual rates:							
Exports of goods¹.....	-4.23	-2.54	-5.45	-2.43	10.92	2.86	-8.03
Foods, feeds, and beverages.....	.13	-.10	.82	.08	-.61	-.61	.14
Industrial supplies and materials, except petroleum and products.....	-.58	.06	.39	-.47	2.84	-.99	.38
Capital goods, except automotive.....	-3.21	-2.70	-5.94	-1.79	4.48	3.21	-6.12
Automotive vehicles, engines, and parts.....	-.47	.27	-1.10	-.25	2.73	.74	-2.06
Consumer goods, except automotive.....	-.07	-.32	-.46	-.67	.96	.59	-.13
Other.....	-.03	.26	.83	.67	.54	-.07	-.25
Exports of services¹.....	-1.14	1.02	-4.18	5.89	3.36	1.77	3.60
Percent change at annual rate:							
Imports of goods and services..	-2.9	3.7	-5.3	8.5	22.2	3.3	7.2
Percentage points at annual rates:							
Imports of goods¹.....	-2.78	3.18	-2.76	3.24	22.25	2.81	5.14
Foods, feeds, and beverages.....	.14	.19	-.25	.18	.41	.12	.19
Industrial supplies and materials, except petroleum and products.....	-.45	.38	-.15	.68	1.38	1.06	.52
Petroleum and products.....	.27	-.15	.27	-1.25	2.13	-1.07	1.81
Capital goods, except automotive.....	-2.73	-.38	-1.40	2.40	3.77	-.63	.67
Automotive vehicles, engines, and parts.....	-.41	.99	-1.47	.98	5.21	.57	-.62
Consumer goods, except automotive.....	.33	1.88	-.62	2.42	7.03	2.07	2.17
Other.....	.07	.27	.86	-2.16	2.32	.69	.41
Imports of services¹.....	-.08	.52	-2.54	5.31	-1.0	.52	2.05

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 investment¹.....	3.7	4.4	10.5	5.6	1.4	2.9	4.9
Percentage points at annual rates:							
Federal.....	1.61	2.55	4.49	2.53	2.52	1.50	3.81
National defense.....	1.06	2.01	3.01	2.46	1.68	1.53	2.50
Consumption expenditures.....	.92	1.69	2.94	1.81	1.69	.98	2.63
Durable goods ².....	.09	.05	-.45	.13	.03	.29	-.22
Nondurable goods.....	.03	.08	-.34	.04	.03	-.01	-.17
Services.....	.80	1.56	3.04	1.65	1.63	.70	3.03
Compensation of general government employees, except own-account investment ³.....	.05	.14	.09	.30	.36	.14	-.34
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	3.33
Gross investment.....	.14	.32	.08	.65	-.01	.56	-.13
Structures.....	-.01	-.01	.13	-.12	.05	.00	-.03
Equipment and software.....	.14	.33	-.06	.77	-.07	.56	-.10
Nondefense.....	.55	.54	1.48	.07	.84	-.04	1.30
Consumption expenditures.....	.47	.42	.63	.16	.52	.35	1.14
Durable goods ².....	.01	.01	.02	.01	.00	.01	.02
Nondurable goods.....	.13	.03	.10	.07	.22	-.17	.05
Services.....	.34	.38	.51	.08	.29	.51	1.08
Compensation of general government employees, except own-account investment ³	-.03	.12	-.05	.11	-.04	.31	.87
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	.16
Structures.....	-.04	.09	.38	-.25	-.19	-.26	-.26
Equipment and software.....	.11	.03	.46	-.43	.57	-.20	-.10
State and local.....	2.05	1.89	5.98	3.03	-1.10	1.42	1.11
Consumption expenditures.....	1.66	1.52	2.43	1.33	.84	.89	.78
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	.55
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	.00
Gross investment.....	.39	.37	3.56	1.70	-1.94	.53	.33
Structures.....	.23	.43	3.61	1.95	-1.87	.52	.45
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	1.1	.4	1.2	2.3	1.2	1.6
Percentage points at annual rates:							
Personal consumption expenditures	1.34	.92	.55	.74	1.83	1.15	1.10
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	1.04
Housing .....	.37	.38	.44	.42	.33	.28	.28
Household operation .....	.15	-.03	-.13	-.05	.00	.13	.08
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	.31	.52	.33	.35	.36	.20
Gross private domestic investment .....	.19	-.08	-.04	-.22	-.06	-.16	.22
Fixed investment .....	.19	-.06	-.02	-.22	-.03	-.14	.23
Nonresidential .....	.02	-.15	-.18	-.22	-.15	-.14	.03
Structures .....	.15	-.02	-.05	-.10	.02	.01	.05
Equipment and software	-.14	-.13	-.13	-.12	-.17	-.15	-.03
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	.10
Other equipment .....	.02	.01	.02	.01	-.01	.01	.00
Residential .....	.17	.09	.16	.00	.11	.00	.20
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	.04
Consumption expenditures .....	.07	.10	-.02	.29	.08	.06	.04
Gross investment .....	.00	.00	-.02	-.01	.00	.00	.00
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	1.33	.68	1.35	2.39	1.41	1.79
Food .....	.28	.18	.22	.23	.04	.06	.17
Energy goods and services .....	.09	-.26	-1.52	-.32	.93	.14	.32
Gross domestic purchases less food and energy	1.57	1.22	1.74	1.25	1.31	1.05	1.12

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	270.1	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	1,480.3	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

detached 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	Water transportation.....	188	194	192	185	191	197
Private industries ²	114,320	116,778	116,014	113,888	116,177	115,364	Transportation by air ³	1,245	1,297	1,286	1,163	1,216	1,205
Agriculture, forestry, and fishing	2,294	2,319	2,341	3,393	3,341	3,342	Pipelines, except natural gas	13	13	14	13	13	14
Farms	923	890	870	1,693	1,635	1,608	Transportation services	476	488	480	474	476	467
Agricultural services, forestry, and fishing	1,371	1,429	1,471	1,700	1,706	1,734	Communications.....	1,553	1,665	1,700	1,423	1,522	1,554
Mining	539	541	568	544	546	581	Telephone and telegraph.....	1,107	1,195	1,220	1,011	1,088	1,107
Metal mining.....	44	40	35	45	42	36	Radio and television	446	470	480	412	434	447
Coal mining	86	79	82	85	77	81	Electric, gas, and sanitary services.....	863	857	860	860	851	857
Oil and gas extraction	296	308	338	304	315	354	Wholesale trade	6,992	7,104	6,832	7,015	7,098	6,794
Nonmetallic minerals, except fuels	113	114	113	110	112	110	Retail trade	23,542	24,049	24,147	20,954	21,423	21,485
Construction	6,704	7,007	7,038	8,023	8,368	8,350	Finance, insurance, and real estate	7,705	7,743	7,856	7,809	7,840	7,861
Manufacturing	18,673	18,567	17,702	18,663	18,507	17,682	Depository institutions.....	2,049	2,036	2,047	1,928	1,904	1,904
Durable goods	11,178	11,179	10,632	11,223	11,214	10,671	Nondepository institutions.....	709	686	716	691	667	690
Lumber and wood products.....	858	849	804	916	899	854	Security and commodity brokers	727	797	820	796	873	855
Furniture and fixtures.....	550	558	524	562	569	530	Insurance carriers	1,608	1,585	1,583	1,526	1,497	1,488
Stone, clay, and glass products	572	582	572	573	580	573	Insurance agents, brokers, and service	795	800	820	873	893	909
Primary metal industries.....	698	700	646	697	696	642	Real estate.....	1,567	1,581	1,615	1,759	1,764	1,777
Fabricated metal products.....	1,529	1,544	1,470	1,517	1,537	1,452	Holding and other investment offices.....	250	258	255	236	242	238
Industrial machinery and equipment	2,141	2,119	2,006	2,135	2,106	2,002	Services	40,975	42,337	42,412	40,637	42,040	42,217
Electronic and other electric equipment.....	1,671	1,719	1,627	1,657	1,705	1,610	Hotels and other lodging places	1,935	1,981	1,942	1,759	1,818	1,792
Motor vehicles and equipment.....	1,023	1,020	941	1,018	1,018	943	Personal services	1,363	1,387	1,414	1,831	1,879	1,878
Other transportation equipment.....	874	836	812	872	834	811	Business services	9,438	10,048	9,622	9,567	10,197	9,850
Instruments and related products.....	854	843	840	841	836	835	Auto repair, services, and parking	1,326	1,366	1,388	1,557	1,589	1,601
Miscellaneous manufacturing industries.....	408	409	390	435	434	419	Miscellaneous repair services.....	390	381	384	552	538	564
Nondurable goods	7,495	7,388	7,070	7,440	7,293	7,011	Motion pictures	612	609	589	659	652	634
Food and kindred products.....	1,697	1,700	1,702	1,680	1,675	1,681	Amusement and recreation services.....	1,783	1,856	1,811	1,547	1,636	1,601
Tobacco products.....	37	35	34	36	34	33	Health services.....	10,359	10,483	10,775	9,647	9,770	10,040
Textile mill products.....	560	534	475	556	536	471	Legal services.....	1,142	1,163	1,188	1,219	1,222	1,261
Apparel and other textile products	697	640	564	708	616	560	Educational services	2,350	2,442	2,536	2,164	2,265	2,371
Paper and allied products.....	669	657	629	664	651	623	Social services and membership organizations.....	5,387	5,581	5,671	5,188	5,354	5,432
Printing and publishing.....	1,576	1,569	1,508	1,557	1,544	1,498	Social services.....	2,859	2,992	3,143	3,086	3,201	3,330
Chemicals and allied products.....	1,037	1,038	1,017	1,026	1,029	1,011	Membership organizations	2,528	2,589	2,528	2,102	2,153	2,102
Petroleum and coal products.....	131	126	124	131	125	124	Other services ⁴	3,639	3,832	3,971	4,085	4,287	4,420
Rubber and miscellaneous plastics products.....	1,012	1,017	954	1,002	1,007	945	Private households.....	1,251	1,208	1,121	862	833	773
Leather and leather products	79	72	63	80	76	65	Government	22,541	23,009	23,434	18,747	19,043	19,445
Transportation and public utilities	6,896	7,111	7,118	6,850	7,014	7,052	Federal	5,141	5,237	5,076	4,167	4,198	4,119
Transportation	4,480	4,589	4,558	4,567	4,641	4,641	General government	4,146	4,260	4,114	3,370	3,416	3,338
Railroad transportation	221	212	203	209	201	192	Civilian	1,855	1,976	1,825	1,821	1,869	1,790
Local and interurban passenger transit	489	500	506	503	503	521	Military ⁵	2,291	2,284	2,289	1,549	1,547	1,548
Trucking and warehousing ³	1,848	1,885	1,877	2,020	2,041	2,045	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.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:</i> Intermediate goods and services purchased	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:</i> Consumption of fixed capital	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:</i> Indirect business tax and nontax liability	5.3	5.4	5.6	.....	.....	.....
<i>Plus:</i> Subsidies to operators	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:</i> Intermediate goods and services consumed	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:</i> Consumption of fixed capital	145.4	152.5	166.1	132.2	132.7	140.0
Capital consumption allowances	77.8	81.8	88.4	.....	.....	.....
<i>Less:</i> Capital consumption adjustment	-67.6	-70.7	-77.7	.....	.....	.....
Equals: Net housing product	614.1	651.5	671.4	478.7	494.5	489.4
<i>Less:</i> Indirect business tax and nontax liability plus business transfer payments	135.7	140.7	146.0	.....	.....	.....
<i>Plus:</i> Subsidies less current surplus of government enterprises	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	22.99	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	4,080.7	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	3.6	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	.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	1.5	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	1.9	2.4	2.4
2002	9,440.2	9,424.9	.....	2.4	1.8	110.65	109.89	110.65	.....	1.1	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 D.1. Domestic Perspectives—Continued

	2001	2002	2002												2003
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Construction (monthly data seasonally adjusted at annual rates) ⁴															
New construction put in place (billions of dollars)	842.5	846.192	860.2	874.3	855.2	856.9	847.1	833.7	837.8	829.8	832.2	840.0	847.9	858.3	.....
Private construction.....	650.0	641.835	651.5	659.4	655.3	656.7	642.2	634.6	635.7	627.1	626.5	636.8	639.3	647.8	.....
Residential buildings.....	388.7	414.84	403.3	413.5	413.8	411.8	413.5	410.8	414.0	409.3	412.2	418.0	422.4	434.6	.....
Nonresidential buildings.....	201.1	168.093	185.6	183.2	178.5	179.6	170.5	166.7	163.7	159.8	156.5	160.2	161.7	158.6	.....
Public construction.....	192.5	204.356	208.7	214.9	199.9	200.2	204.9	199.1	202.1	202.8	205.7	203.2	208.5	210.5	.....
Housing starts (thousands of units):															
Total.....	1,603	1,273	1,713	1,788	1,675	1,566	1,742	1,692	1,652	1,631	1,808	1,660	1,761	1,847	1,850
1-unit structures.....	1,706	1,359	1,344	1,472	1,298	1,261	1,380	1,344	1,319	1,249	1,452	1,375	1,404	1,479	1,510
New 1-family houses sold (thousands of units) ...	908	976	870	937	915	932	974	947	958	1,047	1,056	1,001	1,035	1,077	914
Manufacturing and trade, inventories and sales (millions of dollars, monthly data seasonally adjusted) ⁴															
Inventories:															
Total manufacturing and trade.....	.....	.....	1,122,911	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	1,143,366	.....
Manufacturing.....	.....	.....	436,648	434,087	431,434	430,153	428,592	428,230	427,996	428,574	429,385	429,074	428,220	430,241	.....
Retail trade.....	.....	.....	399,269	401,693	401,137	402,518	406,855	408,884	412,238	412,102	417,303	420,176	423,537	425,868	.....
Merchant wholesalers.....	.....	.....	286,994	284,508	283,732	281,193	281,080	282,340	284,083	284,348	285,386	283,971	284,889	287,257	.....
Sales:															
Total manufacturing and trade.....	9,935,413	9,781,327	811,661	804,624	808,644	822,615	820,227	822,795	833,564	834,562	828,454	832,466	832,955	834,740	.....
Manufacturing.....	4,124,514	3,897,730	321,171	311,476	315,593	322,962	323,736	320,810	326,101	323,729	322,608	326,339	322,863	320,957	.....
Retail trade.....	3,059,138	3,167,842	267,467	268,410	268,196	271,522	268,439	272,347	276,110	277,519	273,048	273,236	274,621	280,128	.....
Merchant wholesalers.....	2,751,761	2,715,755	223,023	224,738	224,855	228,131	228,052	229,638	231,353	233,314	232,798	232,891	235,471	233,655	.....
Inventory-sales ratio:															
Total manufacturing and trade.....	.....	.....	1.38	1.39	1.38	1.35	1.36	1.36	1.35	1.35	1.37	1.36	1.36	1.37	.....
Manufacturing.....	.....	.....	1.36	1.39	1.37	1.33	1.32	1.33	1.31	1.32	1.33	1.31	1.33	1.34	.....
Retail trade.....	.....	.....	1.49	1.50	1.50	1.48	1.52	1.50	1.49	1.48	1.53	1.54	1.54	1.52	.....
Merchant wholesalers.....	.....	.....	1.29	1.27	1.26	1.23	1.23	1.23	1.23	1.22	1.23	1.22	1.21	1.23	.....
Industrial production indexes and capacity utilization rates (monthly data seasonally adjusted) ²															
Industrial production indexes, 1997=100:															
Total.....	111.2	110.5	109.0	109.2	109.6	110.1	110.4	110.8	111.6	111.3	111.2	110.6	110.8	110.3	111.1
Final products.....	109.0	107.2	106.6	106.8	107.2	107.2	107.1	107.5	107.9	107.6	107.4	106.6	107.0	106.2	107.3
Consumer goods.....	106.5	107.5	106.2	106.7	107.4	107.5	107.3	107.8	108.5	107.8	107.9	107.0	107.7	106.9	107.9
Business equipment.....	117.3	107.3	108.8	108.1	107.8	107.7	108.0	108.0	107.3	108.1	106.9	106.0	106.0	104.7	105.7
Nonindustrial supplies.....	115.3	114.7	112.4	112.8	113.3	113.9	114.6	114.8	115.5	115.4	115.8	115.4	114.9	114.7	115.4
Materials.....	111.8	112.2	110.0	110.2	110.7	111.6	112.2	112.6	113.8	113.6	113.4	112.8	113.1	112.8	113.4
Capacity utilization rates (percent):															
Total industry.....	77.3	75.6	75.0	75.1	75.3	75.6	75.7	75.9	76.4	76.1	76.0	75.5	75.6	75.2	75.7
Manufacturing.....	75.6	73.8	73.3	73.4	73.5	73.6	73.9	74.1	74.3	74.3	74.1	73.7	73.7	73.4	73.7
Credit market borrowing (billions of dollars, quarterly data seasonally adjusted at annual rates) ²															
All sectors, by instrument:															
Total.....	2,041.0	.....	.....	1,863.4	.....	.....	2,495.1	.....	.....	2,148.5	.....	.....	.....	.....	.....
Open market paper.....	-164.4	.....	.....	-269.2	.....	.....	-165.8	.....	.....	59.4	.....	.....	.....	.....	.....
U.S. government securities.....	623.8	.....	.....	730.9	.....	.....	1,013.9	.....	.....	691.4	.....	.....	.....	.....	.....
Municipal securities.....	117.6	.....	.....	70.3	.....	.....	181.2	.....	.....	152.8	.....	.....	.....	.....	.....
Corporate and foreign bonds.....	663.5	.....	.....	576.6	.....	.....	597.9	.....	.....	143.7	.....	.....	.....	.....	.....
Bank loans, n.e.c.....	-75.8	.....	.....	-4.6	.....	.....	-139.0	.....	.....	-54.7	.....	.....	.....	.....	.....
Other loans and advances.....	60.4	.....	.....	-25.7	.....	.....	91.5	.....	.....	154.6	.....	.....	.....	.....	.....
Mortgages.....	705.8	.....	.....	703.4	.....	.....	838.8	.....	.....	941.2	.....	.....	.....	.....	.....
Consumer credit.....	110.2	.....	.....	81.7	.....	.....	76.4	.....	.....	60.1	.....	.....	.....	.....	.....

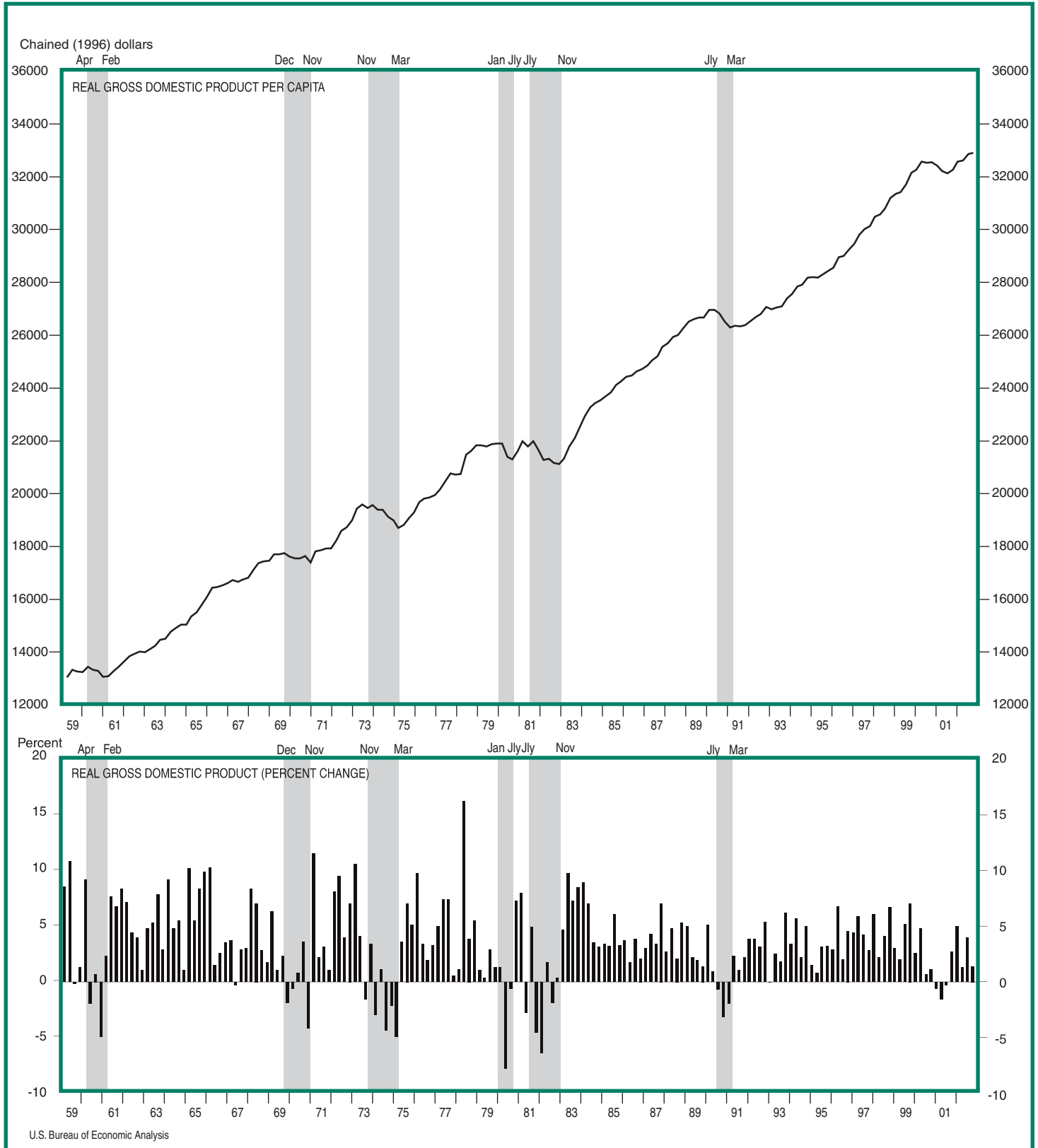
Sources:
1. Bureau of Labor Statistics
2. Federal Reserve Board

3. Standard and Poor's, Inc.
4. Bureau of the Census
n.e.c. Not elsewhere classified

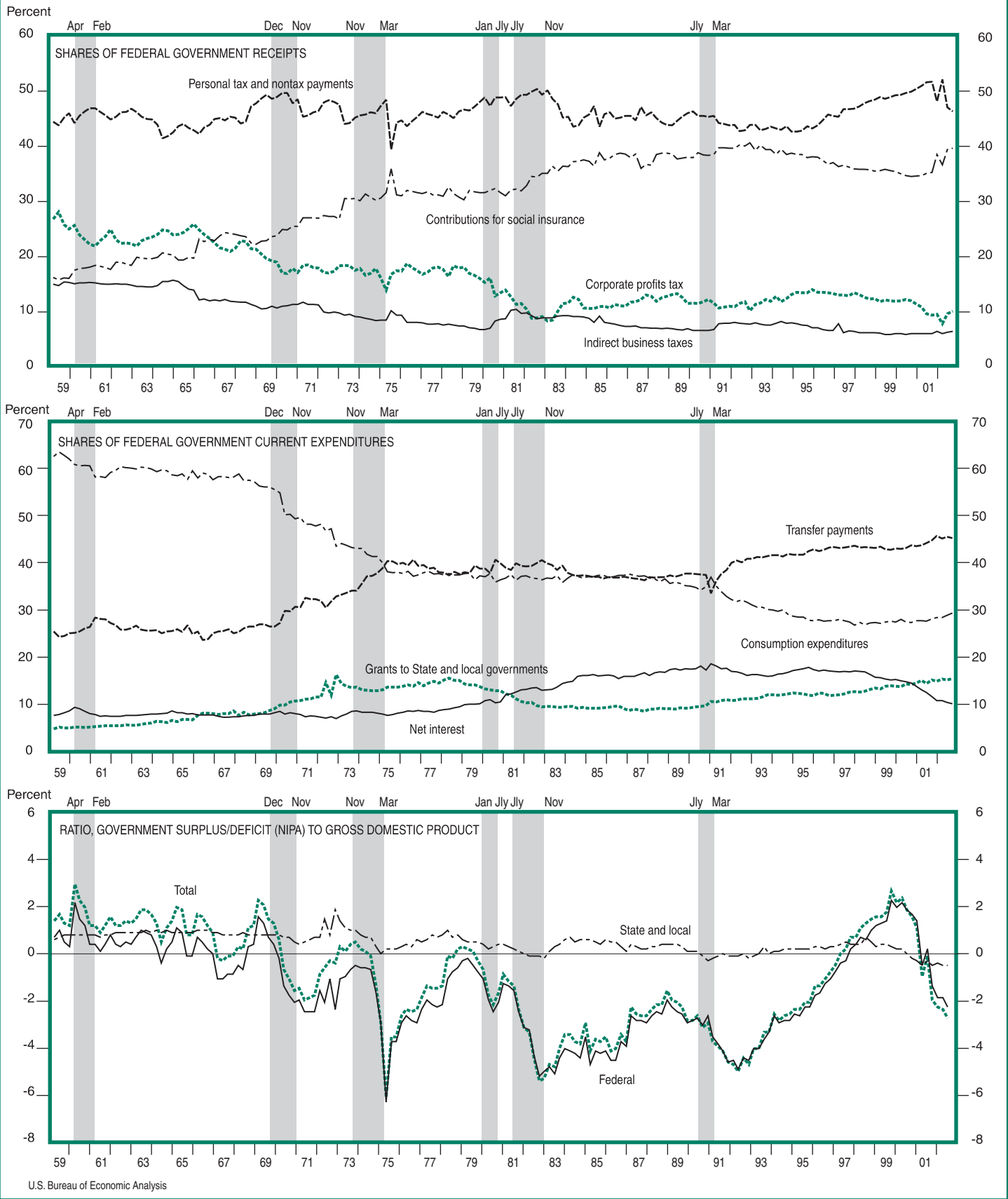
E. Charts

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.

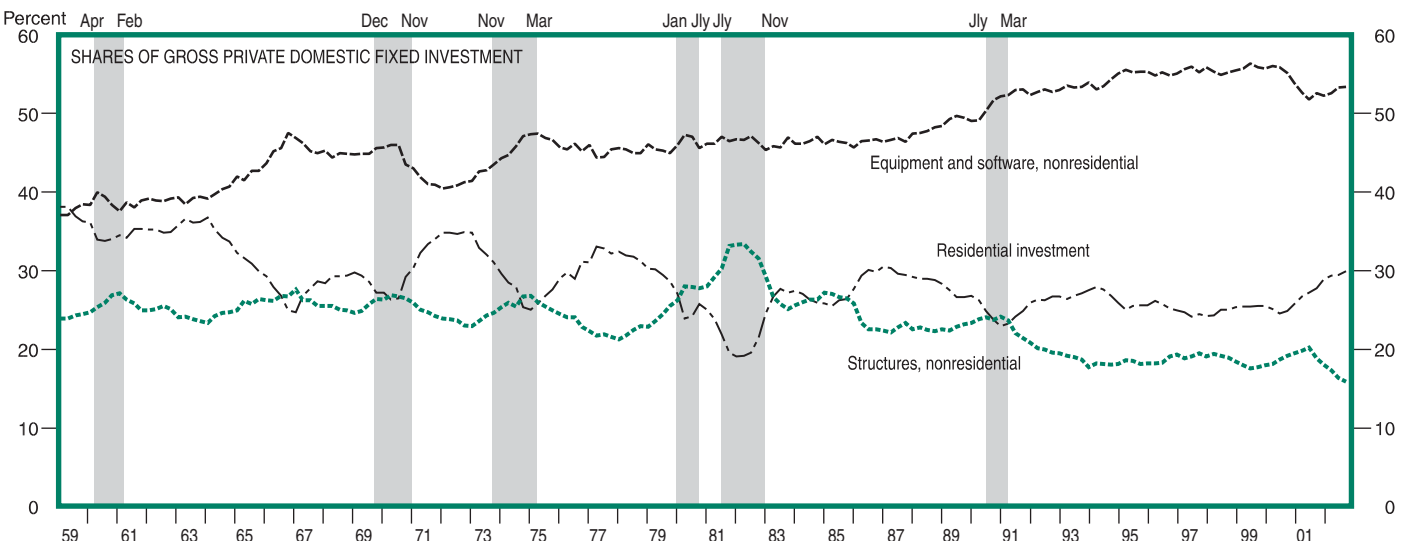
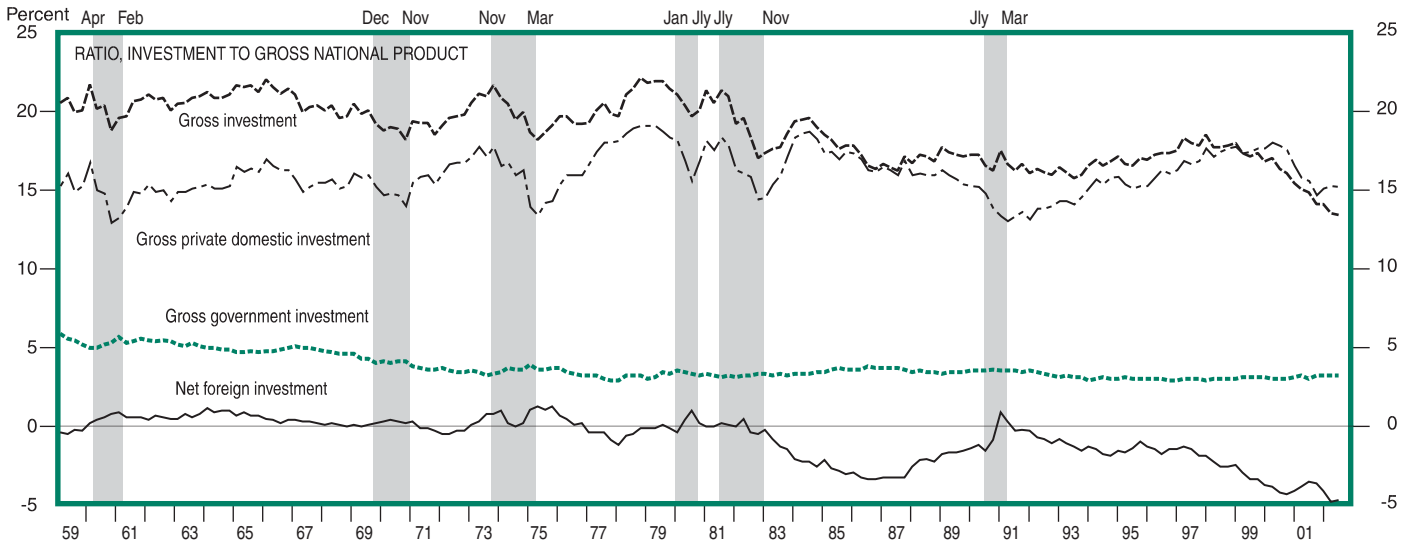
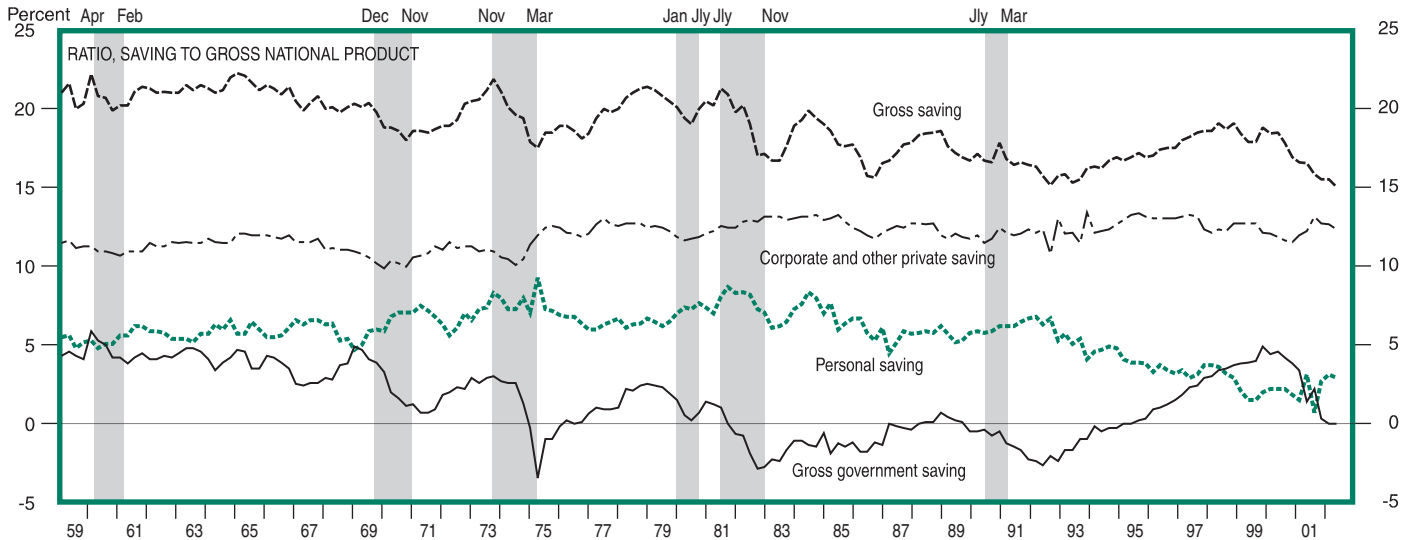
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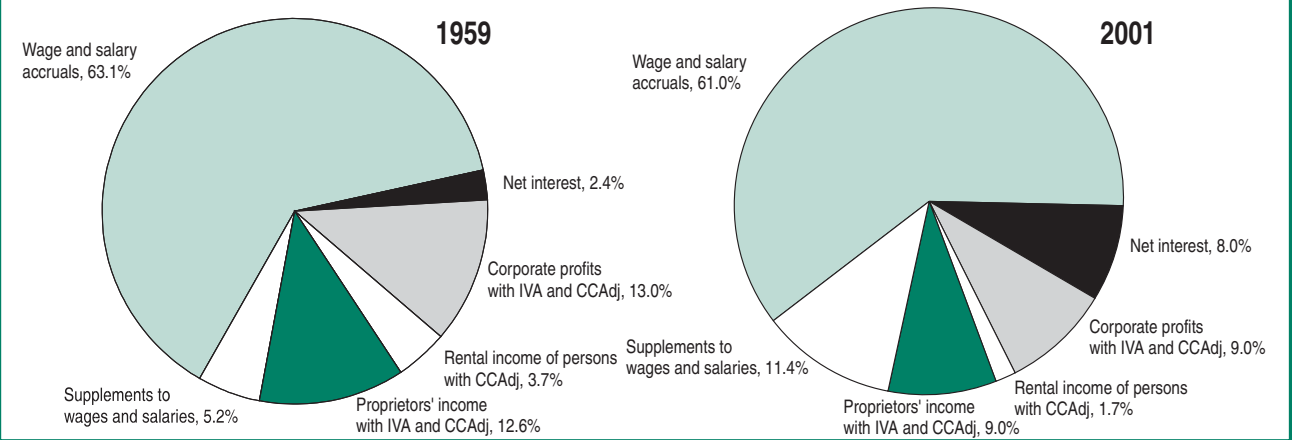


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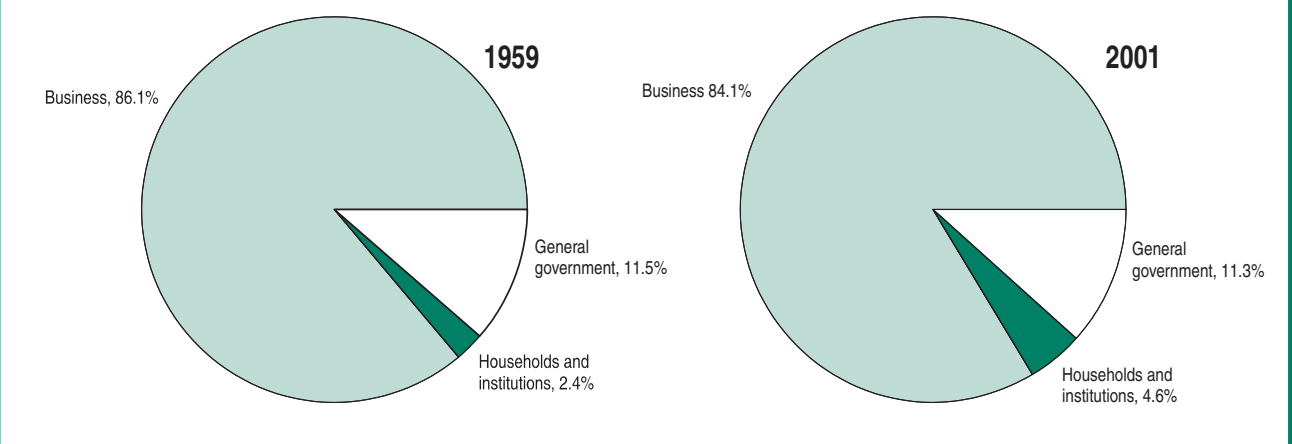


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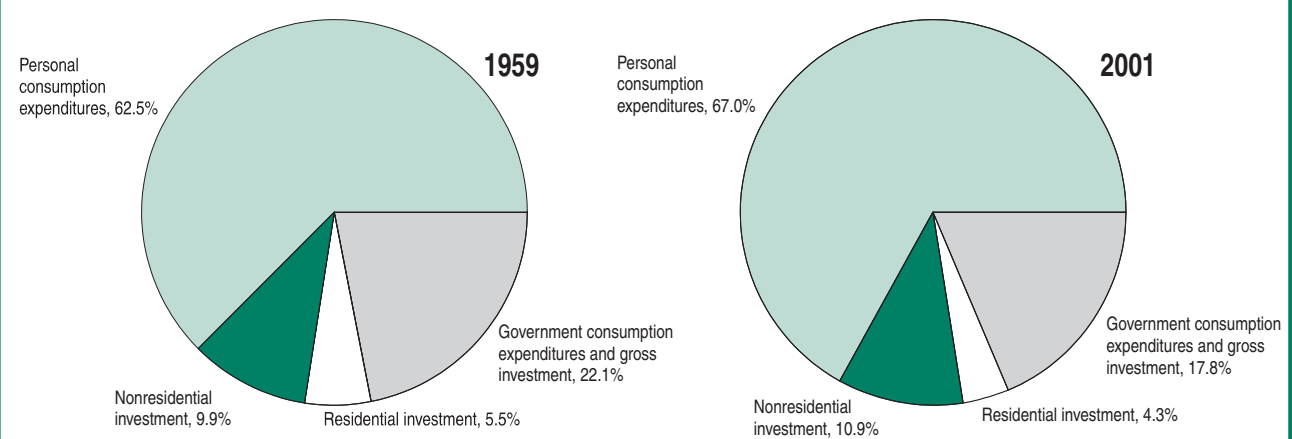
SHARES OF NATIONAL INCOME



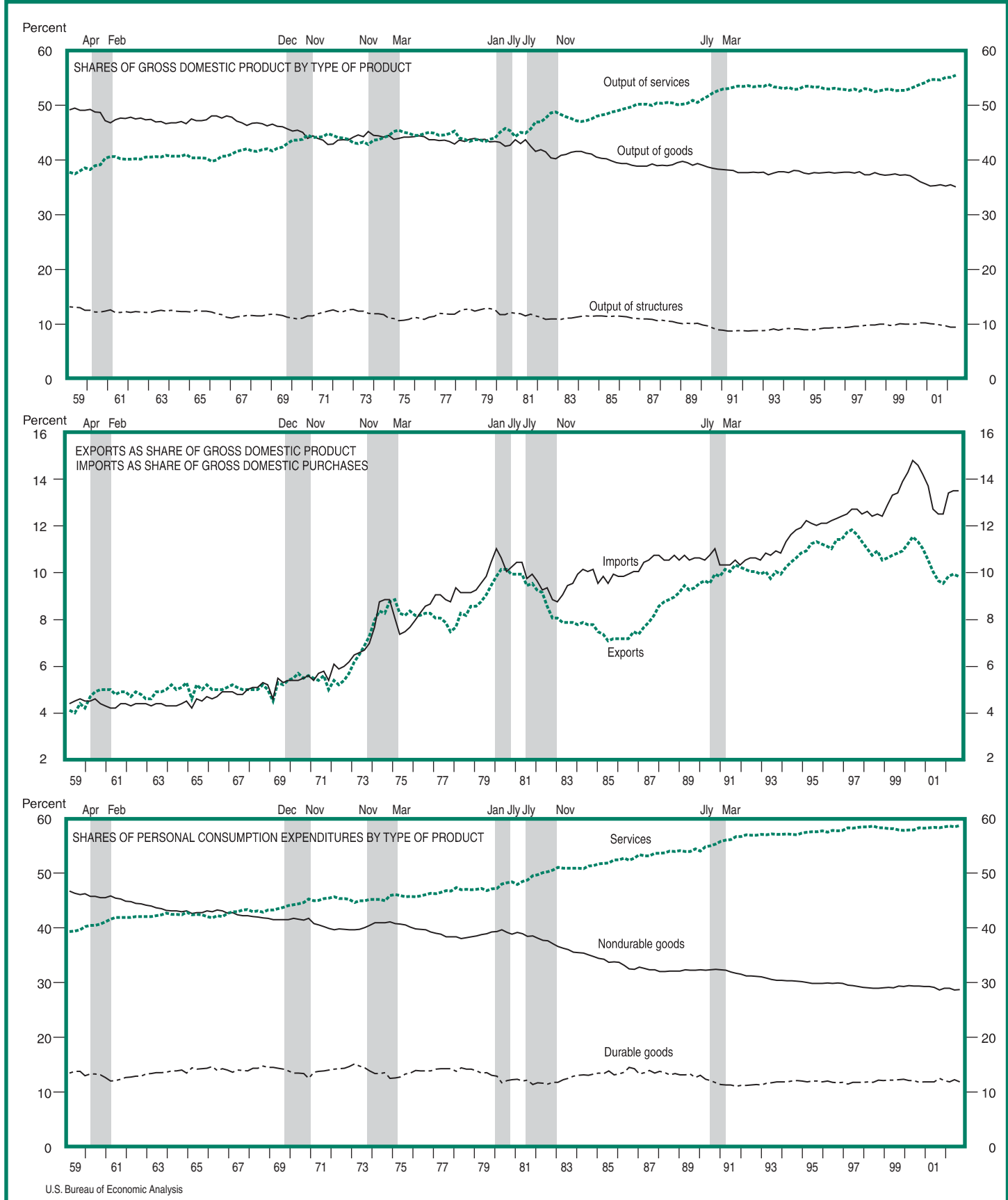
SHARES OF GROSS DOMESTIC PRODUCT BY SECTOR



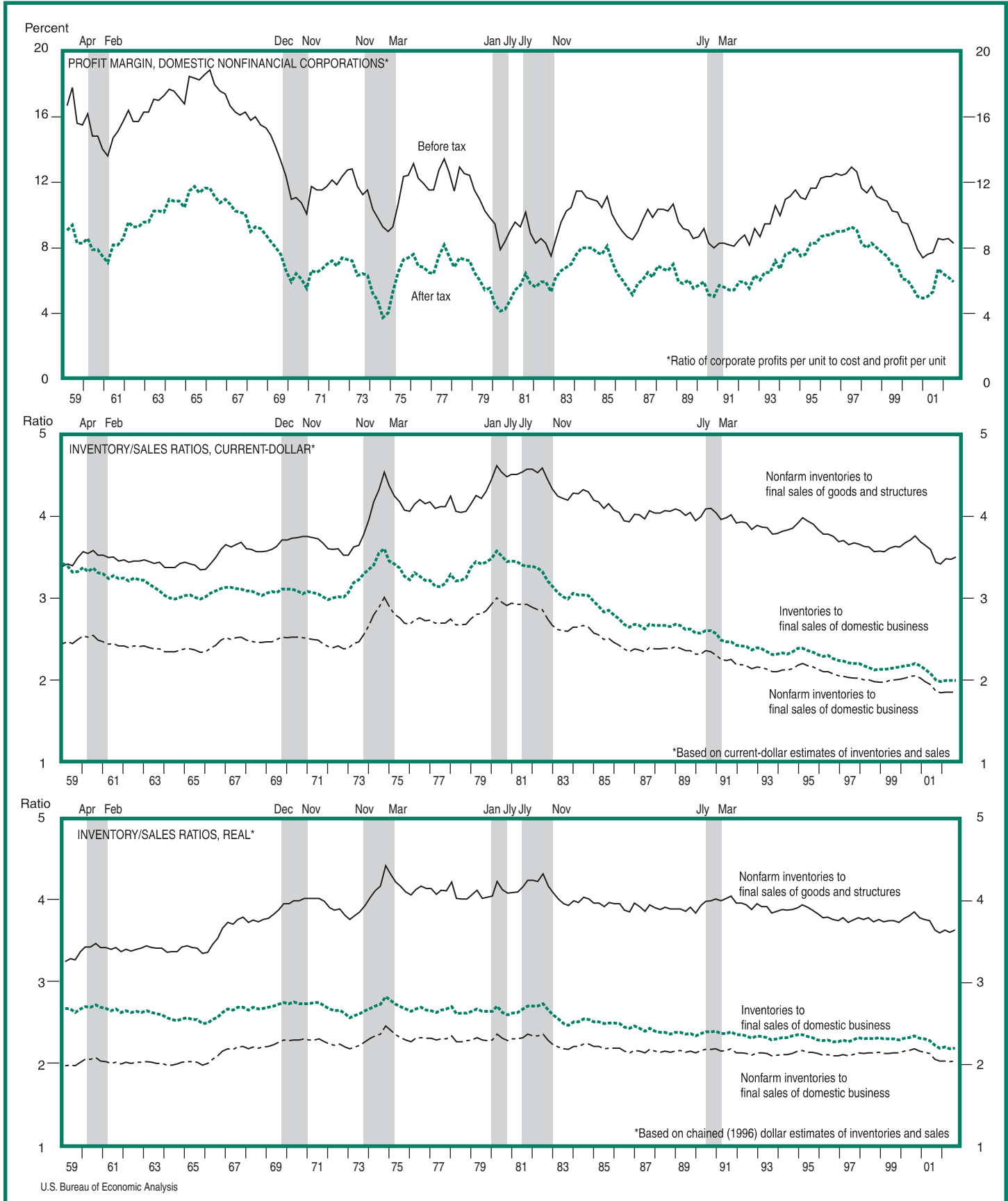
SHARES OF GROSS DOMESTIC PURCHASES



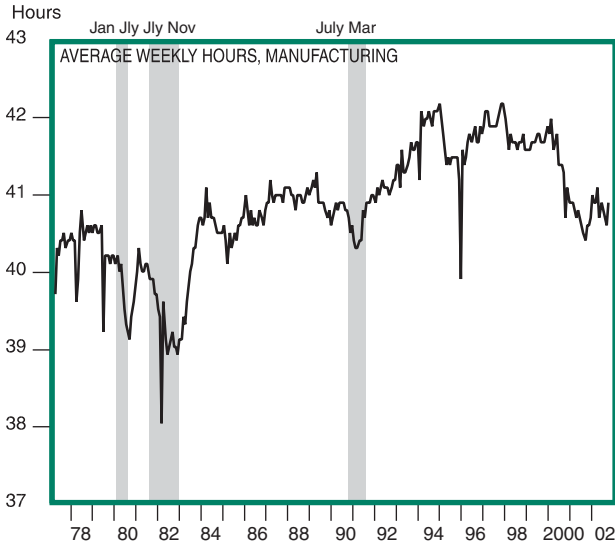
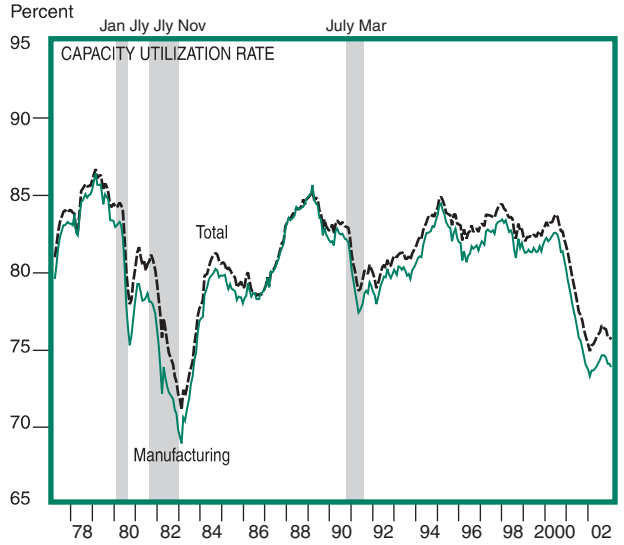
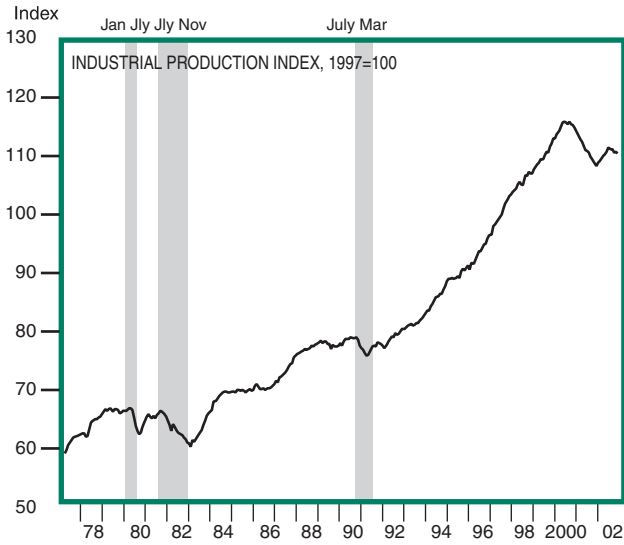
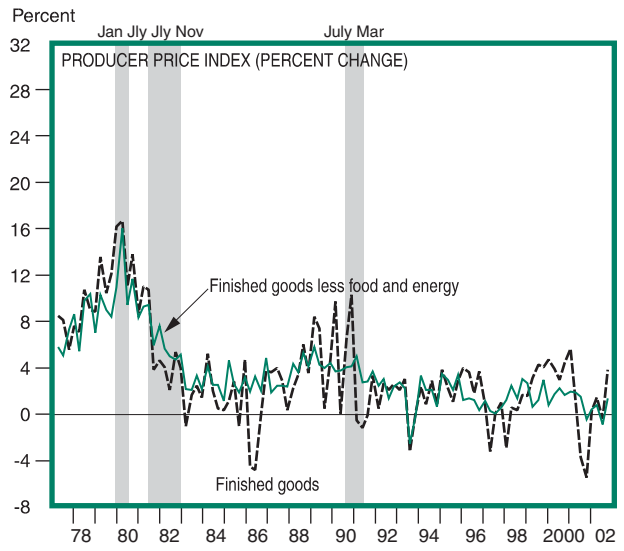
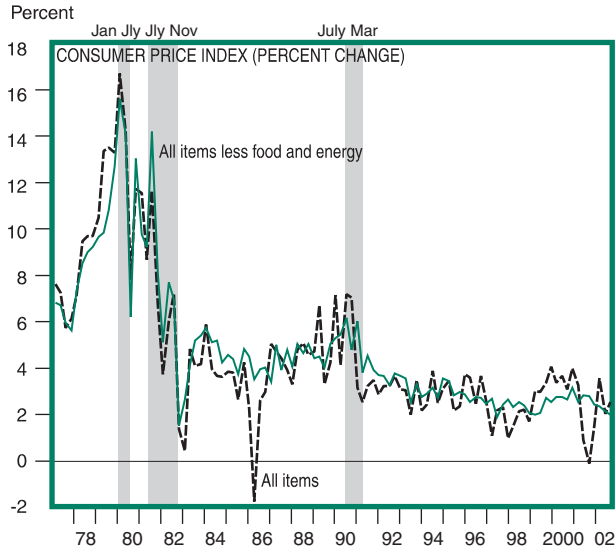
SELECTED NIPA SERIES



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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 February 20, 2003, including “preliminary” estimates for December 2002 and “revised” estimates for January–November 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]

	2000	2001	2001		2002											
			Nov.	Dec.	Jan. ^r	Feb. ^r	March ^r	April ^r	May ^r	June ^r	July ^r	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^r	Dec. ^p
Exports of goods and services	998,022	972,995	77,905	77,477	77,436	77,240	78,299	80,458	81,436	82,370	83,260	83,062	82,733	82,202	83,313	81,186
Goods	718,762	682,586	56,007	54,991	54,922	54,564	54,886	56,756	57,237	58,157	59,013	58,186	58,173	57,276	57,841	55,575
Foods, feeds, and beverages	49,407	49,540	4,168	4,104	4,232	4,288	3,901	3,890	3,993	4,258	4,305	4,038	4,020	3,872	4,311	4,431
Industrial supplies and materials	160,104	156,941	12,464	12,445	12,286	12,235	12,281	13,107	13,304	13,315	13,226	13,373	13,321	13,123	13,625	13,746
Capital goods, except automotive	321,714	290,649	24,294	23,511	23,600	23,249	24,068	24,056	24,216	25,077	25,205	24,917	25,127	24,547	24,403	22,185
Automotive vehicles, engines, and parts	75,435	78,435	6,269	6,009	6,009	6,192	6,235	6,680	6,753	6,652	7,084	6,824	6,686	6,612	6,307	6,403
Consumer goods (nonfood), except automotive	88,331	84,393	6,945	7,126	6,942	6,843	6,735	7,068	6,861	7,093	7,241	7,122	7,095	7,216	7,221	6,954
Other goods	34,110	33,559	2,746	2,674	2,585	2,638	2,715	2,803	3,046	2,637	2,896	2,923	2,773	2,877	2,888	2,778
Adjustments ¹	-10,339	-10,931	-878	-878	-732	-881	-1,048	-850	-936	-875	-943	-1,010	-849	-970	-914	-922
Services	279,260	290,409	21,898	22,486	22,514	22,676	23,413	23,702	24,199	24,213	24,247	24,876	24,560	24,926	25,472	25,611
Travel	73,119	70,583	5,011	5,366	5,520	5,630	5,888	5,642	5,827	5,731	5,636	6,074	5,876	6,003	6,319	6,437
Passenger fares	18,007	17,445	1,198	1,311	1,373	1,376	1,422	1,343	1,441	1,388	1,441	1,579	1,483	1,483	1,542	1,574
Other transportation	28,306	28,301	2,199	2,179	2,249	2,225	2,331	2,332	2,325	2,329	2,388	2,421	2,350	2,398	2,474	2,479
Royalties and license fees	38,668	43,173	3,220	3,256	3,267	3,307	3,357	3,626	3,711	3,748	3,670	3,670	3,680	3,697	3,711	3,729
Other private services	108,109	118,075	9,209	9,205	9,035	9,075	9,363	9,611	9,829	9,945	10,076	10,090	10,127	10,282	10,350	10,292
Transfers under U.S. military agency sales contracts ²	12,220	12,043	997	1,105	1,005	998	987	1,082	1,000	1,005	969	975	978	997	1,011	1,036
U.S. Government miscellaneous services	831	789	64	64	65	65	65	66	66	67	67	67	66	66	65	64
Imports of goods and services	1,356,312	1,408,211	107,813	104,756	107,323	110,415	110,909	116,285	118,406	119,063	118,484	121,215	119,892	117,477	123,313	125,427
Goods	1,145,927	1,166,939	90,102	86,525	88,448	90,977	91,550	96,965	98,994	98,836	98,110	100,582	99,532	96,890	102,113	103,940
Foods, feeds, and beverages	46,641	49,716	3,983	3,821	3,860	4,019	3,965	4,065	4,134	4,122	4,233	4,196	4,129	3,982	4,395	4,615
Industrial supplies and materials	273,870	269,075	19,637	18,258	18,910	18,970	19,913	22,758	23,042	22,509	22,780	23,753	23,426	24,468	23,905	24,642
Capital goods, except automotive	297,993	283,889	22,771	22,464	22,845	23,051	23,399	23,821	24,071	24,166	23,966	23,775	23,550	22,205	24,356	24,683
Automotive vehicles, engines, and parts	189,782	203,923	15,823	15,507	15,265	16,340	15,973	16,996	17,640	17,213	17,222	17,575	17,675	16,768	17,502	17,753
Consumer goods (nonfood), except automotive	284,293	307,729	23,620	22,222	23,273	24,443	23,700	25,036	25,648	26,173	25,599	26,916	26,289	25,043	27,764	27,846
Other goods	48,421	49,289	4,062	4,085	4,061	3,925	4,325	3,968	4,138	4,373	4,035	4,089	4,167	4,116	3,909	4,183
Adjustments ¹	4,928	3,318	206	169	235	229	274	320	321	280	275	278	296	309	283	218
Services	210,385	241,272	17,711	18,231	18,875	19,438	19,359	19,320	19,412	20,227	20,374	20,633	20,360	20,587	21,200	21,487
Travel	60,117	59,527	4,411	4,691	4,751	4,789	5,047	4,703	4,706	5,045	5,003	5,095	4,897	4,900	5,235	5,356
Passenger fares	22,418	21,037	1,488	1,598	1,685	1,689	1,739	1,671	1,606	1,751	1,791	1,839	1,722	1,801	1,857	1,886
Other transportation	38,823	38,587	2,945	3,045	3,017	2,928	2,913	3,266	3,271	3,202	3,271	3,257	3,181	3,285	3,449	3,547
Royalties and license fees	16,359	20,377	1,367	1,376	1,391	1,953	1,420	1,511	1,568	1,872	1,723	1,760	1,781	1,789	1,799	1,810
Other private services	54,588	79,434	5,807	5,805	6,311	6,337	6,473	6,366	6,431	6,499	6,693	6,769	6,855	6,883	6,914	6,903
Direct defense expenditures ²	15,198	19,399	1,458	1,479	1,475	1,494	1,519	1,560	1,589	1,617	1,651	1,671	1,683	1,688	1,706	1,746
U.S. Government miscellaneous services	2,882	2,911	235	237	245	248	248	243	241	241	242	242	241	241	240	239
Memoranda:																
Balance on goods	-427,165	-484,353	-34,095	-31,534	-33,527	-36,413	-36,664	-40,209	-41,757	-40,679	-39,097	-42,396	-41,359	-39,614	-44,272	-48,366
Balance on services	68,875	49,137	4,187	4,255	3,639	3,238	4,054	4,382	4,787	3,986	3,873	4,243	4,200	4,339	4,272	4,124
Balance on goods and services	-358,290	-435,216	-29,908	-27,279	-29,888	-33,175	-32,610	-35,827	-36,970	-36,693	-35,224	-38,153	-37,159	-35,275	-40,000	-44,242

^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		
		I	II ^r	III ^p	I	II ^r	III ^p	I	II ^r	III ^p
Current account										
1	Exports of goods and services and income receipts	5,295	5,739	6,117	56,348	59,915	62,396	8,305	8,272	8,415
2	Exports of goods and services	3,984	4,491	4,707	49,517	52,561	54,396	1,404	1,462	1,465
3	Goods, balance of payments basis ²	2,830	3,228	3,368	34,863	38,881	38,826			
4	Services ³	1,154	1,263	1,339	14,654	13,680	15,570	1,404	1,462	1,465
5	Transfers under U.S. military agency sales contracts ⁴	42	68	55	1,904	1,686	1,601			
6	Travel	293	341	356	2,211	2,994	3,611			
7	Passenger fares	94	75	92	355	409	458			
8	Other transportation	59	70	75	2,243	2,366	2,562	119	121	118
9	Royalties and license fees ⁵	182	199	205	1,199	1,294	1,321	513	570	567
10	Other private services ⁵	482	507	553	6,678	4,867	5,952	772	771	780
11	U.S. Government miscellaneous services	2	3	3	64	64	65			
12	Income receipts	1,311	1,248	1,410	6,831	7,354	8,000	6,901	6,810	6,950
13	Income receipts on U.S.-owned assets abroad	1,310	1,247	1,409	6,809	7,332	7,978	6,416	6,322	6,460
14	Direct investment receipts	579	530	697	4,528	5,085	5,621	3,951	3,881	3,994
15	Other private receipts	731	717	712	1,965	2,041	2,029	2,356	2,333	2,334
16	U.S. Government receipts				316	206	328	109	108	132
17	Compensation of employees	1	1	1	22	22	22	485	488	490
18	Imports of goods and services and income payments	-2,369	-2,976	-3,246	-93,837	-106,304	-117,562	-4,154	-3,918	-3,686
19	Imports of goods and services	-2,254	-2,423	-2,858	-86,183	-98,718	-110,172	-1,109	-871	-684
20	Goods, balance of payments basis ²	-1,386	-1,670	-1,756	-76,164	-87,939	-98,807			
21	Services ³	-868	-753	-1,102	-10,019	-10,779	-11,365	-1,109	-871	-684
22	Direct defense expenditures	-24	-29	-25	-1,793	-1,939	-2,100			
23	Travel	-353	-287	-557	-2,534	-2,620	-2,634			
24	Passenger fares	-199	-124	-186	-1,123	-1,066	-1,170			
25	Other transportation	-57	-54	-49	-2,717	-3,071	-3,296	-273	-334	-342
26	Royalties and license fees ⁵	-20	-24	-25	-58	-69	-69	-752	-464	-250
27	Other private services ⁵	-206	-225	-250	-1,592	-1,817	-1,900	-83	-73	-92
28	U.S. Government miscellaneous services	-9	-10	-10	-202	-197	-196	-1		
29	Income payments	-115	-553	-388	-7,654	-7,586	-7,390	-3,045	-3,047	-3,002
30	Income payments on foreign-owned assets in the United States	-109	-548	-383	-7,416	-7,418	-7,244	-3,045	-3,047	-3,002
31	Direct investment payments	104	-323	-126	-142	-23	-165	-1,906	-1,820	-1,791
32	Other private payments	-116	-123	-141	-1,703	-1,803	-1,732	-769	-850	-850
33	U.S. Government payments	-97	-102	-116	-5,571	-5,592	-5,347	-370	-377	-361
34	Compensation of employees	-6	-5	-5	-238	-168	-146			
35	Unilateral current transfers, net	-77	-78	-85	-8,369	-4,758	-5,033	-1,810	-1,710	-1,616
36	U.S. Government grants ⁴				-5,015	-1,904	-1,738	-169	-249	-244
37	U.S. Government pensions and other transfers	-13	-13	-13	-128	-131	-133	-413	-130	-58
38	Private remittances and other transfers ⁶	-64	-65	-72	-3,226	-2,723	-3,162	-1,228	-1,331	-1,314
Capital and financial account										
Capital account										
39	Capital account transactions, net	1	1	1	31	18	34			
Financial account										
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-2,330	-2,125	1,691	-8,254	-7,237	-6,615	-3,812	-4,170	-16,247
41	U.S. official reserve assets, net							543	-1,714	-1,268
42	Gold ⁷									
43	Special drawing rights							-109	-107	-132
44	Reserve position in the International Monetary Fund							652	-1,607	-1,136
45	Foreign currencies									
46	U.S. Government assets, other than official reserve assets, net				88	146	333	-304	-262	-251
47	U.S. credits and other long-term assets				-444	-157	-187	-304	-262	-251
48	Repayments on U.S. credits and other long-term assets ⁸				535	290	587			
49	U.S. foreign currency holdings and U.S. short-term assets, net				-3	13	-67			
50	U.S. private assets, net	-2,330	-2,125	1,691	-8,342	-7,383	-6,948	-4,051	-2,194	-14,728
51	Direct investment	-2,473	-264	918	-5,210	-1,577	-2,605	-3,539	-3,693	-3,904
52	Foreign securities	-202	-395	907	-385	1,577	5,478	403	110	356
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-827	-527		-874	1,106				-12,900
54	U.S. claims reported by U.S. banks, not included elsewhere	1,172	-939	-134	-1,873	-8,489	-9,821	-915	1,389	1,720
55	Foreign owned assets in the United States, net (increase/financial inflow (+))	5,481	3,944	5,069	21,864	29,927	22,000	3,016	14,749	301
56	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	13		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	35	4	16	-701	176	429	13		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)	3,003	14,749	296
64	Direct investment	760	2,180	-35	-497	176	776	1,587	1,605	1,632
65	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
66	U.S. securities other than U.S. Treasury securities	2,152	888	4,132	9,518	7,911	9,931	63	-257	-338
67	U.S. currency							4,525	7,183	2,556
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	122	631		268	2,405		30	-9	-2,983
69	U.S. liabilities reported by U.S. banks, not included elsewhere	18 2,412	18 241	18 956	18 13,276	18 19,259	18 10,862	18 -3,202	18 6,227	18 -571
70	Statistical discrepancy (sum of above items with sign reversed)	-6,001	-4,505	-9,547	32,217	28,439	44,780	-1,545	-13,223	12,833
Memoranda:										
71	Balance on goods (lines 3 and 20)	1,444	1,558	1,612	-41,301	-49,058	-59,981			
72	Balance on services (lines 4 and 21)	286	510	237	4,635	2,901	4,205	295	591	781
73	Balance on goods and services (lines 2 and 19)	1,730	2,068	1,849	-36,666	-46,157	-55,776	295	591	781
74	Balance on income (lines 12 and 29)	1,196	695	1,022	-823	232	610	3,856	3,763	3,948
75	Unilateral current transfers, net (line 35)	-77	-78	-85	-8,369	-4,758	-5,033	-1,810	-1,710	-1,616
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	2,849	2,685	2,786	-45,858	-51,147	-60,199	2,341	2,644	3,113

^p Preliminary.^r Revised.

See footnotes on page D-57.

Source: Table 10 in "U.S. International Transactions, Third Quarter 2002" in the January 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	.....	536	.....	.....	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	14,695	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 industry ¹														
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

	2000	2001	2001		2002											
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Exchange rates per U.S. dollar (not seasonally adjusted) ¹																
Canada (Can.\$/US\$).....	1.4855	1.5490	1.5922	1.5788	1.5997	1.5964	1.5877	1.5815	1.5502	1.5318	1.5456	1.5694	1.5761	1.5780	1.5715	1.5592
Euro area (US\$/Euro) ²	0.9234	0.8955	0.8883	0.8912	0.8832	0.8707	0.8766	0.8860	0.9170	0.9561	0.9935	0.9781	0.9806	0.9812	1.0013	1.0194
Japan (¥/US\$).....	1.0782	1.2152	1.2241	1.2759	1.3268	1.3364	1.3106	1.3077	1.2638	1.2329	1.1790	1.1899	1.2108	1.2391	1.2161	1.2189
Mexico (Peso/US\$).....	9.4590	9.3408	9.2250	9.1570	9.1640	9.1050	9.0640	9.1650	9.5100	9.7670	9.7790	9.8390	10.0710	10.0940	10.1950	10.2250
United Kingdom (US\$/£).....	1.5159	1.4401	1.4356	1.4413	1.4322	1.4227	1.4230	1.4429	1.4598	1.4837	1.5565	1.5368	1.5563	1.5575	1.5711	1.5863
Addendum: Exchange value of the U.S. dollar ³	119.68	126.08	127.31	127.40	129.10	129.88	129.14	128.80	127.27	125.91	124.21	125.65	126.65	127.63	126.33	125.70
Unemployment rates (percent, monthly data seasonally adjusted)																
Canada.....	6.8	7.2	7.6	8.0	7.9	7.9	7.7	7.6	7.7	7.5	7.6	7.5	7.7	7.6	.....	.....
France.....	9.5	8.7	8.8	8.8	8.8	8.8	8.9	8.9	8.9	9.0	9.0	9.0	9.0	9.0	.....	.....
Germany.....	9.6	9.4	9.5	9.5	9.6	9.6	9.6	9.6	9.7	9.8	9.8	9.8	9.8	9.9	10.0	.....
Italy.....	10.6	9.5	9.2	.....	.....	9.1	.....	.....	9.1	.....	9.0	.....	.....	.....	.....	.....
Japan.....	4.7	5.0	5.4	5.5	5.3	5.3	5.2	5.2	5.4	5.4	5.4	5.4	5.4	5.4	5.5	.....
Mexico.....	2.2	2.5	2.6	2.8	2.8	2.5	2.7	2.7	2.7	2.6	2.9	2.8	2.9	2.9	2.6	.....
United Kingdom.....	3.6	3.2	3.2	3.2	3.2	3.1	3.1	3.2	3.2	3.2	3.1	3.1	3.1	3.1	3.1	.....
Addendum: United States.....	4.0	4.8	5.6	5.8	5.6	5.5	5.7	6.0	5.8	5.9	5.9	5.7	5.6	5.7	6.0	6.0
Consumer prices (monthly data seasonally adjusted, 1995=100)																
Canada.....	109.0	111.7	111.1	111.2	111.5	112.2	113.0	113.6	113.8	114.2	114.8	115.3	115.3	115.6	.....	.....
France.....	106.3	108.1	108.4	108.5	109.0	109.1	109.6	110.1	110.2	110.2	110.2	110.4	110.6	110.8	110.8	111.0
Germany.....	107.0	109.6	109.5	109.6	110.6	110.9	111.1	111.2	111.2	111.1	111.3	111.2	111.1	111.1	110.7	110.8
Italy.....	112.8	115.9	116.7	116.8	117.3	117.7	118.0	118.3	118.6	118.7	118.9	119.1	119.3	119.6	120.0	120.1
Japan.....	101.5	100.8	100.2	100.1	99.9	99.4	99.6	99.9	100.2	100.1	99.7	100.0	100.0	99.8	99.8	99.8
Mexico.....	239.9	255.2	260.0	260.3	262.7	262.6	263.9	265.3	265.9	267.2	267.9	268.9	270.6	271.8	274.0	275.2
United Kingdom.....	114.2	116.3	116.5	116.3	116.3	116.6	117.1	117.9	118.2	118.2	118.0	118.3	119.2	119.4	119.6	119.8
Addendum: United States.....	113.0	116.2	116.5	116.4	116.6	116.8	117.2	117.8	117.8	117.9	118.1	118.5	118.7	119.0	119.1	.....
Real gross domestic product (percent change from preceding quarter, quarterly data seasonally adjusted at annual rates)																
Canada.....	4.5	1.5	2.9	.....	.....	5.7	.....	.....	4.4	.....	.....	3.1	.....	.....	.....	.....
France.....	3.8	1.8	-1.6	.....	.....	2.4	.....	.....	1.7	.....	.....	0.9	.....	.....	.....	.....
Germany.....	3.1	0.7	-1.2	.....	.....	1.1	.....	.....	0.6	.....	.....	1.1	.....	.....	.....	.....
Italy.....	2.9	1.8	-0.6	.....	.....	0.5	.....	.....	0.8	.....	.....	1.1	.....	.....	.....	.....
Japan.....	2.8	0.4	-1.7	.....	.....	0.2	.....	.....	5.3	.....	.....	2.9	.....	.....	2.0	.....
United Kingdom.....	3.1	2.0	1.0	.....	.....	1.0	.....	.....	2.6	.....	.....	3.8	.....	.....	1.6	.....
Addendum: United States.....	3.8	0.3	2.7	.....	.....	5.0	.....	.....	1.3	.....	.....	4.0	.....	.....	1.4	.....
Short-term, 3-month, interest rates (percent, not seasonally adjusted)																
Canada.....	5.78	3.98	2.24	2.10	2.01	2.11	2.22	2.39	2.59	2.76	2.85	2.93	2.90	2.87	2.82	2.83
Euro area.....	4.39	4.26	3.39	3.34	3.34	3.36	3.39	3.41	3.47	3.46	3.41	3.35	3.31	3.26	3.12	2.94
Mexico.....	16.15	12.24	8.69	7.53	7.35	8.17	7.31	6.16	6.69	7.49	7.88	7.07	7.82	8.23	7.83	7.27
United Kingdom.....	6.11	4.97	3.93	3.99	3.98	3.98	4.06	4.11	4.08	4.11	3.99	3.92	3.93	3.90	3.91	3.95
Addendum: United States.....	5.82	3.40	1.87	1.69	1.65	1.73	1.79	1.72	1.73	1.70	1.68	1.62	1.63	1.58	1.23	1.19
Long-term interest rates, government bond yields (percent, not seasonally adjusted)																
Canada.....	5.89	5.47	5.36	5.44	5.42	5.31	5.79	5.64	5.49	5.37	5.23	5.14	4.92	5.16	5.18	4.88
Euro area.....	5.44	5.03	4.67	4.96	5.02	5.07	5.32	5.30	5.30	5.16	5.03	4.73	4.52	4.62	4.59	4.41
France.....	5.89	5.38	5.07	5.35	5.39	5.42	5.57	5.56	5.59	5.45	5.48	4.99	4.89	5.14	4.80	4.79
Germany.....	5.3	4.8	4.5	4.7	4.9	4.9	5.2	5.2	5.2	5.0	4.9	4.6	4.4	4.5	4.5	4.3
Italy.....	5.58	5.19	4.80	5.05	5.14	5.20	5.41	5.40	5.41	5.26	5.11	4.83	4.62	4.76	4.74	4.55
Japan.....	1.74	1.32	1.33	1.33	1.42	1.50	1.42	1.39	1.37	1.33	1.30	1.26	1.13	1.10	0.98	0.98
United Kingdom.....	5.31	4.94	4.63	4.90	4.94	4.97	5.25	5.26	5.29	5.12	5.01	4.71	4.49	4.61	4.64	4.57
Addendum: United States.....	6.03	5.02	4.65	5.09	5.04	4.91	5.28	5.21	5.16	4.93	4.65	4.26	3.87	3.94	4.05	4.03
Share price indices (not seasonally adjusted, 1995=100)																
Canada.....	216.7	174.4	167.5	173.4	172.5	172.3	177.1	172.8	172.7	161.2	149.0	149.1	139.4	140.9	148.2	149.2
France.....	321.7	260.1	234.5	236.5	237.3	229.7	243.9	241.6	234.5	212.8	188.9	183.5	167.4	160.7	172.8	169.6
Germany.....	260.3	196.4	175.5	178.9	182.8	176.2	187.5	184.1	176.0	159.8	145.2	134.3	118.6	109.6	118.4	114.7
Italy.....	319.0	258.8	225.7	228.7	229.5	223.0	238.3	239.7	229.4	209.1	192.8	190.1	177.7	169.3	182.0	182.0
Japan.....	97.7	69.3	61.8	60.9	57.8	61.2	63.7	66.4	68.0	61.4	57.1	55.6	54.2	50.0	.....	.....
Mexico.....	293.6	275.7	262.8	287.1	312.2	303.4	340.7	337.1	316.8	291.1	271.3	280.1	258.1	268.9	277.4	276.1
United Kingdom.....	178.5	147.9	137.8	136.9	136.6	135.1	139.5	137.6	135.2	124.9	111.9	111.3	104.9	103.6	106.0	103.4
Addendum: United States.....	221.4	207.8	197.6	200.2	199.8	195.6	206.3	201.8	197.8	187.0	167.0	168.9	161.8	158.0	166.0	165.0

1. All exchange rates are from the Board of Governors of the Federal Reserve System.
 2. Rates for selected euro-area currencies can be derived by using the following conversion rates: 1 euro = 6.55957 French francs, 1.95583 German marks, and 1936.27 Italian lire.
 3. The rate shown for the United States is an index of the 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, January 1997=100. For more information on the exchange rate indexes, see "New Summary Measures of the Foreign Exchange Value of the Dollar," *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811-18.

NOTE: U.S. interest rates, unemployment rates, and GDP growth rates are from the Federal Reserve, the Bureau of Labor Statistics, and BEA, respectively. GDP growth rates for other countries are calculated from levels published by those countries. Most other data (including U.S. consumer prices and U.S. share prices, both of which have been rebased to 1995 to facilitate comparison) are © OECD and are reproduced with permission.

I. Charts

THE U.S. IN THE INTERNATIONAL DOMESTIC ECONOMY

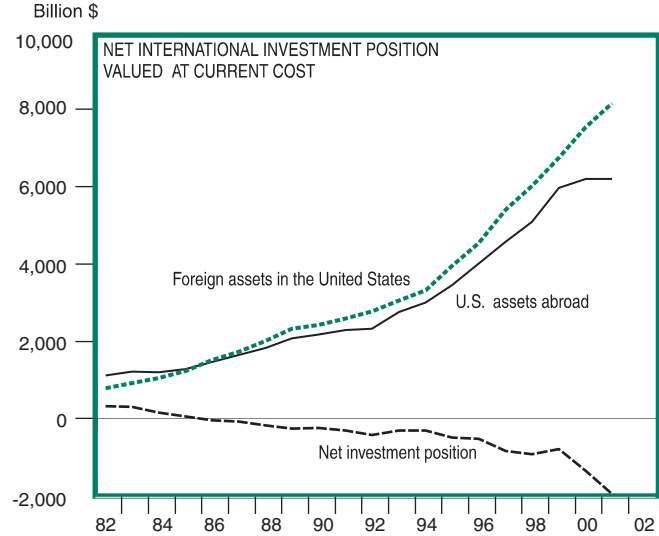
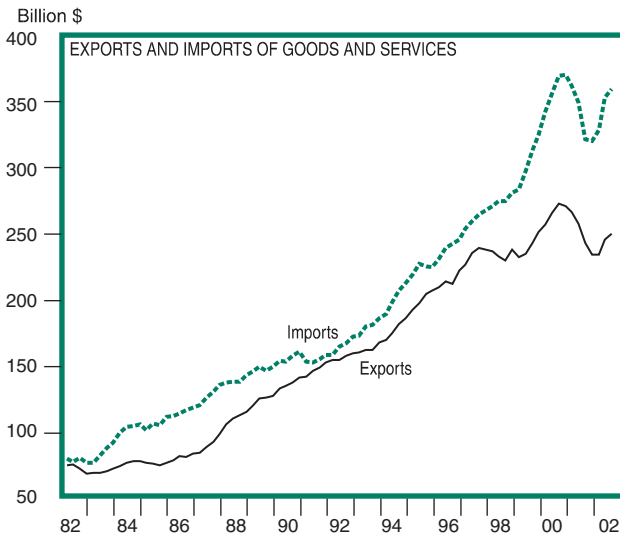
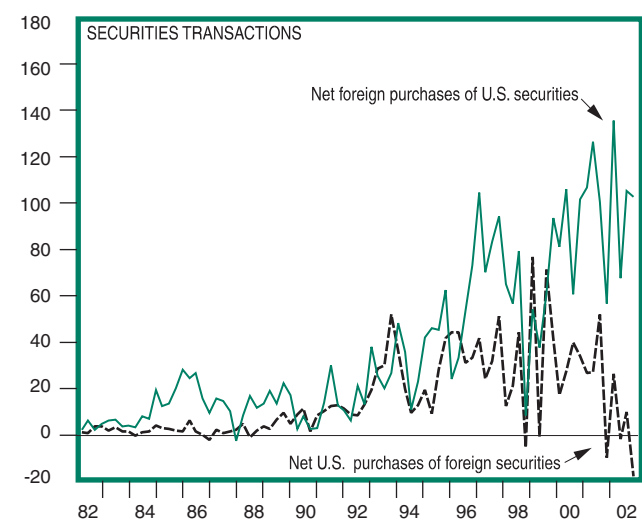
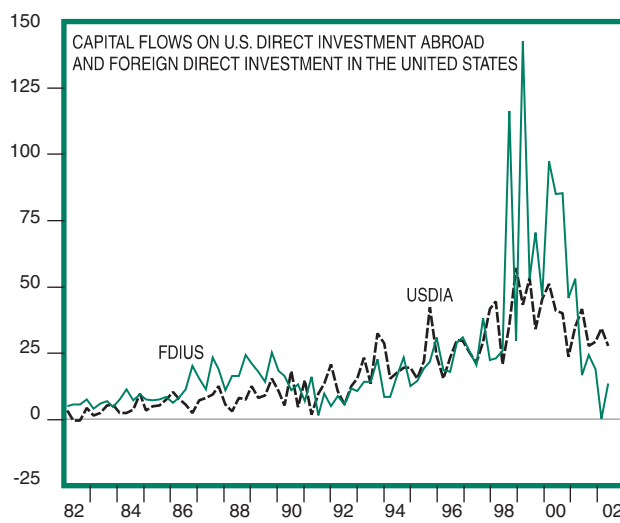
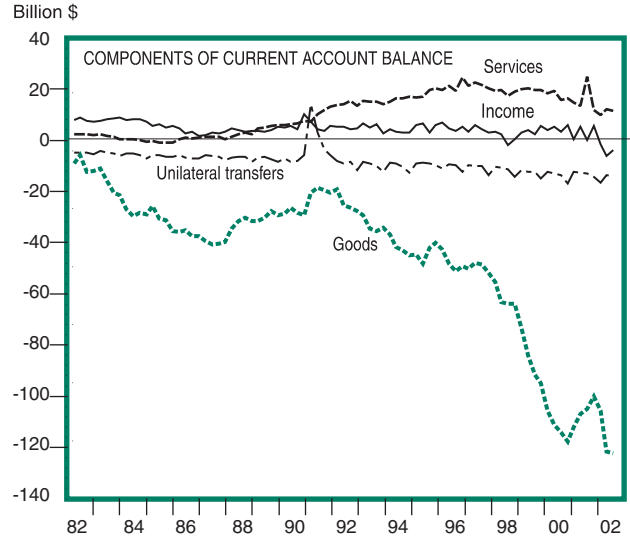
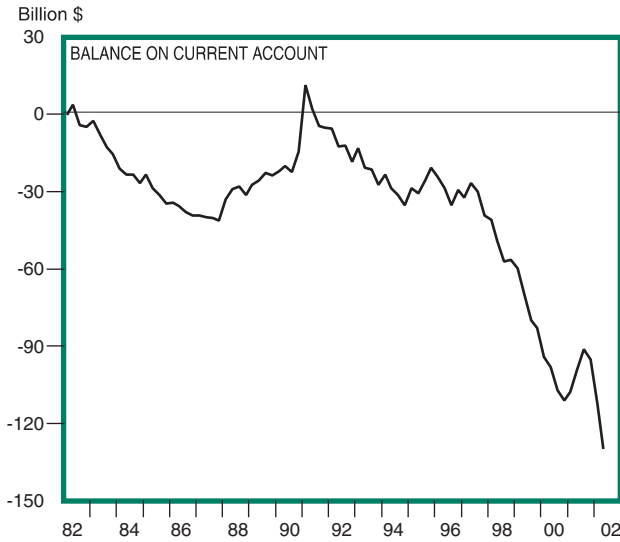


Table J.4. Gross State Product (GSP) by Industry for States and Regions, 2000 [Millions of dollars]

Table with 13 columns: 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. Rows include United States, New England, Mid-east, Great Lakes, Plains, Southeast, Southwest, Rocky Mountain, and Far West, each with sub-rows for individual states.

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."

K. Local Area Table

Table K.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 1998-2000

Table with multiple columns: Area name, Personal income (Millions of dollars), Percent change, Per capita personal income (Dollars), Rank in U.S., and similar columns for a second set of data.

See footnotes at the end of table.

Table K.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 1998-2000—Continued

Table with 19 columns: Area name, Personal income (Millions of dollars, Percent change, 1998-2000), Per capita personal income (Dollars, Rank in U.S., 1998-2000). The table lists 100 metropolitan areas, including La Crosse, WI-MN; Lafayette, LA; Lafayette, IN; Lake Charles, LA; Lakeland-Winter Haven, FL; Lancaster, PA; Lansing-East Lansing, MI; Laredo, TX; Las Cruces, NM; Las Vegas, NV-AZ; Lawrence, KS; Lawton, OK; Lewiston-Auburn, ME (NECMA); Lexington, KY; Lima, OH; Lincoln, NE; Little Rock-North Little Rock, AR; Longview-Marshall, TX; Los Angeles-Long Beach, CA; Louisville, KY-IN; Lubbock, TX; Lynchburg, VA; Macon, GA; Madison, WI; Mansfield, OH; McAllen-Edinburg-Mission, TX; Medford-Ashlund, OR; Melbourne-Titusville-Palm Bay, FL; Memphis, TN-AR-MS; Merced, CA; Miami, FL; Middlesex-Somerset-Hunterdon, NJ; Milwaukee-Waukesha, WI; Minneapolis-St. Paul, MN-WI; Missoula, MT; Mobile, AL; Modesto, CA; Monmouth-Ocean, NJ; Monroe, LA; Montgomery, AL; Muncie, IN; Myrtle Beach, SC; Naples, FL; Nashville, TN; Nassau-Suffolk, NY; New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT; New London-Norwich, CT (NECMA); New Orleans, LA; New York, NY; Newark, NJ; Newburgh, NY-PA; Norfolk-Virginia Beach-Newport News, VA-NC; Oakland, CA; Ocala, FL; Odessa-Midland, TX; Oklahoma City, OK; Olympia, WA; Omaha, NE; Orange County, CA; Orlando, FL; Owensboro, KY; Panama City, FL; Parkersburg-Marietta, WV-OH; Pensacola, FL; Peoria-Pekin, IL; Philadelphia, PA-NJ; Phoenix-Mesa, AZ; Pine Bluff, AR; Pittsburg, PA; Pittsfield, MA (NECMA); Pocatello, ID; Portland, ME (NECMA); Portland-Vancouver, OR-WA; Providence-Warwick-Pawtucket, RI (NECMA); Provo-Orem, UT; Pueblo, CO; Punta Gorda, FL; Racine, WI; Raleigh-Durham-Chapel Hill, NC; Rapid City, SD; Reading, PA; Redding, CA; Reno, NV; Richmond-Kennewick-Pasco, WA; Richmond-Petersburg, VA; Riverside-San Bernardino, CA; Roanoke, VA; Rochester, MN; Rochester, NY; Rocky Mount, NC; Sacramento, CA; Saginaw-Bay City-Midland, MI; St. Cloud, MN; St. Joseph, MO; St. Louis, MO-IL; Salem, OR; Salinas, CA; Salt Lake City-Ogden, UT; San Angelo, TX; San Antonio, TX; San Diego, CA; San Francisco, CA; San Jose, CA; San Luis Obispo-Atascadero-Paso Robles, CA; Santa Barbara-Santa Maria-Lompoc, CA; Santa Cruz-Watsonville, CA; Santa Fe, NM; Santa Rosa, CA; Sarasota-Bradenton, FL; Savannah, GA; Scranton-Wilkes-Barre-Hazleton, PA; Seattle-Bellevue-Everett, WA; Sharon, PA; Sheboygan, WI; Sherman-Denison, TX; Shreveport-Bossier City, LA; Sioux City, IA-NE; Sioux Falls, SD; South Bend, IN; Spokane, WA; Springfield, IL; Springfield, MO; Springfield, MA (NECMA); State College, PA; Steubenville-Weirton, OH-WV; Stockton-Lodi, CA; Sumter, SC; Syracuse, NY; Tacoma, WA; Tallahassee, FL; Tampa-St. Petersburg-Clearwater, FL; Terre Haute, IN; Texarkana, TX-Texarkana, AR; Toledo, OH; Topeka, KS; Trenton, NJ; Tucson, AZ; Tulsa, OK; Tuscaloosa, AL; Tyler, TX; Utica-Rome, NY; Vallejo-Fairfield-Napa, CA; Ventura, CA; Victoria, TX; Vineland-Millville-Bridgeton, NJ; Visalia-Tulare-Porterville, CA; Waco, TX; Washington, DC-MD-WA-WV; Waterloo-Cedar Falls, IA; Wausau, WI; West Palm Beach-Boca Raton, FL; Wheeling, WV-OH; Wichita, KS; Wichita Falls, TX; Williamsport, PA; Wilmington-Newark, DE-MD; Wilmington, NC; Yakima, WA; Yoe, GA; York, PA; Youngstown-Warren, OH; Yuba City, CA; Yuma, AZ.

1. Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 1998-2000 reflect county population estimates available as of April 2002.

2. Percent change calculated from unrounded data.

3. The personal income level shown for the United States is derived as the sum of the county estimates. It differs from the estimate of personal income in the national income and product accounts (NIPA's) because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data. In particular, it differs from the NIPA estimate because, by definition, it omits the earnings of

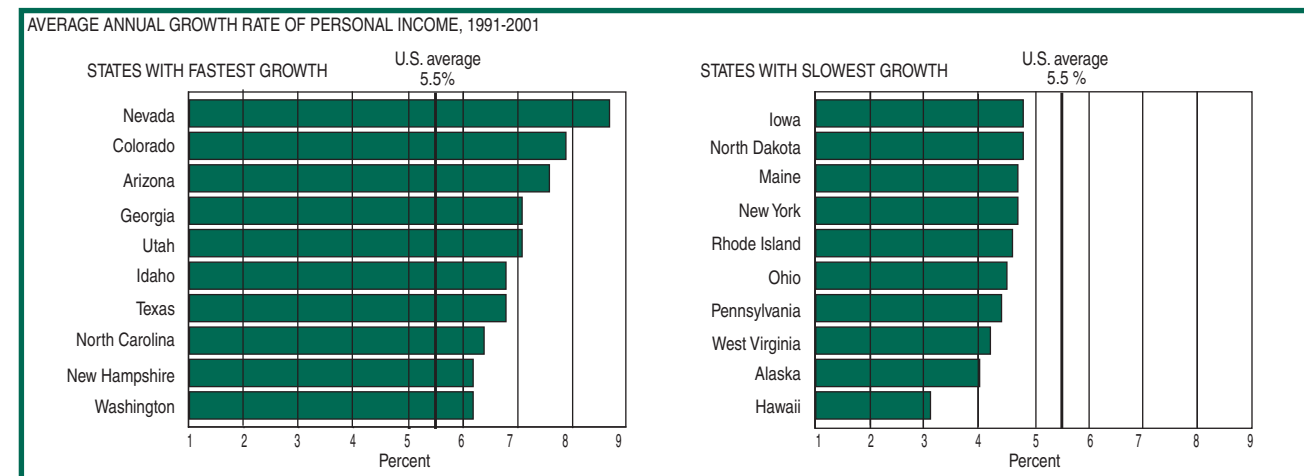
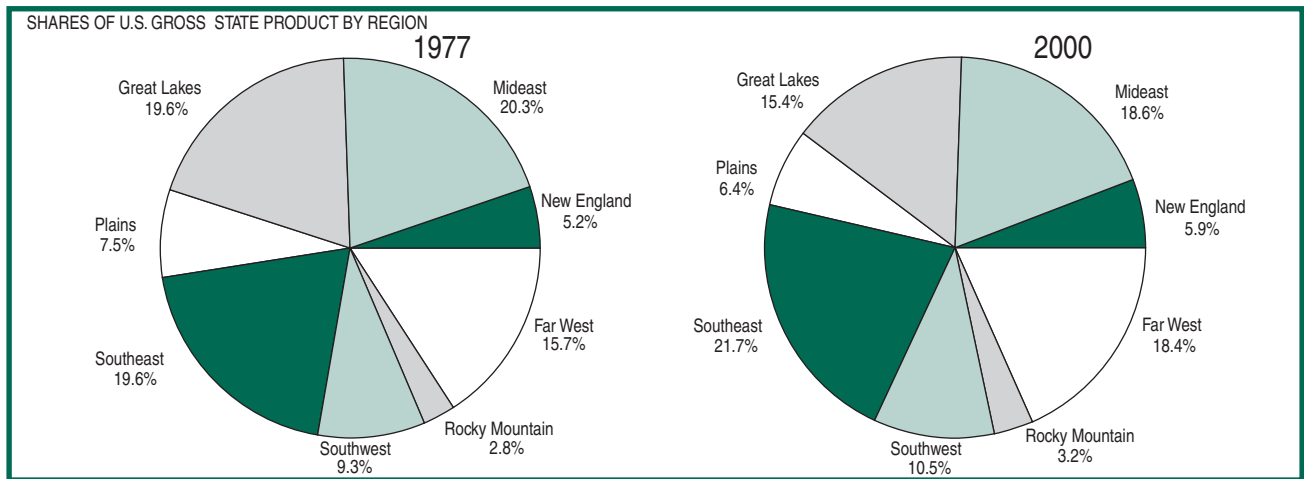
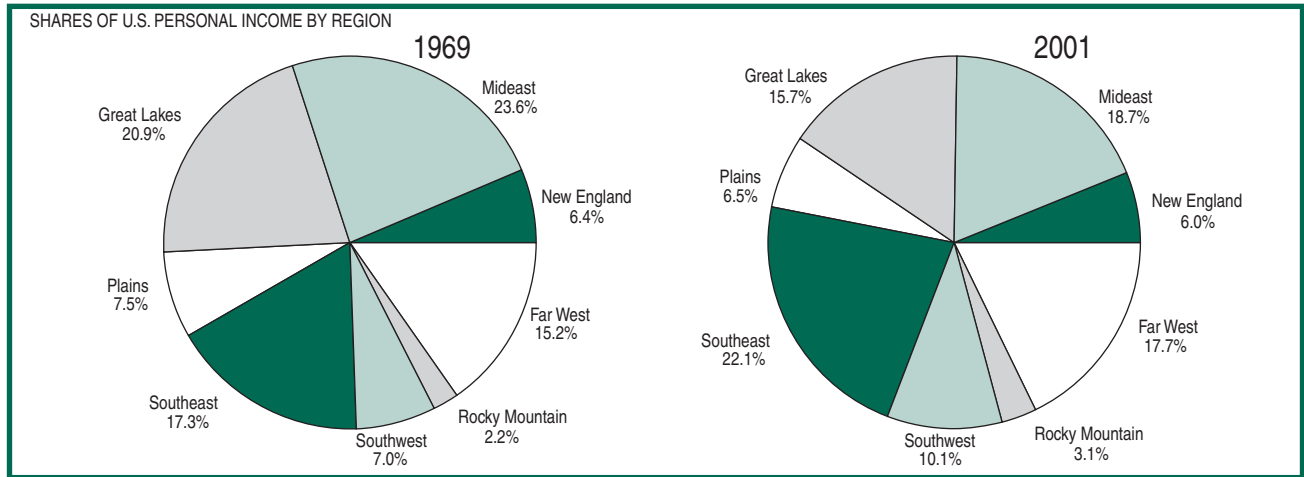
Federal civilian and military personnel stationed abroad and of U.S. residents employed abroad temporarily by private U.S. firms.

4. Includes Metropolitan Statistical Areas, Primary Metropolitan Statistical Areas (PMSA's designated by *), and New England County Metropolitan Areas (NECMA's). The New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT NECMA is presented as a PMSA (of the New York CMSA).

Source: Table 1 in "Local Area Personal Income, 1998-2000" in the May 2002 issue of the SURVEY OF CURRENT BUSINESS.

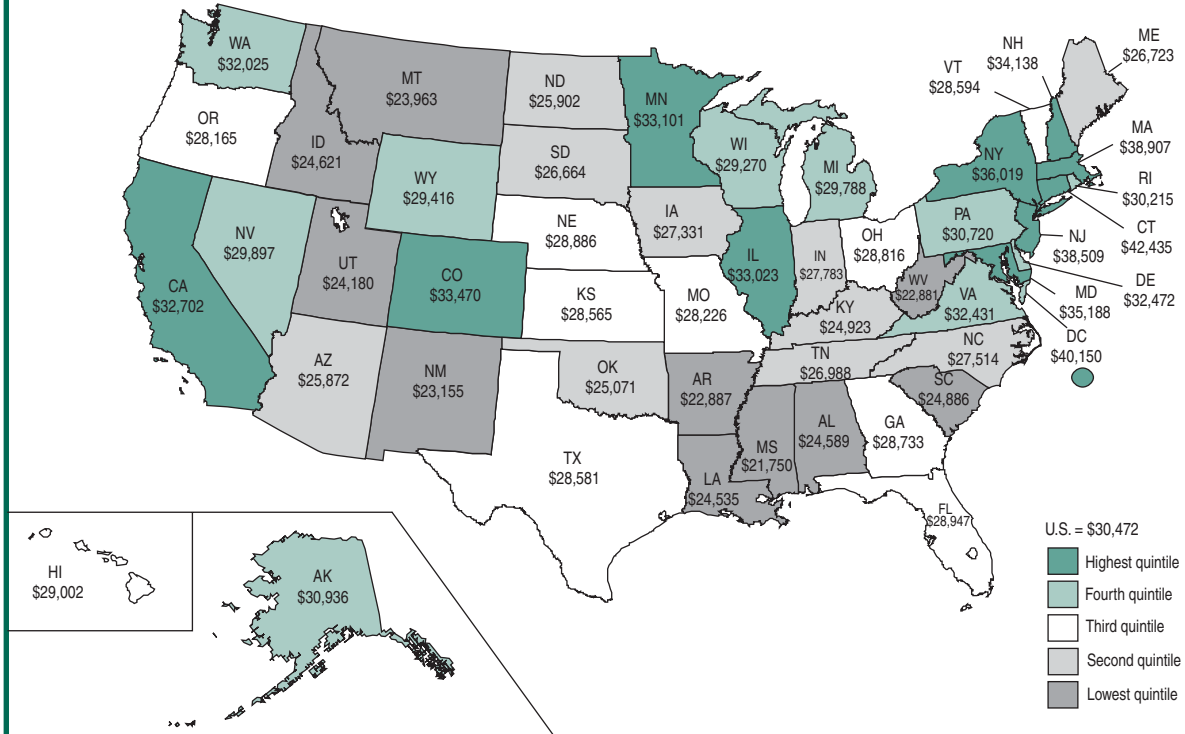
L. Charts

SELECTED REGIONAL ESTIMATES

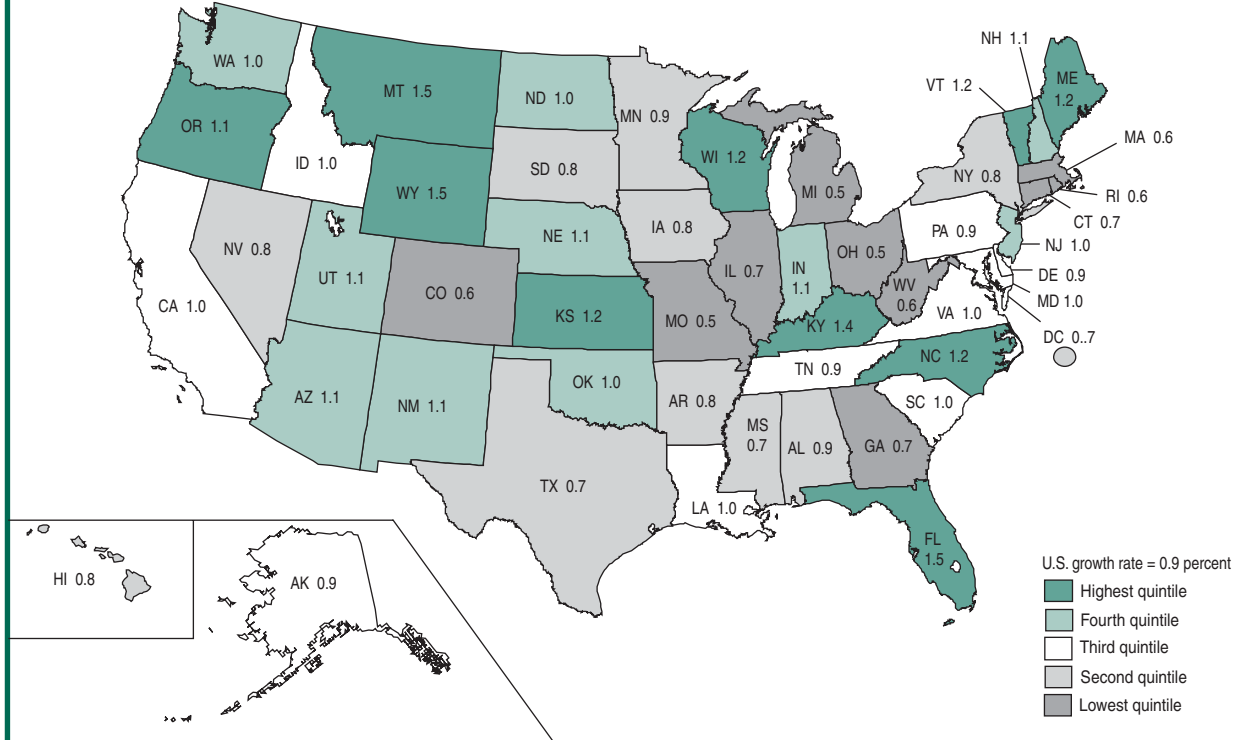


SELECTED REGIONAL ESTIMATES

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 ^p
BEA-derived compensation per hour of all persons in the nonfarm business sector (less housing)¹	2.7	2.8	1.0	1.5	2.9	4.0	5.4	4.5
<i>Less:</i> Contribution of supplements to wages and salaries per hour.....	0.3	0.6	0.1	0.1	1.3	0.8	0.4	0.5
<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	0.1	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	0.0	-0.4	0.2	-0.2	0.1	0.1	0.3
Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector	2.5	2.2	1.3	0.7	1.8	3.1	4.9	3.8
<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	0.4	-0.2
<i>Less:</i> Other differences ²	-1.4	-1.1	-2.6	-3.1	-0.9	0.7	1.3	0.5
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

^p Preliminary.

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.
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	2000	2001	Seasonally adjusted at annual rates					
				2001			2002		
				II	III	IV	I	II	III
Exports of goods and services and income receipts, ITA's	1	1,417.2	1,281.8	1,326.4	1,237.9	1,166.7	1,165.4	1,221.0	1,251.5
<i>Less:</i> Gold, ITA's.....	2	6.0	4.9	7.6	2.4	2.9	2.5	3.5	3.6
Statistical differences ¹	3	0.0	0.0	0.0	0.0	0.0	-0.4	4.2	4.5
Other items.....	4	1.2	1.0	1.1	1.0	0.8	0.9	1.1	0.9
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments.....	5	6.5	6.2	6.4	6.0	5.9	4.6	5.5	5.1
Adjustment for U.S. territories and Puerto Rico.....	6	46.9	50.7	49.6	49.3	53.3	56.6	56.6	57.7
Services furnished without payment by financial intermediaries except life insurance carriers.....	7	21.1	18.3	18.4	18.0	17.8	18.6	19.8	20.6
Equals: Exports of goods and services and income receipts, NIPA's	8	1,484.5	1,351.1	1,392.2	1,307.8	1,240.0	1,242.2	1,294.1	1,325.9
Imports of goods and services and income payments, ITA's	9	1,774.1	1,625.7	1,675.7	1,553.8	1,492.7	1,551.1	1,679.4	1,706.8
<i>Less:</i> Gold, ITA's.....	10	5.9	4.3	6.5	2.2	2.4	2.0	3.5	3.0
Statistical differences ¹	11	0.0	0.0	0.0	0.0	0.0	-1.2	-4.9	-2.6
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	-3.2	-3.4	-3.5	-3.6	-3.3	-3.3	-3.6	-3.5
Adjustment for grossing of parent/affiliate interest payments.....	14	6.5	6.2	6.4	6.0	5.9	4.6	5.5	5.1
Adjustment for U.S. territories and Puerto Rico.....	15	34.0	35.6	36.1	36.9	38.6	30.1	37.2	41.1
Imputed interest paid to rest of world.....	16	21.1	18.3	18.4	18.0	17.8	18.6	19.8	20.6
Equals: Imports of goods and services and income payments, NIPA's	17	1,826.6	1,678.0	1,726.7	1,608.9	1,549.3	1,600.4	1,739.8	1,769.7
Balance on goods and services and income ITA's (1-9)	18	-356.9	-343.9	-349.3	-315.9	-326.0	-385.7	-458.4	-455.3
<i>Less:</i> Gold (2-10+13).....	19	-3.1	-2.8	-2.4	-3.4	-2.8	-2.8	-3.6	-2.9
Statistical differences (3-11) ¹	20	0.0	0.0	0.0	0.0	0.0	0.8	9.1	7.1
Other items (4-12).....	21	1.2	1.0	1.1	1.0	0.8	0.9	1.1	0.9
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15).....	22	12.9	15.1	13.5	12.4	14.7	26.5	19.4	16.6
Equals: Net exports of goods and services and net receipts of income, NIPA's (8-17)	23	-342.1	-326.9	-334.5	-301.1	-309.3	-358.2	-445.7	-443.8

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

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.