

Business Situation

Final Estimates for the Second Quarter of 2003

ACCORDING to the “final” estimates of the national income and product accounts (NIPAs), real GDP increased 3.3 percent in the second quarter of 2003, 0.2 percentage point more than in last month’s “preliminary” estimates (table 1 and chart 1).¹

The picture of the economy shown in the final estimates is very similar to that shown in the preliminary estimates. In both sets of estimates,

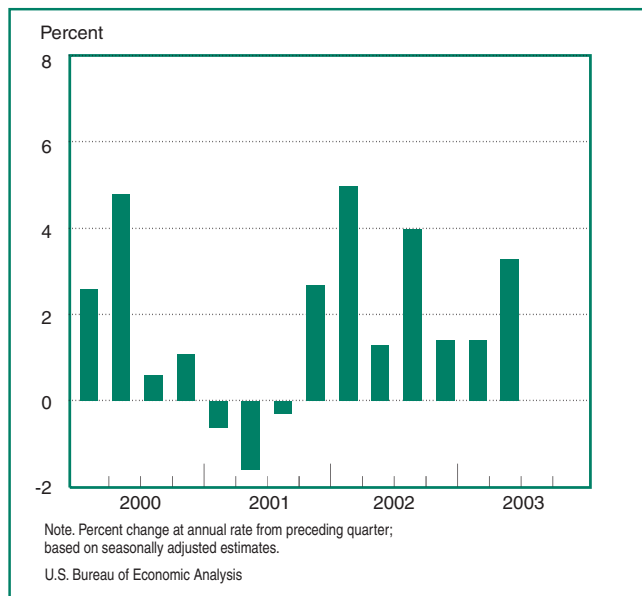
- The growth of GDP and gross domestic purchases stepped up considerably in the second quarter.
- Consumer spending and government spending contributed the most to second-quarter GDP growth and to the step-up from the first quarter to the second (table 2).²

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

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

This article was prepared by Daniel Larkins.

Chart 1. Real Gross Domestic Product



- Private fixed investment increased, while inventory investment decreased.
- Prices increased much less than in the first quarter.
- Real disposable personal income (DPI) accelerated. According to the final estimates,
- Consumer spending, led by purchases of motor vehicles, contributed 2.68 percentage points to second-quarter GDP growth. Government spending, led by defense spending, contributed 1.59 percentage points.
- Nonresidential fixed investment contributed 0.74 percentage point to growth; an increase in equip-

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							
	2003	2002		2003		2002		2003	
	II	III	IV	I	II	III	IV	I	II
Gross domestic product	9,629.4	93.2	32.6	33.8	77.4	4.0	1.4	1.4	3.3
Less: Exports of goods and services	1,055.5	12.2	-16.1	-3.5	-2.6	4.6	-5.8	-1.3	-1.0
Plus: Imports of goods and services	1,601.7	12.8	28.1	-25.4	33.3	3.3	7.4	-6.2	8.8
Equals: Gross domestic purchases	10,129.4	93.9	70.8	15.2	108.7	3.9	2.9	0.6	4.4
Less: Change in private inventories.	-17.6	13.9	7.0	-21.0	-22.4	.....	.....	.....	.....
Equals: Final sales to domestic purchasers	10,131.0	80.1	64.0	34.6	126.3	3.3	2.6	1.4	5.1
Personal consumption expenditures	6,733.9	67.5	28.0	33.0	63.0	4.2	1.7	2.0	3.8
Durable goods	1,061.5	51.7	-21.8	-5.2	56.1	22.8	-8.2	-2.0	24.3
Nondurable goods	1,985.6	4.9	24.2	28.9	6.7	1.0	5.1	6.1	1.4
Services	3,728.0	20.8	20.0	7.9	13.1	2.3	2.2	0.9	1.4
Private fixed investment	1,615.3	-1.0	16.9	-0.6	27.4	-0.3	4.4	-0.1	7.1
Nonresidential	1,193.0	-2.4	6.6	-13.2	20.9	-0.8	2.3	-4.4	7.3
Structures	213.2	-13.5	-5.6	-1.6	2.2	-21.4	-9.9	-2.9	4.2
Equipment and software	999.5	15.8	14.9	-12.2	19.6	6.7	6.2	-4.8	8.3
Residential	412.0	1.0	8.8	9.6	6.5	1.1	9.4	10.1	6.6
Government consumption expenditures and gross investment	1,772.6	12.3	19.4	1.7	35.9	2.9	4.6	0.4	8.5
Federal	669.5	6.4	16.3	1.1	37.0	4.3	11.0	0.7	25.5
National defense	450.2	6.7	10.7	-3.5	40.5	6.9	11.0	-3.3	45.8
Nondefense	219.7	-0.2	5.6	4.5	-3.1	-0.3	11.1	8.4	-5.4
State and local	1,104.1	5.9	3.4	0.6	-0.5	2.2	1.2	0.2	-0.2
Addendum: Final sales of domestic product	9,631.1	79.3	25.9	53.1	94.9	3.4	1.1	2.3	4.0

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 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.)

ment and software was mainly responsible. Residential investment contributed 0.31 percentage point to growth, mainly on the strength of brokers' commissions on home sales. In contrast, inventory investment swung from accumulation to liquidation and subtracted 0.74 percentage point from GDP growth.

- Imports increased, subtracting 1.21 percentage points from GDP growth, and exports decreased slightly, subtracting 0.09 percentage point.
- The price index for gross domestic purchases increased 0.4 percent in the second quarter after increasing 3.4 percent in the first. The slowdown was mainly accounted for by a downturn in energy prices.
- Real DPI increased 2.6 percent after increasing 1.6 percent.

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

[Seasonally adjusted at annual rates]

	2002		2003	
	III	IV	I	II
Percent change at annual rate:				
Gross domestic product.....	4.0	1.4	1.4	3.3
Percentage points at annual rates:				
Personal consumption expenditures.....	2.93	1.19	1.40	2.68
Durable goods.....	1.74	-0.72	-0.17	1.79
Nondurable goods.....	0.22	1.01	1.21	0.28
Services.....	0.97	0.90	0.36	0.60
Gross private domestic investment.....	0.55	0.93	-0.83	0.30
Fixed investment.....	-0.03	0.65	-0.02	1.05
Nonresidential.....	-0.08	0.24	-0.47	0.74
Structures.....	-0.62	-0.25	-0.07	0.10
Equipment and software.....	0.53	0.49	-0.40	0.64
Residential.....	0.05	0.41	0.45	0.31
Change in private inventories.....	0.58	0.28	-0.82	-0.74
Net exports of goods and services.....	-0.01	-1.59	0.78	-1.29
Exports.....	0.45	-0.59	-0.13	-0.09
Goods.....	0.28	-0.82	0.13	-0.10
Services.....	0.17	0.23	-0.25	0.02
Imports.....	-0.47	-1.00	0.91	-1.21
Goods.....	-0.40	-0.71	0.81	-1.50
Services.....	-0.07	-0.30	0.10	0.30
Government consumption expenditures and gross investment.....	0.56	0.85	0.08	1.59
Federal.....	0.29	0.70	0.05	1.61
National defense.....	0.29	0.46	-0.15	1.74
Nondefense.....	-0.01	0.25	0.20	-0.13
State and local.....	0.27	0.15	0.03	-0.02

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.

Revisions

The 0.2-percentage-point revision to second-quarter real GDP growth is close to the average revision (without regard to sign) over the past 20 years, 0.3 percentage point.

Inventory investment was revised up \$3.3 billion, mainly reflecting the incorporation of revised data from the Energy Information Administration on the coal and petroleum stocks of utilities for April and newly available data for May (table 3). As a result of the upward revision, inventory investment subtracted less (0.13 percentage point) from GDP growth in the final estimate than in the preliminary estimate.

Residential investment was also revised up, mainly reflecting the incorporation of revised data from the Census Bureau on construction put in place for May and June. As a result of the revision, residential investment added 0.10 percentage point more to GDP growth in the final estimate than in the preliminary.

The effects of the revisions to inventory investment and to residential investment were partly offset by an upward revision to imports (which are subtracted in the calculation of GDP).

The revision to imports mainly reflected the incorporation of newly available Commerce Department data on the number of international travelers for June. As a result of the revision, imports subtracted 0.12 percentage point more from GDP growth in the final estimate than in the preliminary.

The news release containing the final NIPA estimates for the second quarter also included revised estimates for several first-quarter income flows. First-quarter wages and salaries were revised down, reflecting the incorporation of the most recently available data from Bureau of Labor Statistics tabulations of private wages and salaries from the state unemployment insurance program. Personal taxes and contributions for social insurance were also revised down for the first quarter, reflecting the revisions to wages and salaries. As a result of these revisions, real disposable personal income is now

estimated to have increased 1.6 percent in the first quarter (revised down from 2.1 percent) and 2.6 percent in the second quarter (revised down from 2.8 percent).

Table 3. Revisions to Change in Real Gross Domestic Product and Prices, Second Quarter 2003

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Final estimate minus preliminary estimate	
	Preliminary estimate	Final estimate	Percentage points	Billions of chained (1996) dollars
Gross domestic product	3.1	3.3	0.2	3.9
Less: Exports	-1.2	-1.0	0.2	0.6
Goods	-2.0	-1.6	0.4	0.7
Services	0.7	0.5	-0.2	-0.2
Plus: Imports	7.9	8.8	0.9	3.2
Goods	13.3	13.5	0.2	0.6
Services	-14.6	-11.4	3.2	2.1
Equals: Gross domestic purchases	4.2	4.4	0.2	6.1
Less: Change in private inventories.....				3.3
Equals: Final sales to domestic purchasers	5.0	5.1	0.1	2.9
Personal consumption expenditures	3.8	3.8	0.0	0.6
Durable goods	24.1	24.3	0.2	0.3
Nondurable goods	1.1	1.4	0.3	1.1
Services	1.5	1.4	-0.1	-0.6
Private fixed investment.....	6.9	7.1	0.2	0.8
Nonresidential	8.0	7.3	-0.7	-1.8
Structures.....	7.1	4.2	-2.9	-1.5
Equipment and software	8.2	8.3	0.1	0.1
Residential	4.5	6.6	2.1	2.0
Government consumption expenditures and gross investment.....	8.2	8.5	0.3	1.4
Federal	25.5	25.5	0.0	0.0
National defense	45.9	45.8	-0.1	-0.1
Nondefense	-5.4	-5.4	0.0	0.0
State and local	-0.7	-0.2	0.5	1.5
Addenda:				
Final sales of domestic product.....	4.0	4.0	0.0	0.7
Gross domestic purchases price index	0.2	0.4	0.2	
GDP price index	0.8	1.0	0.2	

NOTE: The final estimates for the second quarter of 2003 incorporate the following revised or additional major source data that were not available when the preliminary estimates were prepared.

Personal consumption expenditures: Revised retail sales for June and bank services data for the quarter.

Nonresidential fixed investment: Revised construction put-in-place for May and June.

Residential fixed investment: Revised construction put-in-place for May and June.

Change in private inventories: Revised manufacturers' and trade inventories for June, and coal and petroleum inventories of electric utilities for April (revised) and May (new).

Exports and imports of goods and services: International transactions accounts data on services for the first quarter (revised) and the second quarter (new).

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

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

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

Gross National Product

In the second quarter, real gross national product (GNP) increased 3.5 percent, 0.2 percentage point more than real GDP; real GNP increased 1.4 percent in the first quarter (table 4). GNP differs from GDP by the addition of income receipts from the rest of the world and the subtraction of income payments to the rest of the world.³ In the second quarter, a small increase in receipts was more than accounted for by profits received by U.S. corporations from foreign affiliates; a decrease in payments was more than accounted for by a drop in interest income earned in the United States by foreign investors.

“Command-basis” GNP increased 4.1 percent in the second quarter after increasing 0.5 percent in the first (chart 2). This variant of GNP measures the change in the purchasing power in world markets of the goods and services that are produced by the U.S. economy—in other words, the change in the quantity of goods and services that could be purchased by the United States as a result of its current production.

Changes in command-basis GNP reflect changes in the prices of traded goods and services as summarized

3. GNP is a measure of the goods and services produced by labor and property supplied by U.S. residents, regardless of where they are located; GDP is a measure of the goods and services produced by labor and property in the United States, regardless of nationality.

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

[Seasonally adjusted at annual rates]

	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level		Change from preceding quarter			2002		2003	
	2003	2002	2003						
	II	III	IV	I	II	III	IV	I	II
Gross domestic product	9,629.4	93.2	32.6	33.8	77.4	4.0	1.4	1.4	3.3
Plus: Income receipts from the rest of the world	253.4	9.5	-3.8	-5.0	0.9	15.9	-5.7	-7.5	1.4
Less: Income payments to the rest of the world	255.4	1.3	-5.3	-3.8	-5.0	1.9	-7.6	-5.6	-7.4
Equals: Gross national product	9,628.0	101.2	34.2	32.6	83.3	4.4	1.4	1.4	3.5
Less: Exports of goods and services and income receipts from the rest of the world	1,304.0	22.3	-19.8	-8.9	-1.5	7.0	-5.8	-2.7	-0.5
Plus: Command-basis exports of goods and services and income receipts from the rest of the world ¹	1,327.9	20.0	-20.2	-29.2	11.7	6.1	-5.8	-8.4	3.6
Equals: Command-basis gross national product	9,651.9	99.0	33.8	12.3	96.5	4.3	1.4	0.5	4.1
Addendum:									
Terms of trade ²	101.8	-0.2	0.0	-1.6	1.0	-0.8	0.0	-6.1	4.0

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

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

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

by movements in the “terms of trade”—the ratio of export prices to import prices. When the terms of trade improve (that is, when export prices rise relative to import prices), the purchasing power, or command value, of U.S. GNP in international markets increases by more than the production of goods and services valued in U.S. prices.⁴ Conversely, when the terms of trade deteriorate (that is, when export prices fall relative to import prices), the purchasing power, or command value, of U.S. GNP in international markets increases by less than the production of goods and services valued in U.S. prices.

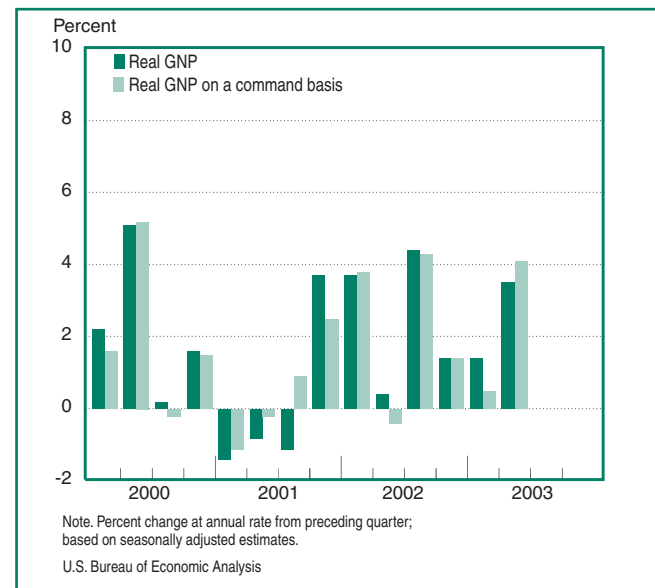
The national saving rate, which is measured as gross saving as a percentage of GNP, continued its downward trend, dropping from 13.9 percent (revised) in the first quarter to 13.7 percent in the second. The rate has declined steadily from its level of 18.5 percent in the third quarter of 2000.

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

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

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

Chart 2. Real Gross National Product



Corporate Profits

Profits from current production increased \$80.6 billion (9.9 percent at a quarterly rate) in the second quarter (table 5).⁵ Profits were 14.3 percent higher than a year ago.

The revised second-quarter estimate of profits is \$7.7 billion less than the preliminary estimate. Profits from the rest of the world were revised down \$7.9 billion. For domestic industries, a \$5.8 billion downward revision to profits of financial corporations was offset by a \$5.9 billion upward revision to profits of nonfinancial corporations.

Profits of domestic nonfinancial corporations increased \$70.5 billion (14.5 percent), mainly reflecting an increase in profits per unit that resulted from bigger declines in unit labor and nonlabor costs than in prices. Profits of domestic financial corporations increased \$8.4 billion (3.8 percent). Profits from the rest

of the world increased \$1.7 billion (1.6 percent), as an increase in receipts by domestic parents from their foreign affiliates was partly offset by an increase in payments by domestic affiliates to their foreign parents.⁶

Cash flow from current production, a profits-related measure of internally generated funds available for investment, increased \$70.8 billion.⁷ The ratio of cash flow to nonresidential fixed investment, an indicator of the extent to which the current level of investment could be financed by internally generated funds, jumped to 92.5 percent in the second quarter from 87.4 percent in the first. The ratio had hovered in the range of 86 to 89 percent for a year and a half; during the expansion of the 1990s, it averaged 82.2 percent.

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

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

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

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

Table 5. Corporate Profits

[Seasonally adjusted]

	Billions of dollars (annual rate)					Percent change (quarterly rate)			
	Level	Change from preceding quarter							
	2003	2002		2003		2002		2003	
	II	III	IV	I	II	III	IV	I	II
Profits from current production	897.1	-14.0	25.1	20.4	80.6	-1.8	3.2	2.6	9.9
Domestic industries	788.9	-15.0	27.1	28.0	78.9	-2.2	4.1	4.1	11.1
Financial	231.9	-3.4	0.3	15.9	8.4	-1.6	0.1	7.7	3.8
Nonfinancial	557.0	-11.7	26.8	12.1	70.5	-2.5	6.0	2.5	14.5
Rest of the world	108.2	1.0	-2.0	-7.6	1.7	0.9	-1.8	-6.6	1.6
Receipts (inflows)	196.6	12.5	1.4	5.7	3.6	7.2	0.8	3.1	1.8
Payments (outflows)	88.4	11.4	3.6	13.3	1.8	19.6	5.0	18.1	2.2
IVA	-2.2	-9.4	6.6	-18.4	24.7	.....	.....	.....	.....
CCAAdj	199.0	-15.2	-7.9	5.6	83.7	.....	.....	.....	.....
Profits before tax	700.2	10.6	26.4	33.2	-27.9	1.6	3.9	4.8	-3.8
Profits tax liability	234.3	1.0	7.7	15.4	-3.5	0.5	3.6	6.9	-1.5
Profits after tax	465.9	9.5	18.7	17.7	-24.3	2.1	4.1	3.8	-5.0
Profits from current production less tax liability	662.7	-15.0	17.4	4.9	84.1	-2.6	3.1	0.9	14.5
Cash flow from current production	1,035.5	-12.0	14.0	-4.0	70.8	-1.2	1.5	-0.4	7.3
Domestic industry profits:									
Corporate profits of domestic industries with IVA	589.9	0.2	35.0	22.4	-4.8	0.0	6.5	3.9	-0.8
Financial	226.6	-2.4	0.4	13.8	-3.7	-1.1	0.2	6.4	-1.6
Nonfinancial	363.3	2.6	34.6	8.6	-1.1	0.8	10.8	2.4	-0.3
Manufacturing	106.9	8.6	8.4	13.1	-15.1	9.3	8.4	12.0	-12.4
Transportation and public utilities	33.8	-3.9	8.3	-1.4	13.7	-22.9	63.2	-6.3	68.2
Wholesale trade	57.3	-0.3	14.4	-7.5	5.9	-0.7	32.4	-12.7	11.6
Retail trade	85.9	-3.5	-7.4	-0.3	11.1	-4.0	-9.0	-0.4	14.9
Other	79.3	1.7	10.9	4.6	-16.8	2.2	13.5	5.0	-17.5
	Dollars								
Unit price, costs, and profits of nonfinancial corporations:									
Unit price	1.037	-0.001	0.002	0.002	-0.002	.....	.....	.....	.....
Unit labor cost	0.671	-0.001	-0.001	0.000	-0.007	.....	.....	.....	.....
Unit nonlabor cost	0.265	0.002	0.000	-0.002	-0.004	.....	.....	.....	.....
Unit profits from current production	0.102	-0.003	0.005	0.001	0.012	.....	.....	.....	.....

NOTE: Levels of these and other profits series are shown in NIPA tables 1.14, 1.16, 6.16C, and 7.15.
IVA Inventory valuation adjustment
CCAAdj Capital consumption adjustment

Profits with inventory valuation adjustment (IVA). The current-production measure of profits is not available at the detailed industry level, because estimates of the capital consumption adjustment (CCAdj) do not exist at this level. (CCAdj is only available for total financial and total nonfinancial industries.) Consequently, industry profits are best measured by profits with IVA.

In the second quarter, profits with IVA and profits from current production diverged sharply, reflecting a sharp divergence in the measures of depreciation that underlie them. As was explained in more detail last month, the Jobs and Growth Tax Relief Reconciliation Act of 2003 (signed into law on May 28, 2003) increased the immediate depreciation writeoff that corporations could claim for property acquired after May 5, 2003, and placed in service before January 1, 2005.⁸ As a result, the measure of depreciation used for tax accounting (and for profits with IVA) increased by an estimated \$75.2 billion at an annual rate in the second quarter.⁹ In contrast, the measure of depreciation that underlies profits from current production was not affected by the tax act; this measure of depreciation approximates the value of fixed capital actually used up in the production process. Reflecting the differing impact of the tax act on the two measures of depreciation, and in contrast to the sharp increase in profits from current production, profits with IVA decreased.

For financial industries, profits with IVA decreased

8. "Business Situation," SURVEY OF CURRENT BUSINESS 83 (September 2003): 13–14.

9. At a quarterly rate, depreciation increased \$18.8 billion.

\$3.7 billion. The decrease was mainly accounted for by commercial banks.

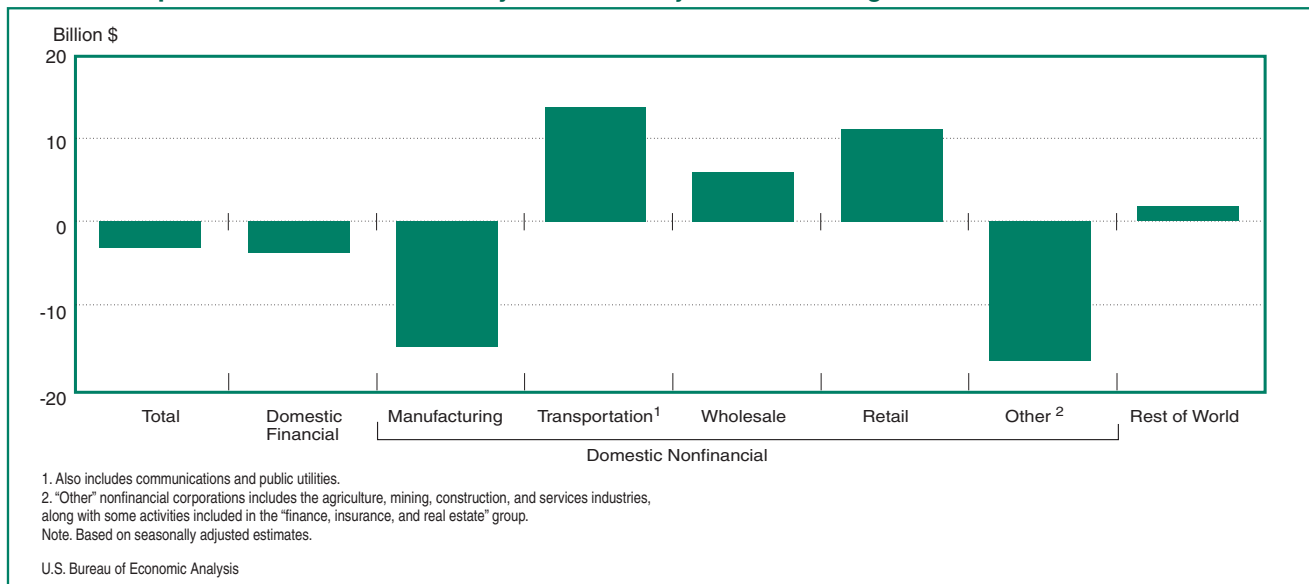
For nonfinancial industries, profits with IVA decreased \$1.1 billion. Decreased profits in manufacturing and in "other" nonfinancial corporations were largely offset by increased profits in the transportation and utility group and in wholesale and retail trade (chart 3). In manufacturing, decreases were widespread; the largest were posted by manufacturers of motor vehicles and of chemicals. In "other" nonfinancial corporations, most of the decrease was accounted for by services (which includes business services and health services).

The increase in the transportation and utilities group was mainly accounted for by a jump in airline profits in response to stepped-up subsidies provided for by the Emergency Wartime Supplemental Appropriations Act of 2003. The increase in retail trade was mostly accounted for by general merchandise stores and auto dealers.

Profits before and after tax. Profits before tax (PBT) decreased \$27.9 billion in the second quarter, and profits tax liability decreased \$3.5 billion.¹⁰ As a result, profits after tax (PBT less profits tax liability) decreased \$24.3 billion. In contrast, profits from current production less profits tax liability increased \$84.1 billion.

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

Chart 3. Corporate Profits with Inventory Valuation Adjustment: Change from 2003:I to 2003:II



Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade, 2003:II

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

Data availability

The estimates for 1967:I to 1997:IV are based on the Standard Industrial Classification system, and the estimates for 1997:IV forward are based on the North American Industry Classification System. The esti-

mates are available as downloadable files on BEA's Web site at <www.bea.gov>; click on "Gross Domestic Product," look under "Supplemental estimates," and click on NIPA underlying detail and key source data tables."

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

Table 1B. Real Manufacturing and Trade Inventories, Seasonally Adjusted, End of Period

[Billions of Chained (1996) dollars]

	2003		2003					
	I	II	Feb.	Mar.	Apr. ^r	May ^r	June ^r	July ^p
Manufacturing and trade industries	1,155.9	1,152.1	1,155.3	1,155.9	1,155.0	1,152.4	1,152.1	1,151.3
Manufacturing industries	446.7	443.1	448.3	446.7	445.9	444.6	443.1	440.8
Durable goods industries	272.9	269.0	274.2	272.9	272.4	271.3	269.0	266.9
Wood product manufacturing	8.5	8.2	8.6	8.5	8.5	8.3	8.2	8.1
Nonmetallic mineral product manufacturing	9.2	9.4	9.2	9.2	9.2	9.4	9.4	9.4
Primary metal manufacturing	21.0	19.8	21.1	21.0	20.8	20.5	19.8	19.5
Fabricated metal product manufacturing	30.5	30.1	30.6	30.5	30.3	30.3	30.1	29.7
Machinery manufacturing	35.2	34.8	35.8	35.2	35.3	35.1	34.8	34.6
Computer and electronic product manufacturing	60.1	58.8	60.7	60.1	59.7	59.1	58.8	58.7
Electrical equipment, appliance, and component manufacturing	13.1	13.0	13.2	13.1	13.1	13.1	13.0	12.8
Transportation equipment manufacturing	66.7	66.6	67.0	66.7	67.0	67.0	66.6	65.6
Furniture and related product manufacturing	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6
Miscellaneous manufacturing	18.5	18.3	18.4	18.5	18.4	18.3	18.3	18.4
Nondurable goods industries	173.6	173.7	173.8	173.6	173.3	173.0	173.7	173.5
Food manufacturing	37.6	37.1	37.3	37.6	37.1	37.2	37.1	37.0
Beverage and tobacco product manufacturing	11.8	11.9	11.8	11.8	12.0	11.9	11.9	11.9
Textile mills	5.8	5.8	5.7	5.8	5.8	5.8	5.8	5.8
Textile product mills	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
Apparel manufacturing	8.3	8.5	8.3	8.3	8.4	8.5	8.5	8.6
Leather and allied product manufacturing	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Paper manufacturing	16.2	16.3	16.1	16.2	16.2	16.2	16.3	16.2
Printing and related support activities	6.0	5.8	6.0	6.0	5.9	5.9	5.8	5.9
Petroleum and coal product manufacturing	12.0	12.1	12.2	12.0	12.2	11.7	12.1	11.9
Chemical manufacturing	51.5	51.6	51.9	51.5	51.3	51.4	51.6	52.0
Plastics and rubber product manufacturing	17.8	17.9	17.8	17.8	17.8	17.8	17.9	17.7
Merchant wholesale industries	305.0	303.2	304.2	305.0	304.1	303.3	303.2	303.3
Durable goods industries	184.9	183.5	184.5	184.9	184.4	183.6	183.5	182.6
Nondurable goods industries	119.2	118.8	118.8	119.2	118.8	118.8	118.8	119.6
Retail trade industries	403.4	404.9	402.0	403.4	404.0	403.6	404.9	406.3
Motor vehicle and parts dealers	133.4	134.9	133.2	133.4	133.9	134.2	134.9	135.7
Furniture and home furnishings, electronics, and appliance stores	32.5	33.3	32.5	32.5	32.6	32.8	33.3	33.4
Building materials, garden equipment and supply stores	40.8	41.1	40.6	40.8	40.5	40.7	41.1	41.2
Food and beverage stores	30.5	30.4	30.4	30.5	30.5	30.5	30.4	30.5
Clothing and accessory stores	32.2	32.0	32.1	32.2	32.0	32.0	32.0	31.8
General merchandise stores	63.7	63.7	62.9	63.7	64.6	63.6	63.7	63.6
Other retail stores	70.8	70.4	71.0	70.8	70.6	70.4	70.4	70.8

^p Preliminary.

^r Revised.

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

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

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

[Billions of Chained (1996) dollars]

	2003		2003					
	I	II	Feb.	Mar.	Apr. ^r	May ^r	June ^r	July ^p
Manufacturing and trade industries	867.2	871.5	857.6	868.0	864.1	870.2	880.1	893.1
Manufacturing industries	324.6	323.0	320.5	323.8	319.9	322.6	326.5	334.0
Durable goods industries	185.6	184.6	184.3	184.9	183.4	183.5	186.9	191.6
Wood product manufacturing	7.4	7.5	7.3	7.6	7.5	7.5	7.6	7.5
Nonmetallic mineral product manufacturing	7.8	7.7	7.6	7.7	7.6	7.7	7.8	7.8
Primary metal manufacturing	11.7	11.2	11.6	11.6	11.3	11.3	10.9	11.4
Fabricated metal product manufacturing	19.7	19.3	19.6	19.6	19.2	19.4	19.3	19.8
Machinery manufacturing	20.8	20.9	20.6	20.9	20.7	21.0	21.0	21.3
Computer and electronic product manufacturing	43.0	45.1	42.1	43.4	44.8	43.9	46.5	47.0
Electrical equipment, appliance, and component manufacturing	8.7	8.7	8.6	8.7	8.7	8.7	8.6	8.9
Transportation equipment manufacturing	51.7	50.2	52.3	50.8	49.7	49.6	51.2	53.4
Furniture and related product manufacturing	5.0	5.0	5.0	4.9	4.8	5.1	5.1	5.3
Miscellaneous manufacturing	9.9	9.9	9.8	10.1	9.8	9.9	10.0	10.2
Nondurable goods industries	138.7	138.0	136.0	138.5	136.2	138.7	139.2	142.0
Food manufacturing	37.7	37.8	37.3	37.5	37.9	37.6	38.0	37.8
Beverage and tobacco product manufacturing	6.1	6.1	5.9	6.3	6.1	6.1	6.2	6.2
Textile mills	3.7	3.3	3.7	3.6	3.4	3.3	3.3	3.4
Textile product mills	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Apparel manufacturing	4.6	4.4	4.5	4.5	4.4	4.4	4.5	4.5
Leather and allied product manufacturing	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Paper manufacturing	12.6	13.0	12.3	13.1	12.9	13.0	13.1	13.1
Printing and related support activities	7.5	7.5	7.4	7.5	7.6	7.5	7.4	7.3
Petroleum and coal product manufacturing	15.0	15.6	14.2	14.4	14.4	16.3	16.0	16.2
Chemical manufacturing	33.9	32.9	33.5	34.1	32.7	32.9	33.1	35.7
Plastics and rubber product manufacturing	14.6	14.3	14.4	14.6	14.1	14.3	14.5	14.6
Merchant wholesale industries	245.8	245.1	244.3	245.2	244.0	244.1	247.0	248.1
Durable goods industries	131.5	132.6	130.0	132.3	132.2	131.9	133.7	134.3
Nondurable goods industries	113.8	112.3	113.6	112.7	111.7	112.0	113.1	113.6
Retail trade industries	304.3	311.5	300.0	306.5	307.8	311.6	315.0	319.6
Motor vehicle and parts dealers	75.9	79.5	73.8	77.1	78.7	79.8	80.1	82.3
Furniture and home furnishings, electronics, and appliance stores	30.9	33.0	30.4	31.6	31.9	33.2	34.0	34.6
Building materials, garden equipment and supply stores	28.2	29.2	26.9	28.8	28.9	28.9	29.7	30.0
Food and beverage stores	37.3	37.3	37.1	37.5	37.3	37.2	37.5	37.9
Clothing and accessory stores	17.6	17.9	17.4	17.8	17.6	18.0	18.1	18.3
General merchandise stores	44.8	45.4	44.9	45.1	44.8	45.5	45.9	46.5
Other retail stores	73.9	74.4	73.8	73.3	73.4	74.4	75.4	75.8

^p Preliminary.^r Revised.

NOTE: The estimates in this table are based on the North American Industry Classification System.

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

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

[Ratio, based on chained (1996) dollars]

	2003		2003					
	I	II	Feb.	Mar.	Apr. ^r	May ^r	June ^r	July ^p
Manufacturing and trade industries	1.33	1.32	1.35	1.33	1.34	1.32	1.31	1.29
Manufacturing industries	1.38	1.37	1.40	1.38	1.39	1.38	1.36	1.32
Durable goods industries	1.47	1.46	1.49	1.48	1.49	1.48	1.44	1.39
Wood product manufacturing	1.15	1.09	1.18	1.12	1.13	1.12	1.07	1.08
Nonmetallic mineral product manufacturing	1.18	1.22	1.20	1.20	1.22	1.22	1.20	1.20
Primary metal manufacturing	1.79	1.77	1.82	1.81	1.83	1.82	1.82	1.72
Fabricated metal product manufacturing	1.55	1.56	1.56	1.56	1.58	1.57	1.56	1.50
Machinery manufacturing	1.69	1.67	1.74	1.69	1.71	1.68	1.66	1.63
Computer and electronic product manufacturing	1.40	1.31	1.44	1.38	1.33	1.35	1.27	1.25
Electrical equipment, appliance, and component manufacturing	1.50	1.50	1.54	1.51	1.51	1.51	1.50	1.44
Transportation equipment manufacturing	1.29	1.33	1.28	1.31	1.35	1.35	1.30	1.23
Furniture and related product manufacturing	1.32	1.31	1.33	1.35	1.37	1.28	1.30	1.25
Miscellaneous manufacturing	1.87	1.85	1.88	1.84	1.87	1.85	1.83	1.80
Nondurable goods industries	1.25	1.26	1.28	1.25	1.27	1.25	1.25	1.22
Food manufacturing	1.00	0.98	1.00	1.00	0.98	0.99	0.98	0.98
Beverage and tobacco product manufacturing	1.92	1.94	2.01	1.86	1.97	1.94	1.93	1.92
Textile mills	1.57	1.75	1.57	1.61	1.72	1.77	1.75	1.72
Textile product mills	1.65	1.66	1.67	1.64	1.66	1.67	1.66	1.63
Apparel manufacturing	1.81	1.92	1.83	1.85	1.93	1.91	1.89	1.92
Leather and allied product manufacturing	2.15	2.11	2.09	2.11	2.09	2.14	2.11	2.13
Paper manufacturing	1.28	1.25	1.31	1.24	1.26	1.25	1.24	1.24
Printing and related support activities	0.80	0.78	0.81	0.80	0.78	0.79	0.79	0.80
Petroleum and coal product manufacturing	0.80	0.78	0.85	0.83	0.84	0.72	0.75	0.74
Chemical manufacturing	1.52	1.57	1.55	1.51	1.57	1.56	1.56	1.46
Plastics and rubber product manufacturing	1.22	1.26	1.24	1.22	1.26	1.25	1.24	1.21
Merchant wholesale industries	1.24	1.24	1.25	1.24	1.25	1.24	1.23	1.22
Durable goods industries	1.41	1.38	1.42	1.40	1.40	1.39	1.37	1.36
Nondurable goods industries	1.05	1.06	1.05	1.06	1.06	1.06	1.05	1.05
Retail trade industries	1.33	1.30	1.34	1.32	1.31	1.30	1.29	1.27
Motor vehicle and parts dealers	1.76	1.70	1.80	1.73	1.70	1.68	1.69	1.65
Furniture and home furnishings, electronics, and appliance stores	1.05	1.01	1.07	1.03	1.02	0.99	0.98	0.97
Building materials, garden equipment and supply stores	1.45	1.41	1.51	1.42	1.40	1.41	1.39	1.38
Food and beverage stores	0.82	0.81	0.82	0.82	0.82	0.82	0.81	0.80
Clothing and accessory stores	1.83	1.79	1.84	1.81	1.82	1.78	1.77	1.74
General merchandise stores	1.42	1.40	1.40	1.41	1.44	1.40	1.39	1.37
Other retail stores	0.96	0.95	0.96	0.97	0.96	0.95	0.93	0.93

^p Preliminary.^r Revised.

NOTE: The estimates in this table are based on the North American Industry Classification System.

**Table 4B. Real Manufacturing Inventories, by Stage of Fabrication, Seasonally Adjusted,
End of Period**
[Billions of Chained (1996) dollars]

	2003		2003					
	I	II	Feb.	Mar.	Apr. ^r	May ^r	June ^r	July ^p
Materials and supplies								
Manufacturing industries	151.6	149.2	153.2	151.6	151.2	150.4	149.2	146.9
Durable goods industries.....	91.0	88.9	91.7	91.0	90.3	89.8	88.9	87.5
Wood product manufacturing	3.5	3.5	3.5	3.5	3.6	3.5	3.5	3.5
Nonmetallic mineral product manufacturing	3.2	3.2	3.2	3.2	3.2	3.3	3.2	3.3
Primary metal manufacturing	6.9	6.4	7.0	6.9	6.7	6.7	6.4	6.2
Fabricated metal product manufacturing	11.7	11.4	11.7	11.7	11.6	11.6	11.4	11.3
Machinery manufacturing.....	12.9	12.7	13.0	12.9	12.8	12.8	12.7	12.6
Computer and electronic product manufacturing	22.3	21.3	22.9	22.3	22.0	21.7	21.3	20.9
Electrical equipment, appliance, and component manufacturing.....	5.0	4.9	5.0	5.0	5.0	4.9	4.9	4.8
Transportation equipment manufacturing	16.0	15.9	15.9	16.0	16.0	15.8	15.9	15.4
Furniture and related product manufacturing	3.1	3.1	3.0	3.1	3.0	3.1	3.1	3.1
Miscellaneous manufacturing.....	6.1	6.1	6.3	6.1	6.1	6.1	6.1	6.1
Nondurable goods industries.....	60.5	60.2	61.4	60.5	60.8	60.5	60.2	59.3
Food manufacturing	11.2	10.9	11.1	11.2	11.1	11.1	10.9	10.8
Beverage and tobacco product manufacturing.....	6.1	6.0	6.1	6.1	6.1	6.0	6.0	6.0
Textile mills	1.9	1.8	1.9	1.9	2.0	1.9	1.8	1.8
Textile product mills	1.5	1.5	1.5	1.5	1.6	1.6	1.5	1.5
Apparel manufacturing	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Leather and allied product manufacturing.....	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Paper manufacturing.....	8.0	8.0	8.1	8.0	8.0	8.0	8.0	8.0
Printing and related support activities	1.8	1.8	1.9	1.8	1.8	1.9	1.8	1.8
Petroleum and coal product manufacturing.....	3.0	3.4	3.3	3.0	3.4	3.4	3.4	3.3
Chemical manufacturing	17.1	17.0	17.5	17.1	16.9	16.7	17.0	16.5
Plastics and rubber product manufacturing.....	7.2	6.9	7.3	7.2	7.2	7.2	6.9	7.0
Work-in-process								
Manufacturing industries	129.4	128.2	129.5	129.4	129.6	129.4	128.2	128.3
Durable goods industries.....	100.4	99.5	100.8	100.4	101.1	101.1	99.5	99.4
Wood product manufacturing	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.6
Nonmetallic mineral product manufacturing	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Primary metal manufacturing	7.0	6.6	7.2	7.0	7.0	6.9	6.6	6.6
Fabricated metal product manufacturing	9.0	9.0	9.1	9.0	9.1	9.1	9.0	8.9
Machinery manufacturing.....	10.4	10.4	10.5	10.4	10.6	10.5	10.4	10.3
Computer and electronic product manufacturing	20.8	20.8	21.1	20.8	21.1	21.0	20.8	21.0
Electrical equipment, appliance, and component manufacturing.....	4.2	4.2	4.3	4.2	4.2	4.2	4.2	4.1
Transportation equipment manufacturing	36.3	36.4	36.3	36.3	36.7	37.0	36.4	36.1
Furniture and related product manufacturing	1.2	1.2	1.2	1.2	1.2	1.1	1.2	1.2
Miscellaneous manufacturing.....	4.7	4.4	4.5	4.7	4.6	4.6	4.4	4.7
Nondurable goods industries.....	29.0	28.7	28.7	29.0	28.5	28.3	28.7	28.9
Food manufacturing	5.7	5.7	5.6	5.7	5.7	5.7	5.7	5.7
Beverage and tobacco product manufacturing.....	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Textile mills	1.1	1.2	1.1	1.1	1.1	1.2	1.2	1.2
Textile product mills	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Apparel manufacturing	1.5	1.4	1.5	1.5	1.5	1.4	1.4	1.4
Leather and allied product manufacturing.....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Paper manufacturing.....	1.5	1.4	1.4	1.5	1.5	1.4	1.4	1.4
Printing and related support activities	1.1	1.0	1.1	1.1	1.0	1.0	1.0	1.0
Petroleum and coal product manufacturing.....	3.4	3.1	3.3	3.4	3.1	2.8	3.1	3.3
Chemical manufacturing	9.6	9.8	9.5	9.6	9.6	9.8	9.8	9.8
Plastics and rubber product manufacturing.....	2.3	2.3	2.2	2.3	2.3	2.3	2.3	2.2
Finished goods								
Manufacturing industries	165.3	165.2	165.3	165.3	164.7	164.4	165.2	165.0
Durable goods industries.....	81.3	80.3	81.6	81.3	80.7	80.1	80.3	79.8
Wood product manufacturing	3.3	3.1	3.3	3.3	3.2	3.1	3.1	3.1
Nonmetallic mineral product manufacturing	4.8	4.9	4.8	4.8	4.9	4.9	4.9	4.9
Primary metal manufacturing	7.0	6.8	6.9	7.0	7.0	6.9	6.8	6.7
Fabricated metal product manufacturing	9.8	9.7	9.8	9.8	9.7	9.7	9.7	9.6
Machinery manufacturing.....	12.0	11.7	12.3	12.0	12.0	11.9	11.7	11.7
Computer and electronic product manufacturing	17.0	16.6	16.6	17.0	16.5	16.3	16.6	16.6
Electrical equipment, appliance, and component manufacturing.....	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Transportation equipment manufacturing	15.2	15.1	15.6	15.2	15.1	15.0	15.1	14.9
Furniture and related product manufacturing	2.4	2.3	2.4	2.4	2.4	2.4	2.3	2.3
Miscellaneous manufacturing.....	7.7	7.8	7.7	7.7	7.7	7.6	7.8	7.6
Nondurable goods industries.....	83.9	84.7	83.6	83.9	83.9	84.1	84.7	85.0
Food manufacturing	20.6	20.4	20.4	20.6	20.2	20.3	20.4	20.4
Beverage and tobacco product manufacturing.....	4.2	4.3	4.2	4.2	4.3	4.3	4.3	4.3
Textile mills	2.7	2.8	2.7	2.7	2.7	2.7	2.8	2.8
Textile product mills	2.4	2.4	2.4	2.4	2.3	2.4	2.4	2.4
Apparel manufacturing	4.7	5.0	4.6	4.7	4.8	4.9	5.0	5.1
Leather and allied product manufacturing.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Paper manufacturing.....	6.7	6.8	6.6	6.7	6.7	6.8	6.8	6.8
Printing and related support activities	3.1	3.0	3.1	3.1	3.1	3.0	3.0	3.0
Petroleum and coal product manufacturing.....	5.5	5.6	5.5	5.5	5.7	5.5	5.6	5.3
Chemical manufacturing	24.7	24.8	24.8	24.7	24.8	24.9	24.8	25.6
Plastics and rubber product manufacturing.....	8.3	8.7	8.2	8.3	8.3	8.4	8.7	8.4

^rPreliminary.

^pRevised.

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

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

Measuring the Services of Property-Casualty Insurance in the NIPAs

Changes in Concepts and Methods

By Baoline Chen and Dennis J. Fixler

AS part of the comprehensive revision of the national income and product accounts (NIPAs) that is scheduled to be released on December 10, 2003, a change in the definition of property and casualty insurance services will be introduced. This definitional change will recognize the implicit services that are funded by investment income, will adopt a treatment of insured losses that is more consistent with the economic behavior of the insurer, and will change the treatment of reinsurance. This change is briefly described in the June 2003 issue of the *SURVEY OF CURRENT BUSINESS*, and some of the associated changes in the tables are described in the August 2003 issue.¹

The Bureau of Economic Analysis (BEA) currently measures services of the property-casualty insurance industry as its net premiums earned minus net losses incurred and dividend to policyholders, where net premiums and losses refer to premiums and losses net of reinsurance. However, the insurance output measured using the current definition does not include all the services provided by the property-casualty insurance companies.

Property-casualty insurance companies provide three types of services: Risk-pooling, financial services relating to insured losses, and intermediation. Insurance provides a mechanism for consumers, businesses, and government that are exposed to property-casualty losses to engage in risk reduction through pooling. The insurer provides a variety of real services for policyholders, such as loss settlements, risk surveys, and loss prevention plans. The insurer collects premiums in advance of the loss payments and holds the funds in reserves until the claims are paid. The insurer also provides intermediation services through the invest-

ment of the funds in reserves. Net gains from the invested funds in reserves are used to supplement revenue from premiums to pay for claims or for reinsurance services; in other words, policyholders pay a smaller premium in order to compensate for the opportunity cost of their funds that are held by the insurer. According to various studies that focus on the performance of property-casualty insurance services, the provision of these services of financial protection and financial intermediation represents the output of the property-casualty insurance industry (Cummins and Weiss, 2000).

Replacing the actual losses incurred with the normal losses in the calculation of insurance services is a major innovation in the definitional change. Normal losses represent the incurred losses that the insurer expects to pay (payable claims). This change in the treatment of losses recognizes that because actual losses incurred are only known after they occur, insurance companies determine the premiums for an upcoming period on the basis of their perception of the losses that they may incur. The new treatment eliminates the large swings in measured insurance services that are caused by catastrophes, such as the Northridge earthquake in 1994, Hurricane Andrew in 1992, and the terrorist attacks on September 11th, 2001.

Another significant aspect of the definitional change is the use of expected investment income as a measure of premium supplements. Premium supplements are the component of implicit services arising from the investment income earned from the investment in reserves. The inclusion of premium supplements is found in the measure of insurance output in the United Nations System of National Accounts (SNA, 1993), but its inclusion in the BEA measure of output is new. Economic models on the behavior of the insurer generally recognize that insurance companies maximize their profits by setting premiums that are based on their expectations of future losses and investment returns. The use of expected, rather than the actual, investment income to measure premium supplements is intended to better capture the economic behavior of the insurer.

1. See Moulton and Seskin (2003, 19–23) and Mayerhauser, Smith, and Sullivan (2003, 21).

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A much-debated issue about the components of investment income is whether capital gains and the income on own funds should be included. In the SNA, investment income is defined as the interest and dividend income earned on technical reserves, which are the unearned premiums plus unpaid losses. In the estimation of expected investment income, net realized capital gains are included in investment income. Fixler and Moulton (2001) argue that capital gains should be included because the supply price of many services, such as financial services, is based on expected capital gains. Hill (1998) also suggests that capital gains should be treated the same as investment income.

Another issue in the computation of investment income is the treatment of mandated reserves and own-funds. In the United States, the states have regulatory authority over the operations of insurance companies, and in many cases, they mandate the holding of reserves and how the reserves must be invested. Such reserves do not appear as separate entries in the industry consolidated balance sheets. In principle, the invested mandated reserves should be treated the same as other components of technical reserves. Investment income from the insurer's own-funds is not a component in the premiums supplement and is reported separately from the investment income from the policyholders' funds, or technical reserves, on the insurer's annual statement. However, because investment funds are fungible, the industry-level rate of return to invested funds is computed with investment income from both the insurer's own funds and the policyholders funds.

Currently, insurance services are calculated from data on premiums earned and losses incurred net of reinsurance assumed and ceded.² This treatment of reinsurance is based on the assumption that reinsurance services are exports or imports or that reinsurance assumed offsets reinsurance ceded within a particular line of insurance. However, this assumption is incorrect because some domestic insurance companies specialize in reinsurance services and because the data indicate that reinsurance assumed seldom offsets reinsurance ceded within a particular line of insurance. Because insurance companies purchase reinsurance to reduce the risk that they must bear in the event of greater than expected losses, such services will be treated as an intermediate input to the insurance carriers industry or as exports of services.

Under the new definition, services of the property-casualty insurance industry will be measured as direct

premiums earned plus premiums supplements minus normal losses incurred and dividends to policyholders. Direct premiums earned equal net premiums earned plus premiums received from reinsurance assumed minus premiums paid for reinsurance ceded. Further discussion on the definitional change and its impact on the national income and product accounts can be found in Moulton and Seskin (2003).

This article discusses the methodology used to incorporate the expectation behavior of the insurer into the insurance output measure. Section 2 focuses on the estimation of normal losses and expected investment income. It describes the expectation behavior of insurers regarding their future losses and their future investment income, and it discusses the statistical methodology for estimating the normal losses and expected investment income. Section 3 discusses the effect of the definitional change on the measured property-casualty insurance services. Section 4 provides the concluding remarks. The article includes a technical note that provides details on the data sources and data preparation for implementing the definitional changes.

Estimation of Normal Losses and Expected Investment Income

To set premiums for a future period, profit-maximizing insurance companies must estimate their expected investment income, their normal losses, and their operating expenses. The importance of expectations is generally accepted, but how expectations on future losses and future investment income are formed is still debatable. Two expectations models that may explain the insurer's behavior are the adaptive expectations model and the rational expectations model.

In a simple adaptive expectations framework, individuals adjust their expectations according to the deviations of their expectations from their actual experiences. In other words, individuals adapt their expectations according to the forecast errors. Specifically, the expectation for the next period is a weighted average of the actual experience in the current period and the forecast error for the current period. If expressed recursively, the expectation for the next period is a weighted average of the current experience and of all past experiences. The weights on the lagged experiences decline exponentially, emphasizing the importance of the more recent experiences in the formation of expectations.

Adaptive expectations behavior seems consistent with the observation that insurance companies' estimates of future losses are primarily based on their past

2. Reinsurance is the purchase of insurance by an insurer. The buyer of the reinsurance is known as the ceding insurer and the seller of the insurance is the assuming insurer.

losses. When evaluating past losses, the insurer accounts for factors, such as the characteristics of the insured, that consistently govern the general behavior of the insured over time toward the insured risks. The insurer also accounts for recent regulatory and technological changes that may have affected recent incurred losses. For example, if there were a recent change in the penalty for drunk driving, then it would likely affect the recent number of accidents caused by drunk drivers. Recent advances in technology in the insurance industry have resulted in better risk surveys and loss prevention programs that are likely to have helped reduce losses. Such factors suggest that more recent loss experiences provide more information about current trends in losses, and hence, more recent loss experiences should carry more weight in the formation of expectations on future losses.

Similarly, current and past investment income provides a major source of information to insurance companies when they estimate investment income for the future periods. However, because other factors, such as the recent performance of the economy or recent changes in tax policy on investment income, may have more influence on the current trend in investment income, recent investment experiences should be more important in the formation of expectations on future investment income.

The adaptive expectations model is a straightforward way to explain expectations behavior, but Muth (1961) pointed out that this model lacks a theoretical basis, and he proposed a rational expectations framework. Rational expectations theory implies that economic behavior underlies the formation of expectations, and expectations are based on all the information that is available when the expectations are formed. To be consistent with this theory, a structural model that seeks to explain the insurer's expectations of future losses should include past experiences and variables, such as the prices of materials and services that largely comprise loss payments, number of policyholders, trends in rulings of courts toward legal liabilities, and other variables that may affect future losses. Similarly, in addition to current and past investment income, a structural model that seeks to explain an insurer's expectation of future investment income should include variables—such as interest rates, the rate of change in technical reserves, the rate of inflation, stock indexes, the rate of growth in real GDP, and other macroeconomic variables—that may affect future investment income.

Rational expectations models are technically difficult to estimate. First, an economic optimization model must be specified, and estimation must be preceded by an analytical solution to the model. Even

when the solution is linear in the exogenous variables of the model, the coefficients are often combinations of the structural parameters that are generally not linear and are difficult to estimate. Second, because of the likely serial correlation in the structural disturbances, assumptions about the autocorrelation structure are necessary.³ Third, there is little consensus on a structure model that correctly includes all relevant variables and that properly explains their interactive roles in the formation of the insurer's expectations on future losses or on future investment income.

Because of these difficulties, the focus is on the roles of current and past losses and investment experiences, and the adaptive expectations model is used. Despite the theoretical weakness of this model, empirical evidence indicates that it works quite well in many economic applications.

Estimating normal losses or expected investment income is essentially a forecasting problem. Normal losses are future losses that are expected to be paid by the insurer, and hence, statistically, they are the forecasts of future losses. Similarly, expected investment income is the forecast of future investment income. A forecasting method that is consistent with the adaptive expectations framework is a weighted moving average model with weights on the lagged observations declining exponentially.⁴ An alternative to this method is the *n*-point simple moving average method, which has been used by the Australian Bureau of Statistics (1999). Time series methods, such as Autoregressive Integrated Moving Average methods (ARIMA) are also alternatives for forecasting future losses and expected investment income.⁵ A common feature of these methods is that future values of a series depend only on its lagged values.

Choices of statistical methods

Under the definitional change, the services of 22 lines of property-casualty insurance is being remeasured. (A list of the 22 lines is included in the technical note.) According to the published records, data series for these lines span from 18 to 72 years. Some lines of insurance services exhibit autocorrelation and possible

3. Such assumptions are generally arbitrary. Even when a simple autocorrelation structure of the disturbances is imposed, it may not be enough to simplify estimation. Other hypotheses about the autocorrelation function of the structure disturbances may make it impossible to identify the structure parameters or complicate estimation.

4. This weighted moving average method is also known as exponential smoothing or exponentially weighted moving average method. In fact, Muth (1960) shows that if there is no trend and no seasonality, then this model is an autoregressive integrated moving average (ARIMA) model with nonseasonal difference, an MA(1) term, and no constant term, otherwise known as ARIMA(0, 1, 1). Thus, potentially more sophisticated ARIMA modeling, or Box-Jenkins methods, can be explored.

5. ARIMA methods are developed for estimating concise prediction models of time series data that display complex patterns of autocorrelations.

heteroskedasticity in the residuals in the data series on losses and investment income.⁶ Initial experimentation indicated that the search for an optimal ARIMA model to fit the data for each of the 22 lines of property-casualty insurance would be difficult and costly. In addition, to update the estimates annually for each line of insurance when new data become available would add significantly to the costs of producing the national income and product accounts.

The weighted moving average models focus on the trends and seasonal behavior of the data. Because these two aspects largely determine the variance of the series, when chosen properly, the weighted moving average method performs well, relative to more complicated methods, on a wide range of data series. The weighted moving average model with no trend and no seasonal factors requires the estimation of a single parameter. Specifically, the method can be viewed as estimating the value of α that best fits:

$$Z_t = w_1 Z_{t-1} + w_2 Z_{t-2} + \dots + e_t,$$

where $w_i = \alpha(1-\alpha)^{i-1}$, for $i = 1, \dots$, and e_t is a white noise disturbance term. This formula is identical to that derived from the adaptive expectations model developed by Cagan (1956).

The n -point simple moving average method is based on the assumption that the time series is "locally stationary" with a slow varying mean. Hence, the moving average of n most recent observations are used to estimate the current value of the mean, and this mean is used as the forecast for the next period. This method is a compromise between the mean and random walk models.⁷

The short-term averaging smooths out the bumps in the original series. By adjusting the degree of smoothing, n , one hopes to strike an optimal balance between the mean and random walk models. The choice for the n -point average is between a lagged moving average or a centered moving average. The Australian Bureau of Statistics (1999) chooses to use the centered moving averages, implying that the forecast of losses for period t would be influenced by losses in the future periods. To avoid the influence of future events on the formation of expectations, the lagged moving averages were used for forecasting future losses.⁸

6. Autocorrelations summarize temporal persistence of the time series, such as trend, cycle, and seasonal variations.

7. The mean model uses the mean of the entire sample as the estimated value for each period in the sample. The random walk model predicts that one period's value will equal the previous period's value plus a constant representing the average change between periods.

8. In a centered moving average, the estimate for t depends on values $t-n/2$ and values $t+n/2$ (with n being an even number), and the $t+n/2$ values would be inconsistent with the estimation of expectations in t .

Computationally both methods are simple to implement. An advantage of the weighted moving average method is that the small set of model choices simplifies the process of choosing the "best" model and makes it ideal for fairly small data series. The disadvantage of the n -point simple moving average method is that the choice of n largely depends on subjective judgment because this method is not based on any statistical modeling. The common disadvantage of any moving average method is that the forecasts generated from such a method will lag as the trend of the actual data increases or decreases.

Conceptually, the weighted moving average method is superior to the n -point simple moving average method because it places relatively more weight on the most recent observations, whereas the n -point simple moving average method places equal weight on the n lagged observations and excludes all observations more than n periods back in time. Moreover, the weighted moving average method relies on a smoothing parameter that is estimated from the entire time series and that is geared toward minimizing the mean square prediction errors.

In order to evaluate the two moving average methods, normal losses and expected investment income for five lines of insurance services were computed, and the summary statistics of the forecast or prediction errors were compared. The five lines of insurance services in the experiment are private passenger auto liability (PAL), private passenger auto physical damage (PAD), homeowners multiple peril (HMP), farmowners multiple peril (FMP), and workers compensation (WCP). These lines were chosen because of their significant shares in the property-casualty insurance industry. In 2000, these five lines accounted for 62 percent of the total premiums earned by the industry, and they accounted for more than 85 percent of the premiums recorded in personal consumption expenditures in the national income and product accounts.

Computing normal losses

The data series that were available for the experiment were direct premiums earned and direct losses incurred from 1972 to 2001. Time series data on direct premiums and losses for almost all the lines of property-casualty insurance services are highly nonstationary.⁹ In order to obtain more stationary data and to be able to incorporate information from direct premiums earned, the variable direct losses incurred, L_t was redefined as the product of direct premiums earned, P_t , and the direct loss ratio, $I_t = L_t/P_t$. Thus, the estimates of normal losses were not computed only from direct

9. A nonstationary time series exhibits strong trend, and its mean and variance vary with time.

losses incurred. Instead, expected loss ratios were first estimated from data on direct premiums earned and direct losses incurred, and then estimates of normal losses were derived. Let $l_{t+1|t}$ be the expected, or the forecasted, loss ratio for period $t+1$, given the information available in period t , and let $L_{t+1|t}$ be the normal losses for period $t+1$. Formally, normal losses in period $t+1$ can be expressed as:

$$(1) \quad L_{t+1|t} = l_{t+1|t} P_{t+1},$$

where $l_{t+1|t}$ is computed as:

$$(2) \quad l_{t+1|t} = E(l_{t+1} | l_t, l_{t-1}, \dots).$$

The weighted moving average model discussed above takes the form

$$(3) \quad \begin{aligned} E(l_{t+1} | l_t, l_{t-1}, \dots) \\ &= \alpha l_t + (1 - \alpha) E(l_t | l_{t-1}, l_{t-2}, \dots) \\ &= \alpha \sum_{i=0}^{\infty} (1 - \alpha)^i l_{t-i}, \end{aligned}$$

where α is the smoothing constant in the interval $(0, 1)$. The expected loss ratio for period $t+1$ can be calculated as the weighted sum of the loss ratio at period t and the forecast of the loss ratio for period t , given information at $t-1$. Expressed recursively, the loss ratio at period t can be calculated as the exponentially weighted sum of loss ratios of all previous periods.

The smoothing parameter, α , can be estimated fairly well if a data series has at least 30 observations and is free of serial correlation. The WinRATS-3.2 Version 5.1 program was used to estimate α , which chooses the estimate of α , $\hat{\alpha}$, by minimizing in-sample, one-step forecast errors. However, if the data series is not long enough or if it exhibits serial correlation, then setting α to a reasonable value produces more reliable results than relying on imprecise estimates. According to the statistical and engineering literature, the value of α is often chosen between 0.1 and 0.3. Some studies point out that an estimated value of $\hat{\alpha}$ greater than 0.3 may suggest serial correlation in the data series.

Estimating normal losses with the weighted moving average model involves two steps. The first step is to estimate α and to generate forecasts of loss ratios. If the estimated value of α , $\hat{\alpha}$, does not suggest serial correlations in the data, then $\hat{\alpha}$ is used to generate forecasts of loss ratios, $l_{t+1|t}(\hat{\alpha})$. If $\hat{\alpha}$ indicates serial correlations in the data, then α is chosen in the interval $(0.1, 0.3)$ to generate loss ratio forecasts, and the chosen α value, $\tilde{\alpha}$, is the one with the minimum root

mean square prediction errors (RMSPE).¹⁰ One may experiment with many values of α in the specified range. The results with $\alpha = (0.1, 0.2, 0.3)$ indicate that these three choices are sufficient. The second step is to compute normal losses, $L_{t+1|t} = l_{t+1|t} P_{t+1}$, and the summary statistics of the in-sample, one-step forecast errors.

In the experiment, estimation results suggest that $\hat{\alpha} = (0.34, 0.19)$ for HMP and FMP, respectively. For PAL, PAD, and WCP, $\hat{\alpha}$ indicates serial correlation in the data, so the value of α was set. Based on the minimum RMSPE criterion, $\tilde{\alpha} = 0.3$ was set for PAL, PAD, and WCP.

The n -point simple moving average method is straightforward to implement. The expected loss ratio for period $t+1$ is given by:

$$(4) \quad E(l_{t+1} | l_t, l_{t-1}, \dots, l_{t-n+1}) = \frac{1}{n} \sum_{i=0}^{n-1} l_{t-i}.$$

The main concern with this method is the choice of n . An optimal n should smooth out the bumps in the data that are generated by short-term noise but still preserve the dynamic characteristics of the time series. However, there is little discussion in the literature on the criterion for choosing an optimal n , perhaps because the n -point moving average method is not based on a formal statistical model.

For the comparison of the two types of moving averages, $n = 5$ was selected for each line of insurance. This selection is consistent with the choice of α because four of the five lines of insurance in the experiment are either 0.3 or close to 0.3, implying that the first five lagged loss ratios account for more than 83 percent of the forecasted loss ratios. An added consideration is that the Australian Bureau of Statistics sets $n = 5$ for its forecasts of future losses.¹¹

Using either moving average method, the estimation of expected losses requires a plan for handling catastrophic losses. By definition, these catastrophes are unpredictable events that have significant effects on losses. Some of the five lines of insurance that were examined have experienced catastrophic losses. For example, homeowners multiple peril (HMP) experienced catastrophic losses in 1992 because of Hurricane Andrew, and the loss ratio for 1992 reached 1.24. Unless adjusted for, catastrophic losses can have too much influence on the computation of expected losses and measured output. Accordingly, the following steps were taken to dampen the

10. Root mean square prediction error is the square root of the average of the squared differences between the actual values and the predicted values for the sample period.

11. BEA's international transactions accounts recently adopted a 6-year moving average because of the particular features of their data series. (Bach 2003).

effect of catastrophic losses. First, the expected loss ratios using the sample data were computed, and the data for the year of the catastrophe were treated as missing observations. Second, the catastrophic loss was computed as the difference between the actual loss ratio and the estimated loss ratio. Third, the catastrophic loss was spread forward equally for 20 years, starting from the catastrophic year. For example, for HMP, using the weighted moving average method, the adjustment for the catastrophic loss is computed as, $\Delta l = (l_{1992} - l_{1992|1991}(\tilde{\alpha})) / 20$, and using the n-point moving average method, the adjustment is computed as $\Delta l = (l_{1992} - l_{1992|1991 \dots, 1987}(n = 5)) / 20$. The adjustment for catastrophic losses, Δl , is then added to the forecasts of loss ratios for 1992 through 2011.

In table 1, the RMSPE for the lines of insurance in the experiment with $\alpha = (0.1, 0.2, 0.3)$ is compared with the RMSPE for those lines with $n = 5$. Note that if α can be estimated as in the cases of HMP and FMP, $l_{t|t-1}(\hat{\alpha})$ yields the minimum RMSPE. If α cannot be estimated as in the cases of PAL, PAD and WCP, $l_{t|t-1}(\tilde{\alpha}=0.3)$ yields the smallest RMSPE of all the choices of α values. The weighted moving average method out performed the 5-point moving average method in four of the five cases.

To further compare the two moving average methods, table 2 provides the summary statistics that are often used to measure the performance of forecasts: Mean error (ME), mean absolute error (MAE), mean absolute percentage error (MAPE), standard deviation of prediction error (SDPE), and root mean square of prediction error (RMSPE).

Since positive deviations tend to offset negative deviations, MAE is often used to measure the accuracy of the forecasted time series values, in addition to ME that measures the average forecasting error. MAPE is a unit free measure of the accuracy of the forecasts; it converts deviations in any unit measurement to average percentage deviations. SDPE measures the dispersion of the forecast errors, and RMSPE ac-

counts for both the mean and the dispersion of the forecast errors.

For each line, the summary statistics from the forecasts were compared, using the weighted moving averages and choosing α based on the minimum RMSPE criterion. Summary statistics were also computed from the forecasts using the 5-point moving averages. Columns 2 and 3 contain the summary statistics from the forecasts of loss ratios and Columns 4 and 5 contain

Table 2. Summary Statistics of Forecasting Errors from Weighted Moving Averages and 5-Point Moving Averages

[Forecast errors of normal losses are measured in millions of dollars]

A. Private passenger auto liability insurance (1972-2001)				
	Forecast errors of expected loss ratio ($\tilde{\alpha} = 0.3$) (percent)	Forecast errors of expected loss ratio ($n = 5$) (percent)	Forecast errors of normal losses ($\tilde{\alpha} = 0.3$)	Forecast errors of normal losses ($n = 5$)
ME	0.88	0.11	-306.06	-554.62
MAE	4.55	4.98	1,863.76	2,274.62
MAPE	6.30	6.90	6.30	6.90
SDPE	5.37	6.00	2,538.19	2,949.99
RMSPE	5.44	6.00	2,556.69	3,001.67
B. Private passenger auto physical damage (1972-2001)				
	Forecast errors of expected loss ratio ($\tilde{\alpha} = 0.3$) (percent)	Forecast errors of expected loss ratio ($n = 5$) (percent)	Forecast errors of normal losses ($\tilde{\alpha} = 0.3$)	Forecast errors of normal losses ($n = 5$)
ME	1.09	-0.66	104.07	3.58
MAE	3.86	2.94	799.08	909.63
MAPE	5.80	4.65	5.99	5.61
SDPE	5.72	4.85	1,094.72	1,250.65
RMSPE	5.82	4.89	1,099.66	1,250.66
C. Homeowners multiple peril (1972-2001)				
	Forecast errors of expected loss ratio ($\tilde{\alpha} = 0.34$) (percent)	Forecast errors of expected loss ratio ($n = 5$) (percent)	Forecast errors of normal losses ($\tilde{\alpha} = 0.34$)	Forecast errors of normal losses ($n = 5$)
ME	0.90	-0.20	314.12	212.58
MAE	5.80	6.80	1,330.28	1,738.07
MAPE	8.90	10.50	10.10	11.90
SDPE	7.22	8.07	2,429.86	2,879.64
RMSPE	7.28	8.07	2,450.08	2,887.48
D. Farmowners multiple peril (1972-2001)				
	Forecast errors of expected loss ratio ($\tilde{\alpha} = 0.19$) (percent)	Forecast errors of expected loss ratio ($n = 5$) (percent)	Forecast errors of normal losses ($\tilde{\alpha} = 0.19$)	Forecast errors of normal losses ($n = 5$)
ME	0.14	0.39	8.15	4.03
MAE	5.84	6.45	49.08	60.42
MAPE	8.18	9.18	8.18	9.18
SDPE	7.39	7.78	66.24	74.96
RMSPE	7.39	7.79	66.74	75.07
E. Workers compensation (1972-2001)				
	Forecast errors of expected loss ratio ($\tilde{\alpha} = 0.3$) (percent)	Forecast errors of expected loss ratio ($n = 5$) (percent)	Forecast errors of normal losses ($\tilde{\alpha} = 0.3$)	Forecast errors of normal losses ($n = 5$)
ME	0.62	0.58	44.65	38.11
MAE	0.62	0.81	1,592.67	2,166.27
MAPE	8.55	11.32	8.55	11.32
SDPE	8.00	10.27	2,346.33	3,005.74
RMSPE	8.03	10.29	2,346.75	3,005.87

Table 1. Root Mean Square Prediction Errors (RMSPE) from Loss Ratio Forecasts, Using Weighted and 5-point Moving Averages

	Private auto liability	Private auto physical damage	Homeowners multiple peril ($\tilde{\alpha} = 0.34$)	Farmowners multiple peril ($\tilde{\alpha} = 0.19$)	Workers compensation
$\alpha = \hat{\alpha}$	.....	.....	*7.28	*7.39	.....
$\alpha = 0.1$	7.77	6.09	8.74	7.42	9.98
$\alpha = 0.2$	6.40	6.01	8.42	7.40	9.14
$\alpha = 0.3$	*5.44	5.82	7.81	7.53	*8.03
$n = 5$	6.00	*4.89	8.07	7.79	10.29

* Indicates the lowest RMSPE in each column. Root mean square prediction error (RMSPE) is the square root of the average squared difference between the actual value and the prediction value for the sample period.

Forecast errors of loss ratio is $l_t - l_{t|t-1}$.
Forecast errors of normal losses is $L_t - L_{t|t-1}$.

ME is mean error of forecasts
MAE is mean absolute error of forecasts
MAPE is mean absolute percentage error of forecasts
SDPE is standard deviation of forecasting errors
RMSPE is root mean square prediction errors

the summary statistics from the derived normal losses.

The summary statistics indicate that the weighted moving average method performed better over all. If the smoothing parameter can be estimated—that is, if the loss ratio data series does not exhibit serial correlation—the weighted moving average method clearly outperforms the 5-point moving average method. The better performance can be seen by comparing the summary statistics for HMP and FMP in parts C and D in table 2. For PAL, PAD and WCP, where the smoothing parameter cannot be estimated, by setting $\tilde{\alpha} = 0.3$, the weighted moving average method resulted in smaller MAE, MAPE, SDPE and RMSPE for PAL and WCP from estimated loss ratios and derived normal losses. For PAD, the 5-point moving average performed better for estimating loss ratios, but the weighted moving average produced a smaller RMSPE from computed normal losses, because the computed normal losses incorporate information from current premiums.

To illustrate the estimation results obtained from using the weighted moving averages and setting α according to the RMSPE criterion, in panels 1.1 to 1.5 in chart 1, the actual loss ratios are compared with the forecasts of loss ratios for the five lines of insurance in the experiment. In panels 2.1 to 2.5 in chart 2, the actual direct losses are compared with the normal losses which are computed according to equation (1).

Computing expected investment income

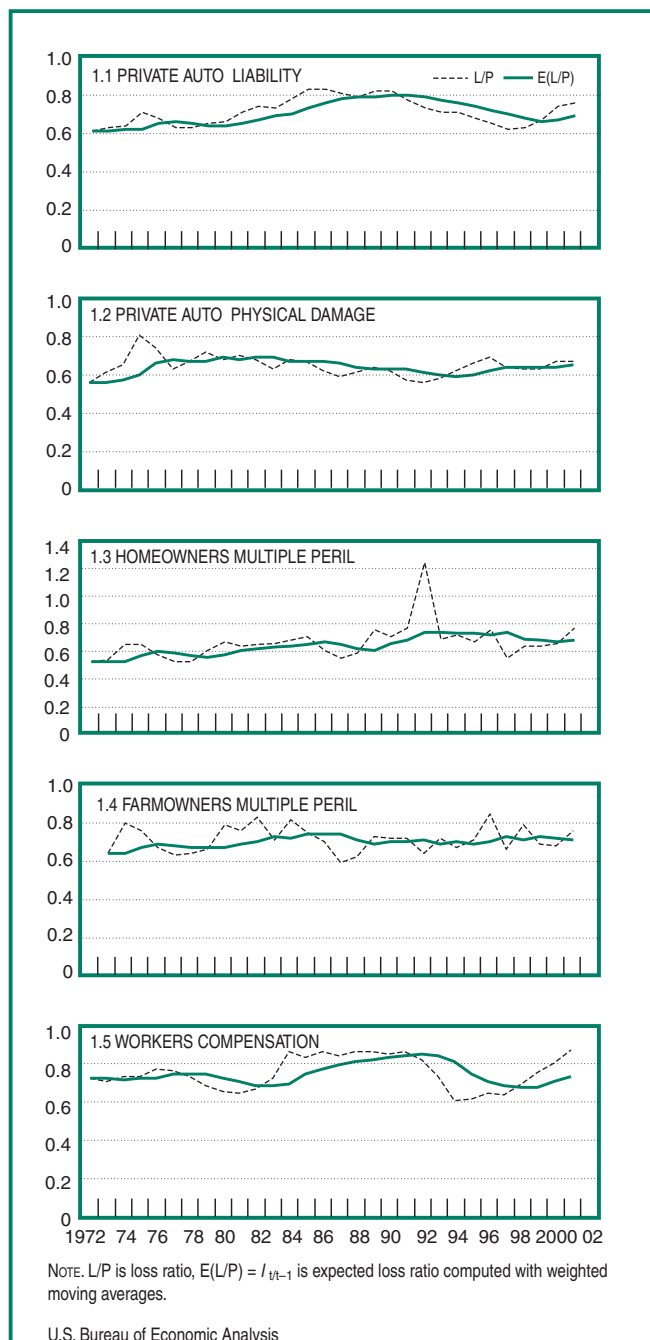
Data on investment income are labeled as “net investment gain on funds attributable to insurance transactions,” and they are included in part II of the insurance expenditure exhibits (IEE) published in the *Best's Aggregate and Averages: Property-Casualty* by A.M. Best Company. The net investment gain on funds attributable to insurance transactions by line of insurance is defined as the product of the industry-level rate of return to invested funds and the technical reserves by line of insurance adjusted for uncollected premiums and for the expenses associated with unearned premiums.¹² The net investment income for the current year includes net realized capital gains. The measurement of investment income here is the same as that used in the producer price index for property-casualty insurance from the Bureau of Labor Statistics (BLS).

Insurance companies often analyze their investment experiences on the basis of the investment income to premium ratios. Let I_t denote the investment income, and let $i_t = I_t/P_t$ denote the investment income to premiums ratio in period t . For each line of insurance, direct premiums earned plus premiums supplements in

period t , $P_t + I_t$, can be expressed as $P_t(1 + i_t)$, which corresponds exactly to the price measure used by BLS in the producer price index for property-casualty insurance. Using this characterization allows the BLS index to deflate the measure of the current-dollar insurance output. Let $i_{t+1|t}$ be the expected investment income to premiums ratio for period $t+1$, given the information available in period t , and let $I_{t+1|t}$ be the expected investment income for period $t+1$ given by:

$$(5) \quad I_{t+1|t} = i_{t+1|t} P_{t+1}.$$

Chart 1. Actual and Expected Loss Ratios



12. The computation of investment income used the formula developed by the National Association of Insurance Commissioners.

In the weighted moving average model, the expected investment income to premiums ratio is computed as:

$$(6) \quad \begin{aligned} i_{t+1|t} &= E(i_{t+1} | i_t, i_{t-1}, \dots) \\ &= \beta \sum_{i=0}^{\infty} (1 - \beta)^i i_{t-i}, \end{aligned}$$

where β is the smoothing parameter in $(0, 1)$.

Like the experiment on normal losses, PAL, PAD, HMP, FMP, and WCP are included in the experiment on expected investment income. The estimation exper-

iment used data on investment income to premiums ratios by line of insurance for 1978–2000. Data analysis revealed some degree of serial correlation in the data on i_t , for all five lines of insurance, which led to setting $\beta = (0.1, 0.2, 0.3)$. As shown in table 3, among the choices of β , $\tilde{\beta} = 0.3$ is associated with the minimum RMSPE. Like the computation of normal losses, the experiment included the n-point moving average method with the parameter $n = 5$. The estimates that used the weighted moving averages with $\tilde{\beta} = 0.3$ yield smaller RMSPEs than those used the 5-point moving averages for four of the five lines.

Chart 2. Direct Losses and Normal Losses

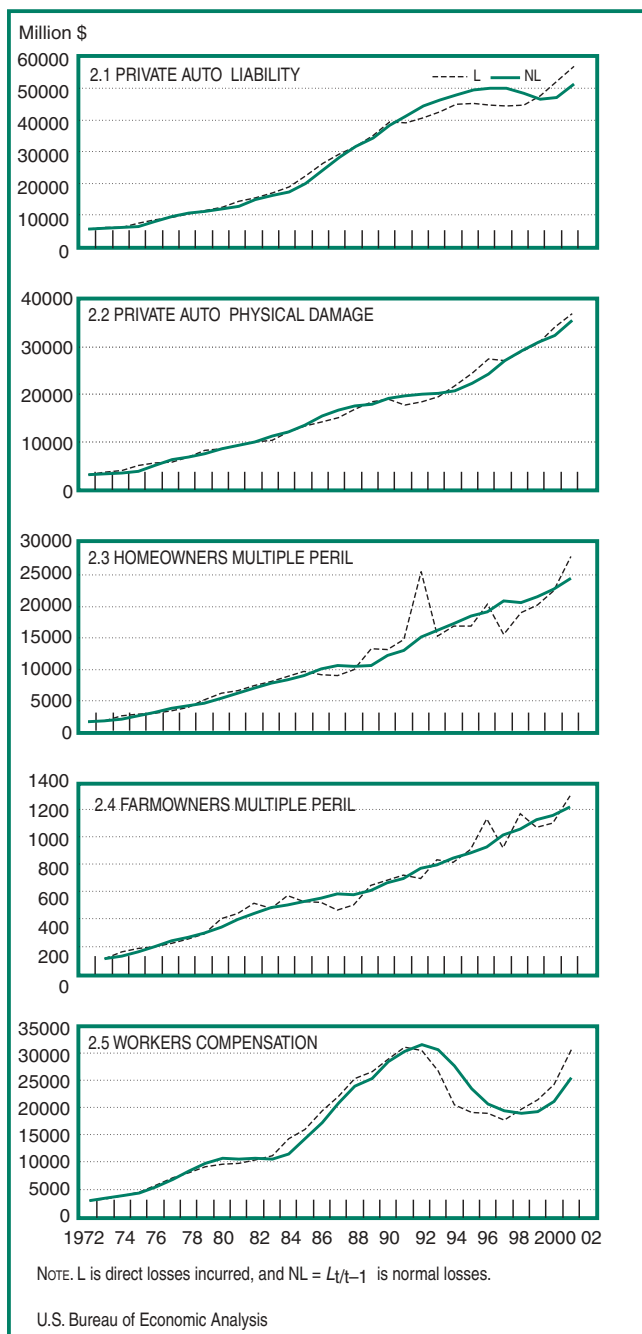


Table 3. Root Mean Square Prediction Errors (RMSPE) from Expected Investment Income to Premiums Ratios, Using Weighted Moving Averages and 5-Point Moving Averages

	Private auto liability	Private auto physical damage	Homeowners multiple peril	Farmowners multiple peril	Workers compensation
$\beta = .1$	1.665	.564	.936	.863	4.174
$\beta = .2$	1.280	.445	.704	.654	3.137
$\beta = .3$	1.054	*.361	*.589	*.547	*2.650
$n = 5$	*.982	.391	.604	.565	2.675

* Indicates the minimum RMSPE in each column.

To further compare the estimates from both methods, table 4 shows the summary statistics of the forecast errors from the forecasts that used both moving averages. It is evident that using the weighted moving average method with $\tilde{\beta} = 0.3$ results in smaller MAPE and RMSPE for PAD, HMP, FMP, and WCP. To illustrate the estimation results obtained from using both methods, panels 3.1 to 3.5 in chart 3 provided a comparison of the estimated investment income to premiums ratio with the actual investment income to premiums ratios.

Based on the results from the experiment, the weighted moving average method was chosen to compute the expected loss ratios and expected investment income to premiums ratios for all 22 lines of insurance. This method produced better overall estimation results, and it is consistent with the adaptive expectations model, which conceptually better explains the behavior of the insurer than the n-point moving average method. Because autocorrelation is present in the data series on loss ratios and investment income to premiums ratios for most of the 22 lines, $\alpha = 0.3$ was used in the computation of expected loss ratios, and $\beta = 0.3$ was used in the computation of expected investment income to premiums ratios for all 22 lines.

Effects of Definitional Change on Insurance Output

The definitional change in the output measures of the 22 lines of the property-casualty insurance services has resulted in higher average levels of annual output. The increases derive from the inclusion of investment income as premium supplements, but they are also

attributable, to a much lesser extent, to the use of data on the direct basis, which includes data on reinsurance services. The aggregated average annual output of the 22 lines increased 35 percent; 32 percent of this increase is attributable to the inclusion of data on premium supplements, and 3 percent is attributable to the inclusion of data on reinsurance services.

As was expected, the change to normal losses from actual losses and the use of expected investment income rather than the actual investment income as premium supplements did not significantly affect the aggregated output. The increase in the aggregated annual average output amounted to 0.8 percent. In theory, the aggregated average annual output should not be affected at all if the estimation is conducted properly. The reason for the slight effect is that adjustments for some catastrophic losses are allocated to future years. In addition, only the output of some lines are af-

ected by catastrophic losses, but the aggregate measure is not affected.

The definitional change has also resulted in significantly less volatility in the annual output of the insurance lines that experienced catastrophic losses. The reduction in volatility is largely attributable to the use of normal losses rather than actual losses.

To illustrate the effect of the definitional change and

Chart 3. Actual and Expected Investment Income to Premiums Ratios

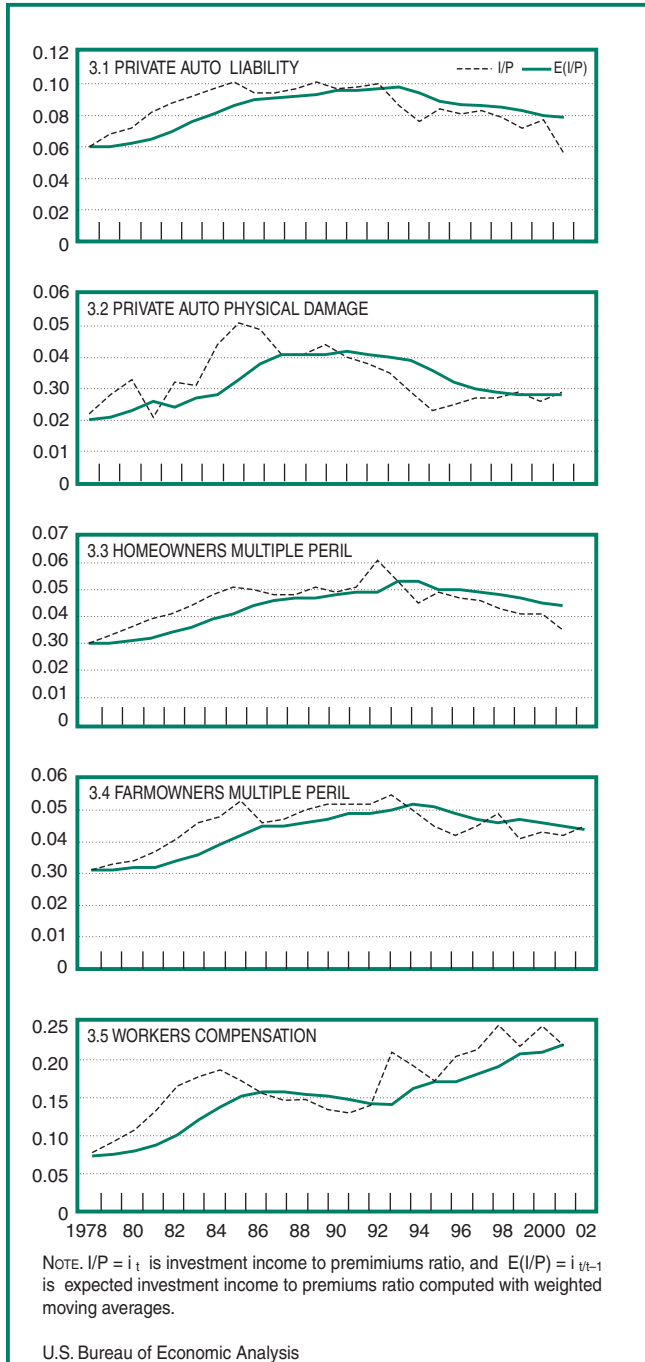


Table 4. Summary Statistics of Prediction Errors from Expected Investment Income to Premiums Ratio, Using Weighted and 5-Point Moving Averages
[Percent]

	A. Private passenger auto liability (1978–2000)		B. Private auto physical damage (1978–2000)	
	Forecast errors of expected investment income to premiums ratio ($\beta = 0.3$)	Forecast errors of expected investment income to premiums ratio ($n = 5$)	Forecast errors of expected investment income to premiums ratio ($\beta = 0.3$)	Forecast errors of expected investment income to premiums ratio ($n = 5$)
ME.....	0.288	-0.024	-0.145	-0.228
MAE.....	0.850	0.706	0.290	0.294
MAPE.....	0.100	0.081	0.205	0.216
SDPE.....	1.014	0.981	0.330	0.318
RMSPE.....	1.054	0.982	0.361	0.391
	C. Homeowners multiple peril (1978–2000)		D. Farmowners multiple peril (1978–2000)	
	Forecast errors of expected investment income to premiums ratio ($\beta = 0.3$)	Forecast errors of expected investment income to premiums ratio ($n = 5$)	Forecast errors of expected investment income to premiums ratio ($\beta = 0.3$)	Forecast errors of expected investment income to premiums ratio ($n = 5$)
ME.....	0.208	0.080	0.196	0.109
MAE.....	0.418	0.475	0.454	0.444
MAPE.....	0.092	0.100	0.900	0.092
SDPE.....	0.551	0.599	0.510	0.554
RMSPE.....	0.589	0.604	0.547	0.565
	E. Workers compensation (1978–2000)			
	Forecast errors of expected investment income to premiums ratio ($\beta = 0.3$)	Forecast errors of expected investment income to premiums ratio ($n = 5$)		
ME.....	1.573	1.049		
MAE.....	2.122	2.094		
MAPE.....	0.126	0.136		
SDPE.....	2.164	2.436		
RMSPE.....	2.650	2.675		

Forecast errors of expected investment income to premiums ratio is $i_t - i_{t|t-1}$

ME is mean error of forecasts

MAE is mean absolute error of forecasts

MAPE is mean absolute percentage error of forecasts

SDPE is standard deviation of forecasting or prediction errors

RMSPE is root mean square prediction errors

using five insurance lines as an example, table 5 presents a comparison of the average annual output using the current definition with that using the new definition, and it also shows a comparison of the volatility in the actual data series with that in the estimated data series.

The standard deviation of a time series measures the volatility of that series, and the ratio of the standard deviations of two series provides the relative volatility of the two series. Column 2 shows the relative volatility in the expected loss ratios to the actual loss ratios, and column 3 shows the relative volatility in the computed normal losses to the actual losses. Two observations can be drawn from columns 2 and 3. First, the expected loss ratios and the normal losses show reduced volatility. Not surprisingly the reduction in volatility is greater for the lines that experienced catastrophic losses. Allied lines had catastrophic losses in 1989,

1992, 1998, and 2001, and homeowners multiple peril had catastrophic losses in 1992. Second, the reduction in volatility in normal losses is less than that in the estimated loss ratios. This is because normal losses are derived as the product of estimated loss ratios and the direct premiums earned. Some volatility in the direct premiums earned has been picked up in the computed normal losses.

Similarly, column 4 shows that the volatility was reduced as a result of using the expected investment income to premiums ratio rather than the actual investment income to premiums ratio. The reduction in volatility is greater for allied lines; in recent years, the investment income for this line has swung down from an average of 3.78 percent in the 1990s to -6.5 percent in 2000 and to -2.3 percent in 2001.

Additional volatility from the data on reinsurance may be added to the measured output by line of insurance. Therefore, comparing the volatility in the output using the current definition with the volatility in the output using the new definitions does not provide accurate information on the effect of using normal losses and expected investment income. In column 5, that effect is measured by the ratio of the standard deviation of output using the new definition to that of output measured with direct losses and actual investment income as premium supplements; clearly, the use of normal losses and expected investment income reduces the volatility in the output.

In column 6 of table 5, the average annual output using the new definition is compared with average annual output using the current definition. The average output increased significantly, ranging from 8.6 percent for private passenger auto physical damage to 73.4 percent for workers compensation. Because the higher average annual output level is largely due to the inclusion of the expected investment income as premium supplements, the output measured using the current definition significantly underestimates the contributions of the financial intermediation services provided by the property-casualty insurance industry. For the lines in table 5, the average expected investment income is 3.1 percent of the direct premiums earned for allied lines, 3.9 percent for homeowners multiple peril, 4.6 percent for private passenger auto liability, 1.9 percent for private passenger auto physical damage, and 7 percent for workers compensation for their respective sample periods.

In addition to analyzing the effects of the change in the definition of insurance services on average annual output and volatility in the estimated data series for the sample period, the effect of the change can also be

Table 5. Relative Output and Relative Volatility in Actual and Estimated Data

Insurance line	Relative volatility of expected loss ratio versus actual loss ratio	Relative volatility of normal losses versus direct losses	Relative volatility of expected versus actual investment income to premiums ratio	Relative volatility of output using new definition versus output using direct losses and actual investment income	Relative output using new definition versus output using current definition
Allied lines (1951-2001)	0.370	0.635	0.857	0.392	1.205
Homeowners multiple peril (1955-2001)	0.800	0.970	0.889	0.900	1.258
Private auto liability (1930-2001)	0.923	0.978	0.966	0.951	1.273
Private auto physical damage (1930-2001)	0.802	0.986	0.999	0.974	1.086
Workers compensation (1930-2001)	0.804	0.998	0.888	0.911	1.734

Relative volatility of expected loss ratio versus actual loss ratio is $\frac{\sigma(\ell_{t|t-1})}{\sigma(\ell_t)}$

Relative volatility of normal losses versus direct losses is $\frac{\sigma(L_{t|t-1})}{\sigma(L_t)}$

Relative volatility of expected versus actual investment income to premiums ratio is $\frac{\sigma(i_{t|t-1})}{\sigma(i_t)}$

Relative volatility of output using new definition versus output using direct losses and actual investment income is $\frac{\sigma(Y_t^N)}{\sigma(Y_t^D)}$

Relative output using new definition to output using current definition is $\frac{Y_t^N}{Y_t^C}$

$\sigma(\cdot)$ is the standard deviation of the time series in the parentheses

$\ell_{t|t-1}$ is expected loss ratio

ℓ_t is direct loss ratio

$L_{t|t-1}$ is normal losses

L_t is direct losses incurred

$i_{t|t-1}$ is expected net investment income to premiums ratio

i_t is net investment income to premiums ratio

Y_t^N is output under new definition, $Y_t^N = P_t(1 - d_t + i_{t|t-1}) - L_{t|t-1}$

Y_t^D is output computed as $Y_t^D = P_t(1 - d_t + i_t) - L_t$

Y_t^C is output under current definition, $Y_t^C = P_t(1 - d_t) - L_t$

illustrated from the estimates for a particular year as shown in table 6; 1992 and 2001 were selected to illustrate the effects of the definitional change and to demonstrate how the adjustments for catastrophic losses affect the levels and volatility of the estimated series.

Part A of table 6 presents a comparison of the actual data series with the estimated data series and the output measured using the current definition and the new definitions for 5 lines of insurance for 1992. In 1992, Hurricane Andrew caused catastrophic losses in allied lines and homeowners multiple peril. In column 2, the actual direct loss ratios are 1.20 for allied lines and 1.24 for homeowners multiple peril. In column 3, the corresponding estimated loss ratios, however, are 0.68 for allied lines and 0.73 for homeowners multiple peril. The significantly lower estimated loss ratios reflect the combined effects of estimating loss ratios using the weighted moving averages and the adjustments made for the catastrophic losses.

Columns 4 and 5 in part A of table 6 show a comparison of the actual direct losses and the normal losses. Not surprisingly, the relative values of the actual losses to the estimated loss ratios are not equal to the corresponding relative values of the actual losses to the normal losses. For example, the relative values of the actual loss ratios to the estimated loss ratios (dividing column 2 by column 3) are 1.76 for allied lines, 1.70 for homeowners multiple peril, 0.93 for private auto liability, 0.92 for private auto physical damage, and 0.96 for workers compensation. However, the relative val-

ues of the direct losses to the normal losses (dividing column 4 by column 5) are 1.77 for allied lines, 1.70 for homeowners multiple peril, 0.92 for private auto liability, 0.92 for private auto physical damage, and 0.97 for workers compensation. The differential relative values of loss ratios and losses are caused by the additional information from direct losses that is included in the computed normal losses.

Columns 6 and 7 present the actual and expected investment income to premiums ratios for the 5 lines. Columns 8 and 9 present a comparison of the measured output using the current definition with the output using the new definition. Using the current definition, catastrophic losses result in negative output for allied lines and homeowners multiple peril.

Qualitatively similar results are shown in part B of table 6 from estimates for 5 lines of insurance for 2001. Aircraft, fire, and allied lines suffered catastrophic losses as a result of the terrorist attacks on September 11th. In addition to the catastrophic losses, allied lines also had an unusual negative investment income in 2001. This example again demonstrates that using normal losses and expected investment income greatly reduces the large swings in measured output. Using the current definition, the measured output for fire insurance is still positive despite the huge catastrophic losses, because the current definition uses premiums earned and losses incurred net of reinsurance. The direct loss ratio of 1.28 and the positive output of fire insurance service measured using the current definition

Table 6. A Comparison of Actual and Estimated Loss Ratios, Losses, and Investment Income to Premiums Ratios, and Output Measured Using Current Definition and New Definition
[Losses and output measured in millions of dollars]

A. A comparison of actual and estimated data for 1992								
Insurance Line	Loss ratio (percent)	E (loss ratio) (percent)	Direct losses	Normal losses	Investment income to premiums ratio (percent)	E (Investment income to premiums ratio) (percent)	Output using current definition	Output using new definition
Allied lines.....	1.20	0.68	3,270.55	1,843.43	0.053	0.043	-10.12	953.66
Homeowners multiple peril.....	1.24	0.73	25,535.65	15,043.51	0.062	0.051	-2,865.80	6,545.00
Private auto liability.....	0.73	0.79	40,793.81	44,504.48	0.100	0.096	13,968.88	16,459.86
Private auto physical damage.....	0.56	0.61	18,489.04	20,071.33	0.034	0.039	13,763.49	13,666.69
Workers compensation.....	0.81	0.84	30,513.78	31,536.19	0.210	0.141	3,592.90	8,885.36
B. A comparison of actual and estimated data for 2001								
	Loss ratio (percent)	E (loss ratio) (percent)	Direct losses	Normal losses	Investment income to premiums ratio (percent)	E (Investment income to premiums ratio) (percent)	Output using current definition	Output using new definition
Aircraft.....	1.83	0.69	2,992.35	1,228.10	0.268	0.093	-144.63	490.96
Allied Lines.....	2.04	0.74	8,528.86	3,675.76	-0.023	0.004	-37.83	510.67
Fire.....	1.28	0.57	7,541.33	3,585.75	0.023	0.055	1,667.15	2,539.81
Homeowners multiple peril.....	0.77	0.68	27,907.08	24,694.45	0.035	0.044	6,838.83	12,836.69
Workers compensation.....	0.86	0.72	35,473.88	25,448.61	0.180	0.220	4,680.39	14,349.13

Loss ratio is L_t Investment income to premiums ratio is i_t
 E (loss ratio) is $L_{t|t-1}$ E (investment income to premiums ratio) is $i_{t|t-1}$
 Direct losses is L_t Output using current definition is $Y_t^C = P_t(1 - d_t) - L_t$
 Normal losses is $L_{t|t-1}$ Output using new definition is $Y_t^N = P_t(1 - d_t + i_{t|t-1}) - L_{t|t-1}$

suggests that a significant portion of the unexpected losses in 2001 were recovered from the reinsurance services purchased.

Future Research

The objective of the definitional change in the output measure of property-casualty insurance services was to better measure all the explicit and implicit services provided by the insurer. The estimation results demonstrate that the definitional change and the new statistical treatment of losses and premiums supplements have a substantial impact on the measured insurance services.

However, further research should continue in order to improve the statistical methodology. The adaptive expectations framework often works fairly well empirically, but it lacks theoretical justification. Future research should go toward the construction of a structural model that properly explains how the profit-maximizing insurer uses all the information available to form expectations of future losses and future investment income. Because a much longer time series data set for each line of insurance has now been constructed, more sophisticated time series modeling methods that can better handle the autocorrelations in the data and that could provide more robust estimates should be explored.

Technical Note: Preparing the Data for the Definitional Change

The new definition of the property-casualty insurance output can be expressed as:

$$(T.1) \quad Y_t = P_t(1 + i_{t|t-1} - d_t) - L_{t|t-1},$$

where Y_t is output, P_t is direct premiums earned, $L_{t|t-1}$ is normal losses, $i_{t|t-1}$ is expected investment income to premiums ratio, and d_t is dividend to premiums ratio for period t . Recall that $L_{t|t-1} = l_{t|t-1}P_t$, and $l_{t|t-1}$ is the expected direct loss ratio.

Under the current treatment, BEA uses net premiums earned and net losses incurred to measure insurance output. The change in the measure of insurance output requires the use of direct premiums earned and direct losses incurred. Net premiums earned, P_t^N , equals direct premiums earned minus the net purchases of reinsurance, P_t^R , and net losses incurred, L_t^N , equals direct losses incurred minus losses recovered from net purchases of reinsurance, L_t^R . The net purchase of reinsurance is the difference between the reinsurance ceded and the reinsurance assumed. Because published data on the direct basis is unavailable before 1975, the preceding relationships can be used to

derive the needed data by using net reinsurance purchases and net premiums earned and losses incurred.

The definitional change in the measure of insurance output affects the following 22 lines of property-casualty insurance services: Aircraft, allied lines, boiler and machine, burglary and theft, commercial auto liability, commercial auto physical damage, commercial multiple peril, earthquake, farmowners multiple peril, fidelity, fire, homeowners multiple peril, inland marine, medical malpractice, ocean marine, other liability, other lines, private passenger auto liability, private passenger physical damage, reinsurance, surety, and workers compensation. The first step in the implementation of the definitional change is to construct a data set that contains the time series data on P_t , L_t , P_t^N , L_t^N , R_t^P , R_t^L , i_t , and d_t for each line of insurance.

Data sources and data problems

The main source of data are the 1940 to 2002 editions of *Best's Aggregate and Averages: Property-Casualty* by A.M. Best Company. The time series for direct premiums earned, direct losses incurred, net investment income, and dividends to policyholders for 1975–2001 are extracted from A.M. Best's database. Data series for years before 1975 are constructed from A.M. Best's published data.

The first, 1940 edition of A.M. Best's data on property-casualty insurance services contained cumulative data for 1930–39 by line of insurance. Therefore, the longest span of the published times series is 72 years, from 1930 to 2001. However, data for all 22 lines of insurance for 1930–2001 are not available; some are only available back to the 1950s, and some date back to the 1970s or 1980s. Table 7 displays the year when the data on each of the 22 lines were either first reported by

Table 7. Starting Year of Data Series on Insurance Lines

Insurance line	Year data started
Aircraft	1971
Allied lines.....	1951
Boiler and machine.....	1930
Burglary and theft.....	1930
Commercial auto liability.....	1930
Commercial auto physical damage.....	1930
Commercial multiple peril.....	1956
Earthquake.....	1985
Farmowners multiple peril.....	1973
Fidelity.....	1930
Fire.....	1951
Homeowners multiple peril.....	1955
Inland marine.....	1951
Medical malpractice.....	1977
Ocean marine.....	1951
Other lines.....	1973
Other liability.....	1930
Private auto liability.....	1930
Private auto physical damage.....	1930
Reinsurance.....	1973
Surety.....	1930
Workers compensation.....	1930

A.M. Best or when the data became constructible from the available A.M. Best data.

In addition to the various starting years of the time series for the lines of insurance, there are two other general problems with the published data. First, observations in all of the series except net premiums earned are missing for the early years. As shown in table 8, some series have 20 missing observations, and others have as many as 45 missing observations. The data are missing mainly because the data were published in much less detail then. Over time, more detailed data and better quality data have become available.

Second, in the published data, the classification of certain lines of insurance has changed over time. Some lines were initially components of other lines for some years, but later, these lines were reported as separate lines. Alternatively, some separate lines later became components of other lines. The insurance lines that were affected by changes in classification consist of allied lines, boiler and machine, homeowners and farmowners multiple perils, other liability, other lines, commercial and private auto liability and auto physical damage lines.

Constructing the data set

Given the problems with the availability and the quality of the data, it is necessary to construct a set of data

for P_t , L_t , i_t , and d_t for each line of insurance for the sample period.

Direct premiums earned and direct losses incurred

A.M. Best began to report business on the direct basis in 1992 in the insurance expense exhibit (IEE), part III—allocation to lines of direct business written, in *Best's Aggregates and Averages: Property-Casualty*, so data for P_t and L_t have been available since then.¹³ For the years during which these variables were not reported, they must be derived from other data: P_t can be derived from the relation between net premiums earned and net premiums for net purchase of reinsurance, and L_t can be derived from the relation between net losses incurred and net losses recovered from the net purchase of reinsurance as follows:

$$(T.2) \quad P_t = P_t^N + P_t^R, \quad L_t = L_t^N + L_t^R.$$

Thus, if data on reinsurance, net premiums earned, and net losses incurred are available, P_t and L_t can be derived for the years before 1975. Unfortunately, a complete data series on net losses incurred and on the by-line data on reinsurance for the years before 1975 are also unavailable. Thus, extrapolation techniques were used to estimate the missing observations in these series.

There are two problems in constructing the complete series of net premiums earned and net losses incurred. First, net loss ratios were not explicitly reported until 1950. Before 1950, A.M. Best reported loss and loss adjustment expense ratios jointly. Second, before 1971, net premiums earned and net losses incurred were reported on the basis of the stock, mutual, and reciprocal companies.¹⁴ To obtain the by-line total net premiums earned and the total net losses incurred, the three components needed to be summed. However, data on reciprocal companies were available only for 1971 and 1972 and only for allied lines, fire, homeowners multiple peril, other liability, and workers compensation, and the data were available only for 1972 for private auto liability and private auto physical damage. No data on reciprocal companies for the remaining lines were reported. Thus, the net loss ratios for 1930–49 and the net premiums and net losses for the reciprocal companies for 1930–70 need to be extrapolated.

For the stock and mutual companies net loss ratios first became available for 1950; the shares of net loss

Table 8. Availability of Published Data on Property-Casualty Insurance

Variables	Availability of data series
P_t and L_t	1992–2001: By-line and industry total data available 1975–1991: By-line and industry total data available, labeled as adjusted direct premiums and adjusted direct losses incurred 1930–1974: Data unavailable at any level
P_t^N and L_t^N	1930–1972: By-line data available on the basis of stock, mutual, and reciprocal companies 1930–1949: Data on losses unavailable at any level
P_t^R and L_t^R	1951–1984: Data on industry total reinsurance data available 1930–1951: Data unavailable at any level
d_t	1975–2001: By-line data available 1930–1974: By-line data unavailable 1951–2001: Data on industry average dividend to premiums ratio available
i_t	1992–2001: By-line data on net investment gain on funds attributable to insurance transactions available 1975–1991: By-line data on net investment gains or losses and other income available 1930–1974: By-line data unavailable 1939–2001: Data on industry total net investment gain or loss available

P_t is direct premiums earned

L_t is direct losses incurred

P_t^N is net premiums earned

L_t^N is net losses incurred

P_t^R is net premiums earned from net purchase of reinsurance

L_t^R is net losses recovered from net purchase of reinsurance

d_t is ratio of dividend to policyholders to direct premiums earned

i_t is ratio of net investment income to premiums earned

13. For 1975–91, P_t and L_t were reported in IEE in part II—allocation to lines of business net of reinsurance under “adjusted direct premiums earned” and “adjusted direct losses incurred.” Before 1975, they were not reported at all.

14. A reciprocal company is an entity formed by individuals, called subscribers, who undertake all types of insurance activities.

ratios, l_{1950}^{SN} and l_{1950}^{MN} , relative to the combined net loss and loss adjustment expense ratio, \tilde{l}_{1950}^{SN} and \tilde{l}_{1950}^{MN} , were calculated for each line of insurance for 1950, where S and M stand for the stock and mutual companies, respectively. These shares were then used as the extrapolators to approximate the net loss ratios, \hat{l}_t^{SN} and \hat{l}_t^{MN} , for 1930–49. Specifically, for $t = 1930, \dots, 1949$,

$$(T.3) \quad \hat{l}_t^{SN} = \tilde{l}_t^{SN} \times \left(\frac{l_{1950}^{SN}}{\tilde{l}_{1950}^{SN}} \right), \quad \hat{l}_t^{MN} = \tilde{l}_t^{MN} \times \left(\frac{l_{1950}^{MN}}{\tilde{l}_{1950}^{MN}} \right).$$

The net losses incurred for the stock and mutual companies are then approximated as $\hat{L}_t^{SN} = \hat{l}_t^{SN} P_t^{SN}$ and $\hat{L}_t^{MN} = \hat{l}_t^{MN} P_t^{MN}$.

To obtain the total net premiums earned and the total net losses incurred, an approximation of the premiums and losses for the reciprocal companies was needed, but data on the reciprocal companies for some lines are available only for 1971 and 1972. For these lines, the 2-year average ratio of the total net premiums earned to the sum of net premiums earned by the stock and mutual companies,

$$\left(\frac{P_{1971}^N}{P_{1971}^{SN} + P_{1971}^{MN}} + \frac{P_{1972}^N}{P_{1972}^{SN} + P_{1972}^{MN}} \right) / 2$$

were computed. Similarly, the 2-year average ratio of the by-line total net losses incurred to the sum of the net losses incurred for stock and mutual companies,

$$\left(\frac{L_{1971}^N}{L_{1971}^{SN} + L_{1971}^{MN}} + \frac{L_{1972}^N}{L_{1972}^{SN} + L_{1972}^{MN}} \right) / 2$$

were computed. These average ratios were then used to extrapolate the total net premiums earned and the total net losses incurred for $t = 1930, \dots, 1970$,

$$(T.4) \quad \hat{P}_t^N = (P_t^{SN} + P_t^{MN}) \times \left[\left(\frac{P_{1971}^N}{P_{1971}^{SN} + P_{1971}^{MN}} + \frac{P_{1972}^N}{P_{1972}^{SN} + P_{1972}^{MN}} \right) / 2 \right],$$

$$\hat{L}_t^N = (L_t^{SN} + L_t^{MN}) \times \left[\left(\frac{L_{1971}^N}{L_{1971}^{SN} + L_{1971}^{MN}} + \frac{L_{1972}^N}{L_{1972}^{SN} + L_{1972}^{MN}} \right) / 2 \right].$$

For the lines that reported net premiums and net losses from the reciprocal companies only for 1972, the extrapolator is the 1-year ratio of the total premiums (losses) to the sum of the premiums (losses) from the stock and mutual companies. For the other lines, the total premiums and total losses are the sum of the premiums and losses from the stocks and mutual companies.

As pointed out earlier, the by-line data on reinsurance are not available for years before 1984, and the data on industry total reinsurance have only been

available since 1951. To use the available industry data, by-line reinsurance data for 1951–74 were approximated by using the industry total reinsurance data and the share of by-line reinsurance of the industry total. Because reinsurance data are available for each line for 1984–2001, the shares of the net premiums for the net purchase of reinsurance and the net losses recovered from the net purchases of reinsurance for each line were computed for 1984–2001. Then the median of each share series was constructed, and the median was used to extrapolate the by-line net premiums for, and net losses recovered from, net purchases of reinsurance. Specifically, for $t = 1951, \dots, 1974$,

$$(T.5) \quad \hat{P}_t^{R,i} = P_t^{R,I} \times m \left(\frac{P^{R,i}}{P^{R,I}} \right), \quad \hat{L}_t^{R,i} = L_t^{R,I} \times m \left(\frac{L^{R,i}}{L^{R,I}} \right),$$

where i and I in the superscript index the insurance line and industry total, respectively, and where $m(\cdot)$ is the median of the shares for 1984–2001. The median instead of the 1984 share was used in order to limit the impact of outlier years.

After $\hat{P}_t^{R,i}$ and $\hat{L}_t^{R,i}$ are computed, equation (T.2) was used to approximate direct premiums earned and direct losses incurred for 1951–74. However, because no data on reinsurance for 1930–50 are available, direct premiums earned and direct losses incurred for 1930–50 were extrapolated. The extrapolator is based on the assumption that direct premiums earned (direct losses incurred) grew at the same annual rate as net premiums earned (net losses incurred) from 1930 to 1950. This assumption implies that for $t = 1930, \dots, 1950$, P_t and L_t can be extrapolated according to

$$(T.6) \quad \hat{P}_t = P_t^N \times \left(\frac{P_{1951}}{P_{1951}^N} \right), \quad \hat{L}_t = L_t^N \times \left(\frac{L_{1951}}{L_{1951}^N} \right).$$

The above discussion describes the construction of direct premiums earned and direct losses incurred for the insurance lines that did not change classifications over the years. However, the classifications of some lines changed. Some classification changes did not require an adjustment; for example, farmowners multiple peril was included in homeowners multiple peril until 1973, when it became a separate line. On the other hand, some adjustments were necessary before compiling the data.

Classification changes and adjustments

The classification of the following lines changed: Allied lines, boiler and machine, other liability, other lines, commercial and private auto liabilities and physical damage lines. As a result of these changes, some adjustments were made.

Allied lines. Allied fire and extended coverage were

reported as two lines for 1951–70. In 1971, these two lines were combined to form allied lines. To incorporate this change, allied lines for 1951–70 was computed as the sum of these two lines. Before 1992, multiple peril crop and federal flood insurances were included in allied lines, but they have become two separate lines since then. In 1997, glass was excluded from other lines, and it has been included in allied lines since 1997.

Boiler and machine. Steam boiler and engine machine were reported as two separate lines of insurance from 1930 to 1939. In 1940, they were combined as boiler and machine. In order to account for this change, boiler and machine for 1930–39 was computed as the sum of these two lines.

Other liability. Other liability has been a separate line since 1975. From 1930 to 1974, other liability was included in miscellaneous liabilities, which became a separate line in 1971. From 1930 to 1970, miscellaneous bodily injury and miscellaneous property damage were listed as separate lines, and they jointly covered the liabilities that were later included in miscellaneous liabilities. To account for this change, miscellaneous liabilities for 1930–70 was computed as the sum of miscellaneous bodily injury and miscellaneous property damage.

In 1975, other liability was formed from a major part of miscellaneous liabilities. The remaining part of miscellaneous liabilities coexisted with other liability for 3 years before it ceased to exist. To reflect this change, the average ratios of other liability (OLB) to miscellaneous liabilities (MLB) for 1975, 1976, and 1977 was computed, and then the average ratios were used as the extrapolators to approximate net premiums earned and net losses incurred for other liability. Specifically, for $t = 1930, \dots, 1974$,

$$(T.7) \quad \hat{P}_t^{N, OLB} = P_t^{N, MLB} \times \left[\frac{P_{1975}^{N, OLB}}{P_{1975}^{N, MLB}} + \frac{P_{1976}^{N, OLB}}{P_{1976}^{N, MLB}} + \frac{P_{1977}^{N, OLB}}{P_{1977}^{N, MLB}} \right] / 3,$$

$$\hat{L}_t^{N, OLB} = L_t^{N, MLB} \times \left[\frac{L_{1975}^{N, OLB}}{L_{1975}^{N, MLB}} + \frac{L_{1976}^{N, OLB}}{L_{1976}^{N, MLB}} + \frac{L_{1977}^{N, OLB}}{L_{1977}^{N, MLB}} \right] / 3.$$

Commercial and Private Auto Insurances. Commercial auto liability, commercial auto physical damage, private auto liability, and private auto physical damage became individual lines in 1972. For 1930–1971, data on private and commercial auto insurances were combined in auto liability and auto physical damage. From 1930 to 1970, the two components of auto liability, auto bodily injury and auto property damage, were two separate lines, and the two components of auto physical damage, auto collision and miscellaneous auto lines, were also two separate

lines. Thus, for those years, auto liability and auto physical damage are represented by the sum of these components.

In order to separate private auto insurance from commercial auto insurance, the shares of these insurances that were accounted for by private auto liability and private auto physical damage were computed. These private auto shares have two components: The ratio of private auto insurance to total auto insurance, and the ratio of the share of household to total motor vehicle stock in a given year, $MVHS_t/MVS_t$, to the share in 1972, $MVHS_{1972}/MVS_{1972}$. For example, for $t = 1930, \dots, 1971$, the private share of auto liability for the net premiums earned, SP^{PAL} , is computed as:

$$(T.8) \quad SP_t^{PAL} = \left[\frac{P_{1972}^{N, PAL}}{P_{1972}^{N, AL}} \right] \times \left[\frac{MVHS_t}{MVS_t} / \frac{MVHS_{1972}}{MVS_{1972}} \right],$$

where $P_t^{N, PAL}$ is the net premiums earned for private auto liability and $P_t^{N, AL}$ is total premiums for auto liability. The private share of auto liability for net losses incurred is computed similarly. The private auto shares are constructed to adjust the 1972 private auto insurance to total auto insurance ratio by the changes in the relative motor vehicle stock held by the households over time.

The net premiums earned by private auto liability, $P_t^{N, PAL}$, for 1930–72, were approximated as the product of $P_t^{N, PAL}$ and SP_t^{PAL} . Specifically, for $t = 1930, \dots, 1972$,

$$(T.9) \quad \hat{P}_t^{N, PAL} = SP_t^{PAL} \times P_t^{N, AL}.$$

Net premiums earned for private auto physical damage, net losses incurred for private auto liability, and private auto physical damage were approximated in the same fashion as the net premiums for private auto liability. The commercial auto share for auto liability (auto physical damage) was computed as 1 minus private auto share for auto liability (auto physical damage). Net premiums and losses of the commercial auto lines were approximated accordingly.

Other lines. The other lines category was created in 1973, and it includes a few small lines reported on the annual statement of the property-casualty insurance industry. Since its creation, the components of other lines have changed several times. From 1973 to 1977, other lines consisted of factory mutual, international, reinsurance, and miscellaneous write-ins. Since 1978, it has included credit (initially credit included mortgage guarantee, which became a separate line in 1992). In 1980, reinsurance became a separate line, and glass became a component of other lines until 1997, when it

became a component of allied lines. Factory mutual was eliminated in the mid-1980s. Currently, other lines consists of credit, mortgage guarantee, international, and miscellaneous write-ins.

As a result of these changes in other lines, the only adjustment made was to remove reinsurance from other lines for 1973–1980, because reinsurance was the largest component, and without an adjustment, there would be a sharp decline in the data series for other lines. In addition, separating reinsurance from other lines allowed a complete time series for reinsurance for 1973–2001 to be constructed. A.M. Best reported other lines with and without reinsurance for 1980–82. Using these reports, the shares of reinsurance in other lines were calculated, and the average of the shares was used to extrapolate reinsurance for 1973–79.

Dividends to policyholders

Since 1975, A.M. Best has provided data on dividends to policyholders by line of insurance. From 1975 to 1991, the data were reported on the net basis, and since 1992, the data have been available on both the net basis and the direct basis. A.M. Best also provided data on the average dividends to policyholders as a ratio of premiums earned at the property-casualty insurance industry level since 1951. From 1930 to 1950, data on dividends were not available at any level, so the industry average dividend ratios for 1951–75 were used to approximate by-line dividend ratios for 1930–50.

For 1975–2001, the relationship between the by-line dividend ratios and the industry average dividend ratios appeared to be relatively stable for most of the lines. A simple regression was run for each line, using the log of dividend ratios by line of insurance as the dependent variable and the log of industry average dividend ratios as the independent variable. The estimated coefficient is statistically significant at the 5-percent level for 15 of the 20 lines (the 2 lines, earthquake and medical malpractice, that started after 1975 were excluded). The regression results were then used to project the dividend ratios for 1951–74 for these 15 lines.

The remaining 5 lines are aircraft, farmowners multiple peril, fidelity, surety, and burglary and theft. In terms of premiums earned, these lines are among the smallest, and most of them have fairly low and flat dividend ratios over time. Thus, for these lines, the average dividend ratios for 1975–2001 were used as the approximated dividend ratios for 1951–74.

Unfortunately, no information on dividend ratios for 1930–51 is available. Since dividend to premium ratios account for less than 1 percent for most lines for 1951–74, the by-line average dividend ratio for

1951–74 was used as the approximated dividend ratios for 1930–50.

Premium supplements

A.M. Best's data on net investment income by line of insurance have been available since 1975. For 1975–91, the data were labeled as "net investment gain or loss and other income," and since 1992, the data have been labeled as "net investment gain on funds attributable to insurance transactions." No data on investment gain by line of insurance are available for years before 1975. However, data on industry total "net investment gain or loss and other income" and data on "total assets invested" for 1939–2001 are available. To fill in the gaps in the series on net investment income by line of insurance, the data for 1939–74 were approximated first, using data at the industry level, and then the data for 1930–39 were approximated.

Using the industry total data for 1939–74, the net investment gain by line of insurance was approximated by multiplying the industry-level rate of return by the technical reserves for each line. The industry-level rate of return was calculated by dividing the total net investment gain or loss by the total assets invested, based on the assumption that each line of insurance had the same rate of return as the industry total for that period. This assumption is consistent with the current calculation of the by-line investment income data reported annually in the IEE table in *Best's Aggregates and Averages: Property-Casualty*.

Technical reserves, the sum of unearned premiums and unpaid losses, are not readily available by line of insurance. A.M. Best provides data on unearned net premiums from 1930, but it does not provide data on unpaid losses before 1984. Therefore, the median of the ratios of unpaid losses to net losses was computed and used to extrapolate the net unpaid losses, \hat{L}_t^{NU} . Specifically, for $t = 1930, \dots, 1974$,

$$(T.10) \quad \hat{L}_t^{NU} = L_t^N \times m\left(\frac{L^{NU}}{L^N}\right),$$

where $m(\cdot)$ is the median of the ratios of unpaid losses to total net losses incurred from 1984 to 2001.¹⁵ To be consistent with the current definition of investment funds used in A.M. Best's reports, the technical reserves for year t were computed as the average of the sum of unearned premiums and unpaid

15. Because a constructed data series on net losses incurred is available for the entire sample period and because data on unpaid losses for 1984–2001 are available, the regression analysis could be considered to project the by-line unpaid losses for 1930–74. This approach was not pursued, because the sample size of 18 for unpaid losses is too small to produce reliable results.

losses in year t and $t-1$. Thus, net investment income for $t = 1939 \dots, 1974$ can be approximated as:

$$(T.11) \quad \hat{I}_t = r_t^I \times [(P_t^{NU} + P_{t-1}^{NU}) + (L_t^{NU} + L_{t-1}^{NU})] / 2,$$

where r_t^I is the industry-level rate of return to invested funds and P_t^{NU} is the unearned net premiums.

No data on net investment income for 1930–39 are available. The by-line investment income data for these years was approximated by multiplying the estimated technical reserves by the estimated industry-level rate of return. Because the industry-level rate of return for 1939–59 was flat, mostly between 2 and 2.5 percent, the average of the industry-level rate of return for that period was used as the estimated industry-level rate of return for 1930–39.

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U.S. International Transactions, Second Quarter 2003

By Patricia E. Abaroa and Renee M. Sauers

THE U.S. current-account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—was virtually unchanged at \$138.7 billion in the second quarter of 2003 (table A, chart 1).¹ An increase in the deficit on goods was offset by increases in the surpluses on income and on services and by a decrease in net outflows for unilateral current transfers.

In the financial account, net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$148.6 billion in the second quarter, up from \$140.7 billion in the first. Both the financial inflows for foreign-owned assets in the United States and the financial outflows for U.S.-owned assets

abroad strengthened, but inflows strengthened more than outflows.

The statistical discrepancy—errors and omissions in recorded transactions—was a negative \$9.6 billion in the second quarter, compared with a negative \$1.6 billion in the first.

The following are highlights for the second quarter of 2003:

- Goods imports decelerated as a result of a downturn in petroleum and petroleum products.
- Travel receipts and payments decreased to the lowest levels since the fourth quarter of 2001.
- Foreign official assets increased by a record amount.
- Net foreign purchases of U.S. Treasury and other U.S. securities increased strongly.

U.S. dollar in exchange markets

In the second quarter, the U.S. dollar depreciated 5 percent on a nominal, trade-weighted quarterly aver-

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

Table A. Summary of U.S. International Transactions

[Millions of dollars, quarters seasonally adjusted]

Line	Lines in tables 1 and 11 in which transactions are included are indicated in () (Credits +; debits -)	2001	2002	2002				2003		Change: 2003 I-II
				I	II	III	IV	I ^r	II ^p	
Current account										
1	Exports of goods and services and income receipts (1)	1,284,942	1,229,649	297,074	307,616	313,939	311,015	310,278	311,002	724
2	Goods, balance of payments basis (3)	718,712	681,874	165,298	171,421	174,315	170,840	173,346	174,034	688
3	Services (4)	288,868	292,233	71,144	72,275	73,500	75,311	74,031	73,957	-74
4	Income receipts (12)	277,362	255,542	60,632	63,920	66,124	64,864	62,901	63,011	110
5	Imports of goods and services and income payments (18)	-1,632,072	-1,651,657	-387,864	-416,962	-422,666	-424,165	-431,716	-432,731	-1,015
6	Goods, balance of payments basis (20)	-1,145,927	-1,164,746	-271,331	-292,707	-297,627	-303,081	-309,364	-312,013	-2,649
7	Services (21)	-219,472	-227,399	-55,168	-55,877	-57,168	-59,186	-59,642	-59,386	256
8	Income payments (29)	-266,673	-259,512	-61,365	-68,378	-67,871	-61,898	-62,710	-61,332	1,378
9	Unilateral current transfers, net (35)	-46,615	-58,853	-15,938	-13,481	-13,997	-15,436	-17,269	-16,942	327
Capital account										
10	Capital account transactions, net (39)	-1,062	-1,285	-277	-286	-364	-358	-388	-325	63
Financial account										
11	U.S.-owned assets abroad, net (increase/financial outflow (-)) (40)	-349,939	-178,985	-35,227	-128,567	29,712	-44,902	-101,331	-106,665	-5,334
12	U.S. official reserve assets, net (41)	-4,911	-3,681	990	-1,843	-1,416	-812	83	-170	-253
13	U.S. Government assets, other than official reserve assets, net (46)	-486	-32	133	42	-27	-180	-70	-323	-253
14	U.S. private assets, net (50)	-344,542	-175,272	-35,750	-126,766	31,155	-43,910	-101,344	-106,172	-4,828
Foreign-owned assets in the United States, net (increase/financial inflow (+)) (55)										
15	Foreign-owned assets in the United States, net (55)	765,531	706,983	146,813	221,242	141,478	197,448	242,004	255,273	13,269
16	Foreign official assets in the United States, net (56)	5,104	94,860	6,106	47,552	8,992	32,210	40,978	57,580	16,602
17	Other foreign assets in the United States, net (63)	760,427	612,123	140,707	173,690	132,486	165,238	201,026	197,693	-3,333
18	Statistical discrepancy (sum of above items with sign reversed) (70)	-20,785	-45,852	-4,581	30,438	-48,102	-23,602	-1,578	-9,612	-8,034
Memoranda:										
19	Balance on current account (76)	-393,745	-480,861	-106,728	-122,827	-122,724	-128,586	-138,707	-138,671	36
20	Net financial flows (40 and 55)	415,592	527,998	111,586	92,675	171,190	152,546	140,673	148,608	7,935

^r Revised.
^p Preliminary.

age basis against a group of seven major currencies that are widely traded in international markets (table B, chart 2). Since reaching its peak value in early 2002, the dollar has depreciated 18 percent.

In the second quarter, factors that had a potential impact on the dollar's value included a fall in U.S. interest rates to new record lows, an increase in the U.S. current-account deficit, the end of major military operations in Iraq, and some indications that U.S. economic growth may be picking up. U.S. monetary authorities lowered the target level for the Federal funds rate 25 basis points, to 1 percent, and they noted that the probability of a substantial fall in inflation, though minor, was greater than the probability of a pickup in inflation.

The dollar depreciated 5 percent against the euro, and it reached its lowest level ever against the euro in early June. The euro was boosted by the higher yields available on euro-denominated assets than on dollar-denominated assets. Economic conditions in the euro area remained weak, and the European Central Bank lowered its main policy rate by 50 basis points, to 2.0 percent.

The dollar changed little against the Japanese yen. Economic conditions in Japan remained weak, and Japanese interest rates remained exceptionally low. The Bank of Japan made intervention purchases of dollars for yen in foreign exchange markets on several occasions.

The dollar depreciated 7 percent against the Canadian dollar, and it reached a 6½-year low against the Canadian currency in June. The Bank of Canada raised interest rates 25 basis points to 3.25 percent.

Chart 1. U.S. Current-Account Balance and Its Components

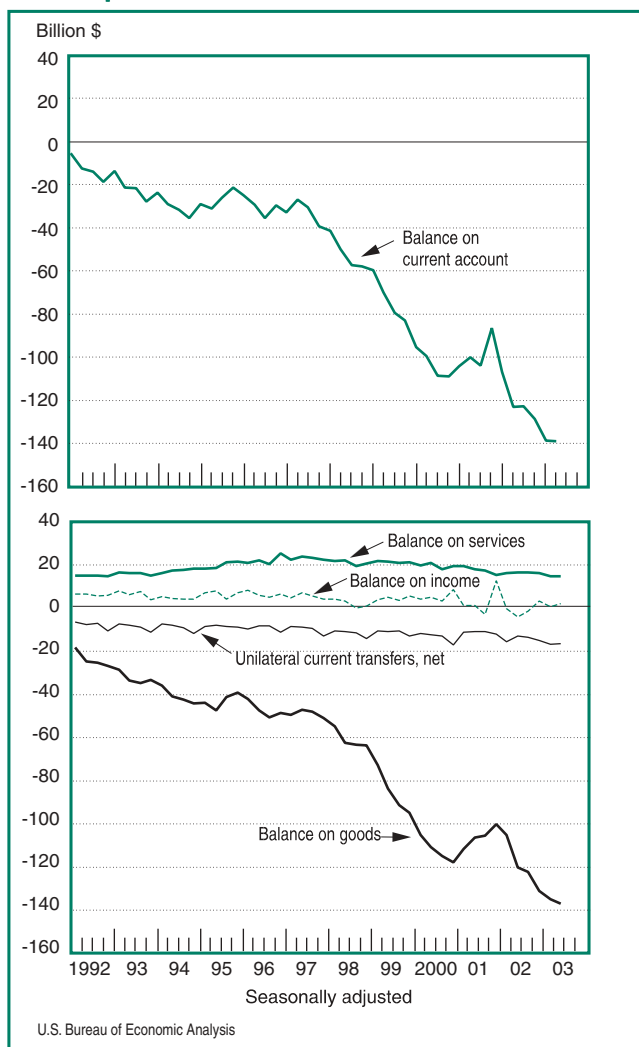


Table B. Indexes of Foreign Currency Price of the U.S. Dollar
(January 1999=100)

	2002			2003		2002						2003							
	II	III	IV	I	II	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	
Nominal: 1																			
Broad 2	110.5	109.0	109.9	107.7	103.9	109.3	107.9	109.1	110.0	110.8	109.7	109.2	107.9	107.8	107.3	106.4	102.9	102.4	
Major currencies 3	113.3	108.7	108.7	103.6	98.9	110.3	107.6	109.1	109.4	110.0	108.5	107.5	104.6	103.5	102.7	102.4	97.7	96.6	
Other important trading partners 4	108.0	109.9	112.0	113.3	110.9	108.8	108.7	109.7	111.2	112.5	111.8	111.8	112.5	113.7	113.7	112.0	110.2	110.4	
Real: 1																			
Broad 2	112.0	110.4	110.7	108.6	104.9	110.7	109.2	110.6	111.4	112.0	110.5	109.7	108.5	108.7	108.5	107.4	103.9	103.5	
Major currencies 3	117.1	112.5	112.3	107.5	102.6	113.9	111.2	112.9	113.3	113.8	112.2	110.8	108.2	107.5	106.8	106.3	101.2	100.2	
Other important trading partners 4	106.0	107.8	108.8	109.6	107.7	106.8	106.7	107.7	108.9	109.8	108.5	108.1	108.6	109.9	110.3	108.5	107.0	107.5	
Selected currencies: (nominal) 5																			
Canada	102.3	102.9	103.3	99.4	92.0	100.8	101.7	103.3	103.7	103.9	103.4	102.6	101.4	99.5	97.2	96.0	91.1	89.0	
European currencies:																			
Euro area 6	126.1	117.8	115.9	108.0	102.1	121.2	116.7	118.5	118.2	118.1	115.8	113.7	109.1	107.5	107.4	106.7	100.3	99.3	
United Kingdom	112.8	106.5	105.0	103.0	101.9	111.2	106.0	107.4	109.0	105.9	105.0	104.0	102.0	102.6	104.3	104.8	101.7	99.3	
Switzerland	115.1	107.4	105.8	98.6	96.4	111.1	106.2	108.1	107.8	107.8	105.8	103.9	99.3	98.2	98.3	99.5	94.6	95.2	
Japan	111.9	105.3	108.1	105.0	104.6	108.8	104.1	105.0	106.9	109.4	107.3	107.6	104.9	105.3	104.8	105.8	103.6	104.4	
Mexico	93.6	97.7	100.5	106.9	103.2	96.4	96.6	97.1	99.4	99.7	100.7	101.0	104.9	108.1	107.7	104.6	101.2	103.7	
Brazil	165.6	207.3	242.9	231.2	197.3	179.5	194.5	205.6	221.9	251.1	237.6	239.9	227.3	237.8	228.6	205.6	195.2	191.1	

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

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

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

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

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

5. Data: Federal Reserve Board. Monthly and quarterly average rates. Indexes prepared by BEA.
6. The euro area includes Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain.

Current Account

Goods and services

The deficit on goods and services increased to \$123.4 billion in the second quarter from \$121.6 billion in the first. An increase in the deficit on goods more than offset an increase in the surplus on services.

Goods

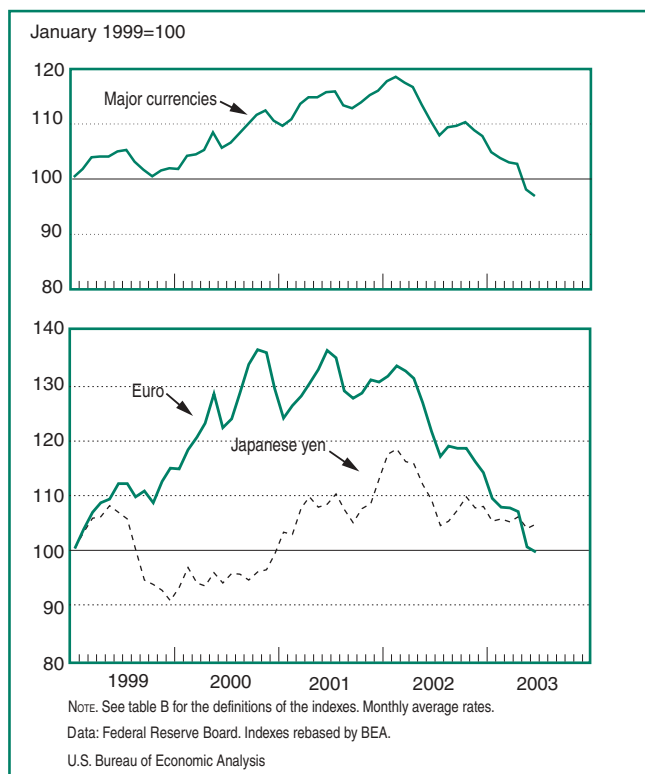
The deficit on goods increased to \$138.0 billion in the second quarter from \$136.0 billion in the first, as imports increased more than exports.

Exports. Goods exports increased \$0.7 billion, or less than 1 percent, to \$174.0 billion in the second quarter. In percentage terms, real exports were unchanged, and export prices increased less than 1 percent (table C).²

Industrial supplies and materials increased \$0.5 billion, to \$43.0 billion. Metals and nonmetallic products increased \$0.8 billion mainly as a result of increases in shipments of iron and steel products to Western Europe and China and of nonmonetary gold to Switzer-

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

Chart 2. Nominal Indexes of Foreign Currency Price of the U.S. Dollar



Revisions to the Estimates for the First Quarter of 2003

The international transactions accounts estimates for the first quarter of 2003 have been revised from the preliminary estimates that were published in the July 2003 SURVEY OF CURRENT BUSINESS. The current-account deficit for the first quarter was revised up to \$138.7 billion from \$136.1 billion. The goods deficit was virtually unrevised at \$136.0 billion; the services surplus was virtually unrevised at \$14.4 billion; the surplus on income was revised down to \$0.2 billion from \$2.6 billion; and unilateral current transfers were revised to net outflows of \$17.3 billion from \$17.1 billion. Net recorded financial inflows were revised to \$140.7 billion from \$112.8 billion.

land. Raw cotton increased \$0.3 billion, mainly to developing countries in Asia. In contrast, energy products decreased \$0.4 billion, mainly petroleum and petroleum products to Latin America, and chemicals declined \$0.1 billion.

Consumer goods increased \$0.4 billion, to \$22.0 billion. The increase was more than accounted for by a rebound in consumer durable goods, following two quarters of decline. The largest increases were in recreational equipment and in household and kitchen appliances and other household goods. Consumer nondurable goods and unmanufactured consumer goods both changed little.

Exports of other major end-use commodities decreased by small amounts. Capital goods decreased \$0.3 billion, to \$70.5 billion. The decrease was more than accounted for by a decrease in civilian aircraft, engines, and parts, which fell for the third consecutive quarter to the lowest level in over 5 years, and by a decrease in computers, peripherals, and parts. In contrast, semiconductors increased 6 percent in the second quarter, following an identical increase in the first. Foods, feeds, and beverages were nearly unchanged at \$13.0 billion, as declines in soybeans and wheat were largely offset by increases in corn and meat products. Automotive vehicles, engines, and parts were nearly unchanged at \$19.9 billion; a decline in exports to Canada was almost fully offset by an increase in exports to other areas, mainly passenger cars to Mexico, Western Europe, and Japan and trucks and buses to a variety of countries.

Imports. Goods imports increased \$2.6 billion, or 1 percent, to \$312.0 billion in the second quarter. Real imports increased 3 percent, and import prices decreased 2 percent (table C). In value, an increase in nonpetroleum products more than offset a decrease in

petroleum and petroleum products (chart 3).

Nonpetroleum products increased \$4.0 billion, largely as a result of increases in capital goods and in automotive vehicles, engines, and parts. Capital goods increased \$2.0 billion, the most in four quarters, reflecting upturns in computers, peripherals, and parts and in telecommunications equipment and stronger increases in several other commodity categories. Automotive vehicles, engines, and parts increased \$1.8 billion, largely as a result of a strong increase in passenger cars, mostly from Germany, Sweden, and Mexico. Consumer goods and nonpetroleum industrial supplies and materials both changed little, following several quarters of sizable growth.

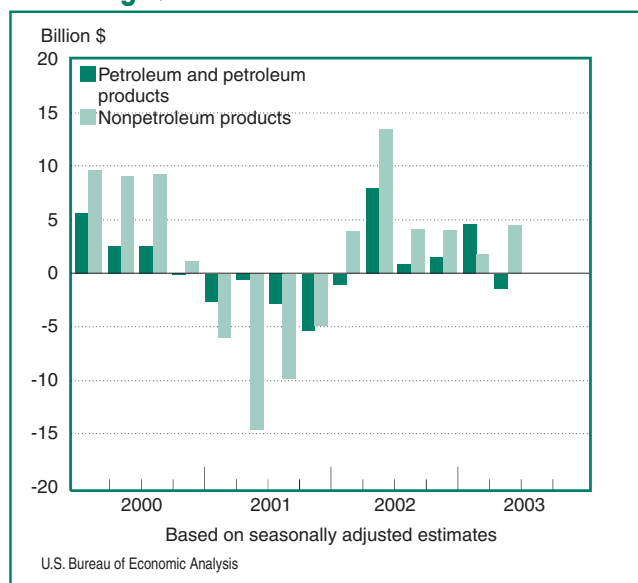
Petroleum and petroleum products decreased \$1.4 billion, following four consecutive quarterly increases. The decline was attributable to a fall in petroleum prices. The average price per barrel fell 14 percent, to \$26.48 in the second quarter from \$30.77 in the first. The average number of barrels imported daily increased to 13.47 million from 12.09 million.

Balances by area. The goods deficits with China, Venezuela, and Germany registered the largest increases in the second quarter.³ The deficit with China

increased \$3.5 billion, mainly due to an increase in imports. The deficit with Venezuela increased \$2.2 billion, as imports of petroleum and petroleum products rebounded after two consecutive quarters of decline. The deficit with Germany increased \$1.4 billion as a result of an increase in imports and a decrease in exports.

These increases were partly offset by decreases in the goods deficits with Canada, Japan, and Mexico. The deficit with Canada decreased \$3.5 billion, the deficit

Chart 3. U.S. Goods Imports: Change from Preceding Quarter



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

Table C. U.S. Trade in Goods, Current and Chained (1996) Dollars, and Percent Changes from Previous Period

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

	Current dollars								Chained (1996) dollars ¹							
	2001	2002	2002				2003		2001	2002	2002				2003	
			I	II	III	IV	I ^r	II ^p			I	II	III	IV	I ^r	II ^p
Exports	718,712	681,874	165,298	171,421	174,315	170,840	173,346	174,034	769,334	733,356	179,399	184,980	186,533	182,385	183,513	183,522
Agricultural products	54,889	54,513	13,723	13,506	13,557	13,727	14,228	14,371	70,497	68,821	18,012	17,549	16,698	16,637	17,097	16,963
Nonagricultural products	663,823	627,361	151,575	157,915	160,758	157,113	159,118	159,663	699,276	665,141	161,784	167,656	169,863	165,818	166,529	166,645
Imports	1,145,927	1,164,746	271,331	292,707	297,627	303,081	309,364	312,013	1,247,335	1,289,577	307,492	323,255	326,524	331,744	329,181	337,932
Petroleum and products	103,588	103,491	19,140	27,052	27,913	29,386	33,983	32,584	89,223	87,084	20,543	22,172	21,554	22,485	21,753	24,249
Nonpetroleum products	1,042,339	1,061,255	252,191	265,655	269,714	273,695	275,381	279,429	1,153,540	1,198,346	286,125	299,938	304,109	308,076	306,524	311,619

	Percent change from previous period (current dollars)								Percent change from previous period (chained (1996) dollars)							
	2001	2002	2002				2003		2001	2002	2002				2003	
			I	II	III	IV	I ^r	II ^p			I	II	III	IV	I ^r	II ^p
Exports	-6.9	-5.1	-1.4	3.7	1.7	-2.0	1.5	0.4	-6.3	-4.7	-1.1	3.1	0.8	-2.2	0.6	0.0
Agricultural products	4.0	-0.7	-1.0	-1.6	0.4	1.3	3.6	1.0	3.2	-2.4	-0.2	-2.6	-4.8	-0.4	2.8	-0.8
Nonagricultural products	-7.7	-5.5	-1.4	4.2	1.8	-2.3	1.3	0.3	-7.0	-4.9	-1.2	3.6	1.3	-2.4	0.4	0.1
Imports	-6.4	1.6	1.0	7.9	1.7	1.8	2.1	0.9	-3.6	3.4	1.6	5.1	1.0	1.6	-0.8	2.7
Petroleum and products	-13.8	-0.1	-5.5	41.3	3.2	5.3	15.6	-4.1	3.5	-2.4	-5.3	7.9	-2.8	4.3	-3.3	11.5
Nonpetroleum products	-5.6	1.8	1.6	5.3	1.5	1.5	0.6	1.5	-4.3	3.9	2.1	4.8	1.4	1.3	-0.5	1.7

^r Revised.

^p Preliminary.

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

with Japan declined \$1.3 billion, and the deficit with Mexico fell \$1.0 billion. All of the decreases were attributable to a combination of lower imports and higher exports.

Services

The surplus on services increased to \$14.6 billion in the second quarter from \$14.4 billion in the first quarter. Services receipts were virtually unchanged at \$74.0 billion, and services payments decreased \$0.3 billion, to \$59.4 billion.

Both travel receipts and travel payments decreased in the second quarter, following large declines in the first quarter. The decline in international travel partly reflected the ongoing concerns about the spread of the severe acute respiratory syndrome, which caused the World Health Organization to issue travel advisories for Toronto and several Asian cities, and tensions arising from the conduct of Operation Iraqi Freedom. Travel receipts decreased \$1.2 billion, to \$14.9 billion, and travel payments decreased \$1.2 billion, to \$13.0 billion.

Passenger fare receipts were virtually unchanged at \$3.8 billion, and passenger fare payments were virtually unchanged at \$4.9 billion.

“Other” transportation receipts increased \$0.1 billion, to \$7.9 billion. An increase in freight services, which partly resulted from an increase in air freight services, was largely offset by a decrease in port services, which resulted from a decline in the number of foreign visitors to the United States and a drop in fuel prices. “Other” transportation payments increased \$0.3 billion, to \$11.2 billion. An increase in ocean freight services more than offset a decline in air port services.

“Other” private services receipts increased \$0.8 billion, to \$32.5 billion. Unaffiliated services receipts increased \$0.5 billion as a result of increases in business, professional, and technical services, in financial services, and in education. “Other” private services payments increased \$0.2 billion, to \$18.7 billion. Unaffiliated services payments increased \$0.2 billion as a result of increases in insurance services and in business, professional, and technical services.

Direct defense expenditures increased \$0.3 billion to a record \$6.0 billion, reflecting additional expenditures for operations in Iraq.

Income

The surplus on income increased to \$1.7 billion in the second quarter from \$0.2 billion in the first quarter. Income receipts increased \$0.1 billion, to \$63.0 billion, and income payments decreased \$1.4 billion, to \$61.3 billion.

Receipts of income on U.S. direct investment abroad increased \$1.6 billion, to \$39.1 billion. The increase was attributable to a widespread rise in earnings. Earnings in wholesale trade, in finance and insurance, in manufacturing, and in “other” industries all increased. By area, the largest increases in earnings were by foreign affiliates in Western Europe, particularly in Switzerland and the Netherlands.

Payments of income on foreign direct investment in the United States increased \$0.9 billion, to \$16.3 billion. The increase was more than accounted for by a rise in earnings. Increased earnings in finance and insurance, in manufacturing, and in “other” industries were partly offset by decreased earnings in wholesale trade. By area, the largest increases in earnings were by U.S. affiliates with parent companies in Canada, Japan, and the Netherlands.

Receipts of “other” private income decreased \$1.4 billion, to \$22.3 billion. The decrease was attributable to decreases in dividends and interest earned on U.S. holdings of foreign securities as a result of a fall in average yields. Payments of “other” private income decreased \$1.6 billion, to \$26.6 billion. The decline was largely attributable to decreases in dividends and interest paid on foreign holdings of U.S. securities as a result of a fall in average yields.

Receipts of income on U.S. Government assets declined \$0.1 billion, to \$0.7 billion. Payments of income on U.S. Government liabilities decreased \$0.6 billion, to \$16.3 billion, as a result of declining bond yields.

Unilateral current transfers

Unilateral current transfers decreased to net outflows of \$16.9 billion in the second quarter from net outflows of \$17.3 billion in the first quarter. The decrease was accounted for by declines in U.S. Government grants and in private remittances and other private transfers to foreigners.

Capital Account

Capital account transactions were net outflows of \$0.3 billion in the second quarter, compared with \$0.4 billion in the first quarter.

Financial Account

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$148.6 billion in the second quarter, up from \$140.7 billion in the first quarter. Both financial inflows for foreign-owned assets in the United States and financial outflows for U.S.-owned assets abroad strengthened, but inflows grew more than outflows.

U.S.-owned assets abroad

Net U.S.-owned assets abroad increased \$106.7 billion in the second quarter, following an increase of \$101.3 billion in the first quarter. The pickup was more than accounted for by a larger increase in claims on foreigners reported by U.S. banks and nonbanks in the second quarter than in the first quarter. In contrast, transactions in foreign securities shifted to net U.S. sales from net U.S. purchases.

U.S. official reserve assets. U.S. official reserve assets increased \$0.2 billion in the second quarter after decreasing \$0.1 billion in the first quarter. In the second quarter, increases in U.S. holdings of special drawing rights and of foreign currencies more than offset a decrease in the U.S. reserve position in the International Monetary Fund.

Claims reported by banks and by nonbanks. U.S. claims on foreigners reported by U.S. banks and securities brokers increased \$60.6 billion in the second quarter, following an increase of \$27.8 billion in the first quarter (chart 4).

Claims for own accounts denominated in dollars increased \$40.6 billion, following an increase of \$10.4 billion. In the second quarter, a strong pickup in lending by foreign-owned banks in the United States to banks abroad partly supported an increase in net foreign purchases of U.S. securities. Foreign borrowers benefited from declining interest rates and a slight easing in bank lending terms. Lending by securities brokers and dealers also strengthened, largely in the form of resale agreements with investors in the Caribbean.

Claims for customers' accounts denominated in dollars increased \$24.0 billion, following an increase of \$5.6 billion. More than half of the second-quarter increase was accounted for by an increase in dollar deposits abroad.

Claims reported by U.S. nonbanking concerns increased \$22.8 billion, following an increase of \$12.0 billion.

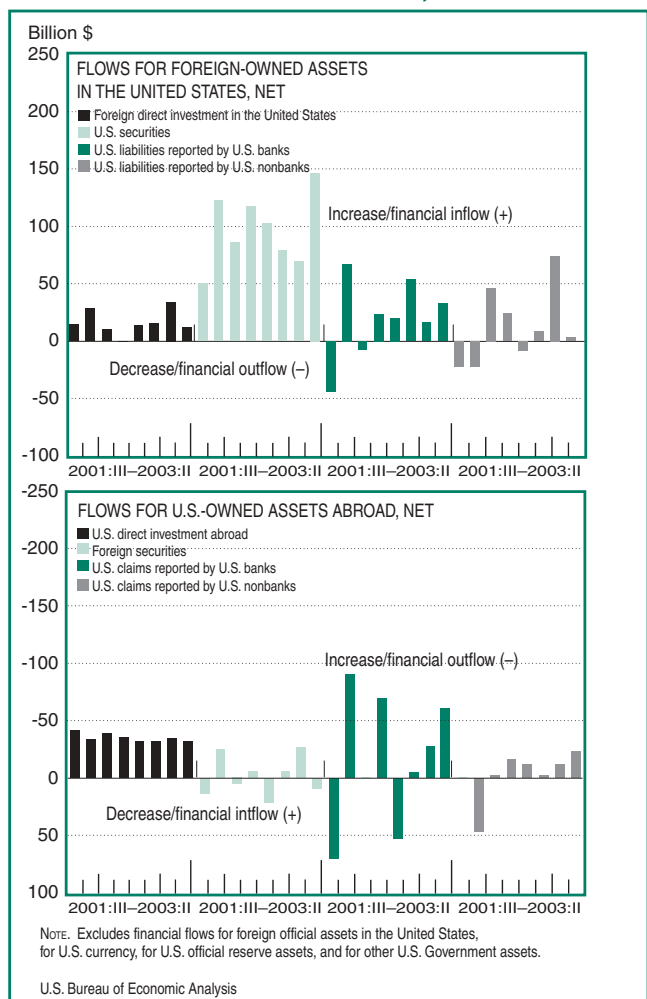
Foreign securities. Transactions in foreign securities shifted to net U.S. sales of \$9.2 billion in the second quarter from net U.S. purchases of \$27.1 billion in the first quarter. The shift resulted from an increase in net U.S. sales of foreign bonds and a decrease in net U.S. purchases of foreign stocks.

Net U.S. sales of foreign bonds increased to a record \$26.2 billion from \$7.2 billion. Net U.S. sales of foreign bonds have continued for six consecutive quarters, as foreign bond yields have fallen substantially. In the second quarter, the sharp selloff of foreign bonds by U.S. investors was also attributable to the end of major combat operations in Iraq and to some positive news about the U.S. economic situation. New issues of foreign bonds in the United States fell to the lowest level since the third quarter of 1990, and net U.S. sales of outstanding foreign bonds stepped up.

Net U.S. purchases of foreign stocks decreased to \$16.9 billion from \$34.4 billion. The decrease was largely attributable to a drop in merger-related exchanges of stock. Nonmerger-related net U.S. purchases decreased slightly but remained moderately strong. Despite continued weakness in many major foreign economies, world stock markets rallied amid indications that the U.S. economy may be strengthening and as major combat operations in Iraq ended. In local-currency terms, foreign stock prices rose 14 percent, reflecting strong performances in all the major equity markets.

Direct investment. Net financial outflows for U.S. direct investment abroad were \$32.0 billion in the second quarter, down from \$34.4 billion in the first quarter. The decrease was more than accounted for by a shift in intercompany debt to net inflows from net outflows and a decrease in reinvested earnings. In contrast, net equity capital outflows increased.

Chart 4. Selected Financial Flows, 2001:III–2003:II



Foreign-owned assets in the United States

Net foreign-owned assets in the United States increased \$255.3 billion in the second quarter, following an increase of \$242.0 billion in the first quarter. The pickup was mostly attributable to a surge in net foreign purchases of U.S. securities. In addition, both foreign official assets in the United States and U.S. liabilities to foreigners reported by banks increased more in the second quarter than in the first quarter. In contrast, U.S. liabilities reported by nonbanking concerns increased much less in the second quarter than in the exceptionally strong first quarter, and net inflows for foreign direct investment in the United States slowed.

Foreign official assets. Foreign official assets in the United States increased a record \$57.6 billion in the second quarter, following an increase of \$41.0 billion in the first quarter. The increases in foreign official assets in the last three quarters have been large, as the depreciation of the U.S. dollar has prompted some foreign countries to make intervention purchases of dollars in foreign exchange markets.

Liabilities reported by banks and by nonbanks. U.S. liabilities to foreigners reported by U.S. banks and securities brokers, excluding U.S. Treasury securities, increased \$33.2 billion in the second quarter, following an increase of \$16.7 billion in the first quarter.

Liabilities for own accounts denominated in dollars increased \$29.6 billion, following an increase of \$19.6 billion. In the second quarter, a pickup in borrowing by foreign-owned banks in the United States partly supported the increase in those banks' international lending. Borrowing by securities brokers and dealers also strengthened. In contrast, liabilities of U.S.-owned banks decreased, partly as a result of a downturn in the banks' international lending.

Liabilities for customers' accounts denominated in dollars increased \$20.4 billion after decreasing \$8.7 billion. Most of the increase was in the form of negotiable certificates of deposit and other short-term instruments.

Liabilities reported by U.S. nonbanking concerns increased \$3.2 billion, following an increase of \$74.8 billion.

U.S. Treasury securities. Net purchases of U.S. Treasury securities by private foreigners surged to \$61.1 billion in the second quarter from \$14.6 billion in the first quarter (chart 5). The second-quarter net purchases were the second largest on record (after that of the fourth quarter of 1996) and marked the seventh consecutive quarter of net purchases, following net sales in most quarters in 1999-2001. In the second quarter, net purchases by investors in Japan were especially strong, accounting for 41 percent of total net purchases. U.S. Treasury security prices increased, and

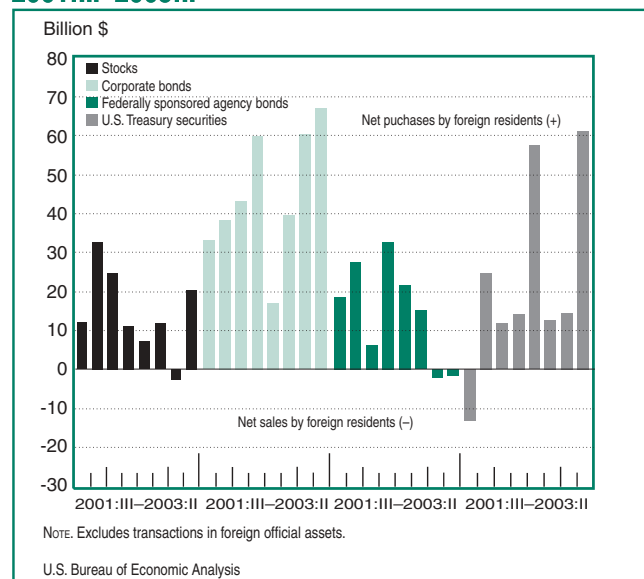
yields on Treasury bonds and notes fell, on average, over 30 basis points.

Other U.S. securities. Net foreign purchases of U.S. securities other than U.S. Treasury securities increased strongly to \$86.5 billion in the second quarter from \$55.6 billion in the first quarter. The stepup largely reflected a shift to net foreign purchases of U.S. stocks from net foreign sales and an increase in net foreign purchases of U.S. corporate bonds (chart 5).

Transactions in U.S. stocks shifted to net foreign purchases of \$20.6 billion from net foreign sales of \$2.6 billion. Improved corporate earnings, historically low bond yields, and the end of major combat operations in Iraq may have increased investor interest in equity markets. All major stock indexes posted their best quarterly performances in over a year; the NASDAQ Composite Index gained 21 percent; the S&P 500 Index, 15 percent; and the Dow Jones Industrial Average Index, 12 percent. Net purchases by investors in Canada, the Cayman Islands, and Germany each totaled over \$4.0 billion. However, investors in Japan sold \$2.4 billion of their holdings of U.S. stocks, in contrast to net purchases of \$1.5 billion in the first quarter.

Net foreign purchases of U.S. corporate bonds increased to a record \$67.2 billion from \$60.4 billion. Corporate bonds posted the highest total returns in many years, responding to many of the same events that led to the rally in the equity markets. Investment-grade bonds had returns of 5 percent, and noninvestment-grade bonds had returns of 10 percent. In addition, the spreads on these bonds over U.S. Treasury bonds narrowed by 36 basis points and 151 basis

Chart 5. Transactions in U.S. Securities, 2001:III-2003:II



points, respectively (chart 6). Net foreign purchases of outstanding bonds increased, and new issues sold abroad by U.S. corporations decreased.

Net foreign sales of federally sponsored agency bonds slowed to \$1.3 billion from \$2.2 billion. The net sales of agency bonds in the first and second quarters were largely attributable to substantial liquidations, calls, and repurchases of agency debt. A decrease in net foreign sales of outstanding bonds was partly offset by a decrease in new agency issues sold abroad.

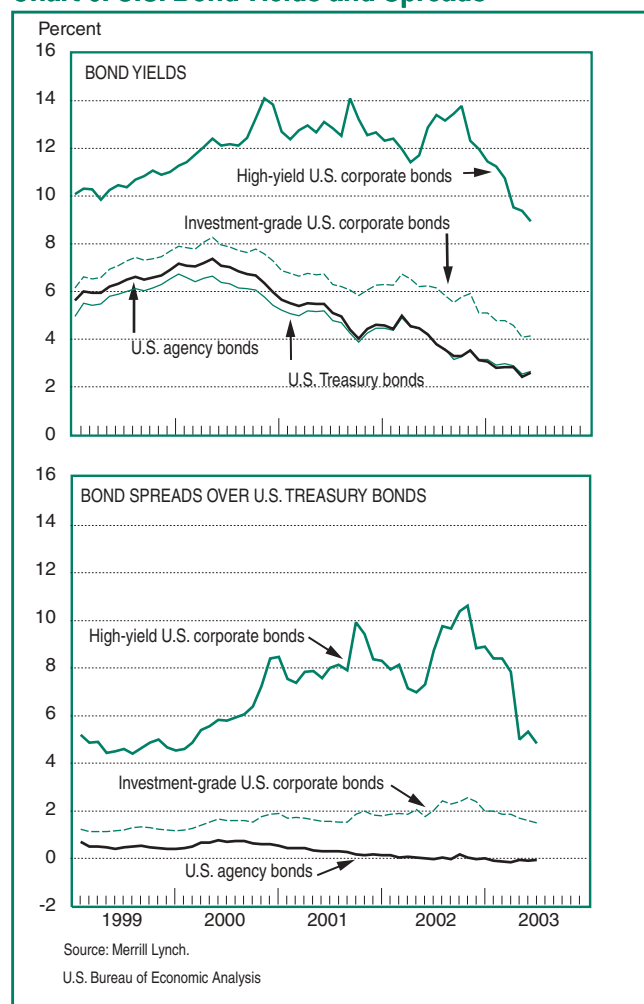
U.S. currency flows. Net U.S. currency shipments to foreigners slowed to \$1.5 billion in the second quarter from \$4.9 billion in the first quarter.

Direct investment. Net financial inflows for foreign direct investment in the United States slowed to \$12.1 billion in the second quarter from \$34.4 billion in the

first quarter. The decrease was more than accounted for by a steep drop in net equity capital inflows to the lowest level in over 17 years. Reinvested earnings also decreased. In contrast, intercompany debt shifted to net inflows from net outflows.

Tables 1 through 11 follow.

Chart 6. U.S. Bond Yields and Spreads



Data Availability

Interactive access to the estimates that are presented in tables 1–12 of the U.S. international transactions accounts is available on BEA’s Web site at <www.bea.gov>. You may view the most recent quarterly estimates (annual estimates for table 12) for an entire table with a single mouse click, or you may select the period, frequency, and lines that you wish to view. The estimates are available as an HTML table or as comma-separated values that can be downloaded and imported into a spreadsheet or database.

The current and historical estimates in tables 1–12 are also available as compressed files on BEA’s Web site; click on “Catalog of Products,” and look under “International Accounts Products,” “Balance of Payments.”

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

Table 2. U.S. Trade in Goods

[Millions of dollars]

Line	2002	Not seasonally adjusted						Seasonally adjusted						
		2002				2003		2002				2003		
		I	II	III	IV	I ^r	II ^p	I	II	III	IV	I ^r	II ^p	
A	Balance of payments adjustments to Census trade data:													
	EXPORTS													
1	Exports of goods, Census basis¹ including reexports and including military grant shipments.....	693,103	166,457	177,951	171,800	176,895	173,757	180,475	167,971	174,370	177,100	173,662	175,922	176,832
	Adjustments:													
2	Private gift parcel remittances.....	380	87	102	95	96	96	116	87	102	95	96	96	116
3	Gold exports, nonmonetary.....													
4	Inland U.S. freight to Canada.....													
5	U.S.-Canadian reconciliation adjustments, n.e.c., net ²													
6	Exports transferred under U.S. military agency sales contracts identified in Census documents ³	-7,974	-2,039	-1,867	-2,031	-2,037	-1,875	-2,035	-2,039	-1,867	-2,031	-2,037	-1,875	-2,035
7	Other adjustments, net ⁴	-3,635	-720	-1,184	-850	-881	-798	-878	-720	-1,184	-850	-881	-798	-878
8	Equals: Exports of goods, adjusted to balance of payments basis, excluding 'military' (table 1, line 3).....	681,874	163,785	175,002	169,014	174,073	171,180	177,678	165,298	171,421	174,315	170,840	173,346	174,034
	IMPORTS													
9	Imports of goods, Census basis¹ (general imports).....	1,161,366	259,999	290,955	302,178	308,234	297,523	309,951	270,598	291,792	296,732	302,244	308,714	310,939
	Adjustments:													
10	Electric energy.....	10	1	3	3	3	2	2	1	3	3	3	2	2
11	Gold imports, nonmonetary.....	400	6	150	151	93		340	6	150	151	93		340
12	Inland freight in Canada.....	3,782	892	988	955	947	945	979	892	988	955	947	945	979
13	U.S.-Canadian reconciliation adjustment, n.e.c., net ²													
14	Imports of U.S. military agencies identified in Census documents ³	-671	-141	-168	-179	-183	-247	-200	-141	-168	-179	-183	-247	-200
15	Other adjustments, net ⁴	-142	-25	-58	-36	-23	-49	-48	-25	-58	-36	-23	-49	-48
16	Equals: Imports of goods, adjusted to balance of payments basis, excluding 'military' (table 1, line 20).....	1,164,746	260,732	291,870	303,073	309,071	298,174	311,024	271,331	292,707	297,627	303,081	309,364	312,013
B	Trade in goods, by area and country, adjusted to balance of payments basis, excluding military:⁷													
	EXPORTS													
1	Total, all countries (A-8).....	681,874	163,785	175,002	169,014	174,073	171,180	177,678	165,298	171,421	174,315	170,840	173,346	174,034
2	Western Europe.....	153,377	39,388	38,649	35,907	39,433	40,240	40,923	39,796	37,767	36,977	38,837	40,804	39,940
3	European Union.....	140,366	36,132	35,137	32,946	36,151	36,934	37,179	36,551	34,311	33,904	35,600	37,470	36,265
4	Belgium and Luxembourg.....	13,623	3,147	3,348	3,601	3,527	3,833	3,955	3,186	3,268	3,696	3,473	3,901	3,859
5	France.....	18,869	5,190	4,646	4,010	5,023	4,366	4,426	5,268	4,531	4,125	4,945	4,425	4,312
6	Germany ⁸	26,024	6,607	6,230	6,270	6,857	7,245	7,095	6,676	6,139	6,453	6,756	7,334	6,915
7	Italy.....	9,810	2,350	2,462	2,282	2,716	2,469	2,656	2,372	2,406	2,357	2,675	2,518	2,589
8	Netherlands.....	18,108	4,606	4,797	4,295	4,410	4,887	5,044	4,645	4,696	4,421	4,346	4,946	4,928
9	United Kingdom.....	32,091	8,238	8,318	7,758	7,777	8,457	8,423	8,354	8,110	7,969	7,658	8,584	8,210
10	Other.....	21,841	5,994	5,276	4,730	5,841	5,677	5,580	6,050	5,161	4,883	5,747	5,762	5,452
11	Western Europe, excluding EU.....	13,011	3,256	3,512	2,961	3,282	3,306	3,744	3,245	3,456	3,073	3,237	3,334	3,675
12	Canada ²	160,895	38,330	42,888	38,834	40,843	41,177	44,810	38,764	41,996	39,963	40,172	41,753	43,849
13	Japan.....	49,664	12,199	12,323	12,965	12,177	12,179	12,888	12,229	12,154	13,442	11,839	12,263	12,736
14	Australia, New Zealand, and South Africa ⁹													
15	Australia.....	12,760	2,833	3,228	3,368	3,331	2,766	3,154	2,859	3,134	3,479	3,288	2,817	3,073
16	Eastern Europe.....	6,367	1,525	1,642	1,573	1,627	1,511	1,603	1,540	1,613	1,629	1,585	1,518	1,577
17	Latin America and Other Western Hemisphere.....	147,944	34,638	37,421	37,544	38,341	35,022	36,071	35,034	36,646	38,699	37,565	35,540	35,369
18	Brazil.....	12,266	3,074	3,028	3,139	3,025	2,527	2,651	3,116	2,951	3,223	2,976	2,567	2,588
19	Mexico.....	97,282	22,520	24,832	24,777	25,153	22,638	23,819	22,808	24,311	25,524	24,639	22,997	23,351
20	Venezuela.....	3,966	1,101	927	1,019	919	481	555	1,120	900	1,053	893	486	546
21	Other.....	34,430	7,943	8,634	8,609	9,244	9,376	9,046	7,990	8,484	8,899	9,057	9,490	8,884
22	Other countries in Asia and Africa ^{7,9}	150,867	34,872	38,851	38,823	38,321	38,285	38,229	35,076	38,111	40,126	37,554	38,651	37,490
23	Asia ^{7,9}	140,823	32,257	36,290	36,424	35,852	36,090	35,800	32,456	35,577	37,632	35,158	36,446	35,087
24	Members of OPEC.....	11,800	2,337	3,012	3,378	3,073	3,039	3,026	2,343	2,959	3,495	3,003	3,053	2,974
25	China.....	22,038	4,702	5,499	5,689	6,148	6,456	6,199	4,751	5,386	5,876	6,025	6,469	6,081
26	Hong Kong.....	12,539	2,930	3,221	3,250	3,138	3,045	3,195	2,947	3,156	3,353	3,083	3,077	3,132
27	Korea, Republic of.....	21,755	4,929	5,691	5,603	5,532	5,907	5,735	4,955	5,591	5,794	5,415	5,973	5,641
28	Singapore.....	15,973	4,102	4,027	4,002	3,842	3,985	3,739	4,137	3,932	4,117	3,787	4,042	3,641
29	Taiwan.....	17,886	3,812	4,683	5,128	4,253	3,752	3,764	3,820	4,596	5,319	4,151	3,799	3,694
30	Africa ^{7,9}	9,772	2,549	2,483	2,339	2,401	2,134	2,361	2,554	2,458	2,430	2,330	2,144	2,336
31	Members of OPEC.....	2,041	466	649	426	500	301	374	467	643	447	484	300	373
32	International organizations and unallocated.....													
	Memoranda:													
33	Industrial countries ⁷	381,001	93,723	98,148	92,269	96,861	97,320	102,829	94,627	96,086	95,091	95,197	98,607	100,627
34	Of which: Euro area ¹⁰	103,750	26,649	25,705	24,087	27,309	27,287	27,640	26,941	25,113	24,802	26,894	27,686	26,964
35	Members of OPEC ⁷	17,807	3,904	4,588	4,823	4,492	4,821	3,955	3,930	4,502	4,995	4,380	3,839	3,893
36	Other countries ⁷	283,066	66,158	72,266	71,922	72,720	70,039	70,894	66,741	70,833	74,229	71,263	70,900	69,514

See footnotes on pages 56 and 57.

Table 4. U.S. Official Reserve Assets and Foreign Official Assets in the United States

[Millions of dollars]

Line	(Credits +; decrease in U.S. assets or increase in foreign assets. Debits -; increase in U.S. assets or decrease in foreign assets.)	2002	Not seasonally adjusted						Amounts outstanding June 30, 2003
			2002				2003		
			I	II	III	IV	I ^r	II ^p	
A1	U.S. official reserve assets, net (table 1, line 41)	-3,681	390	-1,843	-1,416	-812	83	-170	160,970
2	Gold (table 1, line 42)								90,499
3	Special drawing rights (table 1, line 43)	-475	-109	-107	-132	-127	897	-102	11,720
4	Reserve position in the International Monetary Fund (table 1, line 44)	-2,632	652	-1,607	-1,136	-541	-644	86	23,210
5	Foreign currencies (table 1, line 45)	-574	-153	-129	-148	-144	-170	-154	35,541
B1	Foreign official assets in the United States, net (table 1, line 56)	94,860	6,106	47,552	8,992	32,210	40,978	57,580	1,239,118
	By instrument:								
2	U.S. Treasury securities (table 1, line 58)	43,144	-1,039	15,138	1,415	27,630	22,288	33,232	766,922
3	Bills and certificates	28,656	-843	14,810	9,501	5,188	15,778	3,804	209,957
4	Bonds and notes, marketable	15,131	56	487	-8,144	22,732	6,457	29,373	554,089
5	Bonds and notes, nonmarketable	-643	-252	-159	58	-290	53	55	2,876
6	Other U.S. Government securities (table 1, line 59)	30,377	7,296	6,568	10,885	5,628	9,480	3,290	201,033
7	Other U.S. Government liabilities (table 1, line 60)	137	-597	365	464	-95	-437	-32	16,675
8	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 61)	17,594	-280	24,575	-4,607	-2,094	8,321	20,385	169,324
9	Banks' liabilities for own account ¹	6,998	-4,139	13,394	3,519	-5,776	5,018	9,429	104,868
10	Repurchase agreements						8,776	5,188	70,181
11	Deposits and brokerage balances ²	-2,039	-5,147	-707	-902	4,717	1,125	1,020	22,990
12	Other liabilities	9,037	1,008	14,101	4,421	-10,493	-4,883	3,221	11,697
13	Banks' customers' liabilities ¹	10,596	3,859	11,181	-8,126	3,682	3,303	10,956	64,456
14	Negotiable certificates of deposit and other short-term instruments	11,602	3,716	11,372	-8,048	4,562	2,482	6,761	59,376
15	Other liabilities	-1,006	143	-191	-78	-880	821	4,195	5,080
16	Other foreign official assets (table 1, line 62)	3,608	726	906	835	1,141	1,326	705	85,164
	By area:								
17	Europe	30,096	-1,254	11,977	6,920	12,453	7,448	2,539	303,577
18	Canada	-2,333	868	-3,199	-995	993	-1,262	122	10,376
19	Latin America and Caribbean	-7,815	-4,488	-2,071	-2,299	1,043	59	8,323	74,942
20	Asia	70,798	10,516	40,138	5,439	14,705	37,220	41,877	819,478
21	Africa	-130	-2,345	1,291	-1,051	1,975	-118	505	15,826
22	Other	4,244	2,809	-584	978	1,041	-2,369	4,214	14,919

See footnotes on pages 56 and 57.

Table 5. Selected U.S. Government Transactions

[Millions of dollars]

Line		2002	Not seasonally adjusted					
			2002				2003	
			I	II	III	IV	I ^r	II ^p
A1	U.S. Government grants and transactions increasing Government assets, total	23,007	7,263	3,827	4,636	7,281	8,451	6,651
	By category							
2	Grants, net	17,290	6,402	3,303	3,157	4,429	5,910	5,655
3	U.S. Government current grants, net (table 1, line 36, with sign reversed)	17,097	6,397	3,287	3,075	4,338	5,813	5,620
4	Financing military purchases ¹	5,818	3,504	617	319	1,378	2,979	1,651
5	Other grants	11,279	2,893	2,671	2,756	2,959	2,834	3,968
6	Cash contributions received from coalition partners for Persian Gulf operations							
7	Debt forgiveness (table 1, part of line 39, with sign reversed)	193	5	15	82	91	97	35
8	Credits and other long-term assets (table 1, line 47, with sign reversed)	5,611	853	565	1,375	2,818	2,578	928
9	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,485	446	368	364	308	378	369
10	Credits repayable in U.S. dollars	4,125	408	197	1,011	2,510	2,200	559
11	Credits repayable in other than U.S. dollars					(*)		
12	Other long-term assets							
13	Foreign currency holdings and short-term assets, net (table 1, line 49 with sign reversed)	105	8	-41	104	34	-36	69
14	Foreign currency holdings (excluding administrative cash holdings), net	6		2	(*)	4		
	Receipts from:							
15	Sales of agricultural commodities							
16	Interest	1		(*)		1		
17	Repayments of principal	5		2	(*)	3		
18	Reverse grants							
19	Other sources							
	Less currencies disbursed for:							
20	Grants and credits in the recipient's currency							
21	Other grants and credits							
22	Other U.S. Government expenditures	(*)		(*)				
23	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net	73	10	-23	92	-6	-4	88
24	Other assets held under Commodity Credit Corporation Charter Act, net							
25	Assets financing military sales contracts, net ²							
26	Other short-term assets (including changes in administrative cash holdings), net	27	-2	-20	12	37	-33	-20
	By program							
27	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,485	446	368	364	308	378	369
28	Under Agricultural Trade Development and Assistance Act and related programs	2,426	291	239	383	1,514	334	377
29	Under Foreign Assistance Act and related programs	15,663	6,030	2,734	2,963	3,936	6,629	5,222
30	Under Export-Import Bank Act	1,460	230	118	636	477	874	423
31	Under Commodity Credit Corporation Charter Act	712	3	10	15	685	17	5
32	Under other grant and credit programs	1,227	266	377	263	321	252	275
33	Other foreign currency assets acquired (lines A16, A17, and A19)	6		2	(*)	4		
34	Less foreign currencies used by U.S. Government other than for grants or credits (line A22)	(*)		(*)				
35	Other (including changes in administrative cash holdings), net	27	-2	-20	12	37	-33	-20
	By disposition³							
36	Estimated transactions involving no direct dollar outflow from the United States	17,319	5,813	2,404	3,249	5,853	6,730	4,834
37	Expenditures on U.S. goods	7,658	4,058	711	1,107	1,782	4,211	2,573
38	Expenditures on U.S. services ⁴	4,590	1,228	1,023	1,109	1,230	1,782	1,609
39	Financing of military sales contracts by U.S. Government ⁵ (line C6)	2,361	345	616	634	767	603	483
40	By long-term credits	328	6	4	317	1	10	76
41	By short-term credits ¹							
42	By grants ¹	2,033	339	612	317	766	592	407
43	U.S. Government grants and credits to repay prior U.S. Government credits ¹⁴	2,417	141	41	285	1,949	123	77
44	U.S. Government long- and short-term credits to repay prior U.S. private credits ⁶ and other assets	321	46	17	131	128	25	96
45	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line C11)							
46	Less receipts on short-term U.S. Government assets (a) financing military sales contracts ¹ (b) financing repayment of private credits and other assets, and (c) financing expenditures on U.S. goods	28	5	4	17	3	13	4
47	Less foreign currencies used by U.S. Government other than for grants or credits (line A22)	(*)		(*)				
48	Estimated dollar payments to foreign countries and international financial institutions	5,688	1,450	1,423	1,387	1,428	1,721	1,817
B1	Repayments on U.S. Government long-term assets, total (table 1, line 48)	5,684	994	566	1,452	2,672	2,472	674
2	Receipts of principal on U.S. Government credits	5,684	994	566	1,452	2,672	2,472	674
3	Under Agricultural Trade Development and Assistance Act and related programs	1,649	47	39	161	1,401	88	61
4	Under Foreign Assistance Act and related programs	1,703	509	254	569	370	1,398	231
5	Under Export-Import Bank Act	1,695	340	219	635	501	440	310
6	Under Commodity Credit Corporation Charter Act	561	91	52	87	331	125	68
7	Under other credit programs	77	6	2	(*)	69	421	4
8	Receipts on other long-term assets							
C1	U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 60)	137	-597	365	464	-95	-437	-32
2	Associated with military sales contracts ²	113	-602	363	450	-99	-441	-35
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds ¹	10,024	2,649	2,190	2,695	2,491	3,126	2,081
4	Less U.S. Government receipts from principal repayments	916	204	91	254	367	346	124
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States	-586	607	-400	-793	1	997	-549
6	Plus financing of military sales contracts by U.S. Government ⁵ (line A39)	2,361	345	616	634	767	603	483
7	By long-term credits	328	6	4	317	1	10	76
8	By short-term credits ¹							
9	By grants ¹	2,033	339	612	317	766	592	407
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits) ¹² (table 1, line 5)	11,943	2,785	2,751	3,418	2,989	2,827	3,023
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line A45)							
12	Associated with other liabilities	24	5	2	14	4	4	3
13	Sales of nuclear material by Department of Energy/U.S. Enrichment Corporation							
14	Sales of space launch and other services by National Aeronautics and Space Administration	11	3	2	5	1	17	
15	Other sales and miscellaneous operations	14	2		9	3	-13	3

See footnotes on pages 56 and 57.

Table 8a. Claims on and Liabilities to Unaffiliated Foreigners Reported by U.S. Nonbanking Concerns Except Securities Brokers ¹

[Millions of dollars]

Line	(Credits +; decrease in U.S. assets or increase in U.S. liabilities. Debits -; increase in U.S. assets or decrease in U.S. liabilities.)	2002	Not seasonally adjusted						Amounts outstanding June 30, 2003
			2002				2003		
			I	II	III	IV	I ¹	II ²	
A1	Claims, total (table 1, line 53)	-31,880	-1,886	-16,210	-11,862	-1,922	-11,998	-22,789	652,870
2	Financial claims	-32,513	-3,374	-17,772	-12,622	1,255	-13,060	-22,789	623,446
3	Denominated in U.S. dollars.....	-25,016	1,969	-22,847	-4,279	141	-3,487	-22,789	506,921
4	Denominated in foreign currencies.....	-7,497	-5,343	5,075	-8,343	1,114	-9,573	.....	116,525
	By instrument: ³								
5	Resale agreements.....	.....	.....	.....	.....	.....	-582	.....	4,205
6	Negotiable certificates of deposit.....	.....	.....	.....	.....	.....	-15	.....	216
7	Other short-term instruments (including money market instruments).....	.....	.....	.....	.....	.....	-395	.....	5,513
8	Deposits.....	-31,630	6,170	-6,716	-25,191	-5,893	-4,866	-23,883	489,750
9	Other claims.....	-883	-9,544	-11,056	12,569	7,148	-7,202	1,094	123,762
10	Of which: Financial intermediaries' accounts ⁴	-1,937	-10,280	-11,435	13,487	6,291	-3,291	1,094	95,469
	By area:								
11	Europe.....	-22,421	-30,744	5,643	-15,962	18,642	-25,084	.....	339,531
	Of which:								
12	United Kingdom.....	-13,940	-25,234	12,904	-19,476	17,866	-25,373	.....	168,541
13	Germany.....	-451	1,837	-1,147	-1,810	669	3,799	.....	84,018
14	Caribbean financial centers ⁵	-10,357	27,986	-24,994	2,687	-16,036	13,726	-14,347	244,927
15	Other.....	265	-616	1,579	653	-1,351	-1,702	-8,442	38,988
16	Commercial claims	633	1,488	1,562	760	-3,177	1,062	.....	29,424
17	Denominated in U.S. dollars.....	2,925	2,831	1,731	149	-1,786	3,403	.....	22,306
18	Denominated in foreign currencies.....	-2,292	-1,343	-169	611	-1,391	-2,341	.....	7,118
	By instrument:								
19	Trade receivables.....	1,133	1,968	1,355	772	-2,962	952	.....	24,713
20	Advance payments and other claims.....	-500	-480	207	-12	-215	110	.....	4,711
	By area:								
21	Europe.....	-190	1,326	847	-137	-2,226	457	.....	13,346
22	Canada.....	69	97	10	131	-169	97	.....	2,552
23	Asia.....	515	340	206	531	-562	223	.....	5,999
24	Other.....	239	-275	499	235	-220	285	.....	7,527
B1	Liabilities, total (table 1, line 68)	72,142	46,771	24,610	-8,102	8,863	74,848	3,189	537,648
2	Financial liabilities	67,193	41,686	21,655	-8,079	11,931	75,215	3,189	509,209
3	Denominated in U.S. dollars.....	50,829	35,645	11,109	-1,752	5,827	61,989	3,189	396,856
4	Denominated in foreign currencies.....	16,364	6,041	10,546	-6,327	6,104	13,226	.....	112,353
	By instrument: ³								
5	Repurchase agreements.....	.....	.....	.....	.....	.....	2,460	.....	12,416
6	Short-term instruments.....	.....	.....	.....	.....	.....	726	.....	21,415
7	Other liabilities.....	67,193	41,686	21,655	-8,079	11,931	72,029	3,189	475,378
8	Of which: Financial intermediaries' accounts ⁴	6,954	24,586	3,543	-26,299	5,124	17,982	1,368	149,594
	By area:								
9	Europe.....	40,526	39,712	10,738	-26,981	17,057	64,148	.....	364,919
	Of which:								
10	United Kingdom.....	28,327	18,983	7,446	-8,168	10,066	56,683	.....	211,542
11	Germany.....	4,248	8,812	-538	-3,791	-235	10,461	.....	73,544
12	Caribbean financial centers ⁵	30,191	2,154	11,599	18,429	-1,991	5,873	8,856	86,565
13	Other.....	-3,524	-180	-682	473	-3,135	5,194	-5,667	57,725
14	Commercial liabilities	4,949	5,085	2,955	-23	-3,068	-367	.....	28,439
15	Denominated in U.S. dollars.....	4,578	4,810	3,119	285	-3,636	-2,037	.....	24,879
16	Denominated in foreign currencies.....	371	275	-164	-308	568	1,670	.....	3,560
	By instrument:								
17	Trade payables.....	2,519	3,052	-913	-401	781	330	.....	14,881
18	Advance receipts and other liabilities.....	2,430	2,033	3,868	378	-3,849	-697	.....	13,558
	By area:								
19	Europe.....	-5,778	686	269	-3,159	-3,574	-2,221	.....	8,817
20	Canada.....	3,220	375	1,822	1,296	-273	1,143	.....	1,768
21	Asia.....	6,256	2,716	1,312	1,411	817	593	.....	13,125
22	Other.....	1,251	1,308	-448	429	-38	118	.....	4,729

See footnotes on pages 56 and 57.

Table 9a. Claims on Foreigners Reported by U.S. Banks and Securities Brokers ¹

[Millions of dollars]

Line	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)	2002	Not seasonally adjusted						Amounts outstanding June 30, 2003
			2002				2003		
			I	II	III	IV	I ^r	II ^p	
1	Claims reported by U.S. banks and securities brokers, total (table 1, line 54)	-21,357	-148	-69,254	52,999	-4,954	-27,795	-60,603	1,755,800
2	Claims for own accounts	-15,091	-9,115	-52,766	51,730	-4,940	-17,842	-42,224	1,339,191
3	Denominated in dollars	-25,257	-6,731	-48,238	46,433	-16,721	-10,427	-40,581	1,248,264
	By instrument: ²								
4	Resale agreements						-20,469	-23,555	310,598
5	Negotiable certificates of deposit						1,174	1,850	771
6	Other short-term instruments (including money market instruments)						10,882	-2,118	15,562
7	Deposits and brokerage balances						-1,895	-15,004	387,683
8	Other claims (including loans)						-119	-1,754	533,650
	By foreign borrower:								
	Claims on:								
9	Own foreign offices	-38,074	-3,653	-39,375	59,834	-54,880	-1,934	-10,165	860,394
10	Unaffiliated foreign banks	18,921	4,197	3,347	-2,097	13,474	-3,528	-10,772	102,255
11	Foreign official institutions ³	654	-6,075	4,228	-10,048	12,549	-13,261	6,666	44,242
12	Other foreigners	-6,758	-1,200	-16,438	-1,256	12,136	8,296	-26,310	241,373
	By type of U.S. reporting institution: ⁴								
	U.S.-owned banks' claims on:								
13	Own foreign offices and unaffiliated foreign banks	22,127	13,944	-5,798	12,004	1,977	-10,135	28,666	239,715
14	Foreign official institutions and other foreigners	3,923	-4,972	3,010	11,134	-5,249	1,390	-4,811	38,225
	Foreign-owned banks' claims on:								
15	Own foreign offices and unaffiliated foreign banks	-44,001	-13,070	-32,795	49,835	-47,971	9,057	-43,742	640,127
16	Foreign official institutions and other foreigners	1,480	-641	1,936	-7,725	7,910	-8,296	-4,425	70,242
	Brokers' and dealers' claims on:								
17	Own foreign offices and unaffiliated foreign banks	2,721	-330	2,565	-4,102	4,588	-4,384	-5,861	82,807
18	Foreign official institutions and other foreigners	-11,507	-1,662	-17,156	-14,713	22,024	1,941	-10,408	177,148
19	Denominated in foreign currencies	10,166	-2,384	-4,528	5,297	11,781	-7,415	-1,643	90,927
	By instrument: ²								
20	Deposits and brokerage balances						-19,041	-3,697	42,129
21	Other claims (including loans)						11,626	2,054	48,798
22	Claims for customers' accounts	-6,266	8,967	-16,488	1,269	-14	-9,953	-18,379	416,609
23	Denominated in dollars	-4,299	7,978	-17,282	5,896	-891	-5,588	-24,004	382,625
	By instrument: ²								
24	Commercial paper ⁵	-21,554	78	-7,758	-6,115	-7,759	-2,115	-4,320	144,528
25	Negotiable certificates of deposit						-10,393	-4,666	88,511
26	Other short-term instruments (including money market instruments) ⁶	-6,324	3,884	-8,356	4,672	-6,524	487	-3,989	12,542
27	Deposits and brokerage balances (including sweep accounts) ⁷	14,053	891	-1,455	7,267	7,350	5,621	-13,995	121,784
28	Other claims	9,526	3,125	287	72	6,042	812	2,966	15,260
29	Denominated in foreign currencies	-1,967	989	794	-4,627	877	-4,365	5,625	33,984
	By instrument: ²								
30	Deposits and brokerage balances						2,979	560	4,742
31	Other claims						-7,344	5,065	29,242
	Claims, total (line 1), by area:								
32	Europe	-20,676	-34,553	-23,168	34,695	2,350	-8,164	-48,714	878,407
	Of which:								
33	United Kingdom	-8,034	3,688	-15,313	-4,680	8,271	-11,059	-40,464	461,303
34	Switzerland	-31,168	-26,235	176	12,247	-17,356	5,918	2,227	115,731
35	Canada	-5,239	-3,133	-6,721	1,689	2,926	-1,259	10,798	82,078
36	Caribbean financial centers ⁸	1,933	34,714	-32,927	26,987	-26,841	-17,983	-26,136	577,762
37	Latin America, excluding Caribbean financial centers	16,218	590	3,162	7,217	5,249	6,487	1,552	66,973
38	Asia	-12,557	3,284	-10,500	-18,613	13,272	-5,882	3,503	123,630
39	Of which: Japan	-11,830	4,578	-5,291	-8,031	-3,086	-9,761	-6,869	72,103
40	Africa	133	7	5	116	5	19	371	4,414
41	Other	-1,169	-1,057	895	908	-1,915	-1,013	-1,977	22,536
	Memoranda:								
1	International banking facilities' (IBF's) own claims, denominated in dollars (in lines 1-16 above)	-9,155	-3,036	-13,004	22,103	-15,218	-4,676	-13,831	316,316
	By bank ownership: ⁴								
2	U.S.-owned IBF's	16,519	19,808	-1,484	-1,490	-315	-12,430	-1,225	68,849
3	Foreign-owned IBF's	-25,674	-22,844	-11,520	23,593	-14,903	7,754	-12,606	247,467

See footnotes on pages 56 and 57.

Table 10a. Liabilities to Foreigners, Except Foreign Official Agencies, Reported by U.S. Banks and Securities Brokers ¹

[Millions of dollars]

Line	(Credits +; increase in U.S. liabilities. Debits -; decrease in U.S. liabilities.)	2002	Not seasonally adjusted						Amounts outstanding June 30, 2003
			2002				2003		
			I	II	III	IV	I ^r	II ^p	
1	Liabilities reported by U.S. banks and securities brokers, total (table 1, part of line 65 and table 1, line 69)	105,866	-2,271	28,902	25,469	53,766	17,248	35,104	1,761,262
2	U.S. Treasury bills and certificates (table 1, part of line 65).....	14,740	5,175	4,954	5,021	-410	525	1,859	41,520
3	Other U.S. liabilities, total (table 1, line 69).....	91,126	-7,446	23,948	20,448	54,176	16,723	33,245	1,719,742
4	Liabilities for own accounts.....	76,091	-13,310	23,605	8,243	57,553	25,410	12,149	1,442,342
5	Denominated in dollars.....	86,132	-8,562	16,879	15,946	61,869	19,588	29,647	1,367,901
	By instrument: ²								
6	Repurchase agreements.....						29,294	18,799	292,334
7	Deposits and brokerage balances.....						9,131	44,551	830,077
8	Other liabilities (including loans).....						-18,837	-33,703	245,490
	By foreign holder:								
	Liabilities to:								
9	Own foreign offices.....	60,180	-11,820	15,492	-7,765	64,273	-25,672	37,838	968,335
10	Unaffiliated foreign banks.....	-4,697	2,534	-8,174	-6,133	7,076	3,243	-2,621	128,160
11	Other foreigners and international organizations.....	30,649	724	9,561	29,844	-9,480	42,017	-5,570	271,406
	By type of U.S. reporting institution: ³								
	U.S.-owned banks' liabilities to:								
12	Own foreign offices and unaffiliated foreign banks.....	4,104	-37,257	17,793	-13,700	37,268	1,216	-38,840	392,060
13	Other foreigners and international organizations.....	-17,754	-4,512	-3,346	-10,883	987	-12,733	6,303	36,936
	Foreign-owned banks' liabilities to:								
14	Own foreign offices and unaffiliated foreign banks.....	42,322	20,495	-10,175	-6,319	38,321	-31,226	45,380	539,785
15	Other foreigners and international organizations.....	14,482	3,845	-359	10,823	173	9,899	-343	75,975
	Brokers' and dealers' liabilities to:								
16	Own foreign offices and unaffiliated foreign banks.....	9,057	7,476	-300	6,121	-4,240	7,581	28,677	164,650
17	Other foreigners and international organizations.....	33,921	1,391	13,266	29,904	-10,640	44,851	-11,530	158,495
18	Denominated in foreign currencies.....	-10,041	-4,748	6,726	-7,703	-4,316	5,822	-17,498	74,441
	By instrument: ²								
19	Deposits and brokerage balances.....						2,934	-9,173	43,505
20	Other liabilities (including loans).....						2,888	-8,325	30,936
21	Liabilities for customers' accounts.....	15,035	5,864	343	12,205	-3,377	-8,687	21,096	277,400
22	Denominated in dollars.....	15,035	5,864	343	12,205	-3,377	-8,687	20,371	276,266
	By instrument: ²								
23	Negotiable certificates of deposit and other short-term instruments.....	12,342	7,106	-1,803	9,560	-2,521	3,657	16,785	134,060
24	Other liabilities (including loans).....	2,693	-1,242	2,146	2,645	-856	-12,344	3,586	142,206
25	Denominated in foreign currencies.....							725	1,134
	By instrument: ²								
26	Negotiable certificates of deposit and other short-term instruments.....							-16	
27	Other liabilities (including loans).....							741	1,134
	Other U.S. liabilities, total (line 3), by area:								
28	Europe.....	63,426	-1,024	3,064	20,268	41,118	-22,710	-9,629	594,552
29	Canada.....	-424	71	-195	440	-740	4,073	1,799	34,906
30	Caribbean financial centers ⁴	37,550	-19,356	33,081	8,585	15,240	48,089	45,352	831,348
31	Latin America, excluding Caribbean financial centers.....	-871	1,838	-3,953	-101	1,345	-777	-1,928	77,335
32	Asia.....	-16,102	12,052	-13,109	-8,471	-6,574	-11,148	-10,284	144,806
33	Africa.....	753	385	74	-68	362	467	-203	6,499
34	Other.....	6,794	-1,412	4,986	-205	3,425	-1,271	8,138	30,296
	Memoranda:								
1	International banking facilities' (IBF's) own liabilities, denominated in dollars (in lines 3-15 above).....	17,111	11,771	3,968	-19,065	20,437	-61,647	6,675	348,786
	By bank ownership: ³								
2	U.S.-owned IBF's.....	-9,639	-17,753	3,257	5,166	-309	-978	6,955	70,757
3	Foreign-owned IBF's.....	26,750	29,524	711	-24,231	20,746	-60,669	-280	278,029

See footnotes on pages 56 and 57.

Table 11. U.S. International
 [Millions]

Line	(Credits +; debits -) ¹	Eastern Europe							Canada		
		2002	2002				2003		2002	2002	
			I	II	III	IV	I ^r	II ^p		I	II
Current account											
1	Exports of goods and services and income receipts	13,456	3,380	3,359	3,577	3,140	3,286	3,292	204,732	48,971	54,027
2	Exports of goods and services	11,023	2,703	2,793	2,764	2,763	2,725	2,697	185,364	44,522	49,175
3	Goods, balance of payments basis ²	6,367	1,525	1,642	1,573	1,627	1,511	1,603	160,895	38,330	42,888
4	Services ³	4,656	1,178	1,151	1,191	1,136	1,214	1,094	24,469	6,192	6,287
5	Transfers under U.S. military agency sales contracts ⁴	503	119	155	121	108	105	92	87	20	25
6	Travel	1,206	240	339	345	282	255	310	6,268	1,664	1,834
7	Passenger fares	52	12	14	12	14	15	12	1,717	458	411
8	Other transportation	225	53	51	56	65	59	58	2,624	580	660
9	Royalties and license fees ⁵	390	86	94	95	115	106	116	3,091	730	791
10	Other private services ⁵	2,239	660	487	551	541	666	498	10,596	2,720	2,544
11	U.S. Government miscellaneous services	41	8	11	11	11	8	8	86	20	22
12	Income receipts	2,433	677	566	813	377	561	595	19,368	4,449	4,852
13	Income receipts on U.S.-owned assets abroad	2,377	663	552	799	363	547	581	19,285	4,428	4,832
14	Direct investment receipts	1,420	346	377	507	190	290	400	11,208	2,272	2,715
15	Other private receipts	631	179	166	148	138	131	121	8,077	2,156	2,117
16	U.S. Government receipts	326	138	9	144	35	126	60			
17	Compensation of employees	56	14	14	14	14	14	14	83	21	20
18	Imports of goods and services and income payments	-21,443	-3,895	-5,639	-5,765	-6,144	-5,900	-6,267	-234,543	-55,219	-60,996
19	Imports of goods and services	-17,865	-3,130	-4,801	-4,747	-5,187	-5,016	-5,387	-230,434	-54,249	-59,837
20	Goods, balance of payments basis ²	-14,884	-2,559	-3,820	-3,927	-4,578	-4,485	-4,442	-211,761	-50,619	-55,093
21	Services ³	-2,981	-571	-981	-820	-609	-531	-945	-18,673	-3,630	-4,744
22	Direct defense expenditures	-175	-36	-47	-43	-49	-38	-38	-83	-18	-18
23	Travel	-1,333	-216	-536	-386	-195	-179	-482	-6,489	-966	-1,627
24	Passenger fares	-425	-75	-151	-123	-76	-66	-154	-594	-124	-179
25	Other transportation	-173	-34	-42	-46	-51	-36	-47	-3,589	-818	-929
26	Royalties and license fees ⁵	-90	-33	-17	-18	-22	-18	-16	-1,048	-197	-287
27	Other private services ⁵	-728	-162	-174	-190	-202	-179	-193	-6,693	-1,462	-1,660
28	U.S. Government miscellaneous services	-57	-15	-14	-14	-14	-15	-15	-177	-45	-44
29	Income payments	-3,578	-765	-838	-1,018	-957	-884	-880	-4,109	-970	-1,159
30	Income payments on foreign-owned assets in the United States	-2,377	-746	-824	-1,005	-938	-865	-865	-3,804	-892	-1,085
31	Direct investment payments	-1,343	-241	-284	-427	-391	-395	-411	1,213	397	256
32	Other private payments	-698	-168	-178	-186	-166	-122	-135	-3,804	-928	-993
33	U.S. Government payments	-1,472	-337	-362	-392	-381	-348	-319	-1,213	-361	-348
34	Compensation of employees	-65	-19	-14	-13	-19	-19	-15	-305	-78	-74
35	Unilateral current transfers, net	-4,414	-1,030	-1,136	-1,186	-1,062	-1,037	-1,087	-590	-182	-127
36	U.S. Government grants ⁴	-1,821	-382	-515	-507	-417	-349	-429			
37	U.S. Government pensions and other transfers	-56	-13	-14	-14	-15	-15	-11	-537	-133	-134
38	Private remittances and other transfers ⁶	-2,537	-635	-607	-665	-630	-673	-647	-53	-49	7
Capital and financial account											
Capital account											
39	Capital account transactions, net	-199	-49	-49	-52	-49	-55	-51	133	30	24
Financial account											
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-1,042	-1,081	839	-790	-10	315	67	-12,746	-7,845	-5,705
41	U.S. official reserve assets, net										
42	Gold ⁷										
43	Special drawing rights										
44	Reserve position in the International Monetary Fund										
45	Foreign currencies										
46	U.S. Government assets, other than official reserve assets, net	102	45	-21	15	63	58	-41			
47	U.S. credits and other long-term assets	-291	-6	-40	-237	-8	-12	-78			
48	Repayments on U.S. credits and other long-term assets ⁸	393	51	19	252	71	70	37			
49	U.S. foreign currency holdings and U.S. short-term assets, net										
50	U.S. private assets, net	-1,144	-1,126	860	-805	-73	257	108	-12,746	-7,845	-5,705
51	Direct investment	-2,114	-940	-445	-515	-214	549	-664	-12,889	-7,377	-4,270
52	Foreign securities	1,123	465	357	-550	851	135	429	4,801	280	3,909
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	70	35	80	-47	2	-126		581	2,385	1,377
54	U.S. claims reported by U.S. banks, not included elsewhere	-223	-686	868	307	-712	-301	343	-5,239	-3,133	-6,721
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	18,337	1,209	8,979	6,992	1,157	4,332	8,288	2,219	9,233	-5,317
56	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)	-2,333	868	-3,199
57	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)			(17)
58	U.S. Treasury securities ⁹	(18)	(18)	(18)	(18)	(18)	(18)	(18)			(17)
59	Other ¹⁰	(18)	(18)	(18)	(18)	(18)	(18)	(18)			(17)
60	Other U.S. Government liabilities ¹¹	140	32	56	38	14	12	98	28		14
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)	(18)			(17)
62	Other foreign official assets ¹²	(18)	(18)	(18)	(18)	(18)	(18)	(18)			(17)
63	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)	4,552	8,365	-2,118
64	Direct investment	3,423	261	1,706	2,075	-619	-1,152	-194	-3,576	496	-4,946
65	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)			(17)
66	U.S. securities other than U.S. Treasury securities	-2,341	-183	-402	-599	-1,157	-1,254	-1,468	8,659	6,947	2,760
67	U.S. currency										
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	20	126	206	-328	16	-110		4,082	1,722	1,719
69	U.S. liabilities reported by U.S. banks, not included elsewhere	18 17,095	18 973	18 7,413	18 5,806	18 2,903	18 6,836	18 9,852	(17)	(17)	(17)
70	Statistical discrepancy (sum of above items with sign reversed)	-4,695	1,466	-6,353	-2,776	2,968	-941	-4,242	40,795	5,012	18,094
Memoranda:											
71	Balance on goods (lines 3 and 20)	-8,517	-1,034	-2,178	-2,354	-2,951	-2,974	-2,839	-50,866	-12,289	-12,205
72	Balance on services (lines 4 and 21)	1,675	607	170	371	527	683	149	5,796	2,562	1,543
73	Balance on goods and services (lines 2 and 19)	-6,842	-427	-2,008	-1,983	-2,424	-2,291	-2,690	-45,070	-9,727	-10,662
74	Balance on income (lines 12 and 29)	-1,145	-88	-272	-205	-580	-323	-285	15,259	3,479	3,693
75	Unilateral current transfers, net (line 35)	-4,414	-1,030	-1,136	-1,186	-1,062	-1,037	-1,087	-590	-182	-127
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	-12,401	-1,545	-3,416	-3,374	-4,066	-3,651	-4,062	-30,401	-6,430	-7,096

See footnotes on pages 56 and 57.

Table 11. U.S. International
 [Millions]

Line	(Credits +; debits -) ¹	Australia						
		2002	2002				2003	
			I	II	III	IV	I ^r	II ^p
Current account								
1	Exports of goods and services and income receipts	22,653	5,105	5,572	6,096	5,880	5,283	5,841
2	Exports of goods and services	18,149	4,069	4,569	4,802	4,709	4,075	4,576
3	Goods, balance of payments basis ²	12,760	2,833	3,228	3,368	3,331	2,766	3,154
4	Services ³	5,389	1,236	1,341	1,434	1,378	1,309	1,422
5	Transfers under U.S. military agency sales contracts ⁴	176	43	43	42	48	57	43
6	Travel	1,473	298	385	420	370	317	352
7	Passenger fares	339	104	91	77	67	66	79
8	Other transportation	292	65	73	74	80	73	89
9	Royalties and license fees ⁵	834	182	200	235	217	207	245
10	Other private services ⁶	2,264	542	546	583	593	587	612
11	U.S. Government miscellaneous services	11	2	3	3	3	2	2
12	Income receipts	4,504	1,036	1,003	1,294	1,171	1,208	1,265
13	Income receipts on U.S.-owned assets abroad	4,480	1,030	997	1,288	1,165	1,201	1,258
14	Direct investment receipts	2,612	555	515	809	733	768	850
15	Other private receipts	1,868	475	482	479	432	433	408
16	U.S. Government receipts							
17	Compensation of employees	24	6	6	6	6	7	7
18	Imports of goods and services and income payments	-11,356	-2,386	-2,918	-3,014	-3,038	-2,856	-2,826
19	Imports of goods and services	-9,539	-2,205	-2,371	-2,508	-2,455	-2,212	-2,332
20	Goods, balance of payments basis ²	-6,446	-1,385	-1,668	-1,753	-1,640	-1,415	-1,594
21	Services ³	-3,093	-820	-703	-755	-815	-797	-738
22	Direct defense expenditures	-119	-24	-29	-34	-32	-26	-26
23	Travel	-997	-300	-207	-244	-246	-267	-194
24	Passenger fares	-641	-188	-147	-142	-164	-176	-187
25	Other transportation	-192	-55	-47	-45	-45	-52	-44
26	Royalties and license fees ⁵	-76	-14	-17	-16	-29	-15	-18
27	Other private services ⁶	-1,029	-230	-246	-264	-289	-252	-260
28	U.S. Government miscellaneous services	-39	-9	-10	-10	-10	-9	-9
29	Income payments	-1,817	-181	-547	-506	-583	-644	-494
30	Income payments on foreign-owned assets in the United States	-1,805	-178	-544	-503	-580	-640	-491
31	Direct investment payments	-777	52	-300	-227	-302	-372	-226
32	Other private payments	-594	-132	-140	-160	-162	-159	-152
33	U.S. Government payments	-434	-98	-104	-116	-116	-109	-113
34	Compensation of employees	-12	-3	-3	-3	-3	-4	-3
35	Unilateral current transfers, net	-238	-62	-62	-59	-55	-64	-64
36	U.S. Government grants ⁴							
37	U.S. Government pensions and other transfers	-52	-13	-13	-13	-13	-13	-14
38	Private remittances and other transfers ⁶	-186	-49	-49	-46	-42	-51	-50
Capital and financial account								
Capital account								
39	Capital account transactions, net	-24	-6	-6	-6	-6	-6	-6
Financial account								
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-5,165	-4,618	-626	2,358	-2,279	1,051	-4,911
41	U.S. official reserve assets, net							
42	Gold ⁷							
43	Special drawing rights							
44	Reserve position in the International Monetary Fund							
45	Foreign currencies							
46	U.S. Government assets, other than official reserve assets, net							
47	U.S. credits and other long-term assets							
48	Repayments on U.S. credits and other long-term assets ⁸							
49	U.S. foreign currency holdings and U.S. short-term assets, net							
50	U.S. private assets, net	-5,165	-4,618	-626	2,358	-2,279	1,051	-4,911
51	Direct investment	-3,726	-3,188	239	106	-883	-1,276	-601
52	Foreign securities	457	-203	-370	904	126	369	-1,907
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-2,880	-2,071	504	993	-2,306	1,499	
54	U.S. claims reported by U.S. banks, not included elsewhere	984	844	-999	355	784	459	-2,403
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	19,574	7,194	4,980	5,380	2,020	-3,365	11,514
56	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)
57	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)
58	U.S. Treasury securities ⁹	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	Other ¹⁰	(18)	(18)	(18)	(18)	(18)	(18)	(18)
60	Other U.S. Government liabilities ¹¹	99	34	30	29	6	-9	11
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)	(18)
62	Other foreign official assets ¹²	(18)	(18)	(18)	(18)	(18)	(18)	(18)
63	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)
64	Direct investment	4,262	650	3,018	1,114	-520	1,104	671
65	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)
66	U.S. securities other than U.S. Treasury securities	7,703	2,148	936	4,124	495	-2,708	776
67	U.S. currency							
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	314	150	688	-794	270	715	
69	U.S. liabilities reported by U.S. banks, not included elsewhere	¹⁸ 7,196	¹⁸ 4,212	¹⁸ 3,08	¹⁸ 907	¹⁸ 1,769	¹⁸ -2,467	¹⁸ 10,056
70	Statistical discrepancy (sum of above items with sign reversed)	-25,444	-5,227	-6,940	-10,755	-2,522	-43	-9,548
Memoranda:								
71	Balance on goods (lines 3 and 20)	6,314	1,448	1,560	1,615	1,691	1,351	1,560
72	Balance on services (lines 4 and 21)	2,296	416	638	679	563	512	684
73	Balance on goods and services (lines 2 and 19)	8,610	1,864	2,198	2,294	2,254	1,863	2,244
74	Balance on income (lines 12 and 29)	2,687	855	456	788	588	564	771
75	Unilateral current transfers, net (line 35)	-238	-62	-62	-59	-55	-64	-64
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	11,059	2,657	2,592	3,023	2,787	2,363	2,951

Footnotes to U.S. International Transactions Tables 1–11

General notes for all tables: ^p Preliminary. ^r Revised. * Less than \$500,000 (+/-) ^D Suppressed to avoid disclosure of data of individual companies.

Table 1:

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

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

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

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

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

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

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

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

8. Includes sales of foreign obligations to foreigners.

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

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

11. Includes, primarily, U.S. Government liabilities associated with military agency sales contracts and other transactions arranged with or through foreign official agencies; see table 5.

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

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

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

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

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

16. Break in series. See Technical Notes in the June 1989–90, 1992–95, and July 1996–2003 issues of the SURVEY.

Table 2:

1. Exports, Census basis, represent transactions values, f.a.s. U.S. port of exportation, for all years; imports, Census basis, represent Customs values (see Technical Notes in the June 1982 SURVEY), except for 1974–81, when they represent transactions values, f.a.s. foreign port of exportation (see July issues of the SURVEY for historical data). From 1983 forward, both

unadjusted and seasonally adjusted data have been prepared by BEA from "actual" and "revised statistical" monthly data supplied by the Census Bureau (see Technical Notes in the December 1985 SURVEY). Seasonally adjusted data reflect the application of seasonal factors developed jointly by Census and BEA. The seasonally adjusted data are the sum of seasonally adjusted five-digit end-use categories (see technical Notes in the June 1980 SURVEY, in the June 1988 SURVEY, and in the June 1991 SURVEY). Prior to 1983, annual data are as published by the Census Bureau, except that for 1975–80 published Census data are adjusted to include trade between the U.S. Virgin Islands and foreign countries.

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

3. Exports of military equipment under U.S. military agency sales contracts with foreign governments (line A6), and direct imports by the Department of Defense and the Coast Guard (line A14), to the extent such trade is identifiable from Customs declarations. The exports are included in tables 1 and 11, line 5 (transfers under U.S. military agency sales contracts); the imports are included in tables 1 and 11, line 22 (direct defense expenditures).

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

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

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

7. Annual and unadjusted quarterly data shown in this table correspond to country and area data in table 11, lines 3 and 20. Trade with international organizations includes purchases of nonmonetary gold from the International Monetary Fund, transfers of tin to the International Tin Council (ITC), and sales of satellites to Intelsat. The memoranda are defined as follows: *Industrial countries:* Western Europe, Canada, Japan, Australia, New Zealand, and South Africa; *Members of OPEC:* Venezuela, Ecuador, Iraq, Iran, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Indonesia, Algeria, Libya, Nigeria, and Gabon (Excludes Ecuador beginning in January 1993 and Gabon beginning in January 1995.); *Other countries:* Eastern Europe, Latin America and Other Western Hemisphere, and other countries in Asia and Africa, less OPEC. Before 1984, complete geographic area detail was not available for some balance of payments adjustments. Therefore, the detail shown does not always sum to the values shown for the area aggregates. For all years, "Asia" and "Africa" exclude certain Pacific Islands and unidentified countries included in "Other countries in Asia and Africa."

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

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

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

Table 3:

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

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

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

4. Includes charges for auxiliary insurance services.

5. Beginning in 1992, the net result of (line 51 – line 52) – (line 55 – line 56) is recorded in “private remittances and other transfers” (table 1, line 38).

Table 4:

1. Complete instrument detail is only available beginning with 2003.

2. Prior to 2003, includes only demand deposits and nonnegotiable time and savings deposits.

Table 5:

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

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

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

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

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

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

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

8. Excludes transactions of the U.S. Enrichment Corporation since it became a non-government entity in July 1998.

Table 6a:

1. For bank affiliates, includes only interest on permanent debt investment by their parent companies. Excludes interest between financial parent companies and nonbank financial affiliates.

2. For bank affiliates, includes only permanent debt investment by their parent companies. Excludes intercompany debt between financial parent companies and nonbank financial affiliates.

Table 7a:

1. Bahamas, Bermuda, British West Indies (Cayman Islands), and Netherlands Antilles.

2. Includes all redemptions and early retirements.

Table 8a:

1. Securities brokers' claims on and liabilities to their foreign affiliates are included from 1998–2002 and excluded beginning with 2003.

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

3. Complete instrument detail is only available beginning with 2003.

4. Financial intermediaries' accounts are shown under “other claims (liabilities)” because the majority of these claims (liabilities) are in the form of intercompany balances. Financial intermediaries' accounts represent transactions between firms in a direct investment relationship (that is, between U.S. parents and their foreign affiliates or between U.S. affiliates and their foreign parent groups), where both the U.S. and foreign firms are classified in a finance industry, but the firms are neither banks nor securities brokers.

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

Table 9a:

1. Beginning with 2003, includes securities brokers' claims on their foreign affiliates.

2. Complete instrument detail is only available beginning with 2003.

3. Includes foreign official agencies and international and regional organizations. Prior to 2003, also includes government-owned corporations and state, provincial, and local governments and their agencies.

4. U.S.-owned banks include U.S.-chartered banks, Edge Act subsidiaries, and U.S. bank holding companies. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States. Brokers and dealers may be U.S.-owned or foreign-owned.

5. Commercial paper issued in the U.S. market by foreign incorporated entities and held in U.S. customers' accounts. Excludes commercial paper issued through foreign direct investment affiliates in the United States.

6. Prior to 2003, includes negotiable certificates of deposit and other negotiable and transferable instruments.

7. Prior to 2003, includes only deposits.

8. Bahamas, Bermuda, British West Indies (Cayman Islands), and Netherlands Antilles.

Table 10a:

1. Beginning with 2003, includes securities brokers' liabilities to their foreign affiliates.

2. Complete instrument detail is only available beginning with 2003.

3. U.S.-owned banks include U.S.-chartered banks, Edge Act subsidiaries, and U.S. bank holding companies. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States. Brokers and dealers may be U.S.-owned or foreign-owned.

4. Bahamas, Bermuda, British West Indies (Cayman Islands), and Netherlands Antilles.

Table 11:

For footnotes 1–13, see table 1.

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

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

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

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

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

U.S. International Services

Cross-Border Trade in 2002 and Sales Through Affiliates in 2001

By Maria Borga and Michael Mann

LIKE previous articles in this series, this article examines international sales of services from a dual perspective. It considers services trade not only in the conventional sense of exports and imports that cross borders, but also in the sense of services sold by locally established affiliates of multinational firms. This broader concept of “trade” has been adopted for this article in recognition of the key role that has been assumed in the delivery of services internationally by affiliates that are located within—but owned outside—the markets they serve. It is also consistent with the way that many firms view their worldwide operations.

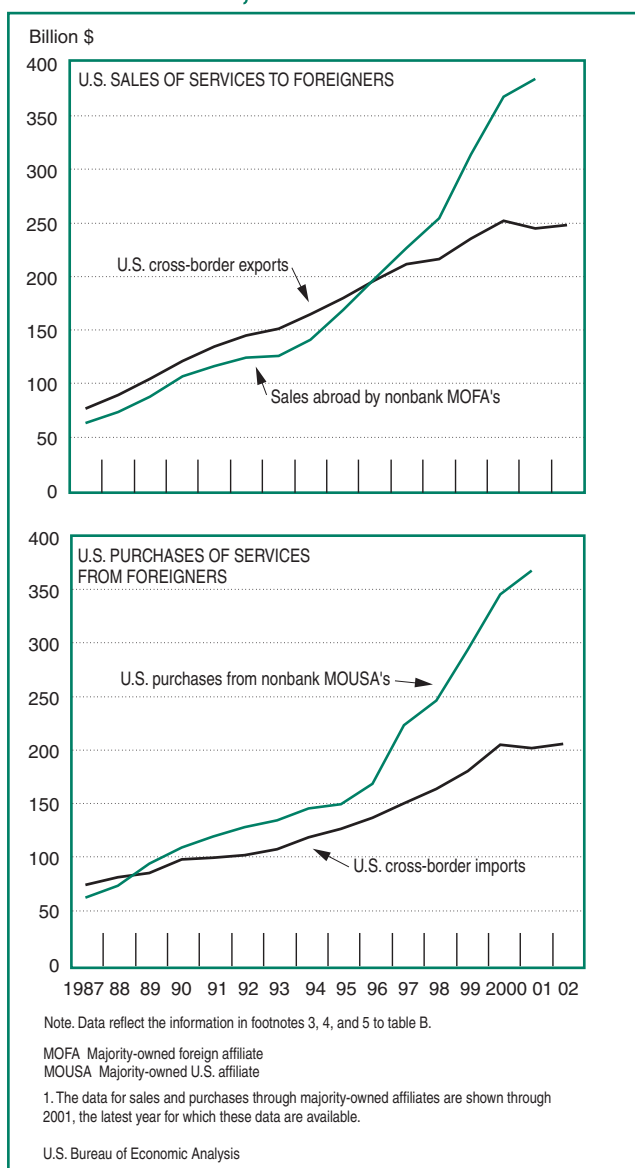
Transactions that cross borders are perhaps the better known and more widely publicized channel of delivery, but in recent years, most services delivered to the U.S. market from abroad and from the U.S. market to foreign countries have been delivered through affiliates. In both 2000 and 2001, for example, services delivered through affiliates exceeded cross-border trade in services by wide margins (table A and chart 1).

In contrast to its persistent deficit on cross-border trade in goods, the United States has run regular surpluses on cross-border trade in services. In 2002, cross-border exports of services, at \$280 billion, exceeded cross-border imports by \$74 billion, virtually the same difference as in 2001. In addition, sales of services abroad by foreign affiliates of U.S. companies have regularly exceeded sales in the United States by U.S. affiliates of foreign companies. In 2001 (the most recent

year that data are available), foreign affiliates’ sales, at \$432 billion, were \$65 billion larger than the sales by U.S. affiliates; in 2000, foreign affiliates’ sales exceeded U.S. affiliates’ sales by an even larger amount—\$70 billion.

Sales through affiliates have not only been larger

Chart 1. U.S. International Sales and Purchases of Private Services, 1987–2002¹



Michael Mann prepared the section on cross-border trade, and Maria Borga prepared the section on sales through affiliates.

than sales across borders in recent years, but they have also tended to grow faster. In 2000, both U.S. sales to foreigners through affiliates and foreigners' sales to the United States through affiliates grew faster than the corresponding measures for cross-border exports and imports (table B). In 2001, both cross-border exports and imports declined, but sales through affiliates continued to grow.

In 2002, U.S. cross-border exports and imports grew slowly: Exports increased 1 percent after falling 3 percent in 2001, and imports increased 2 percent after falling 2 percent. For both exports and imports, increases occurred in both royalties and license fees and

in "other private services" (which includes services such as education, financial services, insurance, and business, professional, and technical services). The increases reflect pickups in economic activity in the United States and in many major foreign countries. Furthermore, insurance services increased strongly, largely reflecting the impact of higher premium rates that were prompted partly by the September 11th terrorist attacks and partly by weakening returns on investments. For both exports and imports, travel services and passenger fares decreased. The decreases reflect the lingering effects of the terrorist attacks; in 2002, these services remained below their preattack levels.

In 2001, sales of services by foreign affiliates of U.S. companies grew 5 percent, and sales of services by U.S. affiliates of foreign companies grew 7 percent. Although representing a significant expansion, these rates were well below those recorded in 2000, when sales of services by foreign affiliates and by U.S. affiliates each increased 17 percent. The slowdowns in 2001 reflected slower growth in the U.S. economy and in the economies of many of the countries that are significant markets for foreign affiliates of U.S. multinational companies. A sharp falloff in cross-border merger and acquisition activity in 2001 also contributed to the slowdowns. From 1998 to 2000, sales by newly acquired businesses accounted for much of the growth in the sales of services by affiliates, as cross-border mergers and acquisitions boomed. Merger activity had been particularly strong in industries with large sales of services, such as telecommunications, utilities, insurance, finance, and computer services. In 2001, there were fewer acquisitions to fuel the growth in sales of services.

This article presents detailed preliminary estimates of U.S. cross-border exports and imports of private services in 2002 and revised estimates for 1992–2001. It also presents preliminary estimates of U.S. sales of services through, and purchases of services from, non-bank majority-owned affiliates of multinational companies in 2001 and revised estimates for 2000. Cross-border exports and imports are transactions between U.S. residents and foreign residents; they represent international trade in the conventional sense and are recorded in summary form in the U.S. international transactions accounts.¹ Sales of services through non-bank majority-owned affiliates of multinational companies represent services sold in international markets through the channel of direct investment (see the box

Table B. Sales of Services to Foreign and U.S. Markets Through Cross-Border Trade and Through Affiliates

	Through cross-border trade ¹		Through nonbank majority-owned affiliates ²	
	U.S. exports (receipts)	U.S. imports (payments)	Sales to foreign persons by foreign affiliates of U.S. companies ³	Sales to U.S. persons by U.S. affiliates of foreign companies
	Billions of dollars			
1986	77.5	64.7	60.5	n.a.
1987	87.0	73.9	72.3	62.6
1988	101.0	81.0	83.8	73.2
1989	117.9	85.3	99.2	94.2
1990	137.2	98.2	121.3	109.2
1991	152.4	99.9	131.6	119.5
1992	163.6	102.0	140.6	128.0
1993	171.1	107.8	142.6	134.7
1994	186.1	118.3	159.1	145.4
1995	203.1	126.8	190.1	149.7
1996	221.4	136.9	223.2	168.4
1997	237.9	150.0	255.3	(⁴) 223.1
1998	243.8	163.6	286.1	245.5
1999	264.7	180.5	(⁵) 353.2	293.5
2000	283.5	204.7	413.5	344.4
2001	275.5	201.6	432.2	366.9
2002	279.5	205.2	n.a.	n.a.
	Percent change from prior year			
1987	12.2	14.2	19.5	.....
1988	16.0	9.5	15.9	17.0
1989	16.8	5.3	18.4	28.7
1990	16.4	15.1	22.2	15.9
1991	11.1	1.8	8.5	9.5
1992	7.3	2.1	6.8	7.1
1993	4.6	5.7	1.5	5.3
1994	8.8	9.8	11.6	8.0
1995	9.1	7.1	19.4	2.9
1996	9.0	8.0	17.4	12.5
1997	7.4	9.6	14.4	(⁴)
1998	2.5	9.1	12.0	10.1
1999	8.6	10.4	(⁵)	19.6
2000	7.1	13.4	17.1	17.3
2001	-2.8	-1.5	4.5	6.5
2002	1.5	1.8	n.a.	n.a.

n.a. Not available.

1. The estimates for 1992–2001 are revised from those published in last year's article in this series. See Christopher L. Bach, "Annual Revision of the U.S. International Accounts, 1992–2002," *SURVEY OF CURRENT BUSINESS* 83 (July 2003): 32–45.

2. The estimates for 2000 are revised from those published in last year's article in this series. The estimates for 2001 are preliminary.

3. The figures shown in this column for 1986–88 have been adjusted, for the purposes of this article, to be consistent with those for 1989 forward, which reflect definitional and methodological improvements made in the 1989 Benchmark Survey of U.S. Direct Investment Abroad. The primary improvement was that investment income of affiliates in finance and insurance was excluded from sales of services. The adjustment was made by assuming that investment income of finance and insurance affiliates in 1986–88 accounted for the same share of sales of services plus investment income as in 1989.

4. Beginning in 1997, sales by U.S. affiliates were classified as goods or services based on industry codes derived from the North American Industry Classification System; the estimates for prior years were based on codes derived from the 1987 Standard Industrial Classification System. This change resulted in a redefinition of sales of services by affiliates, which resulted in a net shift of sales from goods to services. See the box "Changes in the Definition and Classification of Sales of Services by U.S. Affiliates" in the October 1999 Survey, page 61, available at www.bea.gov.

5. Beginning in 1999, sales by foreign affiliates were classified as goods or services based on industry codes derived from the North American Industry Classification System; the estimates for prior years were based on codes derived from the 1987 Standard Industrial Classification System. This change resulted in a redefinition of sales of services by affiliates, which resulted in a net shift of sales from goods to services. See the box "Changes in the Definition and Classification of Sales of Services by Foreign Affiliates" in the November 2001 Survey, page 58, available at www.bea.gov.

1. In the quarterly articles on U.S. international transactions, table 1 presents cross-border exports of private services in lines 6–10 and cross-border imports in lines 23–27; table 3 provides additional details.

“Channels of Delivery of Services Sold in International Markets”).² The estimates are drawn from larger data sets on affiliate operations that are presented in annual articles on the operations of U.S. multinational companies and of U.S. affiliates of foreign companies.³

2. These data cover *all* the sales of services by nonbank majority-owned affiliates, irrespective of the percentage of foreign ownership. The data exclude minority-owned affiliates because data on sales of services by foreign affiliates are collected only for affiliates that are majority-owned by U.S. direct investors. Excluding minority-owned affiliates may be preferable because the direct investor may own as little as 10 percent of a minority-owned affiliate and thus have less interest than local investors in the affiliate's sales. The data are limited to nonbank affiliates because bank affiliates were not required to report annual data on sales of services to BEA. (However, banks will report their sales of services on the 2002 benchmark survey of foreign direct investment in the United States. See the box “Ongoing Efforts to Improve the Estimates of International Services” on page 62.)

3. See Raymond J. Mataloni, Jr., “Operations of U.S. Multinational Companies: Operations in 2000,” *SURVEY OF CURRENT BUSINESS* 82 (December 2002): 111–131, and William J. Zeile, “U.S. Affiliates of Foreign Companies: Operations in 2001,” *SURVEY* 83 (August 2003): 38–56. An article covering the 2001 operations of U.S. multinational companies will be published in the November 2003 *SURVEY*.

As noted earlier, services delivered through non-bank majority-owned affiliates exceeded those delivered through cross-border trade in 2001. Because of differences in coverage and measurement, comparisons between these two channels of delivery cannot be precise, but the substantial differences clearly indicate that delivery through affiliates was the larger channel for both U.S. sales and U.S. purchases of private ser-

Data Availability

The estimates of cross-border trade for 1986–2002 and the estimates of sales through majority-owned affiliates for 1989–2001 are available as files that can be downloaded from BEA's Web site. To access these files, go to <www.bea.gov>, click on “More” under “International,” and look under “International services.”

Channels of Delivery of Services Sold in International Markets Cross-Border Trade and Sales Through Affiliate

Services are sold in international markets through two distinct channels. In the first channel, the residents of one country sell services to the residents of another country. These transactions—cross-border trade—include both trade within multinational companies (intrafirm trade) and trade between unaffiliated parties.¹ They are recorded in the international transactions accounts of both countries—as exports of services by the seller's country and as imports by the buyer's country.

The second channel of delivery is sales through foreign affiliates of multinational companies, which from the U.S. viewpoint, are sales to foreigners by foreign affiliates of U.S. companies and U.S. purchases from other countries' U.S. affiliates. These sales are not considered U.S. international transactions, because under the residency principle of balance-of-payments accounting, affiliates of multinational companies are regarded as residents of the countries where they are located rather than of the countries of their owners. Thus, sales abroad by foreign affiliates are transactions between foreign residents, and sales in the United States by U.S. affiliates are transactions between U.S. residents. (However, the direct investors' shares of the profits earned on these sales are recorded as U.S. international transactions.)

1. The term “cross-border trade” differs from the term “cross-border mode of supply” that is used in the General Agreement on Trade in Services to refer to the provision of a service by a resident of one country to a resident of another country in which neither the producer nor the consumer goes to the country of the other (for example, a consultant sending a report electronically or by mail).

The two channels of delivery typically differ in their effects on an economy. For example, U.S. cross-border exports usually have a greater effect on the U.S. economy than the equivalent sales through foreign affiliates, because most, or all, of the income generated by the production generally accrues to U.S.-supplied labor and capital. In contrast, for sales through foreign affiliates, only the U.S. parent company's share in profits accrues to the United States (and is recorded as a U.S. international transaction); the other income generated by production—including compensation of employees—typically accrues to foreigners.

Some services can be delivered equally well through either channel, but the channel of delivery is often largely predetermined by the nature of the service. For example, many travel services are inherently delivered through the cross-border channel. In contrast, many business, professional, and technical services are mainly delivered through the affiliate channel because of the need for close, continuing contact between the service providers and their customers.

To obtain a complete picture of the services transactions of affiliates, it would be necessary to examine not only their sales of services, as in this article, but also their purchases of services, both in their countries of location and elsewhere. However, the only available data on their purchases of services are those for transactions between parents and affiliates, which are discussed in the section on cross-border trade.

vices.⁴ The use of each channel of delivery for 2001 is

4. An example of a difference in coverage is that the estimates of cross-border exports and imports include services provided by banks, while those of sales through affiliates cover only nonbank affiliates. An example of a difference in measurement is that cross-border exports and imports of primary insurance and reinsurance services largely reflect premiums minus "normal" losses, while sales of services by affiliates in insurance largely reflect premium income with no deductions for losses; this difference tends to exaggerate the relative importance of sales through affiliates. (BEA is using a new method for estimating cross-border trade in insurance services; see the appendix "Improvements to BEA's Estimates of International Services, 1990–2003" on page 74.) BEA has also begun implementing changes to the measurement and coverage of selected services to improve the comparability of the two series; for details, see the box "Ongoing Efforts to Improve the Estimates of International Services" on page 62.

shown for major geographic areas in chart 2 and for selected countries in chart 3. For specific types of services, however, the relative importance of the two channels is difficult to gauge because of the differences in measurement and coverage and because of differences in the basis of classification. Available data on cross-border trade are generally classified by type of service, whereas the data on sales of services through affiliates are classified by primary industry of the affiliate.

Chart 2. U.S. Sales and Purchases of Services by Major Area in 2001

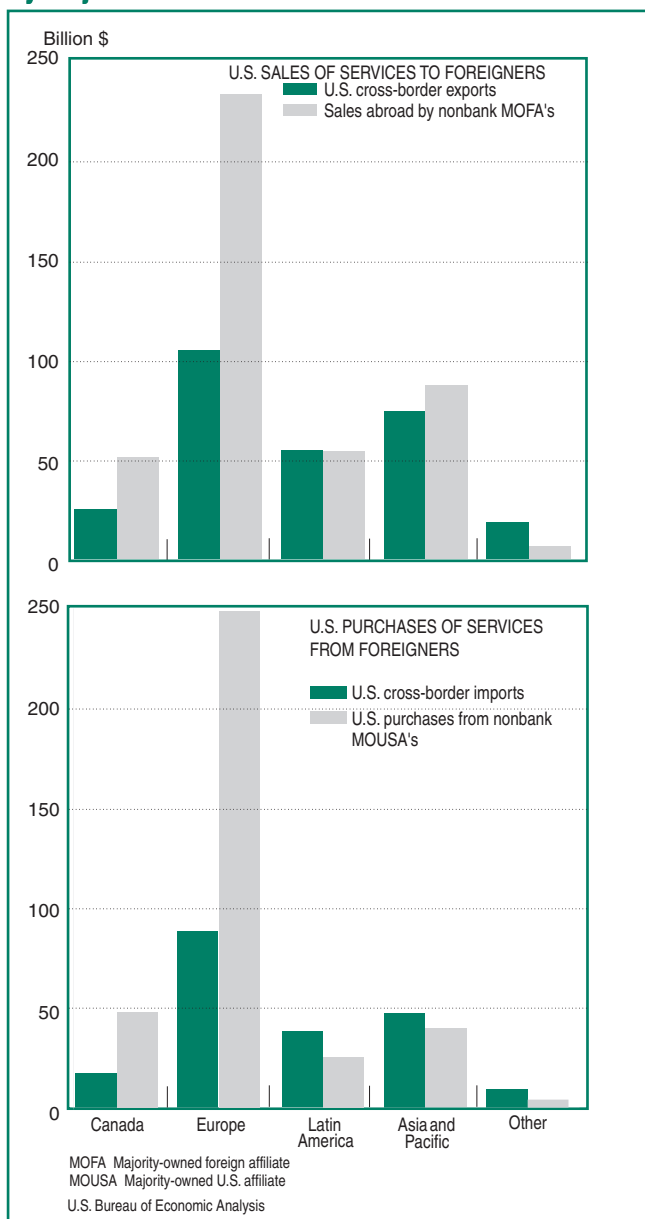
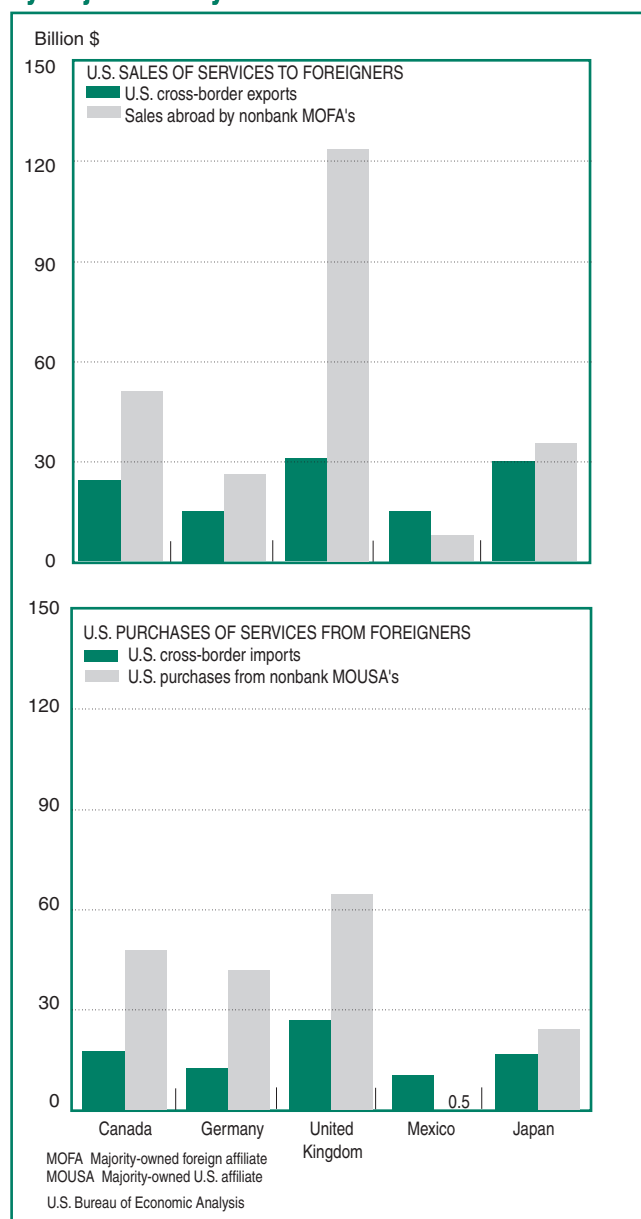


Chart 3. U.S. Sales and Purchases of Services by Major Country in 2001



Ongoing Efforts to Improve the Estimates of International Services

As part of its ongoing effort to improve the data on international services, BEA has initiated several changes in data collection that will lead to improved estimates of both cross-border trade in services and of sales of services through affiliates. Several of these changes implement proposals that were presented in Obie G. Whichard and Maria Borga, "Selected Issues in the Measurement of U.S. International Services," *SURVEY OF CURRENT BUSINESS* 82 (June 2002): 36–56.

Cross-border trade

Implicit services. Just as charges for the services associated with checking accounts would be imposed or would be higher if banks could not lend or invest the funds of their depositors, insurance premiums would be higher if insurance companies were unable to earn income on funds held in reserve against future claims. In recognition of this fact, the 1993 System of National Accounts (SNA) included income that may be earned from the investment of reserves in its recommended measure of output for the insurance industry. The income is treated as accruing to the policyholders, who pay it back to insurers as supplements to premiums; thus, the measure of insurance services exported and imported is raised.

When the results of the 2003 comprehensive revision of the national income and products accounts are released in December 2003, the value of the expected income on the funds on which insurance policymakers have claim will be included in the estimates of insurance industry output. This methodology will be reviewed for possible use in the 2004 annual revision of the international transactions accounts.

Medical services. Estimates of medical services receipts are currently based on information provided to BEA voluntarily by state regulatory agencies, hospital associations, and hospitals. To improve these estimates, in its annual survey of services transactions, BEA has begun collecting data on medical services receipts (payments are not covered but are believed to be small). This item covers services provided to foreign residents at U.S. hospitals for inpatient services and "other medical services," including outpatient care to foreign patients in the United States. "Other medical services" also includes remote diagnostic and remote monitoring (telemedicine) services provided from the United States to patients, practitioners, and medical institutions in foreign countries and the services of medical laboratories.

Quarterly surveys. BEA has designed and submitted additional quarterly surveys of services to the Office of Management and Budget for clearance in order to begin conducting these surveys in 2004. Until now, most BEA surveys of services have been conducted on an annual basis.

Data collected on these quarterly surveys, which will cover many of the largest and most volatile types of services, will replace the data currently collected on annual surveys; the information collected will not change. The quarterly surveys will improve the reliability of BEA's quarterly estimates of the Nation's international transactions accounts and gross domestic product because international services transactions are an important component of both. The quarterly surveys will also provide more reliable and timely information on services transactions to support U.S. international economic policy, including trade promotions and trade negotiations.

Sales through affiliates

In the 2002 benchmark survey of foreign direct investment in the United States (FDIUS), which is currently being conducted,

BEA is collecting data that will provide the basis for improved estimates of insurance services, of sales of services through bank affiliates, and of services provided by wholesale and retail trade affiliates. If the initial data collection efforts are successful, BEA will consider including these items on the follow-on annual surveys of FDIUS and the surveys of U.S. direct investment abroad (USDIA), beginning with the 2004 benchmark survey of USDIA.

Insurance. Currently, the estimates of insurance services provided by U.S. affiliates represent revenues generated by affiliates' operations in the insurance industry. These estimates largely represent premiums earned with no deduction for losses. In contrast, cross-border trade in insurance services is measured as premiums earned less "normal" losses. Because of this difference, the current measure of the sales of services through affiliates in insurance exaggerates the relative importance of sales through affiliates as a channel of delivery for international services when compared with cross-border transactions.

The 2002 benchmark survey of FDIUS is collecting data on premiums and losses from U.S. affiliates that offer insurance services. These data will provide the basis for estimating insurance services in a consistent manner.

Banks. Currently, the estimates of sales of services through affiliates excludes services provided by bank affiliates. Because most of the information on bank affiliates that is needed for policymaking is already collected by other U.S. Government agencies, BEA collects only limited data on sales through bank affiliates. However, the absence of estimates of services provided through bank affiliates causes a potentially significant gap in the coverage of financial services sold through affiliates. To close this gap, BEA is collecting data on sales of services through bank affiliates in the 2002 benchmark survey of FDIUS. These data cover explicit commissions and fees charged for services.

In addition to explicit fees and commission, banks may also charge implicitly for services that they provide by paying lower interest rates to those who lend them money in the form of deposits and loans than they charge to those who borrow from them. The resulting net receipts of interest are used to defray expenses and provide an operating surplus. Because banks often do not charge explicitly for their services, their values must be imputed. To provide a basis for imputing the value of services provided without an explicit charge, BEA is collecting data on the total interest paid and received by U.S. bank affiliates on the 2002 benchmark survey of FDIUS.

Wholesale and retail trade. The wholesale and retail trade industries provide distributive services—selling, or arranging for the sale of, goods to intermediate and final users. In BEA's data on sales through affiliates, the value of distributive services provided by affiliates' wholesale and retail trade operations is embedded in the value of the final goods sold through affiliates. However, in the national income and product accounts, distributive services in wholesale and retail trade are measured as trade margins—wholesale or retail sales of goods less the cost of the goods resold. To provide a basis for the estimation of the value of these distributive services, BEA has added two questions to the 2002 benchmark survey of FDIUS in order to collect data on the cost of goods purchased for resale and on the inventories of these goods. These data will allow the estimation of the margin, or output, of the wholesale and retail trade operations of affiliates.

U.S. Cross-Border Trade in 2002

In 2002, U.S. exports of private services (receipts) increased 1 percent, to \$279.5 billion, following a 3-percent decrease in 2001. U.S. imports of private services (payments) increased 2 percent, to \$205.2 billion, following a 1-percent decrease in 2001. The modest recovery in exports and in imports occurred in the context of pickups in economic activity in the United States and in many foreign countries.

Changes in the foreign-currency value of the dollar may also have affected U.S. cross-border trade in services, but the effect cannot be precisely measured, because it cannot be clearly distinguished from the effects of other variables that affected U.S. services flows. In 2002, the dollar's movement against the currencies of most major U.S. trading partners was mixed after appreciating against most of these currencies in 2001. For the year, the dollar depreciated 5 percent against the euro and 4 percent against the British pound, and it appreciated 3 percent against the Japanese yen and 1 percent against the Canadian dollar.⁵

5. Annual exchange rates are period averages.

Table C. Cross-Border Services: Percent Change from Prior Year

	Exports		Imports	
	2001	2002	2001	2002
Private services	-3	1	-1	2
Travel	-13	-7	-7	-4
Passenger fares	-13	-5	-7	-12
Other transportation	-5	3	-7	0
Royalties and license fees	-5	7	1	15
Other private services	8	6	10	10

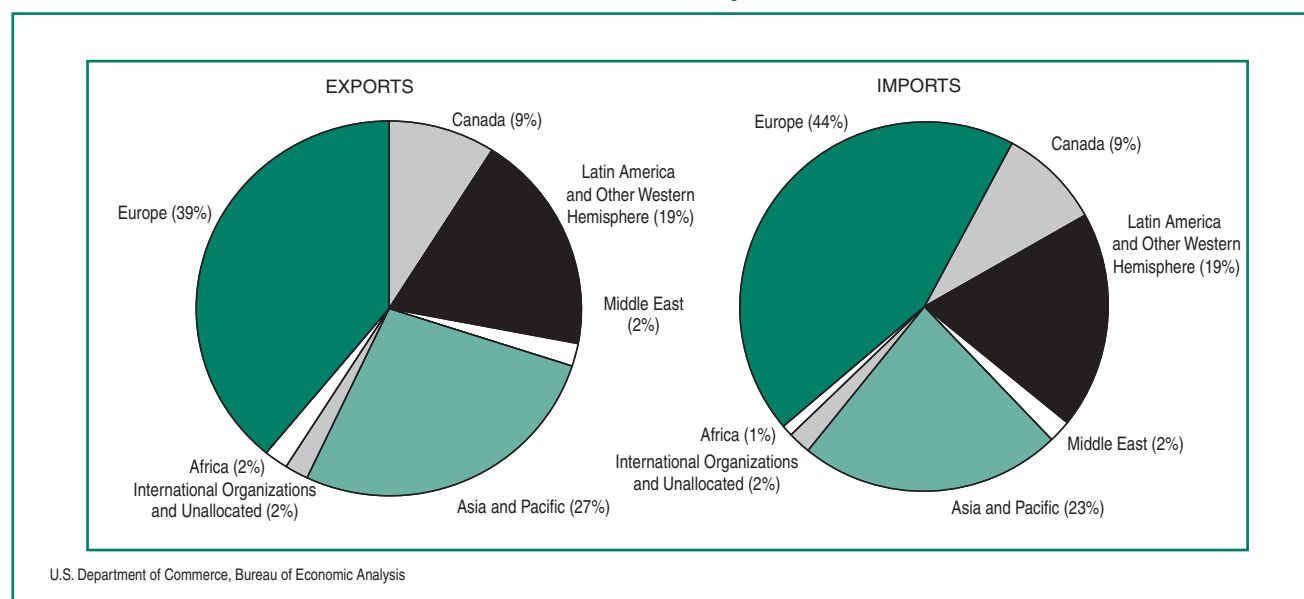
The sluggish 1-percent year-over-year increase in services exports in 2002 masked the steady recovery during 2002 from the trough near the end of 2001, a period that was severely depressed by the effects of the September 11th terrorist attacks. By the end of 2002, services exports had returned to the level before the attacks. For the year 2002, increases in “other private services,” royalties and license fees, and “other transportation” were largely offset by decreases in travel and passenger fares.

After many years of relatively strong growth, the weak U.S. economic conditions in 2001 and the moderate expansion in 2002 left the level of imports in 2002 no higher than in 2000. Imports grew steadily during 2002 from the low levels at the end of 2001. For 2002, increases in “other private services” and royalties and license fees were largely offset by decreases in travel and passenger fares. “Other transportation” was virtually unchanged.

Europe and Asia and Pacific together accounted for two-thirds of total U.S. cross-border exports and imports of private services in 2002 (chart 4). Three countries—the United Kingdom, Japan, and Canada—accounted for nearly a third of both total U.S. exports and total U.S. imports of services (table D).

Of total cross-border trade in services, trade within multinational companies accounted for \$76.4 billion, or 27 percent, of exports of private services and for \$48.0 billion, or 23 percent, of imports of private services. Table E, which combines cross-border trade within multinational companies with unaffiliated cross-border trade, presents a more complete picture

Chart 4. U.S. Cross-Border Services Transactions: Share by Area in 2002



of trade by type of service. The major categories of services in table E—travel, passenger fares, “other transportation,” royalties and license fees, and “other private services”—correspond to the major categories in table 1. Table F provides updated estimates of cross-border trade in services, by type, between U.S. parents and their foreign affiliates and between U.S. affiliates and their foreign parent groups for 1997–2002.⁶

Additional information about the five broad categories of cross-border trade in private services in the U.S. international transactions accounts—travel, passenger fares, “other transportation,” royalties and license fees, and “other private services”—follows. In previous articles, the discussions of the individual categories of services tended to focus on unaffiliated transactions because of the greater amount of detail available for unaffiliated services. However, the following discussions of the individual services focus on the sum of affiliated transactions and unaffiliated transactions. The expansion in the quantity of data available on affiliated services by type of service has enabled BEA to shift the focus to total transactions in these services and away

from unaffiliated transactions. Importantly, this change also is consistent with BEA’s long-term and continuing efforts to improve the comparability of its data with international statistical standards.

Travel

Travel receipts decreased 7 percent in 2002, to \$66.5 billion, following a 13-percent decrease in 2001. The continued slide reflected weakening economic conditions abroad and the lingering effects of the attacks of September 11th over an entire year. Travel activity picked up in the fourth quarter as economic conditions improved in the countries that account for many of the visitors to the United States. Substantial appreciation of several major currencies against the dollar throughout the year also contributed to the increase in travelers in the fourth quarter. Despite the fourth-quarter recovery, receipts at yearend were still well below pre-September 11th levels. For the year, travel receipts from countries other than Canada and Mexico decreased 9 percent. Receipts from Canada decreased 5 percent, and receipts from Mexico increased 4 percent. The number of Canadians traveling to the United States by air and land decreased in 2002. Receipts from Europe and Japan each fell about 5 percent. The decreases in travel receipts from Latin America and the Middle East were particularly sharp.

6. The foreign parent group is defined as (1) the foreign parent, (2) any foreign person, proceeding up the foreign parent’s ownership chain, that owns more than 50 percent of the person below it, up to and including the ultimate beneficial owner, and (3) any foreign person, proceeding down the ownership chain(s) of each of these members, that is owned more than 50 percent by the person above it.

Table D. Cross-Border Services Exports and Imports by Type and Country, 2002

[Millions of dollars]

	Total services	Travel	Passenger fares	Other transportation	Royalties and license fees	Other private services
Exports						
All countries	279,495	66,547	17,046	29,166	44,142	122,594
10 largest countries ¹	156,298	38,205	11,295	15,755	25,594	65,449
United Kingdom	31,816	8,177	2,813	1,932	4,452	14,442
Japan	29,688	8,492	2,809	2,825	6,352	9,210
Canada	24,294	6,268	1,717	2,624	3,091	10,594
Germany	16,056	2,934	1,001	2,018	3,090	7,013
Mexico	15,902	5,507	1,329	792	1,247	7,027
France	10,740	1,974	778	876	2,119	4,993
Korea, Republic of	7,760	2,175	13	2,063	1,157	2,352
Netherlands	7,219	1,024	413	836	1,332	3,614
Switzerland	6,750	696	195	353	2,031	3,475
China	6,073	958	227	1,436	723	2,729
Other countries	123,197	28,342	5,751	13,411	18,548	57,145
Imports						
All countries	205,234	58,044	19,969	38,527	19,258	69,436
10 largest countries ¹	125,661	30,205	10,200	19,996	15,796	49,464
United Kingdom	26,587	5,561	3,290	2,657	1,493	13,586
Canada	18,414	6,489	594	3,589	1,048	6,694
Japan	17,312	2,874	1,051	4,169	4,997	4,221
Germany	14,703	2,275	1,531	2,560	2,091	6,246
Mexico	11,066	7,061	794	993	117	2,101
Bermuda	10,260	563	0	454	1,364	7,879
France	9,655	2,919	1,003	1,091	1,263	3,379
Switzerland	6,613	619	530	422	1,892	3,150
Netherlands	6,037	852	526	1,231	1,513	1,915
Taiwan	5,013	992	881	2,830	18	292
Other countries	79,573	27,839	9,769	18,531	3,462	19,972

1. Ranked by dollar value of total exports or imports.

Table E. Affiliated and Unaffiliated Trade in Services, 1997-2002

[Billions of dollars]

	1997	1998	1999	2000	2001	2002	1997	1998	1999	2000	2001	2002
	Receipts						Payments					
Total Private Services	237.9	243.8	264.7	283.5	275.5	279.5	150.0	163.6	180.5	204.7	201.6	205.2
Unaffiliated.....	185.9	188.9	202.1	216.6	206.1	203.1	125.2	135.2	144.0	162.9	157.8	157.2
Affiliated.....	52.0	54.9	62.6	66.9	69.4	76.4	24.8	28.4	36.6	41.8	43.9	48.0
Travel ¹	73.4	71.3	74.8	82.4	71.9	66.5	52.1	56.5	59.0	64.7	60.2	58.0
Unaffiliated.....	73.4	71.3	74.8	82.4	71.9	66.5	52.1	56.5	59.0	64.7	60.2	58.0
Affiliated.....												
Passenger fares ²	20.9	20.1	19.8	20.7	17.9	17.0	18.1	20.0	21.3	24.3	22.6	20.0
Unaffiliated.....	20.9	20.1	19.8	20.7	17.9	17.0	18.1	20.0	21.3	24.3	22.6	20.0
Affiliated.....												
Other transportation	27.0	25.6	26.9	29.8	28.4	29.2	29.0	30.4	34.1	41.4	38.7	38.5
Unaffiliated.....	26.6	25.2	26.4	29.3	27.8	28.5	28.6	30.0	33.7	41.0	38.2	38.0
Affiliated.....	0.4	0.4	0.5	0.5	0.6	0.7	0.4	0.4	0.4	0.4	0.5	0.5
Royalties and license fees	33.2	35.6	39.7	43.2	41.1	44.1	9.2	11.2	13.1	16.5	16.7	19.3
Unaffiliated.....	8.8	9.3	10.4	12.8	12.1	11.9	2.4	2.7	2.7	3.9	3.4	4.1
Affiliated.....	24.5	26.3	29.3	30.5	29.0	32.2	6.7	8.5	10.4	12.5	13.3	15.1
Other private services	83.3	91.2	103.5	107.4	116.1	122.6	41.7	45.5	53.0	57.8	63.4	69.4
Unaffiliated.....	56.2	63.0	70.7	71.5	76.4	79.1	24.0	26.1	27.2	29.0	33.3	37.1
Affiliated.....	27.1	28.2	32.8	35.9	39.8	43.5	17.6	19.4	25.8	28.8	30.1	32.4
Education ³	8.3	9.0	9.6	10.3	11.5	12.8	1.4	1.6	1.8	2.0	2.3	2.5
Unaffiliated.....	8.3	9.0	9.6	10.3	11.5	12.8	1.4	1.6	1.8	2.0	2.3	2.5
Affiliated.....												
Financial services	12.5	14.0	17.4	19.3	19.4	19.9	6.2	7.7	9.3	11.7	11.0	9.3
Unaffiliated.....	10.2	11.3	13.4	15.5	15.2	15.9	3.3	3.6	3.4	4.6	4.0	3.7
Affiliated.....	2.3	2.7	4.0	3.8	4.2	4.0	2.8	4.2	5.9	7.1	7.0	5.6
Insurance services ⁴	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unaffiliated.....	1.4	2.1	2.1	2.5	2.4	2.8	4.0	5.3	6.4	7.6	11.6	15.3
Affiliated.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Telecommunications ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unaffiliated.....	3.9	5.6	4.5	3.9	4.5	4.1	8.3	7.7	6.6	5.4	4.8	4.2
Affiliated.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Business, professional, and technical services	44.0	45.6	54.1	55.2	61.9	65.4	21.2	22.7	28.3	30.5	33.1	37.5
Unaffiliated.....	21.5	22.7	27.7	25.3	28.6	28.8	6.4	7.4	8.4	8.8	10.0	10.7
Affiliated.....	22.4	23.0	26.4	29.9	33.3	36.6	14.8	15.3	19.8	21.7	23.1	26.8
Computer and information services ⁶	5.1	5.0	6.6	6.8	6.7	6.9	1.6	1.9	4.5	4.2	4.5	4.2
Unaffiliated.....	3.5	3.7	5.4	5.6	5.5	5.4	0.8	1.1	1.5	1.6	1.7	1.3
Affiliated.....	1.6	1.3	1.2	1.2	1.2	1.5	0.8	0.9	3.0	2.6	2.8	2.9
Management and consulting services	n.a.	n.a.	n.a.	n.a.	4.0	3.7	n.a.	n.a.	n.a.	n.a.	2.4	3.8
Unaffiliated.....	1.6	1.9	1.8	1.7	2.1	1.7	0.7	0.9	0.8	0.7	0.8	1.2
Affiliated ⁷	n.a.	n.a.	n.a.	n.a.	1.9	2.0	n.a.	n.a.	n.a.	n.a.	1.6	2.6
Research and development and testing services	n.a.	n.a.	n.a.	n.a.	4.9	6.3	n.a.	n.a.	n.a.	n.a.	2.3	2.2
Unaffiliated.....	0.9	0.9	1.0	0.9	1.1	1.1	0.6	0.6	0.7	0.8	0.8	1.0
Affiliated ⁷	n.a.	n.a.	n.a.	n.a.	3.8	5.2	n.a.	n.a.	n.a.	n.a.	1.5	1.1
Operational leasing	3.6	4.0	4.9	5.2	5.8	5.9	1.1	1.1	1.2	1.2	1.2	1.0
Unaffiliated.....	2.0	2.4	2.7	3.1	3.7	3.6	0.2	0.2	0.2	0.2	0.2	0.2
Affiliated.....	1.5	1.7	2.3	2.1	2.1	2.3	0.9	1.0	1.1	1.0	1.0	0.8
Other business, professional, and technical services	32.8	33.8	39.7	40.6	40.5	42.5	17.3	18.1	21.0	23.5	22.7	26.3
Unaffiliated.....	13.5	13.8	16.8	14.0	16.3	17.0	4.2	4.6	5.2	5.5	6.5	7.0
Affiliated ⁸	19.3	20.0	22.9	26.6	24.3	25.5	13.1	13.5	15.8	18.0	16.2	19.3
Other services	13.2	14.8	15.8	16.1	16.4	17.6	0.6	0.5	0.7	0.6	0.6	0.7
Unaffiliated ⁹	10.8	12.3	13.4	13.9	14.2	14.7	0.6	0.5	0.6	0.6	0.6	0.7
Affiliated.....	2.4	2.5	2.4	2.2	2.3	2.9	(*)	(*)	0.1	(*)	(*)	(*)
Film and television tape rentals	5.9	7.1	8.1	8.6	8.9	9.8	0.2	0.1	0.2	0.1	0.1	0.2
Unaffiliated.....	3.5	4.6	5.6	6.4	6.7	6.9	0.2	0.1	0.1	0.1	0.1	0.1
Affiliated.....	2.4	2.5	2.4	2.2	2.3	2.9	(*)	(*)	0.1	(*)	(*)	(*)
Other	7.3	7.8	7.7	7.6	7.5	7.8	0.4	0.4	0.5	0.5	0.5	0.5
Unaffiliated.....	7.3	7.8	7.7	7.6	7.5	7.8	0.4	0.4	0.5	0.5	0.5	0.5
Affiliated.....												

n.a. Not available
* Less than \$50 million.

1. Travel consists of expenditures by individuals who travel to foreign countries and are, thus, transactions between unaffiliated parties.

2. Passenger fares consist of fares paid by residents of one country to airline and vessel operators (carriers) that reside in another country and are, thus, transactions between unaffiliated parties.

3. Education consists of expenditures for tuition and living expenses by students studying in foreign countries and are, thus, transactions between unaffiliated parties. Education excludes fees associated with educational and training services provided on a contract or fee basis; these transactions, which may be affiliated or unaffiliated, are included in "other business, professional, and technical services."

4. Most insurance services transactions are deemed to be unaffiliated, even when they are between affiliated companies, because the services are deemed to be provided to the policyholders who pay the insurance premiums and who are unaffiliated with both insurance companies. The only insurance services considered to be affiliated are primary insurance transactions between a U.S. company that is not an insurance company and an affiliated foreign insurance company, such as a captive foreign insurance affiliate. Data on affiliated trade in

insurance services are not separately available; they are included in affiliated "other business, professional, and technical services."

5. Transactions in basic telecommunications services are deemed to be unaffiliated, even when the services flow through affiliated channels, because they represent the distribution of revenues collected from unaffiliated customers. Other types of telecommunications services, such as value-added services, may flow through either affiliated or unaffiliated channels. For the latter, unaffiliated telecommunications transactions are included under "telecommunications"; data on affiliated transactions are not separately available and are included in affiliated "other business, professional, and technical services."

6. Includes computer and data processing services and database and other information services.

7. Prior to 2001, affiliated transactions in this service were included in "other business, professional, and technical services." Beginning in 2001, data on this service were separately identified.

8. This category includes affiliated insurance transactions and affiliated telecommunications transactions; see footnotes 4 and 5. Prior to 2001, this category also included affiliated management and consulting services and affiliated research and development and testing services.

9. For the services included in "other unaffiliated services," see table 1, footnote 6.

The country with the largest decrease and the country with the largest increase in travel to the United States are both in Latin America. Receipts from Argentina, which have decreased nearly 75 percent since 2000, fell sharply in 2002, reflecting the deteriorating economic conditions in the Argentine economy. Receipts from Mexico, however, increased in 2002. Nearly two-thirds of the travel receipts from Mexico represent visits in the border area, which are typically day trips.

Travel payments decreased 4 percent in 2002, to \$58.0 billion, following a 7-percent decrease in 2001. Despite improving economic conditions in the United States, travel activity was sluggish for most of the year because of concerns about travel in the wake of the terrorist attacks. Like foreign travel to the United States, U.S. travel overseas picked up toward the end of 2002, but it remained well below pre-September 11th levels.

Travel payments to almost all of the overseas countries decreased. Travel payments to both Canada and Mexico, however, increased. The number of U.S. residents traveling to Canada by air and by land both decreased slightly in 2002, but their average expenditures increased. Payments by U.S. residents traveling in the Mexican border area increased faster than payments to the rest of the country.

Passenger fares

Passenger fare receipts decreased 5 percent in 2002, to \$17.0 billion, following a 13-percent decrease in 2001. The decrease reflected the same factors that affected travel. These factors were partly offset by a small increase in the share of foreigners traveling on U.S. airlines rather than on foreign airlines. A falloff in receipts from Argentines traveling to the United States

Table F. Intrafirm Trade in Services, by Type, 1997–2002

[Billions of dollars]

	Total	Transportation ¹	Royalties and license fees ²	Other private services								
				Total ³	Business, professional, and technical services					Film and television tape rentals		
					Financial services	Computer and information services	Management and consulting services	Research and development and testing services	Operational leasing		Other business, professional, and technical services ⁴	
Receipts												
Total transactions:												
1997	52.0	0.4	24.5	27.1	2.3	1.6	(⁵)	(⁶)	1.5	19.3	2.4	
1998	54.9	0.4	26.3	28.2	2.7	1.3	(⁵)	(⁶)	1.7	20.0	2.5	
1999	62.6	0.5	29.3	32.8	4.0	1.2	(⁵)	(⁶)	2.3	22.9	2.4	
2000	66.9	0.5	30.5	35.9	3.8	1.2	(⁵)	(⁶)	2.1	26.6	2.2	
2001	69.4	0.6	29.0	39.8	4.2	1.2	1.9	3.8	2.1	24.3	2.3	
2002	76.4	0.7	32.2	43.5	4.0	1.5	2.0	5.2	2.3	25.5	2.9	
U.S. parents' transactions:												
1997	40.8	0.4	23.1	17.3	1.4	1.4	(⁵)	(⁶)	1.2	10.9	2.4	
1998	42.9	0.4	24.4	18.1	1.8	1.3	(⁵)	(⁶)	1.4	11.2	2.5	
1999	50.3	0.5	27.6	22.2	2.5	1.1	(⁵)	(⁶)	1.9	14.3	2.4	
2000	51.9	0.5	28.3	23.1	2.8	1.1	(⁵)	(⁶)	1.8	15.2	2.2	
2001	52.4	0.6	27.0	24.8	3.4	1.1	1.2	1.2	1.8	13.8	2.2	
2002	54.9	0.7	29.1	25.2	3.0	1.3	1.3	1.2	1.9	13.7	2.9	
U.S. affiliates' transactions:												
1997	11.2	(*)	1.4	9.8	0.9	0.2	(⁵)	(⁶)	0.3	8.4	(*)	
1998	12.0	(*)	2.0	10.0	0.9	(*)	(⁵)	(⁶)	0.3	8.8	(*)	
1999	12.3	(*)	1.7	10.6	1.5	0.1	(⁵)	(⁶)	0.4	8.6	(*)	
2000	15.0	(*)	2.2	12.8	1.0	0.1	(⁵)	(⁶)	0.3	11.4	(*)	
2001	17.0	(*)	2.0	15.0	0.8	0.1	0.7	2.6	0.3	10.4	(*)	
2002	21.5	(*)	3.2	18.3	1.0	0.2	0.8	4.1	0.5	11.8	(*)	
Payments												
Total transactions:												
1997	24.8	0.4	6.7	17.6	2.8	0.8	(⁵)	(⁶)	0.9	13.1	(*)	
1998	28.4	0.4	8.5	19.4	4.2	0.9	(⁵)	(⁶)	1.0	13.5	(*)	
1999	36.6	0.4	10.4	25.8	5.9	3.0	(⁵)	(⁶)	1.1	15.8	0.1	
2000	41.8	0.4	12.5	28.8	7.1	2.6	(⁵)	(⁶)	1.0	18.0	(*)	
2001	43.9	0.5	13.3	30.1	7.0	2.8	1.6	1.5	1.0	16.2	(*)	
2002	48.0	0.5	15.1	32.4	5.6	2.9	2.6	1.1	0.8	19.3	(*)	
U.S. parents' transactions:												
1997	10.8	0.4	1.4	9.0	2.5	0.5	(⁵)	(⁶)	0.1	5.9	(*)	
1998	12.6	0.4	1.8	10.4	3.3	0.6	(⁵)	(⁶)	0.1	6.4	(*)	
1999	18.2	0.4	2.3	15.5	4.7	2.7	(⁵)	(⁶)	0.1	7.9	0.1	
2000	19.2	0.4	2.5	16.3	5.4	2.4	(⁵)	(⁶)	0.1	8.4	(*)	
2001	19.8	0.5	2.5	16.8	5.2	2.6	0.5	0.6	0.1	7.8	(*)	
2002	21.0	0.5	3.0	17.5	4.9	2.7	0.5	0.6	0.1	8.8	(*)	
U.S. affiliates' transactions:												
1997	14.0	(*)	5.4	8.6	0.3	0.3	(⁵)	(⁶)	0.8	7.2	(*)	
1998	15.8	(*)	6.8	9.0	0.9	0.3	(⁵)	(⁶)	0.9	7.0	(*)	
1999	18.4	(*)	8.1	10.3	1.2	0.2	(⁵)	(⁶)	1.0	7.9	(*)	
2000	22.6	(*)	10.1	12.5	1.7	0.2	(⁵)	(⁶)	1.0	9.7	(*)	
2001	24.0	(*)	10.8	13.3	1.7	0.2	1.1	0.9	0.9	8.4	(*)	
2002	27.0	(*)	12.2	14.8	0.7	0.3	2.1	0.5	0.7	10.5	(*)	

* Less than \$50 million.

1. Included under "other transportation" in table 1.

2. Equal to "affiliated royalties and license fees" in table 1.

3. Equal to "affiliated other private services" in table 1.

4. Includes affiliated telecommunications and affiliated insurance transactions; see footnotes 4 and 5, table E.

5. Prior to 2001, management and consulting services were included in "other business, professional, and technical services." Beginning in 2001, data on management and consulting services were collected as a separate type of service.

6. Prior to 2001, research and development and testing services were included in "other business, professional, and technical services." Beginning in 2001, data on research and development and testing services were collected as a separate type of service.

on U.S. airlines accounted for more than half of the decrease.

Passenger fare payments decreased 12 percent, to \$20.0 billion, following a 7-percent decrease. Almost all of the decrease was accounted for by a falloff in payments for travel to Europe. The share of U.S. residents traveling on foreign airlines rather than on U.S. airlines was little changed.

Other transportation

Receipts for "other transportation" services increased 3 percent in 2002, to \$29.2 billion, following a 5-percent decrease in 2001. The increase was largely accounted for by a 5-percent increase in freight receipts. Port services receipts increased 1 percent, as a small increase in air port services was largely offset by a small decrease in ocean port services.

The increase in freight receipts reflected increases in air freight and "other freight" that were only partly offset by a small decrease in ocean freight. The increase in air freight was mostly attributable to higher freight rates. The increase in "other freight" was attributable to a pickup in receipts of U.S. firms for transporting goods by truck and for launching satellites for foreigners. Ocean freight fell slightly as tanker rates remained near record lows, U.S. tramp vessel revenues fell, and liner vessel revenues were unchanged. The volume of goods transported by U.S.-operated ocean carriers to Europe decreased.

Payments for "other transportation" services were virtually unchanged in 2002, at \$38.5 billion, following a 7-percent decrease in 2001. A small increase in freight services was offset by a decrease in port services.

Payments for air freight increased sharply, reflecting an increase in import volume. More than three-fourths of the increase resulted from higher air imports from Asia; a small part of the increase in air imports was due to a 10-day ocean port strike on the West coast of the United States toward the end of 2002. Despite the strike, import volume on liners was strong during the last half of the year. "Other freight" payments increased, reflecting a pickup in payments to Canadian carriers for transporting goods by truck in the United States. The increases in air and "other freight" more than offset a decrease in ocean freight.

The decrease in port services payments was attributable to a decrease in U.S. carriers' payments in foreign airports. The falloff in the number of U.S. air travelers led U.S. carriers to reduce the number of flights, resulting in lower expenditures abroad. Lower prices for jet fuel because of reduced demand also lowered U.S. carriers' expenditures in foreign ports.

Royalties and license fees

U.S. receipts of royalties and license fees increased 7 percent in 2002, to \$44.1 billion, following a 5-percent decrease in 2001. The increase was entirely accounted for by affiliated transactions; unaffiliated transactions fell slightly. A nearly 60-percent increase in U.S. affiliates receipts from their foreign parents was concentrated in the pharmaceuticals industry.

Unaffiliated receipts from the rights to use and to distribute general-use computer software, the largest category of royalty and license fee receipts, were nearly \$5.0 billion in 2002, falling slightly from their level in 2001. Additional receipts from software-licensing agreements stemmed from transactions through affiliated (intrafirm) channels, but the value of these receipts cannot be separately identified (see the box "Delivery of Computer Services to Foreign Markets").

Unaffiliated royalties and license fees receipts may have been dampened in recent years by the transfer of intellectual property (such as patents, trademarks, and copyrights) to foreign affiliates. Under this practice, the affiliate rather than the U.S. parent company collects the royalties and license fees from unaffiliated foreign persons on sales of the products associated with the intellectual property, and the portion of the total amount received that is transferred by the affiliate to the parent, either as royalties and license fees or as income, is recorded in the international accounts as affiliated transactions rather than as unaffiliated royalties and license fees.⁷ A variety of considerations may motivate these transactions. For example, intellectual property may be transferred to affiliates in countries with low taxes in order to reduce overall taxes, or it may be transferred in order to facilitate its adaptation to local markets, such as the adaptation of computer software to the local language and to the locally available hardware and operating systems.

Payments of royalties and license fees increased 15 percent in 2002, to \$19.3 billion, following a 1-percent increase in 2001. These payments have nearly quadrupled since 1993 and have been the fastest growing major category of services imports during this period. Most of the increase in 2002 was accounted for by payments by U.S. affiliates to their foreign parents, partly due to the entry of new affiliates. Payments by U.S.

7. The form and volume in which the royalty revenues of the foreign affiliate flow back to the U.S. parent company depend on the contractual arrangements governing the transfer. If the flows are in the form of royalties or license fees, they are recorded in affiliated royalties and license fees receipts. If they are in the form of income, they are recorded in direct investment income receipts. In either case, the flows are in the current account. Thus, these transfers may have reduced U.S. receipts of unaffiliated royalties and license fees, but the reduction may be offset by other receipts recorded elsewhere in the current account. In addition, these transfers may lead to increased sales through foreign affiliates.

companies to unaffiliated foreign companies also contributed to the increase. The increase in unaffiliated transactions was largely attributable to a jump in payments for the broadcasting and recording of live events, including payments to an international sports organization for rights to televise live sporting events.

Other private services

Receipts

Receipts for “other private services” increased 6 percent in 2002, to \$122.6 billion, following an 8-percent increase in 2001. Increases were widespread across most types of other private services (table E; for more detailed estimates, see tables 5–7 at the end of the article).

Education receipts. Receipts for education increased 11 percent in 2002, to \$12.8 billion, following an 11-percent increase in 2001. The number of foreign students studying in the United States increased 6 percent in both years, the largest percentage increases since 1980. In 2002, more than 580,000 foreign students studied in the United States. Roughly 45 percent of these students were graduate students, who accounted for nearly 15 percent of all the graduate students in the United States. The number of students from nearly every area of the world increased.

Financial services receipts. Financial services receipts increased 3 percent, to \$19.9 billion, in 2002, following a 1-percent increase in 2001. An increase in unaffiliated receipts was primarily attributable to an increase in brokerage commissions from securities transactions (table G). Brokerage commissions were higher as foreigners traded heavily in outstanding U.S. bonds; trading in stocks was up slightly. The increase in commissions was partly offset by a decrease in private placement and underwriting services, as foreigners reduced their new issues of both stocks and bonds in the United States. Management and advisory services decreased slightly; an increase in management services was offset by a decrease in financial advisory services that was due to the slow pace of merger and acquisition activity. Credit card and other credit-related services increased slightly, as gains in credit card services more than offset decreases in “other credit-related services.” “Other financial services” increased mostly because of a gain in electronic funds transfer services. Transactions between affiliated parties decreased 5 percent in 2002. The decrease resulted from a falloff in transactions between U.S. parent companies and their foreign affiliates.

Insurance services receipts. Insurance services receipts increased 18 percent, to \$2.8 billion in 2002, fol-

Delivery of Computer Services to Foreign Markets

For computer-related services, as well as for many other types of services, the means of delivery is further divided within the two major channels of cross-border trade and sales through affiliates. As a result, the total value of these services is scattered across several categories in the tables for cross-border trade and for sales by affiliates.

Cross-border exports to unaffiliated foreigners of “computer and data processing services” and “database and other information services” are shown in table 1 under “business, professional, and technical services.”¹ Computer-related services that are delivered to foreign markets through cross-border software-licensing agreements are shown under “royalties and license fees.”² Exports through agreements with unaffiliated foreigners are shown in table 4 in the column “general-use software.” Exports through agreements with affiliated foreigners (intrafirm trade) are included in affiliated royalty and license fee transactions in table 1, but their value cannot be identified. Intrafirm exports of computer and information services, which consists of computer and

data processing services and of database and other information services, are shown in tables E and F.

The wages of U.S. residents who provide computer services to nonresidents is included in “compensation receipts” (line 17, table 1) of the U.S. international transactions accounts (ITAs), but their value cannot be identified. Compensation, which covers earnings of U.S. individuals who are employees of nonresident firms and the earnings of certain independent individuals who provide services to nonresidents, is classified in “income” in the ITAs rather than in services trade. If the U.S. individual goes abroad to provide these services, the length of stay must be less than 1 year; otherwise, the individual is considered a foreign resident.

Sales of computer-related services through foreign affiliates exceeded cross-border exports of these services in 2001, the most recent year for which comparable data are available, reflecting the advantages of a local presence when delivering these services to foreign customers (table 9.2). The available data on sales through affiliates are classified by primary industry of the affiliate rather than by type of service; thus, computer-related services may be sold not only through foreign affiliates in the computer services industry but also by affiliates in several other industries, particularly machinery manufacturing and wholesale trade.

1. For detailed estimates of the exports of these services to numerous countries and areas, see table 7.

2. Receipts and payments for general-use software that is packaged and physically shipped to or from the United States are included in trade in goods. The value of software that is preinstalled on computer equipment and peripherals is captured in the value of this hardware and thus also included in trade in goods.

lowing a 4-percent decrease in 2001. Insurance services are measured as total premiums minus the portion of premiums attributable to expected or “normal” losses.⁸ (Premiums are reported by insurance companies to BEA, and the portion of premiums attributable to normal losses is estimated by BEA on the basis of the relationship between actual losses and premiums earned averaged over several years.⁹) In percentage terms, normal losses paid increased more strongly than premiums received in 2002 (48 percent and 40 percent, respectively), but in dollar terms, premiums increased more strongly, resulting in the increase in the estimate of services.

Telecommunications services receipts. Receipts for telecommunications services decreased 9 percent in 2002, to \$4.1 billion, following a 16-percent increase in 2001. Reductions in calling rates continued to reduce the value of basic message telephone services. In addition, alternative channels of telecommunications that enable companies to obtain enhanced services have resulted in lower demand for basic message telephone services. The share of telecommunications services receipts that is attributable to message telephone and other basic telecommunications services has decreased since 1996, as transactions associated with privately leased channel services, value-added services (such as videoconferencing and broadband access services), and support services have surged (see table I in the appendix to this article).

Business, professional, and technical services receipts. Business, professional, and technical (BPT) services receipts increased 6 percent, to \$65.4 billion in 2002, following a 12-percent decrease in 2001. The three largest BPT services categories—“other BPT” services; computer and information services; and research and development (R&D) and testing services—

account for more than four-fifths of BPT receipts (table E). Receipts for computer and information services, which changed little in 2000-2001, increased in 2002, as an increase in affiliated services more than offset a decrease in unaffiliated services. These services may be delivered to foreign markets in several different ways (see the box “Delivery of Computer Services to Foreign Markets”). R&D services increased about 30 percent. “Other BPT” services—which increased 5 percent, to \$35.6 billion—continued to account for most BPT receipts in 2002. This category consists of allocated expenses (which represent charges by parent companies on their operating units for overhead and support activities except those related to R&D services and to management and consulting) and professional and technical services, such as public relations, advertising, and legal services.

Film and television tape rentals receipts. Film and television tape rentals receipts increased 10 percent, to \$9.8 billion, following a 3-percent increase. These services cover receipts for the rights to display, reproduce, and distribute U.S. motion pictures and television programming abroad.

Payments

Payments for “other private services” increased 10 percent in 2002, to \$69.4 billion, following a 10-percent increase in 2001. The increase in 2002 was mostly accounted for by a large increase in insurance services (table E; for more detailed estimates, see tables 5–7 at the end of the article).

Education payments. Education payments increased 9 percent in 2002, to \$2.5 billion, following a 12-percent increase in 2001. Roughly 90 percent of U.S. students studying abroad attend semester-long or shorter term programs. About 40 percent of the U.S. students studying abroad attend educational institutions in three countries—the United Kingdom, Italy, and Spain.

Financial services payments. Financial services payments decreased 15 percent, to \$9.3 billion, in

8. Insurance services also include auxiliary insurance services, such as agents’ commissions, actuarial services, insurance brokering and agency services, and salvage administration services.

9. For a detailed description of the new methodology, see Christopher L. Bach, “Annual Revision of the U.S. International Accounts, 1992–2002,” SURVEY 83 (July 2003): 35–37.

Table G. Unaffiliated Financial Services Transactions, 1994–2002

[Millions of dollars]

	1994	1995	1996	1997	1998	1999	2000	2001	2002
RECEIPTS									
Total	5,763	7,029	8,229	10,243	11,327	13,410	15,522	15,228	15,859
Securities transactions ¹	2,527	3,253	3,917	4,715	4,690	4,833	5,458	5,117	5,789
Management and advisory ²	1,479	1,665	1,886	2,553	3,219	4,687	6,209	5,599	5,405
Credit card and other credit-related.....	1,093	1,423	1,472	1,839	2,030	1,959	2,122	2,310	2,334
Other ³	664	688	954	1,136	1,388	1,931	1,733	2,202	2,331
PAYMENTS									
Total	1,654	2,472	2,907	3,347	3,590	3,418	4,564	4,049	3,665
Securities transactions ¹	956	1,506	1,654	1,943	1,949	1,748	2,403	1,942	1,444
Management and advisory ²	327	348	401	406	545	627	673	471	478
Credit card and other credit-related.....	204	327	372	390	403	407	431	579	643
Other ³	167	291	480	608	693	636	1,057	1,057	1,100

1. Includes brokerage, underwriting, and private placement services.

2. Includes financial management, financial advisory, and custody services.

3. Includes securities lending, electronic funds transfer, and other financial services.

2002, following a 6-percent decrease in 2001. A decrease in unaffiliated transactions in 2002 was attributable to a decrease in brokerage commissions from securities transactions (table G). Private placement and underwriting services decreased sharply because of a significant slowdown in new issues of U.S. stocks and bonds abroad. Securities brokerage commissions changed little. Financial management and advisory services increased slightly. Credit card and other credit-related services increased because of gains in credit card services. Financial services transactions between affiliated parties decreased 20 percent; most of the decrease resulted from transactions between U.S. affiliates and their foreign parents.

Insurance services payments. Insurance services payments increased 32 percent, to \$15.3 billion, in 2002 after increasing 53-percent increase in 2001.¹⁰ The increase in premiums paid reflected substantially higher rates, as foreign reinsurers sought to recoup past losses (including investment losses) and to ensure that they maintained adequate reserves based on their assessments of the current risk environment. Rates for property-casualty policies in major metropolitan areas surged; the increased rates partly reflected the additional costs associated with specialty policies and coverage, including protection against terrorism-related losses.

Telecommunications services payments. Payments for telecommunications services decreased 12 percent in 2002, to \$4.2 billion, after decreasing by the same percentage in 2001. Like receipts, payments were also driven down by reductions in calling rates, and the reduction more than offset an increase in the volume of calls. The share of telecommunications services that is attributable to basic telecommunications services is much higher for telecommunications receipts than for payments because foreign companies provide relatively little value added, support, and other types of nonmessage services to U.S. residents (table I in the appendix to this article).

Business, professional, and technical services payments. Business, professional, and technical (BPT) services payments increased 13 percent, to \$37.5 billion, following a 9-percent increase. The largest share of BPT services activities are accounted for by "other BPT" services, which consists of allocated expenses (which represent charges by parent companies on their operating units for overhead and support activities ex-

cept those related to R&D services and to management and consulting) and professional and technical services, such as public relations, advertising, and legal services. The increase in "other BPT" services in 2002 was largely attributable to payments by U.S. affiliates to their foreign parents (table F).

Film and television tape rentals payments. Film and television tape rentals payments doubled to \$0.2 billion in 2002. However, payments for these rentals remained much smaller than receipts for these rentals, reflecting the smaller U.S. audience for foreign films and television programming, compared with the large foreign audience for U.S. films and television programming.

Sales Through Affiliates in 2001

In 2001, the latest year for which data are available, worldwide sales (the combined sales to foreign and U.S. persons) of services by U.S. multinational companies through their nonbank, majority-owned foreign affiliates were \$456.1 billion, up 5 percent from 2000. Worldwide sales of services by foreign multinational companies through their nonbank, majority-owned U.S. affiliates were \$394.5 billion, up 6 percent (table H).¹¹

11. In this section, sales of services are defined as sales that are typically associated with selected industry groups, which are listed in the note to table H.

Table H. Sales of Services by U.S. MNCs Through Their Nonbank MOFAs and by Foreign MNCs Through Their Nonbank MOUSAs, 2000-2001

[Millions of dollars]

	2000	2001
Sales through MOFAs		
Total	432,769	456,085
To affiliated persons.....	41,775	56,969
To unaffiliated persons.....	390,994	399,116
To U.S. persons	19,299	23,906
To U.S. parents	13,864	19,784
To unaffiliated U.S. persons.....	5,435	4,122
To foreign persons	413,470	432,179
To other foreign affiliates	27,911	37,185
To unaffiliated foreign persons.....	385,559	394,994
Local sales	372,342	381,578
To other foreign affiliates	11,764	13,197
To unaffiliated foreigners	360,578	368,381
Sales to other countries.....	41,128	50,601
To other foreign affiliates	16,147	23,988
To unaffiliated foreigners	24,981	26,613
Sales through MOUSAs		
Total	372,036	394,521
To U.S. persons	344,389	366,896
To foreign persons	27,647	27,624
To the foreign parent group.....	10,647	11,001
To foreign affiliates.....	785	636
To other foreigners.....	16,215	15,987

NOTE: Depository institutions are excluded because data are not available.

In this table, sales of services through affiliates are those typical of establishments in the following industries derived from the North American Industry Classification System: Utilities; transportation and warehousing; information; finance and insurance; real estate and rental and leasing; professional, scientific, and technical services; management of companies and enterprises; administrative and support, waste management, and remediation services; educational services; health care and social assistance; arts, entertainment, and recreation; accommodation and food services; support activities for agriculture and forestry; support activities for oil and gas operations; support activities for mining; and other services.

MNC Multinational company
MOFA Majority-owned foreign affiliate
MOUSA Majority-owned U.S. affiliate

10. As noted earlier, insurance services are measured as total premiums on primary insurance and reinsurance minus the portion of premiums attributable to expected or "normal" losses. Insurance services also include auxiliary insurance services, such as agents' commissions, actuarial services, insurance brokering and agency services, and salvage administration services.

Sales by affiliates—of both goods and services—are predominantly local transactions. In 2001, 84 percent of worldwide sales of services by foreign affiliates of U.S. companies were local sales—that is, transactions with parties located in the same country as the affiliate; the corresponding share for goods was 61 percent. Services' larger share reflects the importance of proximity to the customer in the delivery of services. Partly reflecting the large U.S. market, local sales accounted for 93 percent of sales of services by U.S. affiliates of foreign companies and for an estimated 91 percent of sales of goods.¹²

Sales of services to foreign persons by nonbank foreign affiliates (that is, their local sales plus their sales to other foreign countries) and sales of services to U.S. persons by nonbank U.S. affiliates (that is, their local sales) both represent services delivered to international markets through the channel of direct investment. These sales are presented by country of foreign affiliate or by country of the U.S. affiliates' ultimate beneficial owner (UBO) for 1994–2001 in table 8.¹³ Tables 9.1 and 9.2 present sales by primary industry of the foreign affiliate cross-classified by country in 2000 and 2001. Tables 10.1 and 10.2 present sales by primary industry of the U.S. affiliate cross-classified by country of UBO in 2000 and 2001.

Foreign affiliates' sales to foreign persons

In 2001, sales of services to foreign customers by nonbank, majority-owned foreign affiliates of U.S. companies were \$432.2 billion. By area, affiliates in Europe accounted for 54 percent of the total sales, followed by affiliates in Asia and Pacific (20 percent), Latin America and Other Western Hemisphere (13 percent), and Canada (12 percent). By country, the United Kingdom accounted for the largest share of sales, followed by Canada, Japan, and Germany.

By industry sector, sales of services were largest in finance (except depository institutions) and insurance; in utilities; in professional, scientific, and technical services; and in information. In nonbank finance and insurance, affiliates in insurance accounted for the majority of sales. In professional, scientific, and technical services, the largest sales were by affiliates in com-

puter systems design and related services, followed by affiliates in architectural, engineering, and related services and in management, scientific, and technical consulting.¹⁴ In information, the largest sales were by affiliates in broadcasting and telecommunications (primarily telecommunications), followed by affiliates in information services and data processing services and in publishing industries.

Sales of services abroad by foreign affiliates increased 5 percent in 2001 after increasing 17 percent in 2000. Growth in sales slowed in 2001 because of slow economic growth in many of the countries that are important markets for sales of services abroad, including the United Kingdom, Canada, Japan, and Germany. In addition, growth in sales of services from 1998 to 2000 had been stimulated by exceptionally high levels of cross-border mergers and acquisitions. However, this period ended after 2000. As a result, in 2001, there were fewer newly acquired businesses to fuel the growth in sales of services.

By region, affiliates in Europe had the largest increase in sales, followed by those in Latin America and Other Western Hemisphere. Within Europe, the United Kingdom, the Netherlands, and Germany accounted for most of the increase. In the United Kingdom, affiliates in utilities accounted for the largest share of the increase, followed by affiliates in finance (except depository institutions) and insurance and in information. In utilities, the increase was largely attributable to sales by newly acquired utility companies and to growth in sales by energy traders. In nonbank finance and insurance, the increase was largely the result of increased sales by existing affiliates in securities, commodity contracts, and other intermediation and related activities; in information, the increase largely resulted from increased sales by affiliates in information and data processing services. In the Netherlands, the increase was largely in utilities and was entirely attributable to increased sales by energy traders. In Germany, the increase was largely in nonbank finance and insurance and was due to growth in sales by finance affiliates, mostly those associated with manufacturing firms. In Latin America and Other Western Hemisphere, the increase in sales was mainly accounted for by newly acquired Mexican affiliates in nonbank finance and insurance and newly acquired utilities in several Latin American countries. In Asia and Pacific and in the Middle East, sales of services fell. In Asia

12. Because the data on sales of goods by U.S. affiliates are not disaggregated by destination, the local and foreign shares have been estimated from the data on exports of goods shipped by affiliates. In 2001, these exports represented 9 percent of total sales of goods by these affiliates.

13. The UBO of a U.S. affiliate is that person (in the broad legal sense, including a company), proceeding up the affiliate's ownership chain beginning with the foreign parent, that is not owned more than 50 percent by another person. The UBO ultimately owns or controls the affiliate and derives the benefits associated with ownership or control. Unlike the foreign parent, the UBO of a U.S. affiliate may be located in the United States.

14. Computer-related services are also likely to have been sold by affiliates classified in other industries, especially those in computers and electronic products manufacturing and in wholesale trade of professional and commercial equipment and supplies. See the box "Delivery of Computer Services to Foreign Markets" on page 68.

and Pacific, the decrease was spread across many industries. In the Middle East, the decrease was largely in information and reflected the completion of a few large contracts.

By industry sector, the largest increases were in utilities, in finance (except depository institutions) and insurance, and in information. In utilities, the increase was attributable to new acquisitions and to the increased sales of energy traders in Europe. In nonbank finance and insurance, the increase was due to new acquisitions in Mexico and to increased sales by affiliates in Germany and the United Kingdom. In information, the increase reflected increased sales by affiliates in information services in the United Kingdom and by affiliates in software publishing in Japan.

U.S. affiliates' sales in the United States

In 2001, sales of services to U.S. customers by nonbank majority-owned U.S. affiliates of foreign companies

were \$366.9 billion. By area of the affiliates' ultimate beneficial owner (UBO), Europe accounted for the largest share of total sales (68 percent), followed by Canada (13 percent), Asia and Pacific (11 percent), and Latin America and Other Western Hemisphere (7 percent). By country of UBO, the United Kingdom accounted for the largest share of sales, followed by Canada, the Netherlands, France, and Germany.

By industry sector, the largest sales were in finance (except depository institutions) and insurance, followed by information and by professional, scientific, and technical services. Insurance accounted for most of the sales in nonbank finance and insurance. In information, the largest sales were in broadcasting and telecommunications (primarily telecommunications), followed by publishing. In professional, scientific, and technical services, the largest sales were in advertising.

U.S. affiliates' sales of services in the United States increased 7 percent in 2001 after increasing 17 percent

Types of Cross-Border Services: Coverage and Definitions

The estimates of cross-border transactions cover both affiliated and unaffiliated transactions between U.S. residents and foreign residents. Affiliated transactions consist of intrafirm trade within multinational companies—specifically, the trade between U.S. parent companies and their foreign affiliates and between U.S. affiliates and their foreign parent groups. Unaffiliated transactions are with foreigners that neither own, nor are owned by, the U.S. party to the transaction.

Cross-border trade in private services is classified into the same five, broad categories that are used in the U.S. international transactions accounts—travel, passenger fares, “other transportation,” royalties and license fees, and “other private services.”

Travel. The travel accounts cover purchases of goods and services by U.S. persons traveling abroad and by foreign travelers in the United States for business or personal reasons. These goods and services include food, lodging, recreation, gifts, entertainment, and other items incidental to a foreign visit. Expenditures for local transportation in the country of travel are also covered. U.S. travel transactions with both Canada and Mexico include border transactions, such as day trips for shopping and sightseeing.

A “traveler” is a person who stays less than a year in a country and is not a resident of that country. Diplomats and military and civilian government personnel are not classified as travelers regardless of their length of stay; their expenditures are included in other international transactions accounts. Students' educational expenditures and living expenses and medical patients' expenditures are included in “other private services.”

Passenger fares. The passenger fare accounts cover fares paid by residents of one country to airline and vessel operators (carriers) that reside in another country. Receipts consist of fares received by U.S. air carriers from

foreign residents for travel between the United States and foreign countries and between two foreign points and by U.S. vessel operators for travel on cruise vessels. Payments consist of fares paid by U.S. residents to foreign air carriers for travel between the United States and foreign countries and to foreign vessel operators for travel on cruise vessels.

“Other transportation.” The “other transportation” accounts cover U.S. international transactions arising from the transportation of goods by ocean, air, land (truck and rail), pipeline, and inland waterway carriers to and from the United States and between two foreign points. The accounts cover freight charges for transporting exports and imports of goods and expenses that transportation companies incur in U.S. and foreign ports. Freight charges cover the receipts of U.S. carriers for transporting U.S. exports of goods, for transporting goods between two foreign points, and the payments to foreign carriers for transporting U.S. imports of goods. (Freight insurance on goods exports and imports is included in insurance in the “other private services” accounts.)

Port services receipts consist of the value of the goods and services purchased by foreign carriers in U.S. ports. Port services payments consist of the value of goods and services purchased by U.S. carriers in foreign ports.

Royalties and license fees. The royalties and license fees accounts cover transactions with nonresidents that involve patented and unpatented techniques, processes, formulas, and other intangible assets and proprietary rights used in the production of goods; transactions involving trademarks, copyrights, franchises, broadcast rights, and other intangible rights; and the rights to distribute, use, and reproduce general-use computer software.

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in 2000. Weak U.S. economic growth coincided with the end of the period of exceptionally high levels of cross-border mergers and acquisitions that had contributed to the growth in sales of services by U.S. affiliates from 1998 to 2000. New direct investments by foreign multinational companies decreased significantly in 2001, falling 56 percent from the record level established in 2000.¹⁵ However, despite the decrease in cross-border merger and acquisition activity, the increase in sales of services in 2001 was mostly attributable to the acquisitions that did occur.

15. According to data from BEA's survey of new foreign direct investment in the United States (FDIUS), outlays to acquire or establish U.S. businesses were \$147.1 billion in 2001, down from \$335.6 billion in 2000; see Thomas W. Anderson, "Foreign Direct Investment in the United States: New Investment in 2002," *SURVEY* 83 (June 2003): 55–62. These data cover only transactions involving U.S. businesses newly acquired or established by foreign direct investors. For additional information about FDIUS, including transactions involving both new and existing U.S. affiliates, see Zeile, "Operations in 2001" and Maria Borgia and Daniel R. Yorgason, "Direct Investment Positions in 2001: Country and Industry Detail," *SURVEY* 82 (July 2002): 21–31. (These articles contain preliminary data for 2001; for the direct investment position, revised data for 2001 were published in Maria Borgia, "Direct Investment Positions in 2002: Country and Industry Detail," *SURVEY* 83 (July 2003): 22–31.)

The largest increase in affiliates' sales of services was by affiliates with UBO's in Europe. Within Europe, the largest increases were by French and Dutch affiliates. For France, the largest increases were by affiliates in the motion picture and sound recording industry and in the food services and drinking places industry. The increased sales of services by affiliates in these industries resulted from acquisitions, some of which were of existing U.S. affiliates owned by investors in other countries. Consequently, a portion of the increase in sales of services by French-owned affiliates was offset by decreases in the sales of services by affiliates from the countries of the former foreign parents. For the Netherlands, the increase was more than accounted for by increased sales by nonlife insurance carriers, mainly due to acquisitions. The second largest increase in sales of services was by affiliates with UBO's in Latin America and Other Western Hemisphere, largely due to affiliates in management, scientific, and technical consulting with UBO's in Bermuda. These affiliates resulted from inversions in ownership for U.S. companies that had previously been headquartered in the

Types of Cross-Border Services: Coverage and Definitions—*continued*

"Other private services." These accounts consist of other affiliated and unaffiliated services. The unaffiliated services consist of six major categories: Education; financial services; insurance; telecommunications; business, professional, and technical services; and "other unaffiliated services."

Education receipts consist of expenditures for tuition and living expenses by foreign students enrolled in U.S. colleges and universities. Payments consist of tuition and living expenses of U.S. students for study abroad. Education excludes fees associated with distance-learning technologies and educational and training services provided on a contract or fee basis; these transactions are included in training services under business, professional, and technical services.

Financial services cover a variety of services that include funds management, credit card services, explicit fees and commissions on transactions in securities, fees on credit-related activities, and other financial services. Implicit fees paid and received on bond trading are also covered.

Insurance consists of the portion of premiums earned or incurred for primary insurance and for reinsurance that is for the provision of services. It therefore excludes the portion of premiums earned or incurred that is for the payment of expected or "normal" losses. It also includes auxiliary insurance services, such as agents' commissions, actuarial services, insurance brokering and agency services, and salvage administration services. Primary insurance mainly consists of life insurance and property and casualty insurance, and each type may be reinsured.¹

Telecommunications consists of receipts and payments between U.S. and foreign communications companies for the transmission of messages between the United States and other countries; channel leasing; telex, telegram, and other jointly provided basic services; value-added services, such as electronic mail, video conferencing, and online access services (including Internet backbone services, router services, and broadband access services); and telecommunications support services.

Business, professional, and technical services cover a variety of services, such as legal services, accounting services, and advertising services (see the list in table 1).

"Other unaffiliated services" receipts consist mainly of expenditures (other than employee compensation) by foreign Governments in the United States for services such as maintaining their embassies and consulates; non-compensation-related expenditures by international organizations—such as the United Nations, the International Monetary Fund, and the World Bank—that are headquartered in the United States; expenditures of foreign residents employed temporarily in the United States; and receipts from unaffiliated foreigners for the display, reproduction, or distribution of motion pictures and television programs. Payments consist primarily of payments by U.S. distributors to unaffiliated foreign residents for the display, reproduction, or distribution of foreign motion pictures and television programs.

1. Reinsurance is the ceding of a portion of a premium to another insurer who then assumes a corresponding portion of the risk. Reinsurance is one way of providing coverage for events with so high a degree of risk or liability that a single insurer is unwilling or unable to underwrite insurance against their occurrence.

United States or that had been units of U.S.-headquartered companies.¹⁶ Elsewhere in Latin America and Other Western Hemisphere, the acquisitions of new affiliates providing support activities for mining operations boosted the sales of services. Sales of services by affiliates with UBO's in Asia and Pacific fell; the decrease was more than accounted for by Japanese-owned affiliates and was due to reduced sales by existing affiliates in computers and electronics manufacturing and in motor vehicle wholesaling. Sales of services by Canadian-owned affiliates fell because of the selloffs of affiliates in the information sector.

By industry sector, the largest increase in sales of services by U.S. affiliates was by affiliates in professional, scientific, and technical services, followed by those in utilities, in the accommodation and food services industry, and in finance (except depository institutions) and insurance. The increase in professional, scientific, and technical services was due to the entry of new affiliates, including those created by corporate inversions. For utilities, accommodation and food services, and nonbank finance and insurance, the increases were largely the result of acquisitions.

Appendix: Improvements to BEA's Estimates of U.S. International Services, 1990–2003

In this appendix, the improvements to BEA's estimates of U.S. international services since 1990 are summarized. The improvements are shown in the year in which they were made. The discussion identifies how far back each of the improvements resulting from new estimation methods or reclassification was carried. Improvements resulting from the expanded coverage of BEA's surveys, with the exception of the 1994 and 1999 benchmark surveys of financial services transactions (see below), begin the year that the survey was conducted.

1990

Services were redefined to exclude investment income. This improvement was carried back to the estimates for 1960.

1992

Trade in services between affiliated enterprises began to be recorded on a gross basis. The adoption of a

methodology for recording these transactions on a gross basis was implemented both for royalties and license fees and for transactions recorded in the "other private services" account. This improvement was carried back to the estimates for 1982. Previously, services transactions between U.S. parent companies and their foreign affiliates had been netted and recorded under services exports, and similar transactions between U.S. affiliates of foreign companies and their foreign parents had been netted and recorded under services imports. This treatment obscured the two-way flow of intrafirm services trade, and as a result, total exports and imports of services were understated.

Using better source data improved the coverage and accuracy of the travel, passenger fares, and transportation accounts. Partner-country data began to be used in developing estimates of travel transactions with Mexico. New estimates of U.S. international cruise transactions, of interline settlements between U.S. airlines and foreign airlines, and of U.S. rail carriers' revenues for transporting foreign-owned goods shipped through the United States from one foreign destination to another were introduced. These improvements, except for the improvement to rail travel, were carried back to the estimates for 1984; the improvement to rail travel was carried back to the estimates for 1986.

The results of the second benchmark survey of Selected Services Transactions with Unaffiliated Foreign Persons for 1991 were presented. The previous benchmark survey covered transactions in 1986. The once-every-5-year benchmark survey primarily covers business, professional, and technical services. It provides a more detailed breakdown of certain types of services than is available from BEA's annual surveys. The coverage of the benchmark survey was expanded by introducing a new exemption criterion and by adding several new types of services, including "miscellaneous disbursements" (such as outlays to fund news-gathering costs of broadcasters and disbursements to fund production costs of motion pictures companies).

Royalties and license fees and "other private services" began to be recorded *before* the deduction of withheld nonresident taxes. Previously, these transactions were recorded *after* the deduction of withheld taxes. These improvements were carried back to the estimates for 1982.

1994

Monthly estimates of U.S. international services transactions were introduced in a joint news release with the Bureau of Census on "U.S. International Trade in Goods and Services." The release, which replaced a Census Bureau release on trade in goods, responded to the increased emphasis on services by economic ana-

16. A corporate inversion occurs when a U.S. corporation forms a corporation, typically in a foreign low- or no-tax country and simultaneously "inverts" the corporate chain of ownership, so that the new foreign corporation becomes the parent company and the U.S.-based company becomes its affiliate. While the U.S. affiliate in an inverted corporate structure is owned by a foreign parent company, that company, in turn, generally is largely or wholly owned by U.S. persons—namely, the U.S. affiliate's former stockholders.

lysts and policymakers and the need for more timely measures of services activity. It provided a few highly aggregated series on services, which were mainly estimated by indicator series.

In addition, a new measure of expenditures of foreign embassies and consular offices in the United States was introduced. This improvement was carried back to the estimates for 1993.

1995

Estimates of freight charges for the transportation of goods by truck between the United States and Canada were introduced. The addition of these charges recognized the following: The impact of deregulation in the 1980s that opened truck transportation in the United States and Canada to each other's carriers; the growing importance of the transportation of goods by truck as the volume of United States-Canadian trade expanded; and the encouragement of commerce between the United States and Canada due to the United States-Canada Free Trade Agreement (1989) and the North American Free Trade Agreement (1993). This improvement was carried back to the estimates for 1986.

1996

More accurate and complete estimates of transactions in financial services were introduced, based on BEA's first (1994) Benchmark Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons. The estimates replaced partial estimates that had been prepared by indirect methods. The results from this benchmark survey were used to revise BEA's estimates back to 1992. Less comprehensive annual surveys of financial services were begun to provide coverage between benchmark years.

1997

The results of the third Benchmark Survey of Selected Services Transactions With Unaffiliated Foreign Persons were released. The survey, which covered 1996, provided data that filled in gaps in several new, growing, and volatile services categories, mainly in business, professional, and technical services.

Estimates of affiliated royalties and license fees and affiliated "other private services" were revised to incorporate the results of the 1992 Benchmark Survey of Foreign Direct Investment in the United States.

Several improvements to the transportation estimates were made by incorporating newly available source data. Census Bureau data on freight charges for the transportation of goods by truck between the United States and Canada replaced the BEA projections that had previously been used to estimate truck

receipts and payments. In addition, estimates of foreign-operated ocean carriers' expenses in U.S. ports were revised to reflect newly available data—from a BEA survey of ocean transportation—on the types of expenses incurred in U.S. ports by foreign ocean carriers. These improvements were carried back to the estimates for 1992.

The preliminary results of the annual surveys of financial services for 1995 and 1996 were incorporated into the estimates of financial services. The incorporation of these data updated results from the first benchmark survey of financial services with unaffiliated foreigners for 1994.

1998

Computer software royalties and license fees were reclassified to royalties and license fees from "other private services" in order to better reflect the nature of these transactions as involving intangible assets and to combine them with similar transactions. This improvement was carried back to the estimates for 1992.

"Operational leasing of transportation equipment without crew" was reclassified from the transportation accounts to "other private services." This reclassification consolidated most types of operational leasing into one account, and it is consistent with international guidelines. The reclassification reflected the availability of improved source data—from BEA's surveys of selected services—on leasing of other types of equipment. This improvement was carried back to the estimates for 1986.

New detail on intrafirm trade in services that identified some of the types of services traded within multinational firms was published. This detail was first collected in the 1994 benchmark survey of U.S. direct investment abroad and was presented in the publication of the final results of that survey. An annual series was introduced in the 1998 article on U.S. international sales and purchases of services. (Similar data for U.S. affiliates were first collected on the 1997 benchmark survey of foreign direct investment in the United States.)

1999

Compensation of employees, which was previously included indistinguishably in services, was reclassified to the income account to achieve consistency with international guidelines. This improvement was carried back to the estimates for 1986.

Improved estimates of medical services provided to foreign residents at U.S. hospitals were introduced. The new estimates used both an improved methodology and newly available source data. This improvement was carried back to the estimates for 1997.

Estimates of U.S. residents' expenditures while traveling overseas were revised to incorporate the results of a one-time survey covering 1998. The results of the survey, which was completed by U.S. residents after they returned, were compared with the results of the International Trade Administration's in-flight survey, which BEA uses to estimate U.S. travelers' expenditures and which is completed by travelers when they departed. BEA used the data from the one-time survey to develop adjustment factors that can be applied to the in-flight survey data.

2000

Improved estimates were introduced for several items, including noncompensation expenditures by foreign embassies and consulates and by international organizations in the United States, and expenditures of temporary nonagricultural workers in the United States. These improvements were carried back to the estimates for 1986.

Estimates of financial services were revised to incorporate the results from the 1999 benchmark survey of financial services transactions. The results from this survey were used to revise BEA's estimates back to 1997.

2001

Estimates of intrafirm trade in services for U.S. affiliates of foreign companies were presented for the first time, and a new table for intrafirm trade in services by type that better integrated these data with the international transactions accounts was introduced.

Estimates of affiliated royalties and license fees and affiliated other private services were revised to incorporate the results of the 1997 Benchmark Survey of Foreign Direct Investment in the United States.

2002

"Other private services" receipts and payments were revised to incorporate the results from BEA's benchmark survey of selected services transactions with unaffiliated foreigners for 2001. The survey was also updated to cover services that are becoming increasingly important in the global market; for example, telecommunications "value-added services" was updated to include a specific reference to broadband access services, and "other business, professional, and technical services" was updated to include auction services and waste treatment services.

2003

BEA implemented a new method to measure insurance

services. Insurance services were previously measured as premiums less actual losses paid or recovered. A major shortcoming of the previous measure is that losses can fluctuate from period to period in a way that bears little relation to the services provided. Using the new method, the services are measured as premiums less expected, or "normal," losses; normal losses are inferred from the relationship between actual losses and premiums averaged over several years. This improvement was carried back to the estimates for 1992. In addition, auxiliary insurance services were reclassified from business, professional, and technical services to insurance.

The results of the 2001 Benchmark Survey of Selected Services Transactions With Unaffiliated Foreign Persons were released.

Table I. Detail Collected in the 1996 and 2001 Benchmark Survey of Selected Services Transactions With Unaffiliated Foreign Persons
[Billions of dollars]

	1996	2001 ¹
U.S. receipts		
Agricultural services	(*)	0.1
Computer and data processing services	1.6	3.2
Data entry, processing, and tabulation	0.3	0.8
Systems analysis, design, engineering, and custom programming	0.6	1.8
Integrated hardware/software systems	0.3	0.3
Other	0.4	0.4
Data base and other information services	1.2	2.2
Business and economic data base services	0.3	0.4
Medical, legal, technical, demographic, bibliographic, and similar data base services	0.1	(D)
General news services	(*)	0.1
Other	0.7	(D)
Employment agencies and temporary help services	0.1	0.1
Mailing, reproduction, and commercial art	(*)	(*)
Management of health care facilities	(*)	(*)
Miscellaneous Disbursements	0.3	0.2
Disbursements to fund production costs of motion pictures	*	*
All other disbursements ¹	0.3	0.2
Telecommunications	3.3	4.5
Message telephone services	2.6	2.5
Private leased channel services	0.4	(D)
Telex, telegram, and other jointly-provided (basic) services	(*)	0.1
Value added services	(*)	0.7
Support services	0.2	(D)
U.S. payments		
Agricultural services	(*)	(*)
Employment agencies and temporary help services	(*)	(*)
Mailing, reproduction, and commercial art	(*)	(*)
Management of health care facilities	(*)	(*)
Miscellaneous Disbursements	0.8	1.4
Disbursements to fund production costs of motion pictures	0.2	0.5
All other disbursements ¹	0.6	0.9
Telecommunications	8.3	4.8
Message telephone services	8.2	4.2
Private leased channel services	(*)	0.2
Telex, telegram, and other jointly-provided (basic) services	(*)	(D)
Value added services	(*)	0.2
Support services	(*)	(D)

¹ Revised

* Less than \$50 million.

D Suppressed to avoid disclosure of data of individual companies.

1. Consists of disbursements to fund news-gathering costs of broadcasters and print media and production costs of broadcast program material other than news; disbursements to fund production costs of motion pictures; disbursements to maintain government tourism and business promotion office; and disbursements for sales promotion and representation. Payments also include disbursements to participate in foreign trade shows.

NOTE: Details may not add to totals because of rounding.

Data Sources

The estimates in this article are primarily based on data from the surveys conducted by the Bureau of Economic Analysis (BEA). However, the estimates for some services are based on data from a variety of other sources, including the U.S. Customs Service, surveys conducted by other Federal Government agencies, private sources, and partner countries.

BEA conducts 11 surveys of cross-border trade with unaffiliated foreigners—that is, with foreigners that neither own nor are owned by the U.S. party to the transaction. These surveys cover six broad categories of services: (1) Selected services (mainly miscellaneous business, professional, and technical services), (2) construction, engineering, architectural, and mining services, (3) insurance, (4) financial services, (5) royalties and license fees, and (6) transportation. Each of these categories is covered by a separate survey or by a group of surveys.

More detailed information on these surveys is available in *U.S. International Transactions in Private Services: A Guide to the Surveys Conducted by the Bureau of Economic Analysis*. The *Guide* presents general information about the classification, definition, and release schedules of all the surveys, and it provides details on the items covered on each survey, the frequency of the surveys, the numbers of respondents, and the methods used to prepare the estimates. The *Guide* is available on BEA's Web site at <www.bea.gov>, or by e-mail at <internationalaccounts@bea.gov>. For further information, call 202-606-9853.

The data on intrafirm trade in services and on sales by majority-owned affiliates are collected in BEA's surveys of U.S. direct investment abroad and of foreign direct

investment in the United States. For the methodologies for these surveys, see *Foreign Direct Investment in the United States: Final Results From the 1997 Benchmark Survey* (Washington, DC: U.S. Government Printing Office, 2001) and *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results* (Washington, DC: U.S. Government Printing Office, 1998). (The final results of the 1999 benchmark survey of U.S. direct investment abroad, including an updated methodology, is scheduled to be published in the coming months.) For additional information on the methodology used to prepare the estimates of both affiliated and unaffiliated cross-border trade, see *The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures* (Washington DC: U.S. Government Printing Office, 1990).

For detailed information on the changes in the methodology that have been made since 1990, see the section "Technical Notes" in the quarterly articles on the U.S. international transactions in the June 1990 and 1991 issues of the SURVEY OF CURRENT BUSINESS, the section "Revised Estimates for 1976-91" in the June 1992 issue, and the annual articles on the revised estimates of U.S. international transactions in the June 1993-95 issues and in the July 1996-2002 issues. The changes in methodology since 1990 are summarized in the appendix to this article "Improvements to BEA's Estimates of U.S. International Services, 1990-2003" on page 74.

These methodologies and the SURVEY articles for July 1996-2002 are also available on BEA's Web site at <www.bea.gov/bea/pubs.htm>.

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Table 1. Private Services Trade by Type, 1992–2002

[Millions of dollars]

	Exports										
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total private services	163,596	171,079	186,089	203,060	221,390	237,877	243,811	264,695	283,484	275,498	279,495
Travel	54,742	57,875	58,417	63,395	69,809	73,426	71,325	74,801	82,400	71,893	66,547
Overseas.....	40,864	45,298	47,299	54,331	59,905	63,041	61,262	63,947	70,050	59,978	54,772
Canada.....	8,182	7,458	6,252	6,207	6,900	6,945	6,245	6,740	7,188	6,595	6,268
Mexico.....	5,696	5,119	4,866	2,857	3,004	3,440	3,818	4,114	5,162	5,320	5,507
Passenger fares	16,618	16,528	16,997	18,909	20,422	20,868	20,098	19,785	20,687	17,926	17,046
Other transportation	21,531	21,958	23,754	26,081	26,074	27,006	25,604	26,916	29,803	28,442	29,166
Freight.....	8,441	8,594	9,575	11,273	11,146	11,789	11,048	11,560	12,547	11,731	12,330
Port services.....	13,088	13,364	14,180	14,809	14,929	15,217	14,557	15,356	17,256	16,711	16,836
Royalties and license fees	20,841	21,695	26,712	30,289	32,470	33,228	35,626	39,670	43,233	41,098	44,142
Affiliated.....	15,659	15,688	20,275	22,859	24,556	24,465	26,313	29,275	30,479	29,023	32,218
U.S. parents' transactions.....	14,925	14,936	19,250	21,399	22,719	23,091	24,362	27,575	28,255	27,030	29,066
U.S. affiliates' transactions.....	733	752	1,025	1,460	1,837	1,374	1,951	1,700	2,224	1,993	3,152
Unaffiliated.....	5,183	6,007	6,437	7,430	7,914	8,763	9,314	10,395	12,754	12,075	11,924
Industrial processes.....	2,525	2,820	3,026	3,513	3,566	3,544	3,499	3,900	4,662	4,226	3,900
Other.....	2,657	3,187	3,411	3,917	4,348	5,219	5,815	6,496	8,093	7,849	8,024
Other private services	49,864	53,023	60,209	64,386	72,615	83,349	91,158	103,523	107,361	116,139	122,594
Affiliated services.....	16,823	16,813	19,825	20,483	22,931	27,107	28,176	32,809	35,857	39,760	43,500
U.S. parents' transactions.....	10,479	10,902	13,313	13,033	14,118	17,288	18,135	22,222	23,107	24,759	25,194
U.S. affiliates' transactions.....	6,344	5,911	6,512	7,450	8,813	9,819	10,041	10,587	12,750	15,001	18,306
Unaffiliated services.....	33,040	36,205	40,384	43,903	49,684	56,242	62,982	70,714	71,504	76,379	79,094
Education.....	6,186	6,738	7,174	7,515	7,887	8,346	9,036	9,616	10,348	11,478	12,759
Financial services.....	4,034	4,999	5,763	7,029	8,229	10,243	11,327	13,410	15,522	15,228	15,859
Insurance services.....	588	506	408	588	926	1,367	2,065	2,083	2,486	2,399	2,839
Telecommunications.....	2,885	2,785	2,865	3,228	3,301	3,918	5,570	4,549	3,883	4,504	4,137
Business, professional, and technical services.....	11,722	12,958	15,330	16,078	19,466	21,547	22,676	27,700	25,318	28,611	28,799
Accounting, auditing, and bookkeeping services.....	164	164	132	181	222	316	412	294	366	389	360
Advertising.....	315	338	487	425	543	607	445	481	496	526	633
Agricultural, mining, and on-site processing services.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	573	591	306	378	366
Agricultural and mining services ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	573	591	306	353	346
Waste treatment and depollution services.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25	20
Architectural, engineering, and other technical services.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,541	2,620	1,459	2,078	1,916
Computer and data processing services.....	778	986	1,306	1,340	1,617	2,011	1,941	3,312	3,262	3,217	3,004
Construction, architectural, engineering, and mining services ²	1,935	2,407	2,474	2,550	3,553	3,503	n.a.	n.a.	n.a.	n.a.	n.a.
Construction.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	793	2,643	673	552	654
Data base and other information services.....	641	694	1,026	1,078	1,158	1,479	1,764	2,131	2,360	2,241	2,426
Industrial engineering.....	212	268	575	726	870	1,186	1,271	1,865	673	731	749
Installation, maintenance, and repair of equipment.....	2,744	2,978	3,497	3,218	3,648	3,369	3,189	3,491	4,249	4,939	4,992
Legal services.....	1,358	1,442	1,617	1,667	1,943	2,223	2,406	2,465	3,103	3,309	3,270
Management, consulting, and public relations services.....	728	826	1,134	1,489	1,460	1,632	1,888	1,832	1,670	2,085	1,696
Medical services.....	708	750	794	856	1,005	1,113	1,204	1,353	1,501	1,676	1,901
Miscellaneous disbursements ³	97	222	222	251	333	144	148	109	151	194	623
Operational leasing.....	854	834	925	978	1,482	2,012	2,367	2,671	3,086	3,723	3,573
Research, development, and testing services.....	611	464	522	638	681	893	867	994	910	1,065	1,086
Sports and performing arts.....	43	77	86	116	149	149	99	131	141	176	175
Trade-related services ⁴	n.a.	n.a.	n.a.	n.a.	175	166	183	188	98	375	353
Training services.....	320	319	388	421	388	447	396	389	433	477	591
Other business, professional and technical services ⁵	217	191	143	147	240	297	190	143	381	480	430
Other unaffiliated services ⁶	7,625	8,220	8,845	9,465	9,874	10,821	12,312	13,357	13,948	14,160	14,700

See footnotes at end of table.

Table 1. Private Services Trade by Type, 1992–2002—Continued

[Millions of dollars]

	Imports										
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total private services	102,014	107,808	118,344	126,754	136,885	149,966	163,565	180,531	204,665	201,615	205,234
Travel	38,552	40,713	43,782	44,916	48,078	52,051	56,483	58,963	64,705	60,200	58,044
Overseas.....	29,838	31,859	34,534	35,281	37,436	40,667	44,395	46,925	51,775	47,144	44,494
Canada.....	3,554	3,692	3,914	4,319	4,670	4,904	5,692	6,233	6,284	6,345	6,489
Mexico.....	5,160	5,162	5,334	5,316	5,972	6,480	6,396	5,805	6,646	6,711	7,061
Passenger fares	10,603	11,410	13,062	14,663	15,809	18,138	19,971	21,315	24,274	22,633	19,969
Other transportation	23,767	24,524	26,019	27,034	27,403	28,959	30,363	34,139	41,425	38,682	38,527
Freight.....	13,571	14,518	16,006	16,455	16,539	17,654	19,412	22,218	27,388	25,736	25,973
Port services.....	10,197	10,005	10,013	10,579	10,864	11,305	10,950	11,925	14,037	12,946	12,554
Royalties and license fees	5,161	5,032	5,852	6,919	7,837	9,161	11,235	13,107	16,468	16,713	19,258
Affiliated.....	3,396	3,386	3,933	5,256	5,406	6,749	8,547	10,374	12,536	13,310	15,132
U.S. parents' transactions.....	189	234	420	583	761	1,379	1,782	2,310	2,469	2,541	2,958
U.S. affiliates' transactions.....	3,207	3,152	3,513	4,673	4,645	5,370	6,765	8,064	10,067	10,769	12,174
Unaffiliated.....	1,766	1,646	1,919	1,663	2,431	2,412	2,688	2,733	3,932	3,403	4,126
Industrial processes.....	818	1,054	1,034	948	1,319	1,417	1,319	1,568	1,692	1,796	1,935
Other.....	948	592	884	714	1,112	995	1,369	1,164	2,241	1,607	2,192
Other private services	23,931	26,129	29,629	33,222	37,758	41,657	45,513	53,007	57,793	63,387	69,436
Affiliated services.....	9,640	10,677	12,451	13,634	15,548	17,625	19,437	25,790	28,776	30,053	32,367
U.S. parents' transactions.....	5,355	5,721	6,538	6,861	7,084	9,012	10,415	15,480	16,267	16,774	17,529
U.S. affiliates' transactions.....	4,285	4,956	5,913	6,773	8,464	8,613	9,022	10,310	12,509	13,279	14,838
Unaffiliated services.....	14,286	15,448	17,178	19,588	22,210	24,032	26,076	27,217	29,017	33,334	37,069
Education.....	767	857	972	1,125	1,253	1,396	1,587	1,807	2,034	2,269	2,466
Financial services.....	986	1,371	1,654	2,472	2,907	3,347	3,590	3,418	4,564	4,049	3,665
Insurance services.....	2,885	2,886	3,210	3,272	3,600	3,983	5,298	6,366	7,598	11,613	15,348
Telecommunications.....	6,052	6,365	6,928	7,305	8,290	8,346	7,682	6,601	5,428	4,756	4,180
Business, professional, and technical services.....	3,102	3,504	3,869	4,822	5,547	6,407	7,392	8,449	8,769	10,034	10,732
Accounting, auditing, and bookkeeping services.....	104	103	130	170	218	279	403	592	531	844	716
Advertising.....	450	646	728	833	971	773	912	881	909	1,183	1,360
Agricultural, mining, and on-site processing services.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	259	304	302	273
Agricultural and mining services ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	301	259	304	297
Waste treatment and depollution services.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5	14
Architectural, engineering, and other technical services.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	54	19	18	125	312
Computer and data processing services.....	71	101	83	126	276	636	917	1,323	1,452	1,419	1,057
Construction, architectural, engineering, and mining services ²	261	319	280	345	465	463	n.a.	n.a.	n.a.	n.a.	n.a.
Construction.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	208	237	184	169	226
Data base and other information services.....	72	110	141	160	146	128	152	171	179	250	236
Industrial engineering.....	112	142	100	160	197	211	206	262	241	192	185
Installation, maintenance, and repair of equipment.....	191	175	164	160	239	307	242	315	821	715	812
Legal services.....	311	321	383	469	615	539	655	742	893	762	768
Management, consulting, and public relations services.....	243	287	321	465	497	687	872	842	702	792	1,188
Medical services.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Miscellaneous disbursements ³	395	371	538	843	750	1,075	1,136	1,351	1,120	1,367	1,522
Operational leasing.....	337	356	401	407	325	189	175	173	188	207	190
Research, development, and testing services.....	225	239	294	364	379	564	637	749	787	826	1,040
Sports and performing arts.....	145	156	122	120	200	260	228	206	85	168	110
Trade-related services ⁴	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	52	95
Training services.....	101	101	137	145	140	153	168	162	205	393	361
Other business, professional and technical services ⁵	85	75	46	59	129	142	128	163	149	265	283
Other unaffiliated services ⁶	495	465	547	593	613	553	527	577	624	613	679

n.a. Not available

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. Prior to 1998, mining services are included in construction, architectural, engineering, and mining services, and agricultural services are included in other business, professional and technical services.

2. Beginning in 1998, the services that comprise this category are shown separately as agricultural and mining services; architectural, engineering, and other technical services; and construction services. Prior to 1998, agricultural services were included in other business, professional, and technical services.

3. Miscellaneous disbursements include transactions such as outlays to fund news-gathering costs of broadcasters and disbursements to fund production costs of motion pictures companies.

4. Trade-related services consist of auction services, Internet or online sales services, and services provided by independent sales agents. For exports, "merchandising" services are also included. The value of merchandising services equals

the difference between the cost and resale prices of goods that are purchased and resold abroad, without entering or leaving the United States and without undergoing significant processing between the time they are purchased and the time they are resold. Merchandising services are not recorded for U.S. imports; instead, the value of any services provided by foreign merchants in connection with U.S. imports is included indistinguishably in the value of the goods. Data on U.S. exports of merchandising services were collected beginning in 1996, and data on other trade-related services were collected beginning in 2001. In 2001 and 2002, merchandising services exports were \$129 million and \$106 million, respectively.

5. Other business, professional, and technical services consists of language translation services; security services; collection services; salvage services; satellite photography and remote sensing/satellite imagery services; transcription services; mailing, reproduction, and commercial art services; personnel supply services; and management of health care facilities services. Prior to 1998, this category also includes agricultural services.

6. Exports include mainly film and tape rentals and expenditures of foreign governments and international organizations in the United States. Imports include mainly expenditures of U.S. residents temporarily working abroad and film and tape rentals.

Table 2. Private Services Trade by Area and Country, 1992–2002

[Millions of dollars]

	Exports										
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
All countries	163,596	171,079	186,089	203,060	221,390	237,877	243,811	264,695	283,484	275,498	279,495
Canada	17,260	16,917	16,955	17,739	19,331	20,331	19,287	22,450	24,401	24,543	24,294
Europe	60,481	62,167	67,196	73,017	80,959	85,972	94,022	101,342	107,671	104,936	110,292
Belgium-Luxembourg	2,312	2,215	2,594	2,659	2,834	2,826	2,981	3,314	3,285	3,359	4,233
France	6,979	6,802	6,674	7,877	8,859	9,269	9,618	9,955	10,507	10,115	10,740
Germany ¹⁾	10,823	11,330	11,500	12,667	13,282	13,854	14,889	16,272	16,104	15,146	16,056
Italy	4,519	4,080	4,267	4,504	4,853	4,968	5,583	5,280	5,431	5,146	5,386
Netherlands	3,723	4,095	5,470	6,110	7,032	7,350	6,606	6,966	7,047	6,982	7,219
Norway	1,126	1,243	1,147	1,209	1,370	1,398	1,403	1,427	1,392	1,483	1,487
Spain	2,450	2,268	2,661	2,988	3,095	3,421	3,518	3,909	3,806	3,432	3,638
Sweden	1,761	1,737	1,741	1,886	2,461	2,378	2,577	2,361	3,479	3,206	3,223
Switzerland	2,881	2,996	3,692	3,895	4,347	4,337	4,961	4,989	5,978	6,524	6,750
United Kingdom	16,069	17,128	17,716	18,721	20,027	23,610	26,452	29,735	31,738	30,888	31,816
Other	8,738	8,270	9,562	10,352	12,798	12,561	15,433	17,133	18,888	18,649	19,744
Latin America and Other Western Hemisphere	26,611	28,912	32,359	32,821	35,486	42,106	46,512	50,608	54,258	54,364	52,304
South and Central America	23,121	25,077	27,779	27,506	29,708	34,978	38,322	39,648	42,508	41,671	38,505
Argentina	1,775	2,120	2,445	2,381	2,745	3,369	3,569	3,630	3,575	3,216	1,701
Brazil	2,499	2,943	3,731	4,992	5,205	6,405	6,617	5,639	6,285	6,235	4,977
Chile	612	770	1,147	977	1,172	1,421	1,355	1,543	1,427	1,283	1,155
Mexico	10,456	10,396	11,319	8,695	9,417	10,782	11,622	12,807	14,302	15,152	15,902
Venezuela	1,991	2,427	2,136	2,492	2,396	2,679	3,071	3,279	3,305	3,483	2,884
Other	5,805	6,445	7,016	7,987	8,769	10,326	12,094	12,752	13,615	12,304	11,886
Other Western Hemisphere	3,488	3,832	4,579	5,318	5,778	7,128	8,187	10,960	11,748	12,694	13,799
Bermuda	415	490	558	757	778	890	1,159	1,413	1,731	3,131	4,595
Other	3,071	3,342	4,022	4,561	5,000	6,239	7,027	9,546	10,016	9,562	9,203
Africa, Middle East, and Asia and Pacific	54,686	58,330	64,610	74,134	79,821	83,757	77,867	84,205	90,782	85,750	86,108
Africa	2,229	2,324	2,580	2,865	3,034	3,479	4,116	4,722	4,944	5,058	4,771
South Africa	462	493	624	797	841	1,002	1,066	1,316	1,423	1,285	1,130
Other	1,768	1,832	1,957	2,068	2,193	2,476	3,049	3,406	3,521	3,772	3,643
Middle East	3,992	4,144	5,046	5,778	6,669	6,841	7,448	7,785	6,890	6,921	6,369
Israel	921	1,106	1,482	1,631	1,895	1,925	2,054	2,260	2,413	2,371	2,263
Saudi Arabia	1,358	1,238	1,861	2,083	1,689	1,910	1,974	2,389	1,813	1,912	1,594
Other	1,712	1,800	1,701	2,064	3,087	3,004	3,418	3,136	2,664	2,638	2,511
Asia and Pacific	48,464	51,863	56,984	65,492	70,117	73,437	66,303	71,699	78,948	73,770	74,969
Australia	3,464	3,534	3,770	4,227	4,491	4,894	4,785	5,180	5,539	4,869	5,202
China	1,569	1,916	2,050	2,509	3,166	3,610	3,957	4,027	5,199	5,650	6,073
Hong Kong	2,255	2,351	2,790	2,979	3,323	3,626	3,462	3,529	3,766	3,496	3,382
India	1,092	1,137	1,224	1,316	1,494	1,595	1,879	2,039	2,534	3,006	3,273
Indonesia	770	892	874	1,153	1,413	1,789	1,474	1,486	1,113	1,005	1,021
Japan	25,399	26,596	28,713	33,029	33,274	33,731	29,687	30,810	33,147	30,053	29,688
Korea, Republic of	3,366	3,644	4,598	5,681	7,432	7,107	4,753	5,458	7,264	6,784	7,760
Malaysia	602	675	884	1,029	1,277	1,257	1,049	1,109	1,114	1,181	1,142
New Zealand	761	786	824	982	1,171	1,245	1,228	1,182	1,252	1,083	1,009
Philippines	967	1,240	1,181	1,055	1,233	1,499	1,319	1,652	1,609	1,605	1,514
Singapore	2,144	2,411	2,639	3,150	3,849	4,089	3,817	5,144	6,058	5,892	5,766
Taiwan	3,158	3,458	4,157	4,415	4,046	4,739	4,004	4,924	4,909	4,813	4,840
Thailand	748	1,013	1,014	1,183	1,213	1,238	1,160	1,134	1,171	1,075	1,139
Other	2,166	2,206	2,266	2,784	2,734	3,019	3,729	4,027	4,273	3,259	3,155
International organizations and unallocated	4,533	4,731	4,969	5,347	5,792	5,713	6,122	6,089	6,387	5,910	6,492
Addenda:											
European Union ²⁾	51,594	52,460	55,850	63,797	70,051	74,783	81,941	88,796	94,004	90,665	95,670
Eastern Europe ³⁾	1,162	1,674	2,183	2,583	3,277	3,387	3,718	3,713	3,710	4,023	4,110

See footnotes at end of table.

Table 2. Private Services Trade by Area and Country, 1992–2002—Continued

[Millions of dollars]

	Imports										
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
All countries	102,014	107,808	118,344	126,754	136,885	149,966	163,565	180,531	204,665	201,615	205,234
Canada	8,305	8,926	9,676	10,802	12,239	13,682	15,102	16,098	17,566	17,597	18,414
Europe	41,702	44,430	48,992	52,499	55,078	61,746	70,303	76,845	88,808	88,573	89,919
Belgium-Luxembourg	1,049	1,063	1,243	1,445	1,488	1,707	1,928	2,265	2,376	2,250	2,176
France	4,821	4,919	5,659	5,916	5,991	6,596	7,458	8,010	10,544	9,891	9,655
Germany ¹	6,677	6,854	7,121	7,397	7,702	8,041	9,299	10,102	12,264	12,555	14,703
Italy	3,171	3,131	3,408	3,720	3,522	3,690	4,088	4,707	5,036	5,197	4,615
Netherlands	2,468	2,219	2,619	3,179	3,161	3,569	4,327	4,663	5,591	6,193	6,037
Norway	1,040	1,404	1,179	1,153	1,280	1,290	783	861	918	1,324	1,067
Spain	1,281	1,078	1,134	1,105	1,297	1,455	1,873	2,188	2,559	2,278	2,338
Sweden	802	947	851	783	943	877	883	1,201	1,444	1,382	1,478
Switzerland	1,863	2,105	2,514	2,573	3,051	3,154	3,818	4,448	5,769	6,121	6,613
United Kingdom	11,727	13,519	14,653	15,860	16,841	20,949	23,329	25,927	27,642	26,658	26,587
Other	6,800	7,195	8,607	9,363	9,800	10,422	12,517	12,474	14,668	14,727	14,647
Latin America and Other Western Hemisphere	20,090	20,528	22,274	22,776	25,589	28,055	29,587	32,353	36,700	38,301	39,593
South and Central America	13,476	13,609	14,877	15,531	17,707	19,203	19,743	20,417	22,306	21,007	21,152
Argentina	458	469	575	575	782	873	863	901	974	749	593
Brazil	688	744	916	1,176	1,397	1,775	1,962	1,725	1,946	1,845	1,691
Chile	332	364	416	429	520	540	569	824	887	846	721
Mexico	7,275	7,413	7,849	7,942	8,921	9,836	9,815	9,480	10,998	10,543	11,066
Venezuela	635	715	763	703	768	713	739	720	609	658	454
Other	4,084	3,905	4,360	4,719	5,319	5,462	5,792	6,766	6,892	6,364	6,624
Other Western Hemisphere	6,614	6,916	7,397	7,243	7,881	8,852	9,844	11,936	14,393	17,295	18,440
Bermuda	1,345	1,354	1,488	1,461	1,669	2,189	3,147	4,482	5,564	8,660	10,261
Other	5,268	5,562	5,910	5,782	6,211	6,661	6,699	7,457	8,828	8,640	8,173
Africa, Middle East, and Asia and Pacific	29,214	31,989	35,523	38,588	41,738	44,618	46,222	53,209	57,663	53,778	53,764
Africa	1,479	1,537	1,919	1,955	2,387	2,555	2,540	2,634	2,767	2,897	2,546
South Africa	202	230	294	401	543	728	858	864	855	872	782
Other	1,279	1,307	1,623	1,554	1,844	1,830	1,684	1,767	1,912	2,024	1,764
Middle East	2,077	2,189	2,259	2,684	3,161	3,245	3,696	3,865	3,306	3,296	3,193
Israel	1,026	1,069	1,197	1,177	1,363	1,510	1,436	1,601	2,010	1,735	1,583
Saudi Arabia	349	351	319	572	451	590	872	890	499	559	527
Other	700	768	743	939	1,349	1,144	1,385	1,374	798	1,000	1,085
Asia and Pacific	25,659	28,263	31,345	33,949	36,190	38,818	39,985	46,711	51,590	47,585	48,024
Australia	2,222	2,152	1,900	2,111	2,553	2,637	2,949	3,303	3,479	3,654	2,936
China	1,054	1,306	1,476	1,683	1,937	2,225	2,302	2,683	3,257	3,654	4,136
Hong Kong	1,488	1,528	1,977	2,021	3,042	3,042	3,240	4,010	4,306	3,721	3,678
India	638	691	761	853	1,095	1,224	1,541	1,520	1,896	1,810	1,667
Indonesia	435	432	443	448	553	550	310	379	439	295	285
Japan	10,514	11,747	12,667	13,361	12,940	13,521	13,358	15,969	17,329	16,557	17,312
Korea, Republic of	2,048	2,354	2,802	3,583	4,123	4,541	4,161	4,302	4,617	4,034	4,334
Malaysia	265	301	357	454	458	535	374	382	386	526	498
New Zealand	526	538	568	602	656	689	937	1,104	1,154	1,354	914
Philippines	788	852	1,039	1,124	1,363	1,463	1,244	1,197	1,534	1,485	1,274
Singapore	746	948	1,164	1,240	1,823	2,105	1,858	2,352	2,356	1,893	2,070
Taiwan	1,973	2,378	2,653	2,859	2,709	3,369	2,910	3,465	4,219	4,447	5,013
Thailand	393	379	478	678	803	760	800	924	928	869	810
Other	2,569	2,656	3,059	2,938	2,136	2,156	3,994	5,125	5,679	3,287	3,095
International organizations and unallocated	2,701	1,935	1,881	2,090	2,246	1,860	2,353	2,024	3,927	3,363	3,545
Addenda:											
European Union ²	34,747	36,583	40,175	44,804	46,289	52,671	60,165	66,640	76,624	76,178	77,205
Eastern Europe ³	1,604	1,520	1,970	2,180	2,355	2,156	2,564	2,373	2,426	2,410	2,749

1. Prior to 1990, this line includes data only for the Federal Republic of Germany. Beginning in 1990, this line also includes the former German Democratic Republic.

2. The European Union comprises Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, United Kingdom, Austria, Finland, and Sweden. The last three countries joined the Union on

January 1, 1995. The estimates prior to 1995 do not reflect the addition of these three countries.

3. Eastern Europe comprises Albania, Armenia, Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Poland, Romania, Russia, Slovakia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

Table 4.1. Royalties and License Fees, 1999

[Millions of dollars]

	Receipts											
	Total	Affiliated			Unaffiliated							
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Industrial processes	Books, records and tapes	Broadcasting and recording of live events	Franchise fees	Trademarks	General use computer software	Other intangibles
All countries	39,670	29,275	27,575	1,700	10,395	3,900	385	273	458	1,123	3,702	552
Canada	2,225	1,833	1,793	40	391	118	28	17	48	48	133	0
Europe	19,961	15,930	14,883	1,047	4,031	1,418	220	163	150	331	1,731	16
Belgium-Luxembourg	798	(D)	(D)	5	(D)	102	3	3	2	3	(D)	(*)
France	2,273	1,776	1,752	24	498	226	28	39	(D)	24	163	(D)
Germany	3,086	2,170	1,957	213	915	297	47	21	23	23	503	1
Italy	1,010	706	692	14	304	117	21	13	12	28	112	1
Netherlands	1,900	1,755	1,646	109	145	45	10	7	4	9	69	0
Norway	133	94	92	3	38	2	3	2	5	2	22	1
Spain	593	426	426	1	167	18	18	15	10	55	52	0
Sweden	435	261	254	6	174	100	5	6	5	5	53	2
Switzerland	944	802	692	110	142	94	6	3	1	6	33	0
United Kingdom	3,647	2,784	2,294	490	863	216	56	39	41	61	446	4
Other	5,142	(D)	(D)	72	(D)	202	24	13	(D)	116	(D)	(D)
Latin America and Other Western Hemisphere	3,300	(D)	2,608	(D)	(D)	96	33	18	56	134	(D)	(D)
South and Central America	2,230	(D)	1,615	(D)	(D)	69	31	17	37	126	(D)	0
Argentina	252	201	196	6	50	8	4	3	3	20	13	0
Brazil	596	(D)	372	(D)	(D)	10	12	5	2	45	(D)	0
Chile	58	35	33	2	24	4	1	(*)	3	10	6	0
Mexico	935	802	750	52	133	36	8	7	11	20	50	0
Venezuela	150	112	109	3	38	6	3	1	3	10	15	0
Other	238	(D)	156	(D)	(D)	6	2	1	16	21	(D)	0
Other Western Hemisphere	1,070	(D)	993	(D)	(D)	27	2	1	19	7	(D)	(D)
Bermuda	118	(D)	(D)	0	(D)	22	(*)	1	(*)	1	(D)	(D)
Other	952	(D)	(D)	(D)	(D)	5	2	1	19	6	(D)	0
Africa	398	(D)	234	(D)	(D)	19	5	3	10	31	(D)	0
South Africa	272	(D)	158	(D)	(D)	16	5	3	4	(D)	43	0
Other	126	80	77	3	46	3	1	0	6	(D)	(D)	0
Middle East	248	85	81	4	163	50	9	2	38	15	48	0
Israel	111	36	36	(*)	75	16	5	1	8	9	35	0
Saudi Arabia	82	36	36	(*)	46	20	3	1	11	3	8	0
Other	55	13	9	4	41	14	1	(*)	19	3	5	0
Asia and Pacific	11,445	6,909	6,597	312	4,536	2,188	70	66	138	534	(D)	(D)
Australia	735	552	535	17	183	30	12	7	11	18	105	0
China	409	310	308	1	100	32	2	2	5	10	49	0
Hong Kong	326	264	259	5	62	12	4	1	13	11	22	0
India	67	21	21	1	46	17	1	(D)	4	1	(D)	0
Indonesia	55	25	25	0	30	21	(*)	(*)	5	1	2	0
Japan	6,024	3,452	3,251	201	2,572	1,161	38	29	33	448	(D)	(D)
Korea, Republic of	1,119	(D)	182	(D)	(D)	650	4	(D)	14	8	185	0
Malaysia	104	64	64	(*)	40	12	1	(*)	10	2	14	0
New Zealand	66	41	41	(*)	25	3	1	5	3	3	10	0
Philippines	103	72	71	1	31	7	2	1	7	11	4	0
Singapore	1,665	1,578	1,575	3	87	37	1	4	5	3	36	0
Taiwan	639	195	190	5	445	187	3	1	15	9	229	0
Thailand	112	72	68	5	40	16	(*)	5	8	5	4	0
Other	22	(D)	8	(D)	(D)	3	(*)	(*)	4	4	(D)	0
International organizations and unallocated	2,093	1,463	1,378	85	630	11	20	4	17	30	28	520
Addenda:												
European Union ¹	18,419	14,751	13,829	922	3,668	1,283	204	153	127	300	1,587	15
Eastern Europe ²	321	197	188	8	124	34	6	3	(D)	4	(D)	0

See footnotes at the end of the table.

Table 4.1. Royalties and License Fees, 1999—Continued

[Millions of dollars]

	Payments											
	Total	Affiliated			Unaffiliated							
		Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Industrial processes	Books, records and tapes	Broadcasting and recording of live events	Franchise fees	Trademarks	General use computer software	Other intangibles
All countries	13,107	10,374	2,310	8,064	2,733	1,568	187	101	7	229	517	124
Canada	558	373	113	260	185	136	25	8	(*)	6	10	(*)
Europe	7,392	5,843	1,013	4,829	1,549	766	136	67	6	107	466	1
Belgium-Luxembourg	235	(D)	29	(D)	(D)	31	1	(*)	0	1	(D)	0
France	930	(D)	(D)	397	(D)	(D)	5	(D)	0	5	(D)	0
Germany	1,263	1,050	26	1,024	213	148	4	1	0	19	41	(*)
Italy	94	75	30	45	19	6	2	(*)	0	6	4	0
Netherlands	834	(D)	(D)	358	(D)	37	3	(*)	0	9	(D)	0
Norway	26	14	1	13	11	9	2	0	0	(*)	(*)	0
Spain	29	(D)	21	(D)	(D)	4	4	(*)	(*)	1	(*)	0
Sweden	175	110	16	94	65	57	4	(*)	0	1	3	0
Switzerland	1,281	(D)	(D)	935	(D)	112	6	(D)	0	1	(D)	0
United Kingdom	1,755	1,355	152	1,202	400	147	102	40	0	53	58	1
Other	770	635	46	589	135	(D)	3	(*)	6	11	(D)	0
Latin America and Other Western Hemisphere	1,018	(D)	(D)	(D)	(D)	29	5	(D)	0	6	(D)	1
South and Central America	137	(D)	44	(D)	(D)	(D)	4	(D)	0	2	(D)	1
Argentina	13	11	3	8	3	1	0	0	0	2	0	0
Brazil	6	4	4	0	2	(*)	(*)	0	0	1	0	0
Chile	5	5	1	4	(*)	0	0	0	0	0	0	0
Mexico	91	76	24	52	15	7	2	(D)	0	(D)	0	1
Venezuela	8	6	1	4	2	1	1	(*)	0	(*)	0	0
Other	14	(D)	11	(D)	(D)	(D)	(*)	0	0	1	(*)	(*)
Other Western Hemisphere	880	(D)	(D)	(D)	(D)	(D)	1	(*)	0	4	0	0
Bermuda	836	(D)	(D)	2	(D)	(D)	0	0	0	0	0	0
Other	44	(D)	(D)	(D)	(D)	(D)	1	(*)	0	4	0	0
Africa	8	(D)	5	(D)	(D)	(*)	(*)	0	0	(*)	(D)	0
South Africa	6	(D)	4	(D)	(D)	(*)	0	0	0	0	0	0
Other	1	1	1	(*)	(*)	0	0	0	0	0	0	0
Middle East	22	1	1	(*)	21	14	(*)	0	(*)	(*)	5	1
Israel	20	1	1	(*)	19	14	(*)	0	0	0	5	0
Saudi Arabia	1	(*)	(*)	0	(*)	0	0	0	0	0	0	0
Other	1	(*)	(*)	0	1	0	0	0	0	0	0	1
Asia and Pacific	3,450	(D)	(D)	2,535	(D)	614	13	(D)	(*)	41	(D)	3
Australia	91	35	15	20	56	20	9	(D)	0	1	(D)	0
China	25	(D)	11	(D)	(D)	13	0	0	0	0	(D)	0
Hong Kong	22	16	14	1	7	2	2	(*)	0	0	1	1
India	2	1	1	0	1	1	1	(*)	0	0	(*)	(*)
Indonesia	1	1	1	(*)	0	0	0	0	0	0	0	0
Japan	3,131	2,522	92	2,430	609	550	1	(*)	0	39	18	0
Korea, Republic of	93	(D)	17	(D)	(D)	22	0	0	0	0	(D)	0
Malaysia	1	1	1	0	0	0	0	0	0	0	0	0
New Zealand	3	(*)	(*)	(*)	3	(*)	1	(*)	0	0	2	0
Philippines	9	8	8	0	1	1	1	(*)	0	0	0	0
Singapore	22	(D)	(D)	1	(D)	(*)	(*)	(*)	0	0	(D)	1
Taiwan	50	(D)	12	(D)	(D)	7	0	0	0	0	(D)	1
Thailand	1	1	1	0	(*)	0	0	0	0	0	(*)	(*)
Other	1	(*)	(*)	0	1	(*)	0	0	(*)	0	0	0
International organizations and unallocated	660	454	101	353	206	9	8	(*)	(*)	69	1	119
Addenda:												
European Union ¹	5,993	(D)	(D)	3,868	(D)	578	126	50	6	(D)	454	1
Eastern Europe ²	23	17	5	12	5	(*)	2	0	1	2	1	0

* Less than \$500,000

D Suppressed to avoid disclosure of data of individual companies.

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 4.2. Royalties and License Fees, 2000

[Millions of dollars]

	Receipts											
	Total	Affiliated			Unaffiliated							
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Industrial processes	Books, records and tapes	Broadcasting and recording of live events	Franchise fees	Trademarks	General use computer software	Other intangibles
All countries	43,233	30,479	28,255	2,224	12,754	4,662	489	201	573	1,353	4,787	689
Canada	2,802	2,114	2,062	51	689	153	47	22	71	81	314	(*)
Europe	20,264	15,660	14,249	1,412	4,604	1,445	279	(D)	198	390	2,189	(D)
Belgium-Luxembourg	803	614	610	4	189	127	5	1	4	5	47	(*)
France	2,167	1,652	1,612	40	516	153	39	11	12	32	263	6
Germany	3,148	2,059	1,859	200	1,090	373	53	8	30	23	603	(*)
Italy	999	670	660	10	329	106	26	3	15	49	130	0
Netherlands	1,439	1,242	1,137	106	197	54	15	(*)	5	13	110	(*)
Norway	157	(D)	78	(D)	(D)	2	2	1	6	5	39	(D)
Spain	535	339	339	1	195	14	(D)	(D)	14	56	79	(*)
Sweden	520	(D)	238	(D)	85	7	7	2	5	13	56	(D)
Switzerland	1,464	1,249	814	435	214	122	10	1	3	8	72	(*)
United Kingdom	3,579	2,641	2,263	378	938	156	71	24	60	74	553	(*)
Other	5,452	4,758	4,640	119	693	253	(D)	(D)	45	113	237	(*)
Latin America and Other Western Hemisphere	3,648	(D)	2,870	(D)	(D)	79	35	27	73	165	(D)	(*)
South and Central America	2,532	(D)	1,872	(D)	(D)	(D)	33	26	54	160	207	(*)
Argentina	274	214	211	3	60	7	8	1	4	21	20	0
Brazil	703	(D)	464	(D)	(D)	(D)	11	6	2	49	74	0
Chile	57	32	32	0	25	4	1	(*)	4	11	5	0
Mexico	1,083	908	897	11	174	17	9	16	24	32	76	(*)
Venezuela	189	(D)	114	(D)	(D)	(D)	2	2	4	14	17	(*)
Other	227	153	153	(*)	74	5	3	1	17	33	16	0
Other Western Hemisphere	1,115	(D)	998	(D)	(D)	(D)	2	1	19	5	(D)	(*)
Bermuda	66	(D)	(D)	(*)	(D)	(D)	(*)	0	(*)	0	(D)	(*)
Other	1,049	996	(D)	(D)	52	(D)	2	1	19	5	(D)	0
Africa	402	(D)	200	(D)	(D)	13	6	1	13	48	(D)	(*)
South Africa	243	(D)	127	(D)	(D)	7	5	1	5	(D)	45	(*)
Other	159	81	73	8	78	5	1	(*)	8	(D)	(D)	0
Middle East	308	89	87	2	218	80	10	4	48	27	49	(*)
Israel	140	46	46	(*)	94	29	4	4	11	19	27	0
Saudi Arabia	101	37	36	(*)	65	37	5	(*)	13	4	6	(*)
Other	67	7	5	2	60	14	2	0	24	4	17	0
Asia and Pacific	13,545	7,781	7,376	405	5,764	2,882	96	(D)	160	602	1,930	(D)
Australia	746	558	535	23	188	27	16	3	14	24	103	(*)
China	501	346	346	(*)	155	44	3	4	4	17	83	0
Hong Kong	396	302	300	2	94	11	5	(*)	15	18	45	(*)
India	81	23	20	3	58	23	1	4	3	5	22	0
Indonesia	57	24	24	0	33	15	1	1	6	3	9	0
Japan	6,622	3,273	2,942	331	3,349	1,611	48	(D)	41	469	1,126	(D)
Korea, Republic of	1,452	(D)	229	(D)	(D)	895	6	4	21	26	(D)	0
Malaysia	145	104	104	1	40	10	1	(*)	12	3	14	(*)
New Zealand	56	36	36	0	20	3	1	4	3	4	5	0
Philippines	100	61	61	0	39	7	1	1	7	14	9	(*)
Singapore	2,550	2,464	2,462	2	86	20	1	5	6	4	50	(*)
Taiwan	682	(D)	219	(D)	(D)	196	5	5	17	11	(D)	(*)
Thailand	139	89	89	0	50	16	6	6	8	5	9	0
Other	18	8	8	0	10	3	(*)	1	4	1	1	0
International organizations and unallocated ..	2,264	1,523	1,412	111	741	11	15	3	10	39	26	637
Addenda:												
European Union ¹	18,224	14,050	13,095	955	4,173	1,313	255	(D)	167	351	2,004	(D)
Eastern Europe ²	269	180	173	8	88	5	8	4	9	8	54	0

See footnotes at the end of the table.

Table 4.2. Royalties and License Fees, 2000—Continued

[Millions of dollars]

	Payments											
	Total	Affiliated			Unaffiliated							
		Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Industrial processes	Books, records and tapes	Broadcasting and recording of live events	Franchise fees	Trademarks	General use computer software	Other intangibles
All countries	16,468	12,536	2,469	10,067	3,932	1,692	279	649	4	433	540	336
Canada	978	(D)	(D)	328	(D)	116	30	(D)	0	12	17	(D)
Europe	8,673	(D)	(D)	5,915	(D)	907	204	86	3	(D)	482	(D)
Belgium-Luxembourg	238	188	21	167	50	29	1	(D)	(*)	(D)	1	0
France	1,093	580	75	505	514	133	9	(D)	(*)	(D)	2	(*)
Germany	1,642	1,331	27	1,304	311	210	11	(*)	(*)	30	59	0
Italy	83	40	12	29	42	12	7	(*)	0	(D)	0	0
Netherlands	1,068	(D)	(D)	605	(D)	33	4	(*)	0	3	3	(D)
Norway	32	(D)	1	(D)	(D)	5	(*)	0	(*)	0	1	0
Spain	28	22	19	3	6	4	1	0	0	1	0	0
Sweden	371	(D)	13	(D)	(D)	69	(D)	(*)	0	4	3	7
Switzerland	1,598	(D)	(D)	1,270	(D)	135	3	(D)	0	7	(D)	0
United Kingdom	1,514	(D)	(D)	966	(D)	162	141	27	(*)	24	(D)	3
Other	1,006	817	44	773	189	119	(D)	(D)	3	(D)	11	(D)
Latin America and Other Western Hemisphere	1,183	(D)	(D)	104	(D)	120	11	4	(*)	1	2	(D)
South and Central America	242	(D)	52	(D)	(D)	(D)	8	4	0	(*)	2	(D)
Argentina	28	(D)	7	(D)	(D)	(*)	1	0	0	(*)	0	(D)
Brazil	15	8	8	(*)	7	6	(*)	0	0	(*)	1	0
Chile	(D)	(D)	2	(D)	(D)	(D)	0	(*)	0	0	0	0
Mexico	93	69	25	44	23	14	5	3	0	0	0	1
Venezuela	11	(D)	2	(D)	8	6	1	(*)	0	0	0	0
Other	(D)	8	8	(*)	(D)	(D)	1	0	0	(*)	1	0
Other Western Hemisphere	941	(D)	(D)	(D)	(D)	(D)	4	0	(*)	1	(*)	(D)
Bermuda	856	(D)	(D)	2	(D)	1	0	0	0	0	0	(D)
Other	85	(D)	(D)	(D)	(D)	(D)	4	0	(*)	1	(*)	0
Africa	6	5	4	1	1	(*)	(*)	0	0	(*)	(*)	0
South Africa	2	2	2	(*)	(*)	0	0	0	0	(*)	(*)	0
Other	4	4	3	1	1	(*)	(*)	0	0	0	(*)	0
Middle East	34	2	2	1	31	26	(*)	(*)	0	1	3	1
Israel	29	1	1	1	27	23	(*)	(*)	0	1	3	0
Saudi Arabia	1	1	1	0	(*)	(*)	(*)	(*)	0	(*)	(*)	0
Other	4	0	0	0	4	3	0	0	0	0	(*)	1
Asia and Pacific	4,253	3,432	153	3,279	821	516	23	(D)	(*)	(D)	34	(D)
Australia	95	(D)	15	(D)	(D)	25	2	(D)	0	(D)	5	(*)
China	13	4	4	(*)	9	6	1	(*)	0	1	(*)	(*)
Hong Kong	20	16	8	8	4	2	1	(*)	0	0	0	0
India	2	1	1	0	1	(*)	0	0	0	(*)	0	0
Indonesia	3	2	2	(*)	1	0	0	0	0	0	0	0
Japan	3,954	3,253	63	3,190	702	460	3	(D)	0	(D)	16	0
Korea, Republic of	49	(D)	13	(D)	(D)	19	1	(D)	0	0	1	0
Malaysia	(D)	4	4	(*)	(D)	0	0	0	0	0	(*)	(D)
New Zealand	1	(*)	(*)	(*)	(*)	(*)	(*)	0	0	0	0	0
Philippines	4	4	4	(*)	(*)	0	0	(*)	0	0	0	0
Singapore	31	21	16	5	10	(*)	0	0	0	0	9	1
Taiwan	50	(D)	20	(D)	(D)	2	1	(*)	1	(D)	1	2
Thailand	(D)	(D)	2	5	(D)	0	0	(D)	0	(*)	(*)	0
Other	2	1	1	(*)	(*)	(*)	0	0	0	0	0	0
International organizations and unallocated ..	1,342	548	108	440	794	7	11	(D)	(*)	(D)	1	148
Addenda:												
European Union ¹	6,898	5,316	754	4,562	1,583	694	199	67	3	(D)	479	(D)
Eastern Europe ²	70	67	9	57	3	1	1	0	0	1	(*)	0

¹ Less than \$500,000
D Suppressed to avoid disclosure of data of individual companies.

1. See table 2, footnote 2.
2. See table 2, footnote 3.

Table 4.3. Royalties and License Fees, 2001

[Millions of dollars]

	Receipts											
	Total	Affiliated			Unaffiliated							
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Industrial processes	Books, records and tapes	Broadcasting and recording of live events	Franchise fees	Trademarks	General use computer software	Other intangibles
All countries	41,098	29,023	27,030	1,993	12,075	4,226	521	174	517	997	5,004	637
Canada	2,870	2,156	2,100	56	714	153	60	19	60	93	330	(*)
Europe	19,007	14,516	13,086	1,431	4,491	1,404	307	(D)	176	314	2,202	(D)
Belgium-Luxembourg	753	596	593	3	157	91	5	1	6	11	42	0
France	2,004	1,397	1,347	50	607	199	42	(D)	(D)	39	303	(*)
Germany	2,722	1,671	1,521	150	1,051	332	54	9	23	37	595	(*)
Italy	1,005	704	689	15	301	79	28	(D)	14	35	134	(D)
Netherlands	1,333	1,162	1,003	159	171	31	16	2	4	19	100	0
Norway	152	(D)	67	(D)	(D)	2	4	3	(D)	3	34	0
Spain	491	351	351	(*)	140	13	21	10	16	14	66	(*)
Sweden	375	229	227	2	146	52	7	1	5	13	68	0
Switzerland	1,715	1,514	930	584	202	114	10	(*)	3	8	65	2
United Kingdom	3,609	2,593	2,253	340	1,016	194	84	(*)	44	64	608	(*)
Other	4,846	(D)	4,103	(D)	(D)	297	36	7	41	71	187	(D)
Latin America and Other Western Hemisphere	3,621	3,074	2,989	85	547	81	37	10	68	113	238	(*)
South and Central America	2,445	(D)	1,914	(D)	(D)	(D)	35	9	49	107	230	(*)
Argentina	221	178	178	0	42	2	6	(*)	2	10	22	0
Brazil	642	(D)	467	(D)	(D)	(D)	10	4	2	21	102	0
Chile	61	39	39	(*)	22	3	1	(*)	3	7	8	0
Mexico	1,171	1,009	992	17	162	27	13	3	18	32	68	(*)
Venezuela	145	101	97	4	44	8	2	1	4	13	17	0
Other	205	140	140	(*)	65	4	3	1	19	24	13	0
Other Western Hemisphere	1,176	(D)	1,075	(D)	(D)	(D)	2	1	19	6	8	(*)
Bermuda	64	(D)	(D)	0	(D)	(D)	(*)	0	(*)	(*)	6	(*)
Other	1,112	(D)	(D)	(D)	(D)	(D)	2	1	19	6	2	0
Africa	332	231	221	10	101	16	6	(*)	12	8	59	0
South Africa	199	129	125	4	70	7	5	(*)	5	4	49	0
Other	133	102	96	6	31	9	1	(*)	7	4	10	0
Middle East	276	99	95	4	177	32	11	(D)	48	21	54	(D)
Israel	115	44	44	(*)	71	10	5	2	10	13	31	0
Saudi Arabia	99	46	46	(*)	52	17	4	(D)	11	3	10	(D)
Other	62	9	5	4	53	5	2	(*)	27	5	13	1
Asia and Pacific	12,831	7,496	7,189	307	5,335	2,526	84	69	145	415	2,088	8
Australia	721	548	523	25	173	25	15	6	10	24	92	(*)
China	571	401	400	1	170	43	4	3	(D)	9	102	(D)
Hong Kong	422	330	329	1	92	14	4	(*)	16	21	37	(*)
India	90	29	25	4	61	22	1	1	2	5	31	0
Indonesia	55	26	26	0	30	10	1	(*)	7	3	9	(*)
Japan	6,290	2,936	2,706	229	3,354	1,637	42	39	38	294	1,304	(*)
Korea, Republic of	1,052	(D)	212	(D)	(D)	506	7	5	21	(D)	238	0
Malaysia	183	127	127	0	56	10	2	0	12	3	29	(*)
New Zealand	83	37	37	(*)	46	(D)	1	4	(D)	4	8	0
Philippines	96	75	75	(*)	22	4	1	1	7	4	5	0
Singapore	2,533	2,445	2,444	2	87	(D)	2	1	5	(D)	43	(D)
Taiwan	615	(D)	204	(D)	(D)	190	6	5	12	(D)	178	0
Thailand	102	71	71	0	31	8	1	4	4	6	10	0
Other	17	9	9	0	8	1	0	0	4	1	2	0
International organizations and unallocated ..	2,162	1,451	1,351	100	711	14	16	3	7	33	34	604
Addenda:												
European Union ¹	16,716	12,633	11,827	806	4,084	1,271	281	(D)	146	288	2,023	(D)
Eastern Europe ²	321	224	214	10	97	11	9	3	6	7	61	0

See footnotes at the end of the table.

Table 4.3. Royalties and License Fees, 2001—Continued

[Millions of dollars]

	Payments											
	Total	Affiliated			Unaffiliated							
		Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Industrial processes	Books, records and tapes	Broadcasting and recording of live events	Franchise fees	Trademarks	General use computer software	Other intangibles
All countries	16,713	13,310	2,541	10,769	3,403	1,796	305	131	(*)	311	454	405
Canada	1,158	(D)	(D)	485	(D)	131	31	1	0	8	18	(D)
Europe	8,786	6,656	928	5,729	2,130	1,174	246	128	(*)	96	(D)	(D)
Belgium-Luxembourg	196	157	23	134	38	30	(D)	(D)	0	(*)	(*)	0
France	1,262	643	90	553	619	(D)	8	5	0	7	(D)	0
Germany	1,573	(D)	(D)	1,221	(D)	(D)	6	(*)	0	22	12	0
Italy	72	44	12	32	28	11	6	8	0	4	(*)	0
Netherlands	1,324	(D)	(D)	855	(D)	28	4	0	0	9	1	(D)
Norway	66	(D)	2	(D)	(D)	8	(*)	0	0	(*)	(D)	0
Spain	22	16	15	1	6	2	3	(*)	0	(*)	(*)	0
Sweden	263	132	11	121	131	71	(D)	0	0	10	2	(D)
Switzerland	1,733	1,539	63	1,476	194	153	3	(D)	0	8	1	(D)
United Kingdom	1,580	1,110	184	926	470	172	195	34	0	20	45	3
Other	694	(D)	51	(D)	(D)	195	14	(D)	(*)	16	5	(D)
Latin America and Other Western Hemisphere	991	(D)	(D)	89	(D)	7	10	(*)	0	2	1	(D)
South and Central America	137	121	58	63	16	6	8	(*)	0	(*)	1	(*)
Argentina	9	8	5	2	1	(*)	1	0	0	0	1	(*)
Brazil	5	4	4	(*)	1	1	1	0	0	(*)	(*)	0
Chile	2	2	1	1	(*)	0	0	0	0	(*)	(*)	0
Mexico	97	86	29	57	11	4	5	(*)	0	(*)	(*)	1
Venezuela	20	19	16	3	1	(*)	(*)	0	0	(*)	(*)	0
Other	4	3	2	(*)	1	(*)	1	0	0	(*)	(*)	0
Other Western Hemisphere	855	(D)	(D)	26	(D)	1	2	0	0	2	0	(D)
Bermuda	802	(D)	(D)	2	(D)	1	0	0	0	1	0	(D)
Other	53	50	26	24	2	(*)	2	0	0	(*)	0	0
Africa	8	(D)	(D)	1	(D)	(*)	(*)	0	0	0	1	(D)
South Africa	4	2	2	0	2	(*)	0	0	0	0	1	0
Other	4	(D)	(D)	1	(D)	0	0	0	0	0	0	(D)
Middle East	96	(D)	(D)	1	(D)	9	(*)	0	0	6	2	(D)
Israel	91	(D)	(D)	1	(D)	6	(*)	0	0	6	2	(D)
Saudi Arabia	(*)	(*)	(*)	0	(*)	(*)	(*)	0	0	0	0	0
Other	4	0	0	0	4	3	0	0	0	0	0	1
Asia and Pacific	4,825	4,101	107	3,993	724	468	9	1	(*)	102	(D)	(D)
Australia	87	23	17	7	64	34	(D)	(*)	0	1	5	(D)
China	12	8	8	0	4	2	(*)	0	0	2	(*)	(*)
Hong Kong	(D)	(D)	7	8	(D)	(*)	(*)	0	0	(*)	(*)	0
India	4	2	2	0	2	0	0	0	0	0	0	0
Indonesia	1	1	1	0	(*)	(*)	0	0	0	0	0	0
Japan	4,493	3,952	22	3,930	541	412	2	1	(*)	99	(D)	(D)
Korea, Republic of	43	26	11	15	17	(D)	(D)	0	0	(*)	0	0
Malaysia	(D)	(D)	2	(*)	(D)	(*)	0	0	(*)	0	(*)	(D)
New Zealand	1	(*)	(*)	(*)	1	(*)	(*)	0	0	0	0	0
Philippines	1	1	1	0	(*)	(*)	(*)	0	0	0	0	0
Singapore	63	(D)	17	(D)	(D)	1	0	0	(*)	0	(*)	(D)
Taiwan	21	(D)	17	(D)	(D)	1	(*)	(*)	0	0	(D)	0
Thailand	19	(D)	2	(D)	(D)	(D)	(*)	0	(*)	0	(*)	0
Other	(*)	(*)	(*)	0	(*)	(*)	0	0	0	(*)	0	0
International organizations and unallocated ..	849	581	110	471	268	6	9	(*)	(*)	97	1	155
Addenda:												
European Union ¹	6,797	4,992	858	4,134	1,805	891	242	(D)	(*)	88	417	(D)
Eastern Europe ²	76	67	4	62	10	8	(*)	0	0	(*)	(*)	0

¹ Less than \$500,000

D Suppressed to avoid disclosure of data of individual companies.

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 4.4. Royalties and License Fees, 2002

[Millions of dollars]

	Receipts											
	Total	Affiliated			Unaffiliated							
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Industrial processes	Books, records and tapes	Broadcasting and recording of live events	Franchise fees	Trademarks	General use computer software	Other intangibles
All countries	44,142	32,218	29,066	3,152	11,924	3,900	523	277	555	1,184	4,824	661
Canada	3,091	2,388	2,332	56	703	154	48	20	74	122	286	0
Europe	21,217	16,954	14,573	2,380	4,263	1,325	307	103	189	370	1,954	15
Belgium-Luxembourg	690	578	578	1	111	48	6	1	6	19	32	0
France	2,119	1,525	1,435	90	594	207	(D)	(D)	(D)	50	271	0
Germany	3,090	2,028	1,612	416	1,062	326	56	20	27	44	589	(*)
Italy	1,121	785	770	15	336	96	31	17	17	40	131	5
Netherlands	1,332	(D)	1,058	(D)	(D)	26	16	5	3	(D)	92	0
Norway	145	(D)	75	(D)	(D)	2	3	0	9	(D)	30	0
Spain	515	375	375	(*)	139	9	24	7	19	23	59	(*)
Sweden	437	(D)	238	(D)	(D)	37	6	8	5	(D)	58	0
Switzerland	2,031	(D)	1,459	(D)	(D)	113	9	1	1	(D)	56	(*)
United Kingdom	4,452	3,489	2,410	1,079	963	235	79	15	50	97	487	0
Other	5,286	4,753	4,565	188	532	227	42	(D)	(D)	54	148	9
Latin America and Other Western Hemisphere	3,739	(D)	2,966	(D)	(D)	89	34	(D)	67	110	210	(*)
South and Central America	2,368	(D)	1,837	(D)	(D)	68	32	(D)	47	103	203	0
Argentina	142	112	112	0	30	1	3	1	1	6	18	0
Brazil	585	448	447	(*)	138	11	(D)	(D)	1	12	92	0
Chile	65	40	40	(*)	24	3	1	4	3	7	7	0
Mexico	1,247	(D)	1,028	(D)	(D)	42	14	(D)	18	42	61	0
Venezuela	124	81	81	0	43	5	3	6	4	11	15	0
Other	205	129	129	(*)	75	6	(D)	(D)	20	25	11	0
Other Western Hemisphere	1,371	(D)	1,129	(D)	(D)	21	2	(D)	20	7	7	(*)
Bermuda	271	(D)	(D)	(D)	(D)	1	(*)	(D)	(*)	(*)	5	(*)
Other	1,100	(D)	(D)	1	(D)	20	2	(D)	20	7	2	0
Africa	305	(D)	190	(D)	(D)	13	5	3	(D)	8	38	0
South Africa	196	(D)	103	(D)	(D)	10	4	3	(D)	5	30	0
Other	110	87	87	0	23	3	1	(*)	7	3	8	0
Middle East	289	(D)	104	(D)	(D)	29	11	5	(D)	16	46	29
Israel	120	47	46	1	73	12	5	5	(D)	9	29	(D)
Saudi Arabia	98	52	52	(*)	45	6	4	0	9	3	5	18
Other	72	(D)	6	(D)	(D)	10	2	(*)	(D)	5	13	(D)
Asia and Pacific	13,135	(D)	7,447	(D)	(D)	2,270	94	(D)	164	528	2,241	21
Australia	834	(D)	586	(D)	(D)	24	18	6	15	38	(D)	(*)
China	723	497	497	(*)	226	48	5	1	3	20	144	6
Hong Kong	456	357	354	3	99	23	5	(*)	17	24	31	(*)
India	81	44	41	3	37	8	1	(*)	1	5	22	(*)
Indonesia	67	29	29	0	38	17	1	(*)	10	2	7	(*)
Japan	6,352	3,097	2,863	234	3,254	1,271	45	41	37	368	1,485	8
Korea, Republic of	1,157	(D)	257	(D)	(D)	590	9	(D)	28	34	(D)	5
Malaysia	184	131	131	0	52	10	2	(*)	13	3	24	0
New Zealand	72	46	46	(*)	26	4	1	7	4	4	7	0
Philippines	110	87	87	(*)	23	4	1	1	7	6	5	0
Singapore	2,327	2,256	2,255	1	71	31	1	(*)	8	4	25	2
Taiwan	648	216	211	5	432	234	5	3	12	13	166	0
Thailand	103	78	78	0	26	7	1	1	5	6	6	(*)
Other	20	11	11	0	9	(*)	(*)	1	4	2	1	0
International organizations and unallocated ..	2,365	1,612	1,454	158	753	21	23	(D)	(D)	30	49	596
Addenda:												
European Union ¹	18,562	14,664	12,709	1,955	3,898	1,195	279	93	160	342	1,819	10
Eastern Europe ²	390	310	288	22	80	8	11	3	6	9	42	0

See footnote at the end of the table.

Table 4.4. Royalties and License Fees, 2002—Continued

[Millions of dollars]

	Payments											
	Total	Affiliated			Unaffiliated							
		Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Industrial processes	Books, records and tapes	Broadcasting and recording of live events	Franchise fees	Trademarks	General use computer software	Other intangibles
All countries	19,258	15,132	2,958	12,174	4,126	1,935	346	946	2	230	481	187
Canada	1,048	849	554	295	199	124	38	4	2	8	22	2
Europe	9,779	7,385	1,303	6,083	2,394	1,312	276	(D)	(*)	61	(D)	(D)
Belgium-Luxembourg	299	(D)	(D)	187	(D)	(D)	1	9	0	(*)	1	0
France	1,263	651	216	435	612	(D)	8	6	0	10	(D)	(*)
Germany	2,091	1,667	162	1,505	424	247	7	146	0	4	(D)	(D)
Italy	124	63	24	39	61	12	7	(D)	0	(D)	(*)	0
Netherlands	1,513	(D)	(D)	(D)	(D)	31	5	(*)	0	(D)	(*)	0
Norway	89	(D)	1	(D)	(D)	(D)	(*)	0	0	(*)	(*)	0
Spain	31	17	16	2	13	2	4	8	0	(*)	(*)	0
Sweden	239	(D)	11	(D)	(D)	109	4	0	0	2	(D)	(*)
Switzerland	1,892	(D)	67	(D)	(D)	166	4	(D)	0	8	1	0
United Kingdom	1,493	992	178	813	502	200	217	39	(*)	17	30	1
Other	745	377	57	320	368	307	19	(D)	0	14	(D)	1
Latin America and Other Western Hemisphere	1,555	(D)	(D)	(D)	(D)	5	10	1	0	1	(*)	(D)
South and Central America	145	121	51	70	24	(D)	8	1	0	(*)	(*)	(D)
Argentina	7	6	0	1	1	(*)	1	(*)	0	0	0	0
Brazil	7	6	4	1	1	(*)	1	(*)	0	0	(*)	0
Chile	3	3	3	(*)	(*)	0	0	0	0	0	0	0
Mexico	117	98	31	67	19	(D)	5	1	0	0	(*)	(D)
Venezuela	4	3	3	0	1	(*)	(*)	0	0	0	0	0
Other	6	5	4	1	1	(*)	1	0	0	0	(*)	0
Other Western Hemisphere	1,411	(D)	(D)	(D)	(D)	(D)	2	0	0	0	0	6
Bermuda	1,364	(D)	(D)	(D)	(D)	(D)	0	0	0	0	0	6
Other	47	(D)	(D)	(D)	(D)	(D)	2	0	0	(*)	0	0
Africa	9	7	6	1	3	1	(*)	(*)	0	(*)	1	0
South Africa	4	2	2	(*)	2	1	(*)	0	0	(*)	1	0
Other	5	5	4	1	(*)	0	0	(*)	0	(*)	0	0
Middle East	31	(D)	(D)	1	(D)	5	(*)	(*)	0	(*)	(D)	0
Israel	28	(D)	(D)	1	(D)	3	(*)	(*)	0	0	(D)	0
Saudi Arabia	(*)	(*)	(*)	(*)	(*)	(*)	(*)	0	0	(*)	0	0
Other	3	1	1	0	3	3	0	0	0	0	0	0
Asia and Pacific	5,215	(D)	(D)	(D)	(D)	481	14	1	(*)	16	(D)	(D)
Australia	76	(D)	23	(D)	(D)	16	7	(*)	0	(D)	(D)	(*)
China	20	15	15	0	5	2	(*)	(*)	0	(*)	3	0
Hong Kong	20	(D)	(D)	1	(D)	(*)	(*)	(*)	0	(*)	(D)	0
India	9	1	1	0	8	2	(*)	(*)	0	(*)	(D)	(D)
Indonesia	1	1	1	0	0	(*)	0	0	0	(*)	(*)	(D)
Japan	4,997	4,519	22	4,497	478	453	6	1	(*)	14	4	0
Korea, Republic of	37	(D)	9	(D)	(D)	4	(*)	(*)	0	1	(D)	0
Malaysia	5	5	5	(*)	(*)	0	0	0	0	0	0	0
New Zealand	2	(*)	(*)	(*)	1	1	(*)	0	0	(*)	1	0
Philippines	1	1	1	(*)	(*)	(*)	(*)	0	0	(*)	0	0
Singapore	24	22	22	1	1	1	0	0	0	(*)	0	0
Taiwan	18	16	16	(*)	2	1	(*)	(*)	0	(*)	0	0
Thailand	5	4	4	(*)	1	(*)	(*)	0	(*)	(*)	0	0
Other	(*)	(*)	(*)	0	(*)	(*)	0	0	0	(*)	0	0
International organizations and unallocated ..	1,620	662	129	533	958	8	8	(D)	(*)	144	1	(D)
Addenda:												
European Union ¹	7,616	5,541	1,231	4,310	2,076	1,038	272	(D)	(*)	53	(D)	(D)
Eastern Europe ²	90	79	3	76	11	9	(*)	2	0	(*)	(*)	0

¹ Less than \$500,000

D Suppressed to avoid disclosure of data of individual companies.

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 5.1. Other Private Services, 1999

[Millions of dollars]

	Receipts											Addendum Film and television tape rentals ¹
	Total	Affiliated			Unaffiliated						Other services	
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Education	Financial services	Insurance	Telecommunications	Business, professional, and technical services		
All countries	103,523	32,809	22,222	10,587	70,714	9,616	13,410	2,083	4,549	27,700	13,357	8,061
Canada	9,461	4,471	3,488	982	4,989	474	981	283	321	2,448	481	483
Europe	39,913	16,629	11,018	5,611	23,284	1,687	5,325	777	1,488	10,172	3,834	5,353
Belgium-Luxembourg	1,252	(D)	375	(D)	20	196	29	125	376	(D)	77	693
France	3,768	1,615	992	623	2,153	127	497	90	77	934	427	1,085
Germany	6,017	3,039	1,624	1,415	2,378	195	435	93	79	1,219	958	450
Italy	1,725	512	408	104	1,213	63	284	31	46	422	369	24
Netherlands	2,804	1,767	1,298	469	1,036	38	304	11	67	517	100	(D)
Norway	580	293	163	130	287	47	51	13	24	123	29	24
Spain	1,718	683	490	194	1,035	83	174	13	27	292	446	527
Sweden	794	189	113	76	605	92	140	5	43	236	90	97
Switzerland	2,358	1,284	548	736	1,074	38	471	12	37	476	40	36
United Kingdom	13,374	5,086	3,895	1,191	8,288	162	2,352	423	746	3,787	817	1,128
Other	5,522	(D)	1,114	(D)	(D)	824	421	56	217	1,788	(D)	(D)
Latin America and Other Western Hemisphere	18,630	2,935	2,337	598	15,695	1,106	4,275	620	975	4,342	4,377	645
South and Central America	13,062	1,518	1,295	223	11,544	868	1,379	213	846	3,933	4,305	634
Argentina	1,115	161	155	6	954	53	243	56	49	460	93	61
Brazil	1,692	272	242	30	1,420	161	283	8	146	597	225	223
Chile	576	(D)	46	(D)	27	90	19	34	291	(D)	27	27
Mexico	6,107	716	627	89	5,391	192	347	49	376	952	3,474	165
Venezuela	998	(D)	73	(D)	102	93	7	39	581	(D)	91	91
Other	2,577	221	154	67	2,356	333	323	74	203	1,051	373	68
Other Western Hemisphere	5,568	1,417	1,042	375	4,151	237	2,896	407	129	409	72	11
Bermuda	1,264	320	140	180	944	11	604	250	11	61	7	0
Other	4,303	1,097	902	195	3,206	227	2,292	157	118	348	65	11
Africa	2,537	288	253	35	2,249	509	187	4	191	1,258	100	93
South Africa	551	88	82	6	463	40	39	1	78	209	96	88
Other	1,986	200	171	29	1,786	470	148	2	113	1,049	4	5
Middle East	3,903	396	268	128	3,507	413	415	20	505	2,052	101	79
Israel	604	73	53	20	531	60	121	12	88	209	41	31
Saudi Arabia	1,590	(D)	18	(D)	(D)	96	71	1	30	1,246	(D)	28
Other	1,709	(D)	197	(D)	(D)	257	223	8	388	596	(D)	20
Asia and Pacific	25,649	8,090	4,857	3,233	17,559	5,426	2,220	298	1,068	7,241	1,307	1,306
Australia	1,839	601	533	68	1,239	54	212	55	116	544	257	310
China	2,044	249	183	67	1,795	815	72	5	69	744	90	20
Hong Kong	1,726	685	611	74	1,041	140	215	13	171	457	46	45
India	933	50	49	1	883	599	46	2	81	139	16	5
Indonesia	927	76	75	1	851	194	42	2	24	574	15	8
Japan	8,408	4,017	1,371	2,646	4,390	889	613	162	227	2,040	458	643
Korea, Republic of	1,591	155	148	7	1,436	626	190	12	115	428	64	47
Malaysia	618	(D)	176	(D)	(D)	185	47	3	12	148	(D)	13
New Zealand	297	21	20	(*)	276	19	23	4	15	154	61	57
Philippines	642	103	101	3	539	46	54	4	28	376	31	23
Singapore	2,435	1,365	1,255	110	1,070	64	210	11	57	698	29	43
Taiwan	1,757	424	207	217	1,333	496	143	19	93	533	50	63
Thailand	609	124	116	8	485	200	36	5	24	189	31	24
Other	1,824	(D)	12	(D)	(D)	1,099	317	1	36	216	(D)	7
International organizations and unallocated	3,430	0	0	0	3,430	0	7	79	(*)	190	3,157	103
Addenda:												
European Union ²	34,255	14,868	10,129	4,740	19,389	803	4,622	733	1,284	8,468	3,480	5,094
Eastern Europe ³	1,790	117	115	3	1,674	395	135	13	89	835	207	145

See footnotes at end of table.

Table 5.1. Other Private Services, 1999—Continued

[Millions of dollars]

	Payments											Addendum Film and television tape rentals
	Total	Affiliated			Unaffiliated						Other services	
		Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Education	Financial services	Insurance	Telecommunications	Business, professional, and technical services		
All countries	53,007	25,790	15,480	10,310	27,217	1,807	3,418	6,366	6,601	8,449	577	195
Canada	5,369	2,420	912	1,508	2,950	14	203	181	223	2,145	184	36
Europe	25,954	14,535	8,950	5,585	11,419	1,048	2,203	3,099	1,450	3,459	161	121
Belgium-Luxembourg	827	(D)	(D)	63	(D)	15	59	41	33	91	(D)	10
France	2,403	1,553	720	833	850	130	124	200	91	287	18	9
Germany	3,141	1,743	840	903	1,398	56	162	637	116	413	17	(D)
Italy	763	247	131	116	516	140	68	36	118	146	8	5
Netherlands	1,448	1,051	328	722	397	18	71	124	40	130	11	7
Norway	236	85	11	75	151	3	19	9	76	43	1	0
Spain	613	240	218	22	373	160	46	3	62	96	6	(D)
Sweden	528	371	144	227	157	7	39	22	12	76	1	0
Switzerland	1,260	682	256	426	578	11	142	203	60	145	17	7
United Kingdom	12,331	7,070	5,350	1,720	5,262	364	1,310	1,693	338	1,504	51	42
Other	2,405	(D)	(D)	477	(D)	145	163	130	504	527	(D)	2
Latin America and Other Western Hemisphere	9,040	2,414	1,208	1,205	6,629	467	351	2,951	2,195	632	33	9
South and Central America	3,826	866	636	230	2,960	404	172	10	1,784	560	29	9
Argentina	289	89	88	(*)	200	17	23	4	76	74	6	4
Brazil	522	181	151	30	341	14	52	2	136	132	4	1
Chile	171	(D)	13	(D)	(D)	23	12	0	34	24	(D)	(*)
Mexico	1,557	400	272	128	1,157	172	54	2	794	129	7	2
Venezuela	231	(D)	76	(D)	(D)	6	7	0	71	61	(D)	2
Other	1,055	38	35	3	1,017	172	24	1	673	141	5	(*)
Other Western Hemisphere	5,215	1,548	572	975	3,667	64	179	2,941	411	72	4	(*)
Bermuda	3,227	922	238	684	2,305	1	74	2,181	10	37	1	0
Other	1,991	625	334	291	1,366	62	105	759	402	35	3	(*)
Africa	773	202	162	39	571	50	24	1	320	165	10	0
South Africa	239	138	131	6	102	8	12	0	52	29	1	0
Other	532	64	31	33	468	42	12	1	268	136	9	0
Middle East	1,179	303	286	17	876	34	56	5	391	361	29	3
Israel	461	242	232	10	219	33	11	0	90	81	5	0
Saudi Arabia	267	23	23	0	(D)	0	27	0	72	126	19	3
Other	451	38	32	7	(D)	1	18	5	229	155	5	0
Asia and Pacific	10,473	5,918	3,961	1,957	4,555	193	581	129	1,863	1,679	110	25
Australia	1,088	596	499	97	491	66	53	43	115	203	10	3
China	457	124	113	11	333	14	1	2	225	85	6	0
Hong Kong	1,420	1,096	957	139	324	2	81	2	104	100	35	1
India	598	(D)	39	(D)	(D)	4	15	1	317	176	(D)	(*)
Indonesia	117	18	17	1	99	1	10	1	54	29	4	0
Japan	4,147	2,947	1,567	1,380	1,201	32	216	74	181	674	23	19
Korea, Republic of	386	119	70	49	267	3	29	4	135	94	2	0
Malaysia	136	94	87	7	42	0	9	0	19	12	2	0
New Zealand	113	42	41	(*)	71	9	7	1	37	15	2	(*)
Philippines	273	59	59	(*)	214	1	7	0	138	65	4	0
Singapore	771	572	409	163	199	1	87	1	39	60	12	2
Taiwan	337	103	49	54	234	1	21	1	126	82	3	0
Thailand	174	60	49	11	114	2	9	0	57	42	4	0
Other	458	(D)	3	(D)	(D)	57	36	1	316	44	(D)	0
International organizations and unallocated	217	0	0	0	217	0	0	5	159	7	50	1
Addenda:												
European Union ²	23,587	13,694	8,633	5,061	9,896	951	1,994	2,885	934	3,001	128	113
Eastern Europe ³	599	21	20	1	578	47	22	0	300	197	13	1

* Less than \$500,000

D Suppressed to avoid disclosure of data of individual companies.

1. In 1999, unaffiliated receipts (included in the "other services" column), U.S. parents' receipts, and U.S. affiliates'

receipts for film and television tape rentals were \$5,628 million, \$2,422 million, and \$11 million, respectively.

2. See table 2, footnote 2.

3. See table 2, footnote 3.

Table 5.2. Other Private Services, 2000

[Millions of dollars]

	Receipts											Addendum Film and television tape rentals ¹
	Total	Affiliated			Unaffiliated							
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Education	Financial services	Insurance	Telecommuni- cations	Business, professional, and technical services	Other services	
All countries	107,361	35,857	23,107	12,750	71,504	10,348	15,522	2,486	3,883	25,318	13,948	8,578
Canada	10,130	4,464	3,364	1,100	5,666	511	1,009	284	442	2,820	600	541
Europe	43,068	18,859	11,697	7,162	24,209	1,806	6,472	807	816	10,136	4,156	5,510
Belgium-Luxembourg	1,322	513	414	99	809	20	288	27	26	318	129	131
France	4,006	1,804	987	817	2,202	140	545	104	43	986	384	607
Germany	6,023	3,007	1,411	1,596	3,016	199	629	93	74	1,071	952	1,048
Italy	1,992	583	456	127	1,409	67	402	24	44	471	401	448
Netherlands	3,142	1,977	1,479	498	1,165	36	376	6	94	551	101	866
Norway	620	321	208	113	299	48	85	13	8	98	47	42
Spain	1,713	452	411	42	1,261	85	277	12	20	371	495	534
Sweden	1,717	1,033	153	881	684	102	152	8	66	248	108	107
Switzerland	2,801	1,567	596	972	1,234	39	562	14	25	552	42	40
United Kingdom	13,495	5,243	3,997	1,246	8,250	171	2,591	415	292	3,868	914	1,213
Other	6,222	2,357	1,585	772	3,865	899	565	91	124	1,603	582	474
Latin America and Other Western Hemisphere	18,976	3,140	2,362	778	15,834	1,236	4,783	613	1,074	3,690	4,438	726
South and Central America	12,932	1,663	1,449	214	11,269	961	1,487	240	967	3,268	4,346	708
Argentina	1,073	162	153	10	911	59	261	76	69	330	116	91
Brazil	1,950	303	268	35	1,647	171	342	13	116	782	222	225
Chile	410	45	25	19	365	28	83	19	39	152	43	29
Mexico	6,346	841	743	98	5,505	211	383	59	537	723	3,592	191
Venezuela	747	87	84	3	660	102	105	9	35	309	101	97
Other	2,406	225	176	49	2,181	389	313	63	172	972	272	74
Other Western Hemisphere	6,043	1,477	913	564	4,566	275	3,296	373	107	423	92	18
Bermuda	1,553	537	186	351	1,016	11	691	196	9	101	8	1
Other	4,489	940	727	213	3,549	264	2,605	177	98	321	84	18
Africa	2,449	438	402	36	2,011	609	143	6	152	1,008	92	90
South Africa	613	83	81	2	530	44	48	2	73	276	88	82
Other	1,836	355	322	33	1,481	566	95	4	79	733	4	8
Middle East	2,882	411	245	167	2,471	457	467	20	160	1,236	131	108
Israel	668	(D)	64	(D)	(D)	65	111	16	69	216	(D)	59
Saudi Arabia	959	(D)	28	(D)	(D)	104	92	0	25	572	(D)	30
Other	1,255	160	152	8	1,095	288	264	3	66	448	26	19
Asia and Pacific	26,565	8,545	5,038	3,508	18,020	5,729	2,642	675	1,239	6,298	1,438	1,396
Australia	2,125	622	539	83	1,503	59	290	82	205	622	246	288
China	2,299	(D)	209	(D)	(D)	907	114	7	92	786	(D)	12
Hong Kong	1,839	839	753	85	1,000	126	300	42	106	384	42	42
India	1,138	55	55	(*)	1,083	705	61	1	71	219	26	12
Indonesia	499	78	76	2	421	188	35	3	27	145	22	14
Japan	9,188	4,054	1,370	2,684	5,134	906	855	485	235	2,110	543	738
Korea, Republic of	1,864	283	179	104	1,581	686	212	15	116	465	87	69
Malaysia	539	169	160	9	370	151	51	2	43	108	15	10
New Zealand	335	21	20	1	314	22	30	2	28	171	61	58
Philippines	429	78	76	2	351	52	46	3	35	183	32	23
Singapore	2,377	1,605	1,268	337	772	71	276	7	91	299	28	31
Taiwan	1,559	340	211	129	1,219	487	235	22	89	328	58	73
Thailand	558	118	114	4	440	183	30	3	19	175	30	22
Other	1,816	(D)	7	(D)	(D)	1,187	107	0	82	302	(D)	5
International organizations and unallocated	3,306	0	0	0	3,306	0	6	79	(*)	133	3,092	204
Addenda:												
European Union ³	37,034	16,756	10,693	6,063	20,274	835	5,676	753	705	8,591	3,714	5,332
Eastern Europe ⁴	1,702	169	155	14	1,531	447	104	21	38	661	260	191

See footnotes at end of table.

Table 5.2. Other Private Services, 2000—Continued

[Millions of dollars]

	Payments											Addendum Film and television tape rentals ²
	Total	Affiliated			Unaffiliated						Other services	
		Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Education	Financial services	Insurance	Telecommunications	Business, professional, and technical services		
All countries	57,793	28,776	16,267	12,509	29,017	2,034	4,564	7,598	5,428	8,769	624	137
Canada	5,809	2,421	1,027	1,394	3,387	19	247	217	199	2,522	184	24
Europe	28,849	16,847	9,183	7,664	12,002	1,188	3,009	3,484	732	3,422	168	65
Belgium-Luxembourg	808	570	509	61	238	16	85	26	24	81	6	1
France	3,635	2,679	772	1,908	955	150	195	222	57	313	20	9
Germany	3,839	2,383	847	1,536	1,456	60	243	603	96	440	18	3
Italy	804	272	168	104	532	163	98	22	59	178	12	8
Netherlands	1,747	1,252	391	860	496	19	118	159	25	159	9	4
Norway	175	104	17	87	71	4	12	10	10	35	1	0
Spain	592	213	193	21	379	189	55	5	36	89	6	2
Sweden	556	361	165	196	195	7	72	33	15	58	10	9
Switzerland	1,766	1,074	279	794	692	11	263	280	17	109	12	1
United Kingdom	12,308	6,808	5,260	1,548	5,500	400	1,647	1,832	121	1,444	55	24
Other	2,622	1,131	583	548	1,491	169	221	291	273	517	19	3
Latin America and Other Western Hemisphere	10,766	3,271	1,685	1,586	7,496	509	419	3,730	2,254	548	36	9
South and Central America	3,998	893	684	209	3,105	440	160	25	1,959	492	31	8
Argentina	270	111	110	1	159	24	27	4	25	75	4	2
Brazil	444	148	139	9	296	18	42	6	118	113	0	0
Chile	150	65	11	54	85	23	5	1	38	16	2	0
Mexico	2,018	492	350	141	1,527	182	46	4	1,133	155	8	1
Venezuela	152	55	53	2	97	8	6	0	49	24	9	5
Other	964	22	21	1	942	184	34	11	595	109	9	0
Other Western Hemisphere	6,767	2,378	1,001	1,377	4,389	69	259	3,706	295	56	5	1
Bermuda	4,087	1,308	257	1,050	2,779	2	109	2,634	8	24	1	0
Other	2,679	1,070	743	327	1,609	67	150	1,069	287	32	4	1
Africa	702	177	171	6	525	55	29	1	214	215	11	0
South Africa	273	135	133	1	138	10	16	1	40	70	2	0
Other	429	42	38	4	387	45	13	1	174	145	9	0
Middle East	920	290	260	30	630	52	52	4	226	269	28	0
Israel	467	(D)	(D)	22	(D)	50	16	1	46	109	(D)	0
Saudi Arabia	161	2	2	0	159	0	19	0	36	86	18	0
Other	293	(D)	(D)	9	(D)	1	17	2	145	74	(D)	0
Asia and Pacific	10,498	5,771	3,942	1,829	4,727	212	807	142	1,633	1,788	145	40
Australia	1,044	550	481	69	494	82	60	16	163	163	9	1
China	399	169	164	5	230	15	4	0	94	110	7	0
Hong Kong	1,472	1,205	1,045	160	267	2	81	3	46	98	37	0
India	847	(D)	57	(D)	(D)	4	31	0	504	206	(D)	0
Indonesia	124	8	7	(*)	116	1	8	0	35	66	6	0
Japan	4,157	2,794	1,437	1,357	1,363	35	351	103	99	718	56	38
Korea, Republic of	407	131	96	35	276	2	46	5	76	143	4	0
Malaysia	113	74	71	3	39	0	11	0	14	11	3	0
New Zealand	74	(D)	19	(D)	(D)	11	3	1	23	9	(D)	0
Philippines	214	34	34	(*)	180	1	7	9	121	39	4	0
Singapore	680	499	448	51	181	0	86	1	31	52	11	0
Taiwan	287	129	44	85	158	1	30	2	49	72	4	0
Thailand	119	33	28	4	86	2	9	0	26	48	1	0
Other	549	10	10	1	539	55	80	0	351	52	1	0
International organizations and unallocated	247	0	0	0	248	0	1	20	170	4	53	1
Addenda:												
European Union ³	26,165	15,568	8,813	6,755	10,597	1,078	2,661	3,194	499	3,023	140	42
Eastern Europe ⁴	462	49	49	(*)	414	51	28	0	140	181	13	0

* Less than \$500,000

D Suppressed to avoid disclosure of data of individual companies.

1. In 2000, unaffiliated receipts (included in the "other services" column), U.S. parents' receipts, and U.S. affiliates' receipts for film and television tape rentals were \$6,379 million, \$2,189 million, and \$8 million, respectively.

2. In 2000, unaffiliated payments (included in the "other services" column), U.S. parents' payments, and U.S. affiliates' payments for film and television and tape rentals were \$130 million, \$1 million, and \$8 million, respectively.

3. See table 2, footnote 2.

4. See table 2, footnote 3.

Table 5.3. Other Private Services, 2001

[Millions of dollars]

	Receipts											Addendum Film and television tape rentals ¹
	Total	Affiliated			Unaffiliated							
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Education	Financial services	Insurance	Telecommuni- cations	Business, professional, and technical services	Other services	
All countries	116,139	39,760	24,759	15,001	76,379	11,478	15,228	2,399	4,504	28,611	14,160	8,873
Canada	10,832	4,657	3,450	1,207	6,175	569	1,081	367	519	2,977	663	648
Europe	47,031	20,563	12,399	8,163	26,468	1,952	6,342	973	1,356	11,381	4,464	5,658
Belgium-Luxembourg	1,609	(D)	456	(D)	(D)	20	303	19	47	431	(D)	84
France	4,352	2,010	1,146	864	2,342	154	557	138	52	1,019	422	617
Germany	6,675	3,098	1,302	1,796	3,577	214	583	126	127	1,433	1,094	1,179
Italy	2,204	534	367	167	1,670	74	448	21	214	481	431	458
Netherlands	3,316	2,104	1,519	585	1,212	39	315	14	139	601	104	802
Norway	654	317	221	96	337	45	91	15	29	111	45	38
Spain	1,657	401	356	45	1,256	86	211	19	31	419	490	549
Sweden	1,880	1,166	145	1,021	714	99	127	8	119	257	104	106
Switzerland	3,196	1,901	670	1,232	1,295	40	461	17	30	706	42	37
United Kingdom	14,028	5,376	4,198	1,177	8,653	183	2,569	516	402	3,936	1,049	1,322
Other	7,456	(D)	2,019	(D)	(D)	999	677	81	164	1,986	(D)	465
Latin America and Other Western Hemisphere	21,774	4,851	2,745	2,106	16,923	1,326	4,356	664	996	4,930	4,649	824
South and Central America	14,909	(D)	1,718	(D)	(D)	1,034	1,372	292	891	4,400	(D)	799
Argentina	1,110	164	159	5	946	66	208	77	77	394	124	98
Brazil	2,628	(D)	235	(D)	(D)	185	325	28	124	1,035	(D)	226
Chile	482	98	62	36	384	32	70	19	41	176	46	31
Mexico	6,992	1,039	944	95	5,953	223	376	65	433	1,083	3,773	260
Venezuela	1,036	87	80	7	949	109	92	11	25	608	104	98
Other	2,663	285	238	47	2,378	420	301	93	191	1,105	268	85
Other Western Hemisphere	6,866	(D)	1,027	(D)	(D)	291	2,984	372	105	530	(D)	26
Bermuda	2,909	1,562	316	1,246	1,347	12	948	243	11	125	8	0
Other	3,956	(D)	712	(D)	(D)	279	2,036	129	94	405	(D)	25
Africa	2,738	(D)	374	(D)	(D)	716	168	11	207	1,113	(D)	97
South Africa	606	86	78	8	521	50	53	3	109	209	98	90
Other	2,131	(D)	296	(D)	(D)	667	115	8	97	905	(D)	7
Middle East	3,285	(D)	224	(D)	(D)	495	552	32	149	1,475	(D)	105
Israel	780	(D)	48	(D)	(D)	71	113	25	72	283	(D)	61
Saudi Arabia	1,094	(D)	33	(D)	(D)	110	90	2	27	679	(D)	25
Other	1,411	(D)	143	(D)	(D)	314	349	6	50	513	(D)	19
Asia and Pacific	27,531	8,816	5,568	3,248	18,715	6,420	2,710	247	1,278	6,599	1,460	1,442
Australia	2,114	664	621	43	1,450	62	296	53	172	616	251	283
China	2,491	(D)	277	(D)	(D)	1,066	113	9	101	737	(D)	12
Hong Kong	1,679	775	684	91	904	136	240	19	82	385	43	43
India	1,506	67	65	2	1,439	972	59	2	85	293	27	12
Indonesia	516	72	70	3	444	207	53	4	10	146	25	17
Japan	9,150	4,283	1,664	2,620	4,866	881	889	88	239	2,251	518	757
Korea, Republic of	2,090	287	191	96	1,803	813	139	20	162	573	97	77
Malaysia	605	178	170	8	427	139	49	3	58	158	20	15
New Zealand	330	27	23	4	303	23	32	3	32	158	56	52
Philippines	394	78	75	3	316	35	35	4	45	147	30	21
Singapore	2,395	1,589	1,383	206	806	74	290	16	109	283	34	41
Taiwan	1,591	335	226	109	1,256	508	170	20	97	397	64	87
Thailand	582	111	109	2	471	199	40	5	21	176	30	21
Other	2,090	(D)	9	(D)	(D)	1,286	305	2	65	280	(D)	3
International organizations and unallocated	2,951	0	0	0	2,951	0	19	105	(*)	139	2,692	97
Addenda:												
European Union ³	39,975	18,091	11,292	6,800	21,885	888	5,583	907	1,199	9,295	4,013	5,332
Eastern Europe ⁴	2,131	207	174	33	1,923	502	138	22	52	933	276	191

See footnotes at end of table.

Table 5.3. Other Private Services, 2001—Continued

[Millions of dollars]

	Payments											Addendum Film and television tape rentals ²
	Total	Affiliated			Unaffiliated						Other services	
		Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Education	Financial services	Insurance	Telecommunications	Business, professional, and technical services		
All countries	63,387	30,053	16,774	13,279	33,334	2,269	4,049	11,613	4,756	10,034	613	104
Canada	6,072	2,756	958	1,798	3,314	17	183	257	230	2,449	178	26
Europe	31,146	16,530	9,095	7,435	14,616	1,361	2,709	5,063	987	4,344	154	43
Belgium-Luxembourg	916	(D)	464	(D)	(D)	15	60	34	27	131	(D)	2
France	2,903	1,770	696	1,074	1,133	164	193	383	81	298	16	6
Germany	4,406	2,759	810	1,949	1,647	70	234	788	55	480	24	5
Italy	991	229	161	601	222	113	25	99	137	6	2	2
Netherlands	2,162	1,596	492	1,105	564	23	166	27	35	303	6	2
Norway	214	126	15	112	88	3	25	16	7	35	2	1
Spain	652	189	153	37	463	224	64	7	31	130	6	2
Sweden	628	372	245	127	256	7	61	42	19	125	2	1
Switzerland	2,252	1,014	288	726	1,238	11	221	834	17	144	11	0
United Kingdom	12,877	6,460	5,134	1,326	6,418	431	1,372	2,288	284	1,990	54	20
Other	3,149	(D)	570	(D)	(D)	193	200	623	332	572	(D)	2
Latin America and Other Western Hemisphere	13,911	4,389	2,165	2,224	9,522	562	315	6,188	1,703	724	33	3
South and Central America	3,866	1,037	819	218	2,829	488	164	24	1,477	649	26	2
Argentina	239	101	100	1	138	31	26	6	23	48	4	2
Brazil	510	199	184	16	311	19	36	0	104	149	4	0
Chile	154	68	12	56	86	30	5	0	36	13	2	0
Mexico	1,876	590	452	137	1,287	204	62	6	803	204	7	0
Venezuela	124	48	45	2	77	5	4	0	39	26	3	0
Other	961	32	26	6	929	199	31	12	471	209	7	0
Other Western Hemisphere	10,045	3,352	1,346	2,006	6,693	73	151	6,164	226	74	6	1
Bermuda	6,982	2,003	539	1,464	4,979	2	33	4,900	10	33	1	0
Other	3,068	1,349	807	542	1,719	71	118	1,267	216	42	5	1
Africa	801	(D)	129	(D)	(D)	54	35	2	159	384	(D)	0
South Africa	284	108	107	(*)	177	13	14	0	31	117	2	0
Other	516	(D)	22	(D)	(D)	41	21	2	128	267	(D)	0
Middle East	967	(D)	317	(D)	(D)	55	77	3	149	293	(D)	0
Israel	537	314	283	31	223	49	18	2	26	123	5	0
Saudi Arabia	141	6	2	4	135	0	21	0	26	70	18	0
Other	288	(D)	31	(D)	(D)	6	38	1	97	99	(D)	0
Asia and Pacific	10,243	5,859	4,109	1,750	4,384	220	730	86	1,365	1,837	146	29
Australia	1,035	540	484	55	496	103	103	9	69	200	13	(D)
China	347	181	170	12	166	11	5	1	62	80	7	0
Hong Kong	1,523	1,232	1,143	89	291	2	71	3	35	143	38	(D)
India	799	(D)	79	(D)	(D)	3	20	0	423	194	(D)	0
Indonesia	80	6	6	(*)	74	1	4	0	22	41	6	0
Japan	3,964	2,802	1,419	1,383	1,162	35	292	65	88	648	34	11
Korea, Republic of	473	157	118	39	316	2	71	4	75	160	4	0
Malaysia	134	97	94	3	37	0	6	0	14	14	3	0
New Zealand	81	35	33	2	46	14	2	0	19	8	2	0
Philippines	282	52	49	2	230	0	3	4	132	86	4	0
Singapore	581	407	364	43	174	0	65	1	25	72	11	0
Taiwan	318	140	99	40	178	1	37	1	48	84	8	0
Thailand	123	51	46	4	72	2	6	0	27	33	5	0
Other	505	(D)	2	(D)	(D)	46	45	0	326	75	(D)	0
International organizations and unallocated	244	0	0	0	244	0	0	14	163	3	64	2
Addenda:												
European Union ³	27,881	15,261	8,721	6,540	12,620	1,241	2,411	4,211	773	3,857	126	42
Eastern Europe ⁴	584	(D)	60	(D)	(D)	55	34	1	120	256	(D)	0

* Less than \$500,000

D Suppressed to avoid disclosure of data of individual companies.

1. In 2001, unaffiliated receipts (included in the "other services" column), U.S. parents' receipts, and U.S. affiliates' receipts for film and television tape rentals were \$6,618 million, \$2,249 million, and \$5 million, respectively.

2. In 2001, unaffiliated receipts (included in the "other services" column), U.S. parents' receipts, and U.S. affiliates' receipts for film and television tape rentals were \$101 million, less than \$1 million, and \$3 million, respectively.

3. See table 2, footnote 2.

4. See table 2, footnote 3.

Table 5.4. Other Private Services, 2002

[Millions of dollars]

	Receipts											Addendum Film and television tape rentals ¹
	Total	Affiliated			Unaffiliated							
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Education	Financial services	Insurance	Telecommuni- cations	Business, professional, and technical services	Other services	
All countries	122,594	43,500	25,194	18,306	79,094	12,759	15,859	2,839	4,137	28,799	14,700	9,837
Canada	10,594	4,705	3,315	1,391	5,889	623	873	302	391	2,997	704	703
Europe	51,261	23,606	12,668	10,938	27,655	2,081	7,171	1,117	1,439	11,207	4,643	6,380
Belgium-Luxembourg	2,368	(D)	471	(D)	(D)	21	983	19	51	390	(D)	170
France	4,993	2,575	1,166	1,409	2,418	165	475	161	88	1,116	413	661
Germany	7,013	3,818	1,524	2,294	3,195	214	495	131	134	1,437	784	1,012
Italy	2,361	657	471	186	1,704	74	433	24	167	520	487	554
Netherlands	3,614	2,365	1,515	850	1,249	40	367	17	74	596	154	854
Norway	650	248	138	110	402	52	148	22	14	109	57	50
Spain	1,789	512	393	119	1,277	88	237	18	38	380	516	626
Sweden	2,079	1,401	159	1,242	678	91	122	10	29	295	131	132
Switzerland	3,475	2,124	701	1,424	1,351	38	490	30	24	719	51	46
United Kingdom	14,442	5,584	4,211	1,374	8,858	197	2,715	590	495	3,634	1,228	1,748
Other	8,476	(D)	1,921	(D)	(D)	1,102	706	96	324	2,010	(D)	529
Latin America and Other Western Hemisphere	22,307	5,262	2,815	2,447	17,045	1,477	4,576	785	837	4,729	4,641	718
South and Central America	14,188	2,019	1,782	237	12,169	1,182	1,208	292	737	4,198	4,554	696
Argentina	834	122	119	3	712	75	147	55	29	337	70	43
Brazil	2,107	326	313	13	1,781	194	283	36	89	981	198	184
Chile	400	60	36	24	340	36	69	21	32	139	43	28
Mexico	7,027	1,159	1,007	153	5,868	271	290	81	359	1,028	3,839	279
Venezuela	993	109	96	12	884	122	78	9	28	564	83	78
Other	2,827	242	210	32	2,585	484	341	91	200	1,149	321	84
Other Western Hemisphere	8,119	3,243	1,033	2,210	4,876	295	3,368	493	100	531	88	22
Bermuda	4,081	(D)	323	(D)	(D)	11	1,247	269	9	142	(D)	1
Other	4,037	(D)	710	(D)	(D)	284	2,121	225	91	389	(D)	21
Africa	2,771	(D)	466	(D)	(D)	826	143	14	158	991	(D)	135
South Africa	556	68	67	2	488	55	58	3	57	178	136	128
Other	2,216	(D)	399	(D)	(D)	771	85	12	101	813	(D)	7
Middle East	3,184	(D)	192	(D)	(D)	535	470	31	136	1,478	(D)	122
Israel	732	118	31	88	614	76	114	23	54	262	85	76
Saudi Arabia	1,112	(D)	53	(D)	(D)	122	92	1	25	683	(D)	26
Other	1,338	117	108	9	1,221	337	264	7	57	532	24	21
Asia and Pacific	29,025	9,032	5,739	3,293	19,993	7,217	2,622	504	1,175	6,855	1,620	1,607
Australia	2,264	762	689	73	1,502	67	363	66	139	598	269	325
China	2,729	(D)	304	(D)	(D)	1,177	138	25	91	797	(D)	15
Hong Kong	1,783	847	790	57	936	144	314	37	67	327	47	47
India	1,809	68	64	5	1,741	1,245	61	11	126	268	30	14
Indonesia	584	109	106	2	475	216	52	6	11	160	30	21
Japan	9,210	4,110	1,580	2,530	5,100	985	721	265	190	2,338	601	843
Korea, Republic of	2,352	278	216	63	2,074	913	219	30	119	691	101	87
Malaysia	600	179	170	9	421	138	53	3	46	159	23	17
New Zealand	339	28	27	1	311	26	32	3	36	157	57	53
Philippines	435	(D)	128	(D)	(D)	61	46	3	61	94	(D)	23
Singapore	2,522	1,680	1,266	415	842	77	281	25	77	343	39	45
Taiwan	1,639	298	236	62	1,341	539	239	22	67	408	66	90
Thailand	663	156	155	1	507	216	32	5	17	205	32	23
Other	2,092	(D)	8	(D)	(D)	1,412	71	2	128	310	(D)	4
International organizations and unallocated	3,449	0	0	0	3,449	0	4	88	(*)	546	2,815	172
Addenda:												
European Union ³	43,730	20,869	11,580	9,289	22,861	918	6,268	1,031	1,304	9,185	4,155	6,005
Eastern Europe ⁴	2,237	(D)	204	(D)	(D)	557	183	23	69	794	(D)	221

See footnotes at end of table.

Table 5.4. Other Private Services, 2002—Continued

[Millions of dollars]

	Payments											Addendum Film and television tape rentals ²
	Total	Affiliated			Unaffiliated						Other services	
		Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Education	Financial services	Insurance	Telecommunications	Business, professional, and technical services		
All countries	69,436	32,367	17,529	14,838	37,069	2,466	3,665	15,348	4,180	10,732	679	153
Canada	6,694	2,952	1,043	1,908	3,742	16	164	437	342	2,604	180	23
Europe	35,613	17,888	9,448	8,440	17,725	1,516	2,266	8,346	901	4,519	175	59
Belgium-Luxembourg	929	(D)	502	(D)	(D)	17	47	48	26	111	(D)	3
France	3,379	1,963	721	1,241	1,416	187	164	609	96	342	18	7
Germany	6,246	3,046	949	2,097	3,200	80	171	2,364	63	492	26	6
Italy	1,005	475	322	153	530	253	66	21	46	139	6	2
Netherlands	1,915	1,410	475	935	505	26	105	47	58	265	6	1
Norway	143	70	18	52	73	3	4	10	18	36	1	0
Spain	629	167	136	31	462	259	31	15	28	123	7	3
Sweden	845	617	394	223	228	8	21	50	11	137	1	0
Switzerland	3,150	1,186	331	855	1,964	11	211	1,594	20	116	11	0
United Kingdom	13,586	6,662	4,941	1,720	6,924	457	1,001	3,010	312	2,068	75	37
Other	3,783	(D)	658	(D)	(D)	215	445	572	224	692	(D)	2
Latin America and Other Western Hemisphere	14,652	4,815	2,146	2,668	9,837	602	419	6,413	1,506	841	56	26
South and Central America	4,076	1,190	910	281	2,886	525	211	34	1,294	773	50	(D)
Argentina	206	42	40	2	164	33	4	12	20	91	4	2
Brazil	553	273	265	8	280	20	20	1	81	148	11	7
Chile	165	85	11	74	80	32	5	0	28	13	2	0
Mexico	2,101	717	523	194	1,384	220	89	8	741	309	17	(D)
Venezuela	105	32	31	1	73	5	8	1	27	28	3	0
Other	944	41	40	1	903	215	85	12	396	183	13	(D)
Other Western Hemisphere	10,574	3,625	1,237	2,388	6,949	76	208	6,380	212	67	6	1
Bermuda	7,879	(D)	587	(D)	(D)	2	90	5,074	7	31	(D)	0
Other	2,689	(D)	649	(D)	(D)	74	118	1,299	205	37	(D)	1
Africa	817	(D)	116	(D)	(D)	62	29	0	161	368	(D)	0
South Africa	250	(D)	(D)	3	(D)	15	19	0	16	111	(D)	0
Other	567	98	(D)	(D)	469	47	10	0	146	257	10	0
Middle East	936	(D)	345	(D)	(D)	19	52	1	118	289	(D)	0
Israel	516	342	324	18	174	17	16	1	24	111	5	0
Saudi Arabia	130	3	2	1	127	0	19	0	25	65	18	0
Other	292	(D)	19	(D)	(D)	2	17	0	69	114	(D)	0
Asia and Pacific	10,600	6,099	4,432	1,667	4,501	252	735	130	1,113	2,110	161	43
Australia	1,030	545	498	47	485	121	95	8	49	200	13	(D)
China	444	224	206	18	220	13	3	1	55	141	7	0
Hong Kong	1,654	1,302	1,219	83	352	2	86	2	41	177	44	(D)
India	661	(D)	73	(D)	(D)	3	31	0	295	209	(D)	0
Indonesia	102	3	3	(*)	99	1	7	6	20	59	6	0
Japan	4,221	2,977	1,681	1,296	1,244	34	259	102	80	726	44	20
Korea, Republic of	424	140	97	43	284	2	47	6	65	160	5	1
Malaysia	144	94	89	5	50	0	11	0	8	28	3	0
New Zealand	82	32	32	(*)	50	17	5	0	11	16	2	0
Philippines	282	(D)	53	(D)	(D)	0	7	4	151	51	(D)	0
Singapore	667	(D)	339	(D)	(D)	1	87	1	25	122	(D)	0
Taiwan	292	124	94	29	168	1	32	1	38	88	8	0
Thailand	132	49	44	5	83	2	9	0	27	40	5	0
Other	463	(D)	3	(D)	(D)	55	56	1	247	93	(D)	0
International organizations and unallocated	125	0	0	0	125	0	0	19	38	2	67	0
Addenda:												
European Union ³	31,237	16,499	9,002	7,497	14,738	1,386	1,811	6,724	709	3,962	147	59
Eastern Europe ⁴	728	(D)	68	(D)	(D)	59	115	15	99	334	(D)	0

* Less than \$500,000

D Suppressed to avoid disclosure of data of individual companies.

1. In 2002, unaffiliated receipts (included in the "other services" column), U.S. parents' receipts, and U.S. affiliates' receipts for film and television tape rentals were \$6,919 million, \$2,916 million, and \$2 million, respectively.

2. In 2002, unaffiliated receipts (included in the "other services" column), U.S. parents' receipts, and U.S. affiliates' receipts for film and television tape rentals were \$149 million, less than \$1 million, and \$4 million, respectively.

3. See table 2, footnote 2.

4. See table 2, footnote 3.

Table 7.1. Business, Professional, and Technical Services, Unaffiliated, 1999

[Millions of dollars]

	Receipts										
	Total	Advertising	Computer and data processing services	Database and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, architectural, and engineering services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²
All countries.....	27,700	481	3,312	2,131	994	1,832	2,465	5,263	1,865	3,490	5,869
Canada	2,448	104	311	225	107	176	180	217	190	328	611
Europe	10,172	185	1,910	1,016	428	860	1,322	808	534	994	2,115
Belgium-Luxembourg	376	11	43	22	17	29	44	21	(D)	23	(D)
France	934	20	170	71	29	92	202	25	(D)	95	(D)
Germany.....	1,219	37	207	87	106	125	186	105	77	121	167
Italy.....	422	22	43	136	15	22	40	11	12	52	67
Netherlands.....	517	4	87	66	21	35	45	4	23	94	137
Norway.....	123	1	46	4	7	4	8	2	2	11	39
Spain.....	292	10	52	22	9	13	12	13	29	58	74
Sweden.....	236	3	36	20	29	22	34	1	15	43	33
Switzerland.....	476	18	29	91	80	76	58	9	12	30	73
United Kingdom.....	3,787	42	1,000	350	71	259	561	292	101	309	802
Other.....	1,788	16	195	146	45	183	130	325	87	159	502
Latin America and Other Western Hemisphere	4,342	120	247	257	47	200	159	880	281	497	1,653
South and Central America	3,933	99	232	228	43	180	108	780	276	468	1,519
Argentina.....	460	(D)	28	25	(D)	9	15	34	(D)	69	153
Brazil.....	597	23	51	63	5	44	24	52	17	71	247
Chile.....	291	4	9	11	(*)	2	9	148	4	28	76
Mexico.....	952	14	68	68	13	28	35	78	77	249	322
Venezuela.....	581	3	35	34	2	14	9	226	3	11	244
Other.....	1,051	(D)	40	28	(D)	83	16	242	(D)	41	476
Other Western Hemisphere.....	409	21	16	28	4	21	51	100	5	29	134
Bermuda.....	61	7	4	7	2	5	22	2	(*)	1	12
Other.....	348	14	12	22	2	16	30	98	4	29	123
Africa	1,258	3	126	62	14	131	8	634	30	38	211
South Africa.....	209	(*)	85	49	5	25	6	4	(*)	16	19
Other.....	1,049	3	40	13	9	106	2	629	30	22	193
Middle East	2,052	3	107	105	79	128	55	905	78	430	161
Israel.....	209	1	36	6	30	23	27	3	14	31	38
Saudi Arabia.....	1,246	(*)	55	(D)	48	51	5	(D)	(D)	323	29
Other.....	596	1	15	(D)	2	54	23	(D)	(D)	76	94
Asia and Pacific	7,241	66	610	465	312	331	741	1,818	752	1,204	942
Australia.....	544	4	100	113	17	38	56	31	20	85	81
China.....	744	3	13	11	5	9	36	337	5	108	217
Hong Kong.....	457	8	49	40	4	11	91	11	(D)	86	(D)
India.....	139	1	17	32	4	7	5	10	11	18	33
Indonesia.....	574	(*)	16	3	2	27	6	448	7	35	30
Japan.....	2,040	36	230	139	198	102	396	63	325	391	160
Korea, Republic of.....	428	3	36	13	20	19	82	30	35	130	61
Malaysia.....	148	1	20	7	1	12	1	36	5	37	26
New Zealand.....	154	1	15	25	2	1	4	1	2	32	73
Philippines.....	376	(*)	9	7	2	27	4	277	3	30	17
Singapore.....	698	6	34	45	9	10	18	(D)	(D)	94	(D)
Taiwan.....	533	2	40	16	30	7	32	(D)	(D)	119	40
Thailand.....	189	1	22	9	12	15	5	20	(D)	29	(D)
Other.....	216	1	6	7	6	46	5	14	24	9	98
International organizations and unallocated	190	(*)	1	(*)	6	6	(*)	3	(*)	(*)	174
Addenda:											
European Union ³	8,468	159	1,754	888	333	629	1,176	550	444	895	1,640
Eastern Europe ⁴	835	7	56	23	7	126	75	240	75	28	197

See footnotes at the end of the table.

Table 7.1. Business, Professional, and Technical Services, Unaffiliated, 1999—Continued

[Millions of dollars]

	Payments										
	Total	Advertising	Computer and data processing services	Database and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, architectural, and engineering services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²
All countries.....	8,449	881	1,323	171	749	842	742	256	262	315	2,906
Canada	2,145	56	933	8	117	101	46	14	84	136	650
Europe	3,459	312	170	126	473	387	409	107	130	114	1,231
Belgium-Luxembourg	91	16	6	3	13	15	16	3	(*)	1	20
France	287	31	19	(D)	26	39	28	2	5	2	(D)
Germany.....	413	47	51	12	64	49	59	(D)	(D)	26	(D)
Italy.....	146	16	4	1	13	6	16	1	18	(D)	(D)
Netherlands.....	130	5	2	16	22	13	12	1	(*)	4	55
Norway	43	2	(D)	(*)	7	2	5	(D)	1	1	14
Spain.....	96	19	3	(*)	7	7	11	(*)	26	1	21
Sweden.....	76	4	1	(*)	36	2	6	(*)	15	2	10
Switzerland.....	145	14	7	4	52	5	9	1	3	1	48
United Kingdom.....	1,504	142	62	45	168	193	180	44	19	34	616
Other.....	527	15	(D)	(D)	67	57	67	(D)	(D)	(D)	215
Latin America and Other Western Hemisphere	632	92	11	1	28	68	87	38	16	15	276
South and Central America	560	87	9	1	26	58	72	38	16	13	240
Argentina.....	74	11	(*)	(*)	4	4	11	(D)	1	(*)	(D)
Brazil.....	132	41	1	(*)	7	11	18	2	(D)	5	(D)
Chile.....	24	5	4	(*)	2	1	3	2	(*)	(*)	6
Mexico.....	129	17	1	(*)	4	10	20	1	4	8	64
Venezuela.....	61	1	(*)	(*)	1	4	5	(*)	1	(*)	49
Other.....	141	13	2	(*)	9	27	16	(D)	(D)	(*)	67
Other Western Hemisphere.....	72	5	2	(*)	2	10	15	(*)	(*)	2	36
Bermuda.....	37	1	1	(*)	1	8	11	(*)	(*)	(*)	14
Other.....	35	4	1	(*)	1	2	4	(*)	(*)	1	22
Africa	165	5	1	(*)	22	(D)	8	16	1	2	(D)
South Africa.....	29	3	(*)	(*)	6	2	2	(*)	(*)	(*)	15
Other.....	136	2	(*)	(*)	16	(D)	6	16	1	2	(D)
Middle East	361	18	20	2	29	(D)	11	45	11	2	(D)
Israel.....	81	2	11	2	6	2	5	(D)	9	1	(D)
Saudi Arabia.....	126	4	9	(*)	(D)	(D)	2	14	1	(*)	8
Other.....	155	12	(*)	(*)	(D)	(D)	4	(D)	2	(*)	(D)
Asia and Pacific	1,679	398	187	34	80	138	179	34	21	46	560
Australia.....	203	16	8	1	12	22	23	15	1	4	101
China.....	85	5	4	4	23	4	12	(*)	1	2	29
Hong Kong.....	100	10	2	1	1	3	20	3	(*)	3	57
India.....	176	2	132	3	5	13	5	1	1	1	12
Indonesia.....	29	(*)	1	(*)	3	7	2	1	(*)	2	13
Japan.....	674	322	16	13	20	10	67	3	(D)	13	(D)
Korea, Republic of.....	94	14	1	2	3	6	17	(*)	1	9	41
Malaysia.....	12	1	(*)	(*)	(*)	5	2	(*)	(*)	(*)	4
New Zealand.....	15	1	(*)	(*)	2	1	3	(*)	(*)	(*)	6
Philippines.....	65	1	16	5	1	23	3	4	(*)	1	10
Singapore.....	60	3	1	3	1	5	5	1	(D)	7	(D)
Taiwan.....	82	18	4	(*)	3	13	9	1	(*)	4	29
Thailand.....	42	1	(*)	(*)	3	3	5	3	(*)	(*)	(D)
Other.....	44	2	1	(*)	3	(D)	4	2	(*)	(*)	(D)
International organizations and unallocated	7	(*)	(*)	(*)	(*)	(*)	1	2	(*)	(*)	4
Addenda:											
European Union ³	3,001	291	151	119	377	335	360	57	123	96	1,094
Eastern Europe ⁴	197	1	(*)	2	29	34	28	(D)	2	(*)	(D)

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. Receipts for construction, architectural, and engineering services are published net of merchandise exports, which are included in merchandise trade in the U.S. international transactions accounts, and net of outlays abroad for wages, services, materials, and other expenses. In 1999, total net receipts of \$5,263 million were derived as gross operating revenues of \$7,751 million less merchandise exports of \$611 million and foreign expenses of \$1,878 million. The components of the total are as follows: Construction services—net receipts of \$2,643 million were derived as gross operating revenues of \$4,151 million less merchandise exports of \$356 million and foreign expenses of \$1,152 million. Architectural, engineering, and other technical services—net receipts of \$2,620 million were derived as gross operating revenues of \$3,601 million less merchandise exports of \$255 million and foreign expenses of \$725 million. Payments for construction, architectural, and engineering services are not published net of merchandise imports and outlays for wages and other expenses. Data are not collected for merchandise imports and wages and other expenses, and no estimates are made because they are believed to be small.

2. Consists of accounting, auditing, and bookkeeping services; agricultural, mining, and on-site processing services; medical services; miscellaneous disbursements (see footnote 3 table 1); operational leasing; sports and performing arts; trade-related services (see footnote 4 table 1); training services; and other business, professional, and technical services (see footnote 5 table 1). Receipts for mining services are published net of merchandise exports, which are included in merchandise trade in the U.S. international transactions accounts, and net of outlays abroad for wages, services, materials, and other expenses. In 1999, mining services net receipts of \$571 million were derived as gross operating revenues of \$1,034 million less merchandise exports of \$2 million and foreign expenses of \$460 million. Payments for mining services are not published net of merchandise imports and outlays for wages and other expenses. Data are not collected for merchandise imports and wages and other expenses, and no estimates are made because they are believed to be small.

3. See table 2, footnote 2.

4. See table 2, footnote 3.

Table 7.2. Business, Professional, and Technical Services, Unaffiliated, 2000

[Millions of dollars]

	Receipts										
	Total	Advertising	Computer and data processing services	Database and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, architectural, and engineering services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²
All countries.....	25,318	496	3,262	2,360	910	1,670	3,103	2,132	673	4,249	6,463
Canada	2,820	90	319	235	68	114	224	486	17	368	899
Europe	10,136	264	1,811	1,132	409	695	1,754	456	226	1,266	2,123
Belgium-Luxembourg	318	3	22	34	17	38	62	24	(*)	45	73
France	986	75	105	84	36	39	254	10	(D)	157	(D)
Germany.....	1,071	44	139	102	63	77	244	7	21	185	189
Italy.....	471	26	42	149	29	25	39	10	7	75	70
Netherlands.....	551	3	54	71	19	43	79	3	5	102	172
Norway.....	98	(*)	24	5	5	3	15	-3	(*)	10	39
Spain.....	371	3	54	27	7	13	36	22	(D)	33	(D)
Sweden.....	248	5	35	22	15	22	54	(*)	6	50	39
Switzerland.....	552	20	19	100	54	44	112	1	(D)	49	(D)
United Kingdom.....	3,868	74	1,157	376	108	196	671	120	(D)	420	(D)
Other.....	1,603	11	160	162	55	194	187	263	11	141	419
Latin America and Other Western Hemisphere	3,690	73	298	287	39	237	210	136	(D)	588	(D)
South and Central America	3,268	58	275	259	35	187	158	84	(D)	556	(D)
Argentina.....	330	(D)	35	30	4	11	21	9	(D)	20	169
Brazil.....	782	9	111	94	3	31	34	40	3	156	301
Chile.....	152	(*)	5	12	2	8	7	(D)	(D)	23	(D)
Mexico.....	723	12	58	66	15	41	54	-132	30	220	360
Venezuela.....	309	2	27	29	4	12	13	106	4	11	101
Other.....	972	(D)	40	30	7	84	28	(D)	(D)	126	556
Other Western Hemisphere.....	423	14	22	28	4	50	52	53	(D)	32	(D)
Bermuda.....	101	2	5	4	2	18	29	1	(*)	(*)	39
Other.....	321	12	17	24	2	32	23	52	(D)	32	(D)
Africa	1,008	2	159	75	47	188	21	179	(D)	89	(D)
South Africa.....	276	1	80	55	(D)	21	16	(D)	(*)	13	15
Other.....	733	1	80	20	(D)	167	5	(D)	(D)	76	(D)
Middle East	1,236	3	133	117	37	151	61	102	14	348	270
Israel.....	216	1	24	7	14	12	40	1	3	59	55
Saudi Arabia.....	572	1	60	(D)	20	93	12	22	6	217	(D)
Other.....	448	1	49	(D)	2	46	9	79	5	73	(D)
Asia and Pacific	6,298	64	541	513	301	278	828	773	285	1,584	1,130
Australia.....	622	3	125	109	24	40	44	28	16	122	112
China.....	786	2	13	15	10	9	35	334	(D)	138	(D)
Hong Kong.....	384	12	40	48	2	11	94	18	6	67	86
India.....	219	1	44	42	9	8	6	15	28	21	45
Indonesia.....	145	(*)	9	6	7	31	7	34	1	8	41
Japan.....	2,110	31	158	162	177	61	504	97	(D)	557	(D)
Korea, Republic of.....	465	3	41	18	30	31	48	30	9	151	105
Malaysia.....	108	1	13	7	2	6	2	2	4	54	16
New Zealand.....	171	(*)	4	24	1	(*)	4	(*)	(*)	50	87
Philippines.....	183	1	9	6	1	24	3	79	8	35	17
Singapore.....	299	7	43	34	5	7	31	43	5	101	23
Taiwan.....	328	2	31	20	17	8	35	38	(D)	115	(D)
Thailand.....	175	2	7	11	11	8	12	41	(D)	44	(D)
Other.....	302	1	5	11	5	32	3	12	8	121	104
International organizations and unallocated	133	(*)	(*)	(*)	10	7	5	4	(D)	5	(D)
Addenda:											
European Union ³	8,591	240	1,721	992	337	492	1,500	269	203	1,174	1,663
Eastern Europe ⁴	661	3	23	23	11	127	112	183	5	30	144

See footnotes at the end of the table.

Table 7.2. Business, Professional, and Technical Services, Unaffiliated, 2000—Continued

[Millions of dollars]

	Payments										
	Total	Advertising	Computer and data processing services	Database and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, architectural, and engineering services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²
All countries	8,769	909	1,452	179	787	702	893	202	241	821	2,582
Canada	2,522	187	1,073	12	72	124	52	22	30	521	429
Europe	3,422	298	176	138	451	323	496	53	143	193	1,151
Belgium-Luxembourg.....	81	11	1	3	12	11	19	3	(*)	2	20
France.....	313	23	16	(D)	22	22	31	1	14	12	(D)
Germany.....	440	44	17	8	81	29	71	1	45	40	105
Italy.....	178	16	3	1	6	8	10	(*)	(D)	28	(D)
Netherlands.....	159	4	2	16	19	11	10	(*)	(*)	6	89
Norway.....	35	3	(*)	(*)	4	3	6	(*)	1	1	17
Spain.....	89	27	9	1	2	4	12	(*)	5	4	25
Sweden.....	58	4	1	(*)	20	5	9	2	(*)	5	11
Switzerland.....	109	9	5	6	29	11	16	1	2	3	26
United Kingdom.....	1,444	141	78	57	169	178	237	31	29	56	466
Other.....	517	17	44	(D)	85	40	73	14	(D)	37	175
Latin America and Other Western Hemisphere	548	78	4	1	44	46	97	31	8	25	213
South and Central America.....	492	73	3	1	40	42	81	31	8	22	192
Argentina.....	75	8	(*)	(*)	8	4	13	(D)	(*)	1	(D)
Brazil.....	113	36	1	(*)	10	13	20	1	1	7	24
Chile.....	16	3	(*)	(*)	2	1	3	(*)	(*)	(*)	6
Mexico.....	155	18	1	(*)	5	8	21	3	6	12	80
Venezuela.....	24	1	(*)	(*)	4	3	7	(*)	(*)	(*)	8
Other.....	109	7	1	(*)	10	13	17	(D)	(*)	1	(D)
Other Western Hemisphere.....	56	6	1	(*)	5	4	15	(*)	(*)	3	21
Bermuda.....	24	1	1	(*)	4	1	9	(*)	(*)	1	7
Other.....	32	4	1	(*)	1	3	6	(*)	(*)	2	14
Africa	215	5	(*)	(*)	37	29	8	24	(D)	1	(D)
South Africa.....	70	4	(*)	(*)	19	5	3	(*)	(D)	(*)	(D)
Other.....	145	1	(*)	(*)	18	24	4	24	(*)	1	72
Middle East	269	18	18	2	27	44	15	46	8	4	86
Israel.....	109	2	9	2	22	4	7	32	4	3	24
Saudi Arabia.....	86	4	9	(*)	4	(D)	4	(D)	4	(*)	13
Other.....	74	13	(*)	(*)	2	(D)	5	(D)	(*)	1	49
Asia and Pacific	1,788	323	181	25	155	135	225	24	(D)	76	(D)
Australia.....	163	15	7	1	18	11	28	7	(*)	5	71
China.....	110	5	5	4	25	3	13	1	6	9	40
Hong Kong.....	98	8	3	1	1	8	22	(*)	(*)	3	52
India.....	206	2	133	2	10	23	5	1	(*)	1	29
Indonesia.....	66	(*)	(*)	(*)	5	15	3	1	(*)	3	40
Japan.....	718	260	16	12	49	25	93	4	(D)	36	(D)
Korea, Republic of.....	143	14	1	1	(D)	6	22	(*)	1	1	(D)
Malaysia.....	11	1	(*)	(*)	1	4	2	(*)	(*)	(*)	3
New Zealand.....	9	2	(*)	(*)	2	1	2	(*)	(*)	(*)	2
Philippines.....	39	2	7	3	1	5	4	4	(*)	(*)	12
Singapore.....	52	2	2	(*)	5	3	8	(*)	(*)	5	27
Taiwan.....	72	10	4	(*)	5	8	11	(*)	(*)	(D)	(D)
Thailand.....	48	1	3	(*)	4	(D)	7	3	(*)	(*)	(D)
Other.....	52	2	(*)	(*)	(D)	(D)	5	4	(*)	(D)	30
International organizations and unallocated	4	(*)	(*)	(*)	(*)	1	1	2	0	(*)	(*)
Addenda:											
European Union ³	3,023	281	170	132	373	288	426	40	136	164	1,014
Eastern Europe ⁴	181	2	(*)	(*)	37	15	36	11	4	4	71

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. Receipts for construction, architectural, and engineering services are published net of merchandise exports, which are included in merchandise trade in the U.S. international transactions accounts, and net of outlays abroad for wages, services, materials, and other expenses. In 2000, total net receipts of \$2,132 million were derived as gross operating revenues of \$5,158 million less merchandise exports of \$876 million and foreign expenses of \$2,149 million. The components of the total are as follows: Construction services—net receipts of \$673 million were derived as gross operating revenues of \$2,513 million less merchandise exports of \$698 million and foreign expenses of \$1,142 million. Architectural, engineering, and other technical services—net receipts of \$1,459 million were derived as gross operating revenues of \$2,645 million less merchandise exports of \$179 million and foreign expenses of \$1,007 million. Payments for construction, architectural, and engineering services are not published net of merchandise imports and outlays for wages and other expenses.

Data are not collected for merchandise imports and wages and other expenses, and no estimates are made because they are believed to be small.

2. See table 7.1, footnote 2. Receipts for mining services are published net of merchandise exports, which are included in merchandise trade in the U.S. international transactions accounts, and net of outlays abroad for wages, services, materials, and other expenses. In 2000, mining services net receipts of \$286 million were derived as gross operating revenues of \$953 million less merchandise exports of \$1 million and foreign expenses of \$666 million. Payments for mining services are not published net of merchandise imports and outlays for wages and other expenses. Data are not collected for merchandise imports and wages and other expenses, and no estimates are made because they are believed to be small.

3. See table 2, footnote 2.

4. See table 2, footnote 3.

Table 7.3. Business, Professional, and Technical Services, Unaffiliated, 2001

[Millions of dollars]

	Receipts										
	Total	Advertising	Computer and data processing services	Database and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, architectural, and engineering services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²
All countries	28,611	526	3,217	2,241	1,065	2,085	3,309	2,630	731	4,939	7,868
Canada	2,977	88	351	233	84	286	273	195	27	469	970
Europe	11,381	267	1,856	1,149	469	897	1,825	661	256	1,445	2,556
Belgium-Luxembourg.....	431	2	41	35	23	20	71	31	(D)	56	(D)
France.....	1,019	84	91	71	60	66	258	13	14	123	240
Germany.....	1,433	43	181	81	105	152	290	23	21	258	281
Italy.....	481	18	52	140	9	26	47	8	3	91	88
Netherlands.....	601	13	55	73	14	62	78	9	2	119	177
Norway.....	111	(*)	11	3	4	1	13	4	(*)	25	49
Spain.....	419	3	56	25	7	14	30	47	(D)	38	(D)
Sweden.....	257	4	56	21	16	15	66	7	3	36	32
Switzerland.....	706	27	78	122	80	52	95	(D)	4	63	(D)
United Kingdom.....	3,936	65	1,071	433	99	251	668	102	21	440	786
Other.....	1,986	8	164	145	53	240	209	(D)	6	195	(D)
Latin America and Other Western Hemisphere	4,930	85	232	262	55	276	239	941	66	724	2,050
South and Central America.....	4,400	76	201	234	41	199	178	849	60	695	1,867
Argentina.....	394	10	25	19	7	3	21	13	4	74	218
Brazil.....	1,035	11	72	94	7	42	38	(D)	(D)	135	(D)
Chile.....	176	1	7	11	1	3	8	12	9	46	78
Mexico.....	1,083	22	61	64	14	34	58	184	24	228	393
Venezuela.....	608	3	12	21	4	14	15	257	1	163	117
Other.....	1,105	28	24	24	8	102	39	(D)	(D)	50	(D)
Other Western Hemisphere.....	530	9	31	28	14	77	61	93	6	29	183
Bermuda.....	125	5	11	1	13	24	37	(*)	(*)	1	33
Other.....	405	4	20	28	1	53	24	93	6	27	150
Africa	1,113	3	140	30	61	198	25	230	9	93	324
South Africa.....	209	1	85	(D)	42	19	9	9	(*)	18	(D)
Other.....	905	2	55	(D)	19	179	16	222	9	75	(D)
Middle East	1,475	7	122	128	44	187	92	162	49	323	360
Israel.....	283	1	37	5	13	21	64	6	12	39	85
Saudi Arabia.....	679	2	56	(D)	20	120	15	60	(D)	226	103
Other.....	513	4	29	(D)	12	46	13	96	(D)	58	172
Asia and Pacific	6,599	76	516	438	344	232	849	440	324	1,885	1,494
Australia.....	616	4	99	109	19	26	42	15	28	149	126
China.....	737	2	19	16	12	13	40	158	(D)	167	(D)
Hong Kong.....	385	12	40	35	3	15	73	14	2	95	96
India.....	293	1	15	44	9	11	10	12	(D)	26	(D)
Indonesia.....	146	(*)	5	5	5	20	16	32	6	8	49
Japan.....	2,251	33	183	127	237	42	518	53	68	720	270
Korea, Republic of.....	573	5	28	17	27	26	57	93	12	166	143
Malaysia.....	158	1	27	8	2	7	3	19	7	55	29
New Zealand.....	158	1	10	(D)	1	3	6	-4	(*)	38	(D)
Philippines.....	147	1	10	6	2	14	3	14	7	70	21
Singapore.....	283	10	37	13	7	12	34	-60	4	191	33
Taiwan.....	397	3	21	20	12	3	32	60	(D)	125	(D)
Thailand.....	176	2	15	12	5	8	11	9	(D)	59	(D)
Other.....	280	1	7	(D)	3	32	5	26	2	15	(D)
International organizations and unallocated	139	(*)	(*)	(*)	8	8	5	5	(*)	(*)	113
Addenda:											
European Union ³	9,295	235	1,704	996	366	654	1,572	259	249	1,281	1,977
Eastern Europe ⁴	933	2	47	19	18	142	121	370	1	55	156

See See footnotes at end of table.

Table 7.3. Business, Professional, and Technical Services, Unaffiliated, 2001—Continued

[Millions of dollars]

	Payments										
	Total	Advertising	Computer and data processing services	Database and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, architectural, and engineering services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²
All countries	10,034	1,183	1,419	250	826	792	762	295	192	715	3,599
Canada	2,449	204	1,006	19	92	90	45	46	18	385	543
Europe	4,344	631	215	190	436	400	425	90	73	210	1,674
Belgium-Luxembourg.....	131	14	(D)	7	16	18	18	2	5	6	(D)
France.....	298	28	25	(D)	31	23	28	5	8	4	(D)
Germany.....	480	50	16	8	47	62	60	3	2	6	226
Italy.....	137	22	3	1	6	7	11	(*)	(*)	19	68
Netherlands.....	303	13	7	14	10	20	11	7	2	8	211
Norway.....	35	4	(*)	1	3	1	5	7	(*)	(*)	14
Spain.....	130	27	8	(D)	6	2	12	1	4	1	(D)
Sweden.....	125	6	(*)	(*)	13	11	7	(D)	(*)	(D)	13
Switzerland.....	144	9	3	3	41	6	13	1	(*)	2	65
United Kingdom.....	1,990	430	81	72	195	204	215	33	26	76	658
Other.....	572	28	(D)	4	67	46	45	(D)	27	(D)	250
Latin America and Other Western Hemisphere	724	78	11	7	36	56	91	34	2	29	381
South and Central America.....	649	72	10	3	24	49	73	31	1	28	357
Argentina.....	48	8	1	(*)	7	3	10	(*)	(*)	1	18
Brazil.....	149	33	3	2	6	10	19	8	(*)	(D)	(D)
Chile.....	13	2	(*)	(*)	2	1	3	(*)	(*)	(*)	5
Mexico.....	204	20	5	(*)	3	23	20	12	1	(D)	(D)
Venezuela.....	26	1	1	1	1	1	5	1	(*)	(*)	15
Other.....	209	9	(*)	(*)	5	11	16	10	(*)	(*)	158
Other Western Hemisphere.....	74	6	1	4	12	7	18	3	(*)	(*)	23
Bermuda.....	33	1	(*)	(*)	9	1	12	1	(*)	(*)	7
Other.....	42	5	1	3	3	6	6	1	(*)	(*)	16
Africa	384	7	(D)	(*)	60	30	8	15	(D)	1	205
South Africa.....	117	5	(D)	(*)	32	3	3	(*)	(D)	(*)	16
Other.....	267	2	1	(*)	28	27	5	14	(*)	1	189
Middle East	293	17	(D)	2	30	41	14	41	(D)	17	119
Israel.....	123	3	(D)	2	26	(D)	8	21	5	8	43
Saudi Arabia.....	70	(*)	(D)	(*)	4	(D)	3	7	(D)	(*)	22
Other.....	99	14	(*)	(*)	1	4	4	12	(*)	9	55
Asia and Pacific	1,837	247	163	32	172	173	180	69	52	72	676
Australia.....	200	18	6	2	12	12	24	1	(*)	6	119
China.....	80	4	5	3	9	2	11	3	(*)	5	38
Hong Kong.....	143	11	1	2	1	3	19	(D)	7	4	(D)
India.....	194	1	99	5	17	34	4	5	(*)	(*)	29
Indonesia.....	41	1	(*)	3	3	5	2	1	(*)	2	25
Japan.....	648	177	17	9	95	35	72	7	(D)	26	(D)
Korea, Republic of.....	160	9	(*)	1	6	15	19	8	(D)	(D)	59
Malaysia.....	14	2	(*)	(*)	4	4	2	(*)	(*)	(*)	5
New Zealand.....	8	2	(*)	(*)	(*)	(*)	2	(*)	(*)	(*)	3
Philippines.....	86	3	26	3	1	(D)	3	2	(*)	(*)	(D)
Singapore.....	72	4	3	2	14	2	5	4	(*)	(*)	36
Taiwan.....	84	8	5	3	7	7	11	4	(*)	(*)	25
Thailand.....	33	3	1	(*)	2	(D)	3	2	(*)	(*)	(D)
Other.....	75	4	(*)	(*)	6	3	3	(D)	(*)	(D)	49
International organizations and unallocated	3	(*)	2	(*)	(*)	(*)	1	(*)	(*)	(*)	(*)
Addenda:											
European Union ³	3,857	607	208	186	351	367	377	75	63	201	1,422
Eastern Europe ⁴	256	6	4	(*)	34	20	24	6	7	5	151

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. Receipts for construction, architectural, and engineering services are published net of merchandise exports, which are included in merchandise trade in the U.S. international transactions accounts, and net of outlays abroad for wages, services, materials, and other expenses. In 2001, total net receipts of \$2,630 million were derived as gross operating revenues of \$5,561 million less merchandise exports of \$706 million and foreign expenses of \$2,225 million. The components of the total are as follows: Construction services—net receipts of \$552 million were derived as gross operating revenues of \$2,345 million less merchandise exports of \$541 million and foreign expenses of \$1,252 million. Architectural, engineering, and other technical services—net receipts of \$2,078 million were derived as gross operating revenues of \$3,215 million less merchandise exports of \$165 million and foreign expenses of \$973 million. Payments for construction, architectural, and engineering services are not published net of merchandise imports and outlays for wages and other

expenses. Data are not collected for merchandise imports and wages and other expenses, and no estimates are made because they are believed to be small.

2. See table 7.1, footnote 2. Receipts for mining services are published net of merchandise exports, which are included in merchandise trade in the U.S. international transactions accounts, and net of outlays abroad for wages, services, materials, and other expenses. In 2001, mining services net receipts of \$229 million were derived as gross operating revenues of \$462 million less merchandise exports of \$3 million and foreign expenses of \$230 million. Payments for mining services are not published net of merchandise imports and outlays for wages and other expenses. Data are not collected for merchandise imports and wages and other expenses, and no estimates are made because they are believed to be small.

3. See table 2, footnote 2.

4. See table 2, footnote 3.

Table 7.4. Business, Professional, and Technical Services, Unaffiliated, 2002

[Millions of dollars]

	Receipts										
	Total	Advertising	Computer and data processing services	Database and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, architectural, and engineering services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²
All countries	28,799	633	3,004	2,426	1,086	1,696	3,270	2,570	749	4,992	8,372
Canada	2,997	106	420	352	91	163	309	146	22	413	976
Europe	11,207	298	1,765	1,096	565	633	1,773	727	202	1,535	2,612
Belgium-Luxembourg	390	2	49	25	21	13	56	(D)	1	100	(D)
France	1,116	41	113	69	61	32	210	21	5	203	361
Germany	1,437	43	163	77	125	89	281	43	24	289	304
Italy	520	29	64	136	9	14	44	8	(D)	110	(D)
Netherlands	596	16	77	74	15	37	83	5	8	95	188
Norway	109	(*)	14	5	3	2	13	4	4	19	45
Spain	380	9	25	27	7	31	32	58	(D)	42	(D)
Sweden	295	6	45	20	14	18	69	(D)	2	33	(D)
Switzerland	719	29	72	86	98	62	122	15	(D)	56	(D)
United Kingdom	3,634	100	975	436	149	131	671	77	23	387	684
Other	2,010	23	169	141	61	204	192	396	(D)	201	(D)
Latin America and Other Western Hemisphere	4,729	105	178	329	45	263	215	619	144	728	2,103
South and Central America	4,198	94	158	302	32	188	146	522	137	704	1,914
Argentina	337	12	12	32	2	2	14	31	(D)	10	(D)
Brazil	981	15	53	100	11	26	33	(D)	(D)	139	(D)
Chile	139	3	4	20	1	2	8	3	(D)	15	(D)
Mexico	1,028	29	52	87	9	43	49	43	(D)	223	(D)
Venezuela	564	4	11	26	4	14	12	89	6	271	127
Other	1,149	32	26	37	6	101	30	(D)	10	45	(D)
Other Western Hemisphere	531	11	20	26	12	75	70	97	7	24	189
Bermuda	142	5	8	4	12	40	40	(*)	(*)	1	32
Other	389	6	12	22	1	36	29	96	7	23	157
Africa	991	7	110	40	29	181	21	149	21	111	320
South Africa	178	2	82	8	9	20	9	10	(*)	18	20
Other	813	6	28	32	20	161	12	139	21	93	300
Middle East	1,478	10	89	146	38	195	72	148	52	366	364
Israel	262	3	33	7	11	33	47	7	14	31	77
Saudi Arabia	683	2	41	61	12	108	16	51	21	272	100
Other	532	5	16	78	15	54	9	90	17	63	187
Asia and Pacific	6,855	107	442	462	311	260	876	(D)	308	1,838	(D)
Australia	598	6	85	116	13	12	60	10	34	142	120
China	797	4	15	18	12	13	45	197	(D)	182	(D)
Hong Kong	327	15	28	37	2	17	49	7	4	75	92
India	268	1	13	51	4	11	9	10	16	26	128
Indonesia	160	(*)	3	6	5	22	5	76	4	7	33
Japan	2,338	47	185	88	234	62	597	116	39	749	221
Korea, Republic of	691	12	26	19	14	21	55	(D)	37	173	(D)
Malaysia	159	1	5	10	1	6	4	11	18	73	29
New Zealand	157	1	5	24	1	2	5	-4	(*)	39	85
Philippines	94	1	11	6	2	17	3	-4	4	31	23
Singapore	343	9	33	32	4	(D)	14	16	15	158	(D)
Taiwan	408	5	16	22	10	2	28	119	32	110	64
Thailand	205	1	14	14	5	11	1	12	(D)	56	(D)
Other	310	3	4	20	4	(D)	2	13	5	18	(D)
International organizations and unallocated	546	(*)	(*)	(*)	8	1	3	(D)	(*)	(*)	(D)
Addenda:											
European Union ³	9,185	263	1,633	974	445	398	1,534	381	135	1,367	2,056
Eastern Europe ⁴	794	2	35	22	14	119	96	292	5	60	149

See See footnotes at end of table.

Table 7.4. Business, Professional, and Technical Services, Unaffiliated, 2002—Continued

[Millions of dollars]

	Payments										
	Total	Advertising	Computer and data processing services	Database and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, architectural, and engineering services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²
All countries	10,732	1,360	1,057	236	1,040	1,188	768	538	185	812	3,550
Canada	2,604	241	758	23	129	224	51	93	29	447	610
Europe	4,519	662	144	163	575	467	420	248	89	178	1,573
Belgium-Luxembourg	111	7	9	2	11	19	11	9	9	(*)	34
France	342	49	16	(D)	30	19	25	22	14	(D)	106
Germany.....	492	52	16	7	98	121	59	6	15	10	107
Italy.....	139	23	3	1	16	17	11	(*)	4	3	61
Netherlands.....	265	12	6	18	15	12	9	10	1	7	175
Norway	36	3	1	(*)	3	1	4	6	3	(*)	13
Spain	123	25	3	(D)	4	2	10	8	3	1	(D)
Sweden	137	6	1	1	20	(D)	7	16	(*)	43	(D)
Switzerland.....	116	7	5	2	48	4	15	1	(*)	1	31
United Kingdom.....	2,068	438	50	52	250	188	222	105	35	72	656
Other	692	41	36	2	79	62	46	65	5	(D)	345
Latin America and Other Western Hemisphere	841	86	8	5	41	147	85	31	2	68	368
South and Central America	773	77	7	2	39	139	65	30	2	67	345
Argentina	91	10	1	(*)	8	3	9	(*)	(*)	(*)	59
Brazil.....	148	26	2	1	7	(D)	16	1	(*)	(D)	42
Chile.....	13	2	(*)	(*)	2	1	3	(*)	(*)	(*)	5
Mexico.....	309	32	2	(*)	15	(D)	20	7	1	(D)	106
Venezuela	28	2	1	(*)	1	3	4	1	(*)	(*)	15
Other	183	6	(*)	(*)	6	15	14	21	(*)	3	118
Other Western Hemisphere.....	67	8	1	2	2	8	20	1	1	1	23
Bermuda.....	31	(*)	1	(*)	1	2	14	(*)	1	1	11
Other	37	8	1	2	2	6	6	1	(*)	(*)	12
Africa	368	5	16	(*)	49	47	7	11	1	4	228
South Africa.....	111	3	15	(*)	15	6	3	1	(*)	(*)	66
Other	257	2	1	(*)	34	41	4	9	1	4	162
Middle East	289	22	2	2	18	49	13	57	5	9	114
Israel.....	111	2	1	2	17	6	7	32	4	2	38
Saudi Arabia.....	65	1	(*)	(*)	(*)	36	3	7	(*)	1	18
Other	114	19	(*)	(*)	1	7	4	19	(*)	7	58
Asia and Pacific	2,110	344	128	44	228	255	192	99	59	105	656
Australia.....	200	19	3	1	12	8	26	1	(*)	15	116
China.....	141	24	1	4	8	3	16	2	2	9	73
Hong Kong.....	177	13	14	3	4	15	21	31	8	6	60
India.....	209	(D)	76	4	19	12	4	6	7	1	(D)
Indonesia.....	59	1	(*)	3	6	7	7	1	(*)	2	32
Japan.....	726	173	10	17	96	137	69	7	7	26	184
Korea, Republic of.....	160	12	1	4	7	17	20	32	34	(D)	(D)
Malaysia.....	28	3	(*)	(*)	1	10	1	(*)	(*)	4	8
New Zealand.....	16	4	(*)	(*)	(*)	2	2	(*)	(*)	1	6
Philippines	51	6	20	3	1	9	3	(*)	(*)	(*)	9
Singapore.....	122	21	1	1	(D)	5	6	4	1	7	(D)
Taiwan	88	9	2	3	8	8	11	7	(*)	17	23
Thailand.....	40	4	1	(*)	2	17	4	2	(*)	(*)	10
Other	93	(D)	(*)	(*)	(D)	4	3	6	(*)	(D)	57
International organizations and unallocated	2	0	2	0	0	0	0	0	0	0	(*)
Addenda:											
European Union ³	3,962	642	135	160	479	422	373	216	83	172	1,280
Eastern Europe ⁴	334	5	2	1	35	32	22	10	2	5	219

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies

1. Receipts for construction, architectural, and engineering services are published net of merchandise exports, which are included in merchandise trade in the U.S. international transactions accounts, and net of outlays abroad for wages, services, materials, and other expenses. In 2002, total net receipts of \$2,570 million were derived as gross operating revenues of \$6,076 million less merchandise exports of \$517 million and foreign expenses of \$2,988 million. The components of the total are as follows: Construction services—net receipts of \$654 million were derived as gross operating revenues of \$3,160 million less merchandise exports of \$311 million and foreign expenses of \$2,196 million. Architectural, engineering, and other technical services—net receipts of \$1,916 million were derived as gross operating revenues of \$2,915 million less merchandise exports of \$206 million and foreign expenses of \$793 million. Payments for construction, architectural, and engineering services are not published net of merchandise imports and outlays for wages and other expenses. Data

are not collected for merchandise imports and wages and other expenses, and no estimates are made because they are believed to be small.

2. See table 7.1, footnote 2. Receipts for mining services are published net of merchandise exports, which are included in merchandise trade in the U.S. international transactions accounts, and net of outlays abroad for wages, services, materials, and other expenses. In 2002, mining services net receipts of \$229 million were derived as gross operating revenues of \$469 million less merchandise exports of \$3 million and foreign expenses of \$237 million. Payments for mining services are not published net of merchandise imports and outlays for wages and other expenses. Data are not collected for merchandise imports and wages and other expenses, and no estimates are made because they are believed to be small.

3. See table 2, footnote 2.

4. See table 2, footnote 3.

Table 8. Sales of Services to Foreign Persons by U.S. MNCs Through Their Nonbank MOFAs and to U.S. Persons by Foreign MNCs Through Their Nonbank MOUSAs, by Country, 1994–2001

[Millions of dollars]

Country ¹	Sales by MOFAs to foreign persons								Sales by MOUSAs to U.S. persons							
	1994	1995	1996	1997	1998	1999 ²	2000	2001	1994	1995	1996	1997 ³	1998	1999	2000	2001
All countries	159,149	190,057	223,175	255,335	286,066	353,207	413,470	432,179	145,414	149,663	168,444	223,060	245,472	293,485	344,389	366,896
Canada	17,776	18,534	21,160	24,128	25,698	34,741	52,833	51,198	22,285	26,620	27,282	35,064	41,871	47,438	50,209	47,921
Europe	84,599	105,111	128,665	147,698	165,170	198,673	213,763	233,624	86,156	89,978	101,296	134,865	150,093	187,596	233,499	249,404
Belgium	3,886	4,277	4,260	4,283	4,552	4,781	5,582	(D)	471	164	349	130	262	850	1,237	1,028
France	10,897	14,183	15,868	14,567	17,704	19,641	19,703	20,028	11,315	12,141	12,260	16,011	18,456	21,436	30,113	42,996
Germany	12,434	17,618	21,829	19,102	20,105	29,732	24,623	26,326	10,728	11,904	16,991	22,171	27,396	29,467	41,956	41,882
Italy	4,528	5,176	6,462	6,319	7,455	(D)	7,470	8,201	917	750	993	914	818	1,926	2,169	2,119
Netherlands	8,111	9,134	10,668	10,911	13,504	13,466	11,497	14,243	(D)	9,860	10,511	15,411	21,210	32,759	39,751	51,239
Norway	878	(D)	1,626	1,818	2,152	2,366	2,003	2,447	539	527	2,031	1,624	1,755	5,348	1,314	819
Spain	2,211	2,869	3,106	3,115	3,302	4,176	4,802	5,597	179	182	215	317	333	346	(D)	855
Sweden	(D)	(D)	2,883	2,881	(D)	(D)	(D)	3,620	(D)	2,413	1,490	1,820	2,892	4,496	7,449	7,243
Switzerland	3,187	4,006	4,497	4,133	4,861	4,981	4,953	5,884	12,589	12,758	15,174	19,040	20,540	23,105	33,114	31,376
United Kingdom	31,810	38,114	50,330	73,112	78,849	94,158	113,379	124,067	35,563	35,409	37,812	55,035	54,944	65,683	71,608	64,631
Other	(D)	6,003	7,126	7,457	(D)	13,280	(D)	(D)	(D)	3,871	3,468	2,392	1,488	2,179	(D)	5,215
Latin America and Other Western Hemisphere	12,588	15,791	17,457	23,781	32,534	41,551	50,462	54,143	4,100	4,209	5,474	6,877	8,000	12,567	13,876	25,486
South and Central America	8,354	10,893	12,143	15,449	23,248	28,861	35,139	38,012	944	969	1,098	1,128	1,160	1,043	1,193	1,191
Argentina	1,463	2,012	2,584	(D)	(D)	4,793	5,801	6,320	3	3	2	4	5	5	6	6
Brazil	2,361	3,008	3,457	4,574	10,387	10,001	12,888	12,043	40	40	59	108	119	109	205	208
Chile	865	1,530	1,146	1,425	1,830	2,235	3,093	2,886	0	0	(*)	(D)	26	173	32	29
Mexico	1,772	1,850	2,003	(D)	3,014	5,326	(D)	7,724	488	517	554	559	543	354	500	496
Venezuela	1,054	(D)	1,689	(D)	2,895	3,220	3,598	4,725	214	223	256	232	187	(D)	283	284
Other	839	(D)	1,263	1,843	(D)	3,286	(D)	4,313	199	186	227	(D)	280	(D)	167	168
Other Western Hemisphere	4,233	4,898	5,313	8,332	9,286	12,690	15,323	16,131	3,156	3,240	4,376	5,748	6,840	11,524	12,683	24,295
Bermuda	(D)	(D)	(D)	(D)	6,594	7,471	7,929	8,217	1,373	1,460	1,752	2,907	3,060	5,976	6,391	15,710
Other	(D)	(D)	(D)	(D)	2,692	5,219	7,394	7,915	1,783	1,780	2,624	2,841	3,781	5,548	6,292	8,586
Africa, Middle East, and Asia and Pacific	41,663	48,088	53,336	56,797	60,169	78,242	96,412	93,214	(D)	28,226	33,495	44,304	42,807	(D)	(D)	(D)
Africa	(D)	1,677	1,776	2,102	(D)	2,536	2,978	3,302	(D)	237	248	232	923	(D)	(D)	(D)
South Africa	109	529	(D)	958	1,131	(D)	(D)	1,142	179	169	202	191	(D)	(D)	(D)	(D)
Other	(D)	1,148	(D)	1,144	(D)	(D)	(D)	2,160	(D)	68	46	41	(D)	(D)	(D)	(D)
Middle East	(D)	1,643	1,879	2,045	(D)	4,391	3,745	2,719	1,915	1,803	1,955	2,037	2,260	2,202	2,305	2,289
Israel	(D)	(D)	(D)	(D)	(D)	671	805	823	164	251	237	239	251	236	269	303
Saudi Arabia	720	(D)	(D)	(D)	(D)	(D)	(D)	1,052	570	591	703	483	483	650	612	649
Other	(D)	633	(D)	755	803	(D)	(D)	844	1,181	961	1,015	1,316	1,526	1,315	1,424	1,338
Asia and Pacific	39,033	44,768	49,681	52,649	55,347	71,315	89,689	87,192	30,069	26,186	31,293	42,036	39,623	40,810	42,184	39,709
Australia	5,550	6,489	8,821	9,713	11,381	14,699	15,326	14,657	(D)	4,321	5,886	8,854	9,046	8,062	9,208	10,739
China	320	453	575	776	828	(D)	2,166	2,622	45	58	63	(D)	64	73	80	144
Hong Kong	4,043	4,424	5,310	5,915	6,774	8,065	9,693	7,750	1,759	2,003	1,829	1,388	1,546	1,424	1,295	1,190
India	47	116	102	222	341	506	948	1,087	24	30	(D)	94	133	175	196	325
Indonesia	249	324	415	(D)	(D)	714	781	53	40	49	56	96	78	91	128	
Japan	19,545	21,693	21,921	21,684	23,095	26,425	35,399	35,446	23,203	18,621	21,398	28,383	26,177	28,729	28,688	24,109
Korea, Republic of	(D)	1,141	1,299	1,229	996	1,701	2,256	2,567	252	238	827	300	322	374	391	395
Malaysia	1,136	(D)	1,391	(D)	1,034	1,597	(D)	1,730	180	162	272	328	292	(D)	(D)	(D)
New Zealand	848	1,175	1,075	1,056	869	(D)	(D)	15	14	20	47	51	23	25	25	25
Philippines	397	(D)	518	589	602	(D)	1,039	1,204	12	10	10	8	11	23	19	18
Singapore	2,234	2,492	3,103	3,670	3,166	4,608	5,498	5,527	188	244	343	1,761	1,038	879	1,077	1,441
Taiwan	2,473	3,028	3,362	3,965	4,190	(D)	(D)	8,531	283	310	386	581	636	582	723	792
Thailand	(D)	1,593	1,618	1,490	(D)	1,475	2,340	2,314	2	2	2	(*)	(*)	(*)	(*)	(*)
Other	(D)	(D)	172	254	464	(D)	(D)	(D)	(D)	134	(D)	(D)	213	(D)	(D)	(D)
International⁴	2,523	2,531	2,567	2,930	2,495	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
United States⁵ .....	.....	.....	.....	.....	.....	.....	.....	.....	(D)	630	898	1,950	2,701	(D)	(D)	(D)
Addenda:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
European Union ⁶	76,497	99,012	121,510	140,471	156,068	187,730	202,338	220,283	71,319	76,612	83,987	114,106	127,698	159,017	198,912	216,819
Eastern Europe ⁷	423	438	577	834	1,601	2,838	3,525	4,009	12	20	22	20	34	55	57	55

¹ Less than \$500,000.

² Suppressed to avoid disclosure of data of individual companies.

³ For MOFAs, "country" is the country of the affiliate; for MOUSAs, it is the country of the affiliate's ultimate beneficial owner.

⁴ See table B, footnote 5.

⁵ See table B, footnote 4.

⁶ Foreign affiliates classified in "international" are those that have operations in more than one country and that are engaged in petroleum shipping, other water transportation, or operating movable oil- and gas-drilling equipment. Beginning with the estimates for 1999, BEA is no longer using the "international" category in tabulations of direct investment estimates. This change is being made to comply with international guidelines for the compilation of international transac-

 tions and direct investment statistics set forth by the International Monetary Fund's *Balance of Payments Manual, 5th ed.* In accordance with the guidelines, affiliates formerly classified in "international" have been reclassified in the country of operator of the ship or equipment. In most cases the country of the operator is the same as the country of incorporation. In the few cases where the country of incorporation is the United States, the affiliates have been defined out of BEA's direct investment estimates.

⁷ Contains data for U.S. affiliates that have a foreign parent but whose ultimate beneficial owner is a U.S. person.

⁸ See table 2, footnote 2.

⁹ See table 2, footnote 3.

MNC Multinational company

MOFA Majority-owned foreign affiliate

MOUSA Majority-owned U.S. affiliate

Table 9.1 Sales of Services to Foreign Persons by U.S. MNCs Through Their Nonbank MOFAs, Industry of Affiliate by Country of Affiliate, 2000
 [Millions of dollars]

	All countries	Canada	Europe					Latin America and Other Western Hemisphere	Other countries			
			Total	Of which:					Total	Of which:		
				France	Germany	Netherlands	Switzerland			United Kingdom	Australia	Japan
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
All industries	413,470	52,833	213,763	19,703	24,623	11,497	4,953	113,379	50,462	96,412	15,326	35,399
Manufacturing.....	8,721	1,997	4,582	972	1,093	91	(D)	776	1,094	1,048	161	328
<i>Of which:</i>												
Food.....	166	46	57	0	0	49	0	2	48	15	14	0
Chemicals.....	572	28	464	165	142	(*)	0	141	22	59	39	13
Primary and fabricated metals	94	1	87	8	3	0	0	73	6	0	0	0
Machinery.....	1,140	80	412	19	21	22	0	193	573	74	40	0
Computers and electronic products.....	4,951	(D)	(D)	690	(D)	0	(D)	154	399	695	10	(D)
Electrical equipment, appliances, and components	86	(D)	11	4	0	0	0	1	4	(D)	0	0
Transportation equipment.....	1,047	588	(D)	4	(D)	0	0	58	3	(D)	56	0
Wholesale trade.....	25,363	(D)	13,329	1,583	2,892	940	982	2,998	2,782	(D)	516	958
<i>Of which:</i>												
Motor vehicles and motor vehicle parts and supplies.....	(D)	6	(D)	(D)	0	0	0	(D)	0	(D)	0	(D)
Professional and commercial equipment and supplies	17,945	590	12,683	1,552	2,812	839	918	2,844	(D)	(D)	369	859
Retail trade.....	1,143	(D)	50	4	6	0	0	(*)	23	(D)	0	0
Information	62,021	3,880	(D)	2,572	4,081	(D)	1,015	15,935	11,495	(D)	2,657	(D)
Publishing industries	13,598	(D)	(D)	672	1,052	(D)	206	4,154	748	(D)	485	(D)
Newspaper, periodical, book, and database publishers	5,511	(D)	(D)	281	468	(D)	42	2,508	408	(D)	255	(D)
Software publishers.....	8,086	315	5,402	391	584	1,134	164	1,646	340	2,029	231	1,141
Motion picture and sound recording industries.....	(D)	1,144	5,683	575	786	1,678	58	1,454	620	(D)	361	1,700
Motion picture and video industries.....	(D)	(D)	4,687	494	(D)	1,632	29	(D)	486	1,232	290	(D)
Sound recording industries	2,348	(D)	997	81	(D)	46	29	(D)	134	(D)	71	(D)
Broadcasting and telecommunications.....	24,201	(D)	11,278	499	716	622	80	5,797	9,160	(D)	1,033	458
Broadcasting, cable networks, and program distribution.....	2,733	0	2,213	(D)	5	(D)	0	795	233	(D)	240	6
Telecommunications.....	21,467	(D)	9,065	(D)	710	(D)	80	5,002	8,927	(D)	792	452
Information services and data processing services	(D)	1,517	9,989	826	1,528	544	671	4,530	967	(D)	779	514
Information services.....	(D)	(D)	2,731	117	293	265	(D)	1,392	356	786	(D)	339
Data processing services.....	10,366	(D)	7,258	709	1,236	279	(D)	3,139	611	(D)	175	175
Finance (except depository institutions) and insurance	100,657	8,432	40,807	1,480	6,916	504	468	26,257	14,863	36,556	2,375	18,494
Finance (except depository institutions).....	35,084	3,566	21,320	740	845	365	(D)	15,825	3,040	7,158	1,787	2,856
Nondepository credit intermediation and related services	11,135	(D)	5,347	(D)	(D)	255	(D)	3,575	1,616	(D)	(D)	1,180
Securities, commodity contracts, and other intermediation and related activities.....	22,950	1,659	15,915	(D)	503	110	285	12,236	1,299	4,078	726	1,676
Funds, trusts, and other financial vehicles	998	(D)	58	1	(D)	0	0	13	125	(D)	(D)	(*)
Insurance carriers and related activities.....	65,573	4,866	19,486	739	6,071	139	(D)	10,432	11,823	29,398	589	15,638
Insurance carriers, except life insurance carriers	36,492	3,071	14,825	360	5,836	(D)	(D)	7,417	10,143	8,453	388	(D)
Life insurance carriers.....	25,733	1,582	2,056	(D)	0	0	(D)	1,401	1,447	20,648	(D)	(D)
Agencies, brokerages, and other insurance related activities	3,348	213	2,606	(D)	235	(D)	(D)	1,614	233	296	(D)	10
Real estate and rental and leasing	12,077	1,661	8,260	1,560	589	852	67	3,253	1,051	1,104	351	474
Real estate	(D)	114	1,043	307	26	11	(*)	667	71	(D)	(D)	44
Rental and leasing (except real estate).....	(D)	1,548	7,217	1,253	563	841	67	2,586	980	(D)	(D)	430
Professional, scientific, and technical services	68,361	4,987	39,023	3,723	4,682	2,024	1,142	(D)	4,937	19,414	(D)	(D)
Architectural, engineering, and related services	10,819	2,021	6,399	235	99	213	27	4,371	431	1,968	432	110
Computer systems design and related services	(D)	1,305	15,860	1,450	2,300	1,032	237	(D)	2,136	(D)	8	8,056
Management, scientific, and technical consulting	(D)	641	5,951	492	1,030	183	499	2,082	1,208	(D)	399	450
Other.....	15,325	1,021	10,812	1,545	1,253	596	379	4,008	1,162	2,330	369	(D)
Legal services.....	894	8	648	169	63	0	1	307	2	236	14	55
Accounting, tax preparation, bookkeeping, and payroll services	619	311	231	73	0	0	0	104	22	56	(D)	(D)
Specialized design services.....	52	1	12	2	0	0	0	5	8	31	(D)	0
Scientific research and development services.....	2,399	151	1,749	144	223	30	96	760	120	379	84	(D)
Advertising and related services.....	9,056	468	6,718	1,031	906	485	184	2,263	812	1,058	206	264
Other professional, scientific, and technical services	2,304	82	1,455	127	62	81	99	570	198	569	28	107
Other industries.....	135,127	(D)	(D)	7,808	4,364	(D)	(D)	(D)	14,217	(D)	(D)	2,099
Agriculture, forestry, fishing, and hunting	93	27	24	3	0	4	0	6	25	18	10	0
Mining.....	10,258	2,985	2,637	(D)	42	375	86	1,538	2,789	1,847	115	7
Utilities.....	58,761	14,969	33,590	0	(D)	(D)	0	32,013	4,823	5,379	2,146	0
Construction.....	(D)	0	14	0	3	0	0	6	0	(D)	(D)	0
Transportation and warehousing	21,285	2,308	8,169	589	1,641	757	341	3,175	2,534	8,274	623	652
<i>Of which:</i>												
Air transportation.....	1,653	109	776	(D)	(D)	(D)	9	411	105	663	36	(D)
Rail transportation.....	1,561	(D)	(D)	0	0	0	0	(D)	(D)	(D)	0	0
Water transportation.....	3,932	22	755	0	1	(D)	139	(D)	1,377	1,779	(D)	(D)
Truck transportation.....	1,798	(D)	(D)	0	(D)	0	0	347	(D)	(D)	0	7
Support activities for transportation.....	5,269	348	2,106	(D)	315	378	89	680	295	2,520	168	57
Management of companies and enterprises.....	2,051	44	1,243	(D)	16	5	(D)	270	608	157	5	12
Administration, support, and waste management	(D)	1,983	(D)	4,867	506	591	192	4,131	860	2,535	943	822
Administrative and support services	(D)	946	(D)	4,867	506	591	192	4,131	841	2,526	941	822
<i>Of which:</i>												
Employment services.....	10,953	425	9,022	(D)	262	383	149	2,780	223	1,282	614	(D)
Travel arrangement and reservation services.....	174	6	119	0	0	0	0	(D)	24	25	1	24
Waste management and remediation services	1,065	1,037	0	0	0	0	0	0	19	9	3	0
Health care and social assistance.....	627	31	354	(D)	8	2	104	118	173	69	2	0
Accommodation and food services	(D)	2,458	8,252	796	1,707	70	240	3,291	1,980	(D)	1,119	32
Accommodation.....	(D)	427	2,243	(D)	214	65	(D)	936	620	(D)	194	32
Food services and drinking places.....	12,740	2,032	6,009	(D)	1,493	5	(D)	2,355	1,360	3,339	925	0
Miscellaneous services.....	7,442	(D)	(D)	818	(D)	356	115	(D)	425	1,338	445	574
Educational services.....	912	88	517	24	(D)	101	53	98	67	240	36	103
Arts, entertainment, and recreation.....	1,219	(D)	(D)	24	33	7	22	(D)	90	175	49	(D)
Other services (except public administration and private households).....	5,312	868	3,253	770	282	248	40	1,661	268	923	359	(D)

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

MNC Multinational company

MOFA Majority-owned foreign affiliate

Table 9.2 Sales of Services to Foreign Persons by U.S. MNCs Through Their Nonbank MOFAs, Industry of Affiliate by Country of Affiliate, 2001

[Millions of dollars]

	All countries	Canada	Europe						Latin America and Other Western Hemisphere	Other countries		
			Total	Of which:						Total	Of which:	
				France	Germany	Netherlands	Switzerland	United Kingdom			Australia	Japan
				(4)	(5)	(6)	(7)	(8)				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
All industries	432,179	51,198	233,624	20,028	26,326	14,243	5,884	124,067	54,143	93,214	14,657	35,446
Manufacturing.....	9,834	3,179	5,100	752	1,489	71	(D)	726	724	832	144	154
<i>Of which:</i>												
Food.....	(D)	(D)	47	0	0	40	0	2	19	39	22	0
Chemicals.....	494	23	403	135	(D)	(*)	0	127	27	41	29	12
Primary and fabricated metals	102	1	95	17	1	0	0	74	6	0	0	0
Machinery.....	779	76	370	17	0	11	0	197	266	67	43	0
Computers and electronic products.....	5,411	(D)	3,031	497	(D)	13	(D)	186	(D)	561	2	131
Electrical equipment, appliances, and components	(D)	(D)	4	0	0	0	2	1	(*)	9	0	0
Transportation equipment.....	(D)	(D)	(D)	6	(D)	0	0	33	10	52	46	0
Wholesale trade.....	21,327	753	15,302	2,118	3,246	1,254	1,451	2,794	1,967	3,305	368	1,082
<i>Of which:</i>												
Motor vehicles and motor vehicle parts and supplies.....	179	(D)	(D)	5	0	0	0	(D)	0	61	0	61
Professional and commercial equipment and supplies	19,196	517	14,267	2,085	3,154	1,115	1,007	2,698	1,383	3,030	331	962
Retail trade.....	554	57	35	4	6	0	0	(*)	(D)	(D)	0	0
Information	64,970	3,612	39,466	2,551	3,886	4,463	1,407	18,041	11,451	10,441	2,659	(D)
Publishing industries	15,259	766	(D)	661	1,058	1,493	180	4,290	598	(D)	435	(D)
Newspaper, periodical, book, and database publishers	5,504	431	(D)	271	461	155	43	2,639	279	(D)	215	(D)
Software publishers.....	9,755	336	6,033	390	527	1,338	137	1,651	319	3,068	220	1,954
Motion picture and sound recording industries.....	9,842	1,031	6,086	696	759	1,793	58	(D)	529	2,196	399	1,584
Motion picture and video industries.....	7,623	899	5,138	614	(D)	1,749	29	1,375	385	1,201	330	(D)
Sound recording industries.....	2,219	132	949	83	(D)	43	29	(D)	144	995	69	(D)
Broadcasting and telecommunications.....	23,189	284	11,369	347	515	600	(D)	6,309	9,310	2,226	876	461
Broadcasting, cable networks, and program distribution.....	2,921	0	2,333	(D)	6	(D)	0	839	356	233	189	4
Telecommunications.....	20,268	284	9,037	(D)	509	(D)	(D)	5,470	8,955	1,993	687	457
Information services and data processing services	16,680	1,530	(D)	847	1,554	578	(D)	(D)	1,013	(D)	949	585
Information services.....	5,171	353	(D)	284	(D)	259	284	(D)	357	(D)	(D)	386
Data processing services.....	11,509	1,177	8,305	562	(D)	320	(D)	4,124	657	1,370	(D)	198
Finance (except depository institutions) and insurance	(D)	8,992	45,173	1,558	8,254	1,204	460	28,762	16,127	(D)	2,339	17,702
Finance (except depository institutions).....	(D)	4,062	24,711	758	2,830	1,029	(D)	17,289	4,467	(D)	1,727	2,500
Nondepository credit intermediation and related services	14,675	(D)	7,508	571	1,767	555	(D)	3,507	(D)	2,703	(D)	(D)
Securities, commodity contracts, and other intermediation and related activities.....	(D)	1,674	17,112	186	1,053	473	257	13,768	1,432	(D)	590	1,092
Funds, trusts, and other financial vehicles.....	1,524	(D)	91	1	10	0	0	14	(D)	474	(D)	(D)
Insurance carriers and related activities.....	65,392	4,930	20,462	800	5,424	175	(D)	11,473	11,659	28,341	612	15,202
Insurance carriers, except life insurance carriers	35,679	2,997	15,292	388	5,161	(D)	(D)	8,298	9,445	7,946	(D)	(D)
Life insurance carriers.....	25,710	1,703	2,159	(D)	0	0	(D)	1,308	1,794	20,055	76	(D)
Agencies, brokerages, and other insurance related activities	4,002	231	3,011	(D)	264	(D)	(D)	1,866	421	339	(D)	11
Real estate and rental and leasing	12,099	1,263	8,390	1,722	663	900	83	2,730	1,194	1,252	443	501
Real estate.....	(D)	134	1,211	526	33	12	(D)	471	135	(D)	(D)	58
Rental and leasing (except real estate).....	(D)	1,130	7,178	1,196	629	889	(D)	2,260	1,059	(D)	(D)	443
Professional, scientific, and technical services	66,933	4,504	39,684	3,522	4,329	2,239	1,134	(D)	4,564	18,181	(D)	(D)
Architectural, engineering, and related services.....	10,468	1,850	6,421	157	142	236	16	(D)	540	1,657	367	52
Computer systems design and related services	(D)	1,173	16,549	1,213	1,955	1,220	224	(D)	1,498	(D)	(D)	(D)
Management, scientific, and technical consulting	9,919	629	5,959	477	1,070	185	463	2,106	1,567	1,764	367	511
Other.....	(D)	852	10,756	1,675	1,162	598	430	3,791	959	(D)	291	676
Legal services.....	918	8	670	177	65	0	1	311	3	237	14	55
Accounting, tax preparation, bookkeeping, and payroll services	645	315	247	76	0	0	0	113	24	58	16	(D)
Specialized design services.....	71	2	12	2	0	0	0	5	7	50	(D)	0
Scientific research and development services	1,816	21	1,371	100	147	30	140	568	40	384	24	(D)
Advertising and related services.....	(D)	423	6,855	1,154	885	464	162	2,195	729	(D)	169	277
Other professional, scientific, and technical services.....	(D)	83	1,600	166	65	104	128	598	156	(D)	(D)	101
Other industries.....	(D)	28,838	80,475	7,800	4,454	4,111	(D)	(D)	(D)	23,425	(D)	(D)
Agriculture, forestry, fishing, and hunting.....	(D)	29	20	3	0	5	0	5	(D)	(D)	(D)	0
Mining.....	9,744	851	3,181	(D)	59	454	90	1,792	3,581	2,131	147	(D)
Utilities.....	74,645	20,415	40,664	0	77	(D)	0	37,896	7,476	6,091	2,208	0
Construction ¹	236	0	15	0	3	0	0	8	0	221	221	0
Transportation and warehousing.....	20,693	2,248	8,435	676	1,572	827	366	3,256	2,885	7,125	601	823
<i>Of which:</i>												
Air transportation.....	2,125	168	953	(D)	85	74	54	498	111	894	39	150
Rail transportation.....	1,557	267	(D)	0	0	0	0	(D)	(D)	(D)	124	0
Water transportation.....	4,400	24	932	0	2	(D)	125	442	1,804	1,639	50	(D)
Truck transportation.....	0	1,798	(D)	0	(D)	0	0	386	54	(D)	0	7
Support activities for transportation.....	3,906	230	1,842	373	233	374	87	508	234	1,601	111	59
Management of companies and enterprises.....	2,033	46	1,414	(D)	71	5	(*)	366	429	144	5	4
Administration, support, and waste management	16,680	1,515	11,855	4,689	585	589	184	3,487	923	2,386	808	829
Administrative and support services	(D)	(D)	11,855	4,689	585	589	184	3,487	918	2,377	805	829
<i>Of which:</i>												
Employment services.....	10,054	330	(D)	(D)	289	366	140	2,034	236	(D)	536	(D)
Travel arrangement and reservation services.....	179	7	(D)	0	0	0	0	(D)	27	(D)	1	24
Waste management and remediation services.....	(D)	(D)	0	0	0	0	0	0	5	10	3	0
Health care and social assistance.....	(D)	33	870	(D)	8	2	(D)	635	150	(D)	2	0
Accommodation and food services.....	(D)	2,452	8,914	834	1,628	70	258	3,455	1,956	(D)	1,000	30
Accommodation.....	(D)	498	2,732	(D)	210	65	(D)	903	662	(D)	141	30
Food services and drinking places.....	12,937	1,954	6,182	(D)	1,418	5	(D)	2,552	1,294	3,507	858	0
Miscellaneous services.....	(D)	1,250	5,107	774	451	(D)	117	(D)	(D)	1,269	375	561
Educational services.....	1,229	91	672	25	58	(D)	56	(D)	197	268	38	102
Arts, entertainment, and recreation.....	(D)	216	960	25	34	7	22	659	(D)	180	37	100
Other services (except public administration and private households)	5,579	942	3,476	724	359	205	38	1,754	341	821	300	359

¹ Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

MNC Multinational company

MOFA Majority-owned foreign affiliate

1. Because sales resulting from construction activities are recorded as sales of goods rather than as sales of services, the sales of services through MOFAs in construction represent sales in secondary, non-construction, industries. In 2001, sales of goods to foreign residents by MOFAs classified in construction were \$10,440 million.

Table 10.1. Sales of Services to U.S. Persons by Foreign MNCs Through Their Nonbank MOUSAs, Industry of Affiliate by Country of UBO, 2000

[Millions of dollars]

	All countries	Canada	Europe						Latin America and Other Western Hemisphere	Other countries			United States
			Total	Of which:						Total	Of which:		
				France	Germany	Netherlands	Switzerland	United Kingdom			Australia	Japan	
All industries	344,389	50,209	233,499	30,113	41,956	39,751	33,114	71,608	13,876	(D)	9,208	28,688	(D)
Manufacturing	39,839	1,375	30,102	2,565	(D)	(D)	606	4,259	(D)	(D)	61	(D)	(D)
<i>Of which:</i>													
Food	(D)	2	(D)	0	0	0	0	(D)	2	66	0	53	0
Chemicals	1,276	1	(D)	(D)	26	14	276	48	0	(D)	0	17	0
Primary and fabricated metals	748	(D)	404	0	(D)	0	0	20	35	(D)	0	19	0
Machinery	6,581	13	6,413	(D)	(D)	37	92	1,106	0	155	0	109	0
Computers and electronic products	8,142	(D)	2,241	524	93	217	2	(D)	63	(D)	0	(D)	0
Electrical equipment, appliances, and components	(D)	0	234	0	0	0	223	11	(D)	0	0	0	0
Transportation equipment	(D)	77	(D)	47	(D)	218	0	162	0	46	0	46	0
Wholesale trade	9,275	231	3,186	108	763	522	227	(D)	(D)	(D)	26	5,387	0
<i>Of which:</i>													
Motor vehicles and motor vehicle parts and supplies	(D)	0	37	0	37	0	0	0	0	(D)	0	(D)	0
Professional and commercial equipment and supplies	2,050	0	526	0	13	(D)	0	6	0	1,524	0	1,502	0
Retail trade	312	22	194	6	0	83	0	11	(D)	(D)	0	(D)	0
Information	47,886	10,089	24,923	822	(D)	1,865	19	15,765	(D)	(D)	(D)	1,740	1,115
Publishing industries	17,395	(D)	13,082	710	(D)	356	(D)	6,064	20	(D)	40	180	9
Newspaper, periodical, book, and database publishers	15,242	(D)	11,290	(D)	(D)	(D)	(D)	5,267	(*)	(D)	(D)	47	0
Software publishers	2,153	91	1,792	(D)	(D)	(D)	(*)	797	19	241	(D)	133	9
Motion picture and sound recording industries	5,828	(D)	604	29	(D)	(D)	0	(D)	11	(D)	0	(D)	(*)
Motion picture and video industries	(D)	(D)	29	(D)	(D)	0	0	(D)	11	0	0	(D)	(*)
Sound recording industries	(D)	(D)	0	1	(D)	0	0	(D)	0	7	0	7	0
Broadcasting and telecommunications	19,585	(D)	6,945	73	(D)	57	2	(D)	(D)	(D)	116	116	1,105
Broadcasting, cable networks, and program distribution	(D)	117	(*)	0	0	(*)	0	0	(D)	(D)	(D)	(D)	0
Telecommunications	(D)	(D)	6,945	73	(D)	57	2	(D)	(D)	296	2	(D)	1,105
Information services and data processing services	5,079	10	4,292	10	1	(D)	(D)	2,962	1	776	4	(D)	0
Information services	4,799	(*)	(D)	0	1	(D)	(D)	(D)	1	(D)	4	677	0
Data processing services	280	9	(D)	10	0	0	0	(D)	0	(D)	0	(D)	0
Finance (except depository institutions) and insurance	108,495	15,181	87,349	8,891	14,401	19,817	23,105	19,474	2,300	(D)	1,106	2,208	(D)
Finance (except depository institutions)	31,104	4,367	23,830	2,339	4,128	1,906	11,280	3,939	71	(D)	(D)	1,536	(D)
Nondepository credit intermediation and related services	1,682	334	344	23	(D)	102	10	(D)	8	997	(D)	(D)	0
Securities, commodity contracts, and other intermediation and related activities	29,374	4,033	23,475	2,317	(D)	1,796	11,271	(D)	(D)	(D)	16	1,367	(D)
Funds, trusts, and other financial vehicles	48	0	12	0	(*)	8	(*)	3	(D)	(D)	0	(D)	0
Insurance carriers and related activities	77,391	10,813	63,519	6,551	10,273	17,911	11,825	15,535	2,229	(D)	(D)	672	(D)
Insurance carriers, except life insurance carriers	37,273	(D)	31,809	1,463	(D)	(D)	7,403	(D)	2,227	(D)	(D)	(D)	(D)
Life insurance carriers	35,878	(D)	27,676	(D)	(D)	(D)	(D)	0	(D)	(*)	(*)	(D)	0
Agencies, brokerages, and other insurance related activities	4,240	(D)	4,034	(D)	0	0	(D)	(D)	3	(D)	(D)	5	0
Real estate and rental and leasing	17,620	2,178	7,779	373	2,223	1,036	192	2,029	922	6,615	957	3,619	126
Real estate	13,757	2,011	4,822	(D)	(D)	955	191	929	966	5,893	624	3,250	124
Rental and leasing (except real estate)	3,864	167	2,957	(D)	(D)	82	1	1,100	16	722	333	369	2
Professional, scientific, and technical services	25,319	1,538	21,325	12,914	330	1,217	481	4,954	364	1,898	29	1,195	194
Architectural, engineering, and related services	3,956	254	3,341	668	217	(D)	(D)	657	4	358	0	75	0
Computer systems design and related services	5,021	483	(D)	(D)	25	(D)	1	477	29	(D)	28	870	(D)
Management, scientific, and technical consulting	1,188	7	(D)	165	36	0	102	560	(D)	11	0	9	4
Other	15,155	795	13,830	(D)	52	(D)	(D)	3,261	(D)	(D)	(*)	241	(D)
Legal services	23	10	14	0	0	0	0	14	0	0	0	0	0
Accounting, tax preparation, bookkeeping, and payroll services	40	2	37	4	0	0	27	0	0	0	0	0	0
Specialized design services	30	0	19	0	0	0	18	1	0	10	0	10	0
Scientific research and development services	682	154	339	20	52	(D)	(D)	159	12	176	(*)	157	1
Advertising and related services	13,293	269	12,763	10,052	0	(*)	6	2,705	0	(D)	(*)	32	(D)
Other professional, scientific, and technical services	1,088	361	657	(D)	(*)	0	17	382	(D)	(D)	(*)	42	0
Other industries	95,642	19,593	58,641	4,434	6,372	(D)	8,484	(D)	4,541	12,584	(D)	(D)	283
Agriculture, forestry, fishing, and hunting	72	0	49	(*)	7	29	5	6	12	12	8	(*)	0
Mining	3,461	175	(D)	65	121	173	5	24	(D)	22	17	(*)	0
Utilities	22,246	7,958	12,096	2,003	4	10	0	10,010	(D)	(D)	0	(D)	0
Construction	3,035	(D)	(D)	2	(D)	0	0	209	42	516	0	489	0
Transportation and warehousing	21,313	5,227	12,283	(D)	1,800	587	403	5,884	522	(D)	8	2,273	(D)
<i>Of which:</i>													
Air transportation	168	13	61	15	(*)	(*)	(*)	6	2	91	0	57	0
Rail transportation	2,078	(D)	73	0	1	0	0	69	54	(D)	0	(*)	0
Water transportation	2,230	86	(D)	2	2	(*)	(D)	(D)	342	(D)	0	76	2
Truck transportation	986	(D)	(D)	0	0	0	0	0	0	0	0	0	0
Support activities for transportation	7,789	87	5,672	(D)	1,572	(D)	213	851	111	1,919	1	1,542	0
Management of companies and enterprises	(D)	0	(D)	0	0	(D)	0	(D)	0	0	0	0	0
Administration, support, and waste management	18,024	164	17,077	558	288	3,569	(D)	2,506	(D)	490	0	485	(D)
Administrative and support services	18,012	159	17,077	558	288	3,569	(D)	2,506	(D)	484	0	478	(D)
<i>Of which:</i>													
Employment services	10,693	0	10,681	4	27	2,844	(D)	(D)	0	12	0	12	0
Travel arrangement and reservation services	2,051	17	1,371	459	4	(D)	1	521	14	412	0	410	238
Waste management and remediation services	11	5	0	0	0	0	0	0	6	0	0	6	0
Health care and social assistance	5,853	1,191	4,200	3	(D)	2	0	(D)	(D)	(D)	(D)	(*)	0
Accommodation and food services	15,636	(D)	8,377	(D)	143	(D)	(D)	3,851	662	(D)	1	3,030	4
Accommodation	(D)	84	4,054	(D)	100	36	107	(D)	608	(D)	1	2,420	(*)
Food services and drinking places	(D)	(D)	4,324	29	43	(D)	(D)	(D)	55	(D)	(*)	610	4
Miscellaneous services	(D)	(D)	1,822	68	51	78	19	(D)	105	(D)	235	705	(*)
Educational services	298	2	88	13	20	0	0	5	12	195	0	188	0
Arts, entertainment, and recreation	2,688	1,321	449	35	22	78	2	226	83	835	224	471	(*)
Other services (except public administration and private households)	(D)	(D)	1,285	19	8	0	17	(D)	10	(D)	11	46	0

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

MNC Multinational company

MOUSA Majority-owned U.S. affiliate

UBO Ultimate beneficial owner

Table 10.2. Sales of Services to U.S. Persons by Foreign MNCs Through Their Nonbank MOUSAs, Industry of Affiliate by Country of UBO, 2001
 [Millions of dollars]

	All countries (1)	Canada (2)	Europe						Latin America and Other Western Hemisphere (9)	Other countries			United States (13)
			Total (3)	Of which:						Total (10)	Of which:		
				France (4)	Germany (5)	Netherlands (6)	Switzerland (7)	United Kingdom (8)			Australia (11)	Japan (12)	
All industries	366,896	47,921	249,404	42,996	41,882	51,239	31,376	64,631	25,486	(D)	10,739	24,109	(D)
Manufacturing	30,636	991	25,293	2,343	8,331	(D)	692	3,685	(D)	(D)	61	426	2
<i>Of which:</i>													
Food	1,076	2	1,014	0	0	0	0	1,010	0	59	0	46	0
Chemicals	1,347	1	1,004	(D)	43	18	283	22	0	343	0	74	0
Primary and fabricated metals	674	237	356	0	(D)	0	0	25	38	43	0	16	0
Machinery	5,677	12	5,502	(D)	(D)	35	113	(D)	0	163	0	120	0
Computers and electronic products	2,676	(D)	1,969	(D)	78	177	18	1,251	(D)	119	0	100	0
Electrical equipment, appliances, and components	(D)	0	(D)	0	0	0	(D)	15	(D)	0	0	0	0
Transportation equipment	(D)	80	(D)	28	(D)	(D)	0	179	0	65	0	65	0
Wholesale trade	9,879	551	3,261	320	(D)	(D)	621	916	204	5,863	25	5,631	0
<i>Of which:</i>													
Motor vehicles and motor vehicle parts and supplies	389	0	30	0	(D)	0	0	0	0	359	0	301	0
Professional and commercial equipment and supplies	2,139	0	606	13	13	(D)	(D)	6	0	1,533	0	1,499	0
Retail trade	190	24	(D)	7	0	80	0	7	(D)	(D)	0	39	0
Information	47,859	5,445	28,923	5,890	9,505	2,114	15	9,898	(D)	(D)	(D)	1,792	689
Publishing industries	14,181	615	13,121	(D)	5,829	381	(D)	5,982	19	416	40	203	9
Newspaper, periodical, book, and database publishers	11,708	513	11,047	(D)	(D)	346	(D)	4,983	(*)	148	(D)	47	0
Software publishers	2,473	103	2,074	(D)	(D)	35	(*)	999	19	268	(D)	156	9
Motion picture and sound recording industries	6,571	201	5,557	(D)	(D)	(D)	0	343	11	802	0	688	(*)
Motion picture and video industries	(D)	201	(D)	(D)	(D)	(D)	0	326	11	795	0	681	(*)
Sound recording industries	(D)	0	(D)	(D)	1	(D)	0	17	0	7	0	7	0
Broadcasting and telecommunications	19,636	(D)	6,523	145	(D)	56	2	(D)	(D)	(D)	(D)	130	680
Broadcasting, cable networks, and program distribution	(D)	132	(*)	0	0	(*)	0	0	34	(D)	(D)	(D)	0
Telecommunications	(D)	(D)	6,523	145	(D)	56	2	(D)	(D)	(D)	2	(D)	680
Information services and data processing services	7,472	(D)	3,722	16	1	(D)	(D)	(D)	(D)	(D)	4	771	0
Information services	7,273	(D)	3,645	6	1	(D)	(D)	(D)	(D)	(D)	4	(D)	0
Data processing services	199	(D)	78	10	(*)	0	0	43	0	(D)	0	(D)	0
Finance (except depository institutions) and insurance	112,307	13,968	90,321	9,880	14,154	32,032	20,432	11,949	2,890	(D)	(D)	2,461	(D)
Finance (except depository institutions)	27,212	3,496	19,474	2,346	2,530	1,224	9,476	3,427	66	(D)	(D)	1,767	(D)
Nondepository credit intermediation and related services	2,608	(D)	(D)	21	(D)	70	9	9	8	(D)	(D)	237	0
Securities, commodity contracts, and other intermediation and related activities	24,577	3,313	19,279	2,325	(D)	1,146	9,466	3,415	49	(D)	17	1,524	(D)
Funds, trusts, and other financial vehicles	27	(D)	(D)	0	(*)	8	(*)	2	10	(D)	0	6	0
Insurance carriers and related activities	85,095	10,473	70,847	7,534	11,624	30,808	10,956	8,522	2,824	(D)	329	694	(D)
Insurance carriers, except life insurance carriers	58,337	(D)	52,073	(D)	(D)	(D)	6,902	6,809	2,806	(D)	(D)	489	(D)
Life insurance carriers	22,687	7,504	14,981	(D)	(D)	(D)	1,195	(D)	0	202	(*)	200	0
Agencies, brokerages, and other insurance related activities	4,071	(D)	3,793	196	0	0	2,859	(D)	18	(D)	(D)	5	0
Real estate and rental and leasing	18,500	2,280	8,478	337	2,414	1,137	193	2,197	888	6,720	1,004	3,712	133
Real estate	14,243	2,109	5,131	154	(D)	(D)	192	1,029	872	6,001	651	3,365	131
Rental and leasing (except real estate)	4,256	171	3,347	183	(D)	(D)	1	1,169	17	720	353	346	2
Professional, scientific, and technical services	37,371	1,736	25,910	14,201	427	1,668	459	7,807	(D)	(D)	33	1,252	176
Architectural, engineering, and related services	4,923	211	3,284	690	246	(D)	(D)	690	(D)	0	0	163	0
Computer systems design and related services	5,710	687	(D)	(D)	87	592	1	865	(D)	1,137	31	782	(D)
Management, scientific, and technical consulting	7,492	13	(D)	163	42	0	61	636	(D)	88	0	9	3
Other	19,246	825	17,890	(D)	52	(D)	(D)	5,626	29	(D)	2	299	(D)
Legal services	26	12	14	0	0	0	0	14	0	0	0	0	0
Accounting, tax preparation, bookkeeping, and payroll services	41	2	37	4	0	0	27	0	0	2	0	2	0
Specialized design services	41	0	19	0	0	0	18	1	0	22	2	20	0
Scientific research and development services	715	102	378	20	52	2	107	185	12	222	(*)	204	1
Advertising and related services	14,756	266	14,288	11,056	0	(*)	6	(D)	0	(D)	(*)	31	(D)
Other professional, scientific, and technical services	3,666	442	3,154	(D)	(*)	(D)	(D)	17	53	(*)	(*)	42	0
Other industries	110,154	22,926	(D)	10,020	(D)	(D)	8,965	28,172	6,860	(D)	465	8,796	459
Agriculture, forestry, fishing, and hunting	140	0	116	70	11	28	4	1	12	12	8	(*)	0
Mining	5,922	243	631	63	109	181	(*)	42	5,026	22	17	(*)	0
Utilities	28,590	11,065	(D)	2,477	4	11	13	12,727	61	(D)	0	(D)	0
Construction ¹	3,205	744	1,866	3	(D)	0	0	(D)	41	554	0	527	0
Transportation and warehousing	23,888	6,833	13,066	394	1,799	446	1,061	5,947	507	(D)	7	2,082	(D)
<i>Of which:</i>													
Air transportation	207	12	59	15	(*)	(*)	(*)	6	2	133	0	56	0
Rail transportation	(D)	(D)	(D)	0	1	0	0	67	53	6	0	(*)	0
Water transportation	2,311	83	1,219	2	2	(*)	184	982	332	675	0	73	2
Truck transportation	1,124	(D)	(D)	0	0	0	0	(D)	0	0	0	0	0
Support activities for transportation	8,534	85	6,178	(D)	1,574	326	(D)	507	108	2,164	1	1,535	0
Management of companies and enterprises	758	0	758	0	0	(D)	0	132	0	0	0	0	0
Administration, support, and waste management	16,962	166	16,050	625	347	2,228	7,114	2,692	57	452	0	446	237
Administrative and support services	16,951	161	16,050	625	347	2,228	7,114	2,692	57	446	0	440	237
<i>Of which:</i>													
Employment services	9,304	(*)	9,292	4	27	1,539	7,104	618	0	12	0	12	0
Travel arrangement and reservation services	1,909	16	1,268	454	3	(D)	1	503	14	374	0	373	236
Waste management and remediation services	11	5	0	0	0	0	0	0	6	0	0	6	0
Health care and social assistance	5,697	1,197	(D)	3	(D)	2	0	193	393	(D)	(D)	(*)	0
Accommodation and food services	19,699	402	13,756	6,319	147	485	755	4,650	622	(D)	1	2,863	(D)
Accommodation	8,753	366	3,822	(D)	105	35	22	(D)	573	(D)	1	2,197	(D)
Food services and drinking places	10,946	36	9,934	(D)	43	450	732	(D)	49	(D)	(*)	665	(D)
Miscellaneous services	5,292	2,278	1,689	66	73	69	19	(D)	142	1,178	(D)	(D)	5
Educational services	309	2	87	13	20	0	0	5	12	207	0	199	0
Arts, entertainment, and recreation	2,869	1,355	492	34	45	69	2	257	120	897	(D)	450	5
Other services (except public administration and private households)	2,115	921	1,110	19	8	0	17	(D)	10	74	11	(D)	0

¹ Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

MNC Multinational company

MOUSA Majority-owned U.S. affiliate

UBO Ultimate beneficial owner

1. Because sales resulting from construction activities are recorded as sales of goods rather than as sales of services, the sales of services through MOUSAs in construction represent sales in secondary, non-construction industries. In 2001, sales of goods to U.S. residents by MOUSAs classified in construction were estimated to be \$27,062 million. These sales of goods were estimated by subtracting exports of goods from the total sales of goods.

BEA Current and Historical Data

National, International, and Regional Data

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

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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 September 26, 2003, and include the "final" estimates for the second quarter of 2003. Also included are revised estimates of wages and salaries and affected income-side series for the first quarter of 2003.

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 available within minutes of the time of release, and the "Selected NIPA Tables" are available later that day, on BEA's Web site <www.bea.gov>.

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

S. Summary Tables

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

[Percent]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Gross domestic product..	.3	2.4	1.3	4.0	1.4	1.4	3.3
Personal consumption expenditures.....	2.5	3.1	1.8	4.2	1.7	2.0	3.8
Durable goods.....	6.0	7.3	2.0	22.8	-8.2	-2.0	24.3
Nondurable goods.....	2.0	3.2	-1	1.0	5.1	6.1	1.4
Services.....	2.0	2.2	2.7	2.3	2.2	.9	1.4
Gross private domestic investment.....	-10.7	1.0	7.9	3.6	6.3	-5.3	2.0
Fixed investment.....	-3.8	-3.1	-1.0	-3	4.4	-1	7.1
Nonresidential.....	-5.2	-5.7	-2.4	-8	2.3	-4.4	7.3
Structures.....	-1.7	-16.4	-17.6	-21.4	-9.9	-2.9	4.2
Equipment and software	-6.4	-1.7	3.3	6.7	6.2	-4.8	8.3
Residential.....	.3	3.9	2.7	1.1	9.4	10.1	6.6
Change in private inventories.....							
Net exports of goods and services.....							
Exports.....	-5.4	-1.6	14.3	4.6	-5.8	-1.3	-1.0
Goods.....	-5.9	-3.6	15.9	4.1	-11.5	1.9	-1.6
Services.....	-4.0	3.2	10.7	5.9	8.0	-8.0	.5
Imports.....	-2.9	3.7	22.2	3.3	7.4	-6.2	8.8
Goods.....	-3.3	3.9	27.9	3.4	6.2	-6.7	13.5
Services.....	-5	2.1	-2.1	3.1	13.0	-4.0	-11.4
Government consumption expenditures and gross investment.....	3.7	4.4	1.4	2.9	4.6	.4	8.5
Federal.....	4.8	7.5	7.5	4.3	11.0	.7	25.5
National defense.....	5.0	9.3	7.8	6.9	11.0	-3.3	45.8
Nondefense.....	4.5	4.3	6.9	-3	11.1	8.4	-5.4
State and local.....	3.1	2.8	-1.7	2.2	1.2	.2	-2
Addenda:							
Final sales of domestic product.....	1.5	1.8	-1	3.4	1.1	2.3	4.0
Gross domestic purchases..	.4	3.0	2.6	3.9	2.9	.6	4.4
Final sales to domestic purchasers.....	1.6	2.4	1.3	3.3	2.6	1.4	5.1
Gross national product.....	.2	2.1	.4	4.4	1.4	1.4	3.5
Disposable personal income	1.8	4.2	3.9	1.8	1.4	1.6	2.6

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				
			2002			2003	
			II	III	IV	I	II
Percent change at annual rate:							
Gross domestic product .....	.3	2.4	1.3	4.0	1.4	1.4	3.3
Percentage points at annual rates:							
Personal consumption expenditures.....	1.67	2.15	1.22	2.93	1.19	1.40	2.68
Durable goods.....	.48	.59	.16	1.74	-.72	-.17	1.79
Nondurable goods.....	.39	.64	-.02	.22	1.01	1.21	.28
Services.....	.80	.92	1.08	.97	.90	.36	.60
Gross private domestic investment.....	-1.90	.15	1.16	.55	.93	-.83	.30
Fixed investment.....	-.65	-.50	-.15	-.03	.65	-.02	1.05
Nonresidential.....	-.66	-.68	-.27	-.08	.24	-.47	.74
Structures.....	-.05	-.52	-.53	-.62	-.25	-.07	.10
Equipment and software							
Residential.....	-.61	-.15	.26	.53	.49	-.40	.64
Change in private inventories.....	.01	.18	.12	.05	.41	.45	.31
Net exports of goods and services.....	-1.24	.65	1.31	.58	.28	-.82	-.74
Net exports of goods and services.....	-.18	-.67	-1.40	-.01	-1.59	.78	-1.29
Exports.....	-.59	-.17	1.29	.45	-.59	-.13	-.09
Goods.....	-.47	-.26	.99	.28	-.82	-.13	-.10
Services.....	-.13	.09	.30	.17	.23	-.25	.02
Imports.....	.42	-.50	-2.69	-.47	-1.00	.91	-1.21
Goods.....	.40	-.43	-2.74	-.40	-.71	.81	-1.50
Services.....	.01	-.07	.05	-.07	-.30	.10	.30
Government consumption expenditures and gross investment.....	.65	.81	.27	.56	.85	.08	1.59
Federal.....	.29	.47	.47	.29	.70	.05	1.61
National defense.....	.19	.37	.32	.29	.46	-.15	1.74
Nondefense.....	.10	.10	.16	-.01	.25	.20	-.13
State and local.....	.36	.34	-.21	.27	.15	.03	-.02

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				
			2002			2003	
			II	III	IV	I	II
Gross domestic product	10,082.2	10,446.2	10,376.9	10,506.2	10,588.8	10,688.4	10,802.7
Personal consumption expenditures	6,987.0	7,303.7	7,254.7	7,360.7	7,425.4	7,512.5	7,598.6
Durable goods	835.9	871.9	856.9	897.8	873.9	861.2	900.5
Nondurable goods	2,041.3	2,115.0	2,108.2	2,116.9	2,150.0	2,206.8	2,203.3
Services	4,109.9	4,316.8	4,289.5	4,346.0	4,401.5	4,444.6	4,494.8
Gross private domestic investment	1,586.0	1,593.2	1,588.0	1,597.3	1,628.1	1,611.2	1,616.5
Fixed investment	1,646.3	1,589.3	1,584.6	1,579.7	1,603.6	1,610.7	1,635.0
Nonresidential	1,201.6	1,117.4	1,115.8	1,109.8	1,117.1	1,103.4	1,119.0
Structures	324.5	269.3	275.2	259.4	254.2	254.9	257.3
Equipment and software	877.1	848.1	840.7	850.4	863.0	848.6	861.7
Residential	444.8	471.9	468.7	469.9	486.5	507.3	516.0
Change in private inventories	-60.3	3.9	3.4	17.6	24.5	4	-18.5
Net exports of goods and services	-348.9	-423.6	-425.6	-432.9	-476.0	-487.2	-504.6
Exports	1,034.1	1,014.9	1,018.1	1,038.6	1,025.4	1,031.8	1,031.5
Goods	733.5	703.6	709.4	722.6	702.6	711.9	711.9
Services	300.6	311.3	308.8	316.0	322.8	319.9	319.6
Imports	1,383.0	1,438.5	1,443.7	1,471.5	1,501.4	1,519.0	1,536.1
Goods	1,167.2	1,192.1	1,202.9	1,220.9	1,242.5	1,256.1	1,274.1
Services	215.8	246.4	240.8	250.6	258.9	262.9	262.0
Government consumption expenditures and gross investment	1,858.0	1,972.9	1,959.8	1,981.1	2,011.3	2,052.0	2,092.2
Federal	628.1	693.7	688.2	697.7	716.9	735.2	779.8
National defense	399.9	447.4	442.1	451.2	464.7	471.1	518.6
Nondefense	228.2	246.3	246.1	246.5	252.2	264.1	261.1
State and local	1,229.9	1,279.2	1,271.6	1,283.3	1,294.4	1,316.8	1,312.5

Table 1.2. Real Gross Domestic Product

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Gross domestic product	9,214.5	9,439.9	9,392.4	9,485.6	9,518.2	9,552.0	9,629.4
Personal consumption expenditures	6,377.2	6,576.0	6,542.4	6,609.9	6,637.9	6,670.9	6,733.9
Durable goods	931.9	999.9	980.7	1,032.4	1,010.6	1,005.4	1,061.5
Nondurable goods	1,869.8	1,929.5	1,920.9	1,925.8	1,950.0	1,978.9	1,985.6
Services	3,594.9	3,675.6	3,666.2	3,687.0	3,707.0	3,714.9	3,728.0
Gross private domestic investment	1,574.6	1,589.6	1,583.9	1,598.0	1,622.4	1,600.4	1,608.3
Fixed investment	1,627.4	1,577.3	1,572.6	1,571.6	1,588.5	1,587.9	1,615.3
Nonresidential	1,255.1	1,183.4	1,181.1	1,178.7	1,185.3	1,172.1	1,193.0
Structures	270.9	226.4	231.7	218.2	212.6	211.0	213.2
Equipment and software	988.2	971.1	961.4	977.2	992.1	979.9	999.5
Residential	373.5	388.2	386.1	387.1	395.9	405.5	412.0
Change in private inventories	-61.4	5.2	4.9	18.8	25.8	4.8	-17.6
Net exports of goods and services	-415.9	-488.5	-487.4	-488.0	-532.2	-510.3	-546.1
Exports	1,076.1	1,058.8	1,065.5	1,077.7	1,061.6	1,058.1	1,055.5
Goods	785.2	756.9	765.8	773.5	750.3	753.9	750.8
Services	292.0	301.5	299.7	304.0	310.0	303.5	303.9
Imports	1,492.0	1,547.4	1,552.9	1,565.7	1,593.8	1,568.4	1,601.7
Goods	1,270.5	1,320.1	1,329.2	1,340.3	1,360.8	1,337.4	1,380.4
Services	222.4	227.2	224.3	226.0	233.0	230.7	223.8
Government consumption expenditures and gross investment	1,640.4	1,712.8	1,703.3	1,715.6	1,735.0	1,736.7	1,772.6
Federal	570.6	613.3	608.7	615.1	631.4	632.5	669.5
National defense	366.0	400.0	395.8	402.5	413.2	409.7	450.2
Nondefense	204.4	213.3	212.9	212.7	218.3	222.8	219.7
State and local	1,069.4	1,099.7	1,094.7	1,100.6	1,104.0	1,104.6	1,104.1
Residual	22.6	19.9	25.1	12.1	22.2	25.2	22.7

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.

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

Table 1.3. Gross Domestic Product by Major Type of Product

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Gross domestic product	10,082.2	10,446.2	10,376.9	10,506.2	10,588.8	10,688.4	10,802.7
Final sales of domestic product	10,142.5	10,442.4	10,373.5	10,488.7	10,564.3	10,688.0	10,821.2
Change in private inventories	-60.3	3.9	3.4	17.6	24.5	.4	-18.5
Goods	3,593.7	3,694.1	3,659.1	3,732.7	3,720.4	3,735.5	3,750.6
Final sales	3,654.0	3,690.2	3,655.7	3,715.2	3,695.9	3,735.0	3,769.1
Change in private inventories	-60.3	3.9	3.4	17.6	24.5	.4	-18.5
Durable goods	1,611.4	1,644.8	1,612.0	1,683.1	1,662.7	1,639.4	1,659.1
Final sales	1,676.4	1,643.7	1,616.8	1,678.3	1,638.2	1,627.8	1,673.4
Change in private inventories ¹	-65.0	1.1	-4.8	4.8	24.5	11.6	-14.3
Nondurable goods	1,982.3	2,049.3	2,047.1	2,049.6	2,057.7	2,096.0	2,091.5
Final sales	1,977.6	2,046.5	2,038.9	2,036.9	2,057.8	2,107.3	2,095.7
Change in private inventories ¹	4.7	2.8	8.2	12.7	-1	-11.2	-4.1
Services	5,535.1	5,814.7	5,781.5	5,849.7	5,930.9	5,993.0	6,080.8
Structures	953.3	937.5	936.3	923.8	937.5	960.0	971.2
Addenda:							
Motor vehicle output	312.0	344.2	334.7	360.7	349.7	347.4	340.9
Gross domestic product less motor vehicle output	9,770.2	10,102.0	10,042.1	10,145.5	10,239.1	10,341.1	10,461.8

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 1.4. Real Gross Domestic Product by Major Type of Product

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Gross domestic product	9,214.5	9,439.9	9,392.4	9,485.6	9,518.2	9,552.0	9,629.4
Final sales of domestic product	9,258.4	9,424.4	9,377.9	9,457.2	9,483.1	9,536.2	9,631.1
Change in private inventories	-61.4	5.2	4.9	18.8	25.8	4.8	-17.6
Residual	17.5	10.3	9.6	9.6	9.3	11.0	15.9
Goods	3,589.9	3,710.1	3,674.4	3,754.8	3,740.1	3,760.9	3,784.0
Final sales	3,643.3	3,697.6	3,663.0	3,728.1	3,705.9	3,748.3	3,791.3
Change in private inventories	-61.4	5.2	4.9	18.8	25.8	4.8	-17.6
Durable goods	1,754.9	1,822.8	1,784.6	1,872.5	1,852.8	1,839.7	1,875.9
Final sales	1,823.9	1,819.3	1,787.6	1,864.6	1,823.2	1,824.3	1,889.6
Change in private inventories ¹	-67.9	1.4	-4.4	5.0	25.1	12.2	-14.5
Nondurable goods	1,834.2	1,888.2	1,887.2	1,888.0	1,890.8	1,920.5	1,912.1
Final sales	1,825.6	1,879.9	1,874.5	1,870.2	1,884.2	1,921.9	1,907.9
Change in private inventories ¹	4.8	3.8	9.0	13.6	1.4	-6.7	-3.6
Services	4,826.4	4,959.9	4,945.5	4,976.4	5,014.6	5,021.8	5,066.7
Structures	797.1	775.0	774.9	764.0	768.8	775.7	783.9
Residual	4.6	.6	5.3	-8.2	.9	2.8	-6
Addenda:							
Motor vehicle output	315.9	356.5	347.2	375.7	362.4	360.8	357.7
Gross domestic product less motor vehicle output	8,896.6	9,085.0	9,045.9	9,113.8	9,157.8	9,192.8	9,272.4

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 1.5. Relation of Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers

[Billions of dollars]

	2001	2002	2002	2002	2002	2003	2003
Gross domestic product	10,082.2	10,446.2	10,376.9	10,506.2	10,588.8	10,688.4	10,802.7
Less: Exports of goods and services	1,034.1	1,014.9	1,018.1	1,038.6	1,025.4	1,031.8	1,031.5
Plus: Imports of goods and services	1,383.0	1,438.5	1,443.7	1,471.5	1,501.4	1,519.0	1,536.1
Equals: Gross domestic purchases	10,431.0	10,869.9	10,802.4	10,939.1	11,064.8	11,175.6	11,307.3
Less: Change in private inventories	-60.3	3.9	3.4	17.6	24.5	.4	-18.5
Equals: Final sales to domestic purchasers	10,491.4	10,866.0	10,799.0	10,921.5	11,040.3	11,175.2	11,325.8

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

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]

	2001	2002	2002	2002	2002	2003	2003
Gross domestic product	9,214.5	9,439.9	9,392.4	9,485.6	9,518.2	9,552.0	9,629.4
Less: Exports of goods and services	1,076.1	1,058.8	1,065.5	1,077.7	1,061.6	1,058.1	1,055.5
Plus: Imports of goods and services	1,492.0	1,547.4	1,552.9	1,565.7	1,593.8	1,568.4	1,601.7
Equals: Gross domestic purchases	9,600.7	9,889.8	9,840.8	9,934.7	10,005.5	10,020.7	10,129.4
Less: Change in private inventories	-61.4	5.2	4.9	18.8	25.8	4.8	-17.6
Equals: Final sales to domestic purchasers	9,644.9	9,874.1	9,826.0	9,906.1	9,970.1	10,004.7	10,131.0

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.

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 1.7. Gross Domestic Product by Sector

[Billions of dollars]

	2001	2002	2002	2002	2002	2003	2003
Gross domestic product	10,082.2	10,446.2	10,376.9	10,506.2	10,588.8	10,688.4	10,802.7
Business¹	8,482.7	8,759.1	8,700.1	8,808.6	8,871.4	8,938.0	9,040.5
Nonfarm ²	8,402.1	8,680.2	8,631.5	8,731.3	8,790.3	8,852.2	8,953.5
Nonfarm less housing	7,571.1	7,814.4	7,757.5	7,862.0	7,925.2	7,980.7	8,091.2
Housing	831.1	865.8	874.1	869.2	865.1	871.5	862.2
Farm	80.6	78.9	68.6	77.4	81.1	85.8	87.0
Households and institutions	459.6	486.1	481.4	490.5	499.9	508.7	510.8
Private households	11.9	10.8	10.7	10.8	11.0	11.2	11.5
Nonprofit institutions	447.7	475.3	470.8	479.7	488.9	497.5	499.3
General government³	1,139.8	1,201.1	1,195.3	1,207.1	1,217.4	1,241.7	1,251.4
Federal	332.8	355.6	354.1	357.7	360.5	378.6	384.5
State and local	807.0	845.5	841.3	849.3	857.0	863.1	866.9

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 1.8. Real Gross Domestic Product by Sector

[Billions of chained (1996) dollars]

	2001	2002	2002	2002	2002	2003	2003
Gross domestic product	9,214.5	9,439.9	9,392.4	9,485.6	9,518.2	9,552.0	9,629.4
Business¹	7,838.3	8,032.8	7,989.2	8,075.1	8,099.8	8,127.2	8,201.4
Nonfarm ²	7,724.7	7,917.7	7,876.8	7,961.0	7,983.9	8,010.7	8,086.7
Nonfarm less housing	7,012.9	7,208.9	7,157.0	7,252.6	7,285.5	7,311.9	7,399.2
Housing	712.6	711.7	721.0	711.7	703.2	703.8	694.7
Farm	114.3	114.7	110.8	112.9	115.5	116.2	113.0
Households and institutions	398.7	407.4	406.4	409.0	411.8	414.0	415.3
Private households	10.1	8.8	8.8	8.9	9.0	9.1	9.2
Nonprofit institutions	388.7	398.9	397.7	400.3	402.9	405.0	406.2
General government³	978.5	1,000.9	998.1	1,003.2	1,008.1	1,012.2	1,015.0
Federal	291.3	297.5	296.0	298.5	301.3	304.7	308.7
State and local	687.0	703.1	701.7	704.4	706.5	707.1	705.9
Residual	-2.4	-3.7	-6	-3.7	-5.7	-5.8	-7.5

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				
			2002			2003	
			II	III	IV	I	II
Gross domestic product	10,082.2	10,446.2	10,376.9	10,506.2	10,588.8	10,688.4	10,802.7
<i>Plus:</i> Income receipts from the rest of the world	316.9	278.0	276.0	287.3	284.2	281.3	282.4
<i>Less:</i> Income payments to the rest of the world	295.0	287.6	296.1	298.2	293.4	291.5	286.0
Equals: Gross national product	10,104.1	10,436.7	10,356.8	10,495.3	10,579.7	10,678.2	10,799.1
<i>Less:</i> Consumption of fixed capital	1,329.3	1,393.5	1,389.8	1,405.3	1,415.4	1,421.4	1,418.4
Private	1,106.8	1,163.9	1,161.2	1,174.8	1,182.7	1,185.9	1,180.9
Capital consumption allowances	1,168.4	1,320.0	1,322.0	1,317.9	1,315.9	1,323.5	1,419.2
<i>Less:</i> consumption adjustment	61.6	156.1	160.8	143.1	133.3	137.6	238.3
Government	222.4	229.6	228.6	230.5	232.7	235.5	237.5
General government	187.7	195.0	194.1	195.7	197.6	200.0	201.7
Government enterprises	34.8	34.6	34.4	34.8	35.1	35.5	35.8
Equals: Net national product	8,774.8	9,043.2	8,967.0	9,090.0	9,164.3	9,256.8	9,380.6
<i>Less:</i> Indirect business tax and nontax liability Business transfer payments	774.8	800.4	795.1	806.9	813.3	821.7	833.6
Statistical discrepancy	42.5	44.1	43.9	44.4	44.3	44.9	44.8
<i>Plus:</i> Subsidies less current surplus of government enterprises	-117.3	-108.8	-165.0	-82.1	-78.2	-74.6	-69.8
Equals: National income	8,122.0	8,340.1	8,328.0	8,349.9	8,413.9	8,495.5	8,618.0
<i>Less:</i> Corporate profits with inventory valuation and capital consumption adjustments	731.6	787.4	785.0	771.0	796.1	816.5	897.1
Net interest	649.8	684.2	678.1	687.6	698.3	703.3	706.6
Contributions for social insurance	726.1	746.5	746.1	748.8	750.9	762.0	765.8
Wage accruals less disbursements .....	.0	.0	.0	.0	.0	1.4	-1.4
<i>Plus:</i> Personal interest income	1,091.3	1,078.5	1,082.3	1,080.7	1,080.9	1,075.8	1,081.5
Personal dividend income	409.2	433.8	430.3	437.3	443.8	451.2	459.0
Government transfer payments to persons	1,137.0	1,252.9	1,247.7	1,263.1	1,283.5	1,304.9	1,329.3
Business transfer payments to persons	33.4	35.1	34.9	35.3	35.6	35.9	36.3
Equals: Personal income	8,685.3	8,922.2	8,914.0	8,958.9	9,012.5	9,080.2	9,156.0
Addenda:							
Gross domestic income	10,199.4	10,555.1	10,541.8	10,588.3	10,667.0	10,763.0	10,872.5
Gross national income	10,221.4	10,545.5	10,521.8	10,577.4	10,657.9	10,752.8	10,868.9
Net domestic product	8,752.9	9,052.8	8,987.0	9,101.0	9,173.4	9,267.0	9,384.3

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				
			2002			2003	
			II	III	IV	I	II
Gross domestic product	9,214.5	9,439.9	9,392.4	9,485.6	9,518.2	9,552.0	9,629.4
<i>Plus:</i> Income receipts from the rest of the world	292.0	253.3	251.8	261.3	257.5	252.5	253.4
<i>Less:</i> Income payments to the rest of the world	269.2	260.3	268.2	269.5	264.2	260.4	255.4
Equals: Gross national product	9,237.3	9,433.5	9,376.7	9,477.9	9,512.1	9,544.7	9,628.0
<i>Less:</i> Consumption of fixed capital	1,320.8	1,399.9	1,390.9	1,417.0	1,433.7	1,448.7	1,464.8
Private	1,110.7	1,184.5	1,176.2	1,200.9	1,216.0	1,229.4	1,243.9
Government	210.9	216.6	215.8	217.5	219.1	220.8	222.5
General government	179.2	185.4	184.7	186.1	187.5	189.1	190.6
Government enterprises	31.7	31.2	31.1	31.3	31.6	31.7	31.9
Equals: Net national product	7,928.1	8,049.7	8,001.6	8,078.2	8,097.2	8,116.2	8,184.1
Addenda:							
Gross domestic income ¹	9,321.7	9,538.3	9,541.7	9,559.7	9,588.5	9,618.7	9,691.7
Gross national income ²	9,344.5	9,532.0	9,526.0	9,552.1	9,582.4	9,611.4	9,690.3
Net domestic product	7,905.4	8,055.8	8,017.0	8,085.5	8,103.0	8,123.2	8,185.3

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	9,433.5	9,376.7	9,477.9	9,512.1	9,544.7	9,628.0
<i>Less:</i> Exports of goods and services and income receipts from the rest of the world ...	1,366.5	1,307.1	1,311.9	1,334.2	1,314.4	1,305.5	1,304.0
<i>Plus:</i> Command-basis exports of goods and services and income receipts from the rest of the world ¹	1,410.0	1,344.4	1,345.6	1,365.6	1,345.4	1,316.2	1,327.9
Equals: Command-basis gross national product	9,280.9	9,470.8	9,410.3	9,509.3	9,543.1	9,555.4	9,651.9
Addendum:							
Terms of trade ²	103.2	102.8	102.6	102.4	102.4	100.8	101.8

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

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

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

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

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

Table 1.14. National Income by Type of Income

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
National income	8,122.0	8,340.1	8,328.0	8,349.9	8,413.9	8,495.5	8,618.0
Compensation of employees	5,874.9	5,969.5	5,963.9	5,988.4	6,017.4	6,064.5	6,094.5
Wage and salary accruals....	4,950.6	4,996.4	4,997.3	5,007.4	5,023.1	5,055.2	5,077.8
Government.....	810.8	852.8	848.4	857.1	865.4	882.4	888.9
Other	4,139.8	4,143.6	4,148.9	4,150.3	4,157.7	4,172.8	4,188.9
Supplements to wages and salaries	924.3	973.1	966.6	981.0	994.3	1,009.2	1,016.8
Employer contributions for social insurance	353.9	362.5	362.5	363.5	364.1	370.1	371.8
Other labor income	570.4	610.6	604.1	617.5	630.2	639.2	645.0
Proprietors' income with inventory valuation and capital consumption adjustments	727.9	756.5	747.5	758.7	771.6	784.4	804.5
Farm	19.0	12.9	7.5	10.7	11.7	14.2	15.4
Proprietors' income with inventory valuation adjustment	26.7	21.6	16.1	19.6	20.8	23.5	24.5
Capital consumption adjustment	-7.7	-8.7	-8.7	-8.9	-9.1	-9.3	-9.1
Nonfarm	708.8	743.7	740.0	748.0	759.9	770.2	789.1
Proprietors' income	621.6	630.1	626.9	635.0	646.1	657.7	656.4
Inventory valuation adjustment .....	.9	-1.0	-1.1	-1.7	-9	-3.8	.5
Capital consumption adjustment	86.3	114.5	114.2	114.6	114.7	116.2	132.3
Rental income of persons with capital consumption adjustment	137.9	142.4	153.5	144.1	130.6	126.9	115.3
Rental income of persons....	204.4	212.0	221.9	214.5	202.6	201.8	190.0
Capital consumption adjustment	-66.5	-69.6	-68.4	-70.3	-72.1	-74.9	-74.7
Corporate profits with inventory valuation and capital consumption adjustments	731.6	787.4	785.0	771.0	796.1	816.5	897.1
Corporate profits with inventory valuation adjustment	675.1	658.3	652.2	653.4	686.4	701.2	698.1
Profits before tax	670.2	665.2	657.9	668.5	694.9	728.1	700.2
Profits tax liability	199.3	213.3	213.7	214.7	222.4	237.8	234.3
Profits after tax	470.9	451.9	444.3	453.8	472.5	490.2	465.9
Dividends	409.6	434.3	430.8	437.7	444.3	451.6	459.5
Undistributed profits	61.2	17.6	13.5	16.1	28.2	38.6	6.4
Inventory valuation adjustment	5.0	-6.9	-5.7	-15.1	-8.5	-26.9	-2.2
Capital consumption adjustment	56.5	129.1	132.8	117.6	109.7	115.3	199.0
Net interest	649.8	684.2	678.1	687.6	698.3	703.3	706.6
Addenda:							
Corporate profits after tax with inventory valuation and capital consumption adjustments	532.3	574.1	571.3	556.3	573.7	578.6	662.7
Net cash flow with inventory valuation and capital consumption adjustments	911.8	967.3	966.7	954.7	968.7	964.7	1,035.5
Undistributed profits with inventory valuation and capital consumption adjustments	122.7	139.9	140.5	118.6	129.4	127.0	203.2
Consumption of fixed capital	789.1	827.5	826.1	836.1	839.3	837.6	832.2
Less: Inventory valuation adjustment	5.0	-6.9	-5.7	-15.1	-8.5	-26.9	-2.2
<i>Equals:</i> Net cash flow	906.8	974.2	972.4	969.8	977.2	991.5	1,037.6

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

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
			Billions of dollars				
Gross product of corporate business	6,117.5	6,323.4	6,320.3	6,335.7	6,388.4	6,441.4	6,528.6
Consumption of fixed capital ..	789.1	827.5	826.1	836.1	839.3	837.6	832.2
Net product	5,328.4	5,495.9	5,494.1	5,499.6	5,549.1	5,603.7	5,696.3
Indirect business tax and nontax liability plus business transfer payments less subsidies..	565.7	592.6	588.8	598.0	601.2	606.0	602.9
Domestic income	4,762.7	4,903.4	4,905.3	4,901.6	4,947.8	4,997.8	5,093.5
Compensation of employees	3,945.6	3,980.2	3,979.5	3,991.2	4,008.2	4,030.8	4,048.0
Wage and salary accruals	3,378.6	3,382.0	3,386.5	3,387.3	3,393.7	3,406.0	3,418.9
Supplements to wages and salaries	567.0	598.1	593.1	603.9	614.6	624.7	629.1
Corporate profits with inventory valuation and capital consumption adjustments	580.9	668.1	669.9	654.9	682.0	710.0	788.9
Profits before tax	519.4	545.9	542.9	552.4	580.8	621.6	592.1
Profits tax liability	199.3	213.3	213.7	214.7	222.4	237.8	234.3
Profits after tax	320.1	332.6	329.2	337.7	358.4	383.7	357.7
Dividends	383.1	392.9	385.1	379.2	404.4	412.5	419.0
Undistributed profits	-63.0	-60.3	-56.0	-41.5	-46.0	-28.7	-61.3
Inventory valuation adjustment	5.0	-6.9	-5.7	-15.1	-8.5	-26.9	-2.2
Capital consumption adjustment	56.5	129.1	132.8	117.6	109.7	115.3	199.0
Net interest	236.3	255.1	255.8	255.4	257.6	257.0	256.6
Gross product of financial corporate business	763.3	830.3	831.3	830.9	833.6	851.0	859.9
Gross product of nonfinancial corporate business	5,354.2	5,493.1	5,489.0	5,504.8	5,554.7	5,590.4	5,668.7
Consumption of fixed capital ..	652.8	686.6	685.1	693.7	696.7	696.2	692.3
Net product	4,701.4	4,806.5	4,803.8	4,811.1	4,858.0	4,894.2	4,976.4
Indirect business tax and nontax liability plus business transfer payments less subsidies..	523.7	549.1	545.6	554.2	557.2	561.3	557.7
Domestic income	4,177.7	4,257.5	4,258.2	4,256.9	4,300.8	4,333.0	4,418.7
Compensation of employees	3,573.5	3,605.0	3,604.4	3,615.0	3,630.5	3,650.9	3,666.6
Wage and salary accruals	3,056.4	3,059.5	3,063.5	3,064.3	3,070.1	3,081.3	3,092.9
Supplements to wages and salaries	517.1	545.5	540.8	550.7	560.4	569.7	573.7
Corporate profits with inventory valuation and capital consumption adjustments	407.4	458.4	459.3	447.6	474.4	486.5	557.0
Profits before tax	328.8	328.6	324.4	336.3	364.4	391.3	365.5
Profits tax liability	123.5	131.5	130.8	133.4	142.2	153.4	150.6
Profits after tax	205.3	197.0	193.6	202.9	222.1	237.9	214.9
Dividends	278.5	285.8	280.2	275.9	294.2	300.1	304.9
Undistributed profits	-73.2	-88.8	-86.6	-73.0	-72.1	-62.2	-90.0
Inventory valuation adjustment	5.0	-6.9	-5.7	-15.1	-8.5	-26.9	-2.2
Capital consumption adjustment	73.6	136.7	140.6	126.4	118.6	122.1	193.7
Net interest	196.8	194.1	194.6	194.3	195.9	195.5	195.2
			Billions of chained (1996) dollars				
Gross product of nonfinancial corporate business ¹	5,141.8	5,301.9	5,298.7	5,320.7	5,357.1	5,382.1	5,464.9
Consumption of fixed capital ² ..	671.9	720.8	715.4	731.4	741.1	749.9	759.7
Net product ³	4,469.9	4,581.2	4,583.3	4,589.4	4,615.9	4,632.2	4,705.2

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.

2. Personal Income and Outlays

Table 2.1. Personal Income and Its Disposition
[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Personal income	8,685.3	8,922.2	8,914.0	8,958.9	9,012.5	9,080.2	9,156.0
Wage and salary disbursements	4,950.6	4,996.4	4,997.3	5,007.4	5,023.1	5,053.8	5,079.2
Private industries	4,139.8	4,143.6	4,148.9	4,150.3	4,157.7	4,172.8	4,188.9
Goods-producing industries	1,142.4	1,115.7	1,121.3	1,115.2	1,109.3	1,106.2	1,109.0
Manufacturing	789.4	758.7	765.3	757.9	752.0	750.6	747.4
Distributive industries	1,109.2	1,114.4	1,115.3	1,117.8	1,114.6	1,121.8	1,124.5
Service industries	1,888.2	1,913.5	1,912.4	1,917.3	1,933.9	1,944.8	1,955.4
Government	810.8	852.8	848.4	857.1	865.4	881.0	890.3
Other labor income	570.4	610.6	604.1	617.5	630.2	639.2	645.0
Proprietors' income with inventory valuation and capital consumption adjustments	727.9	756.5	747.5	758.7	771.6	784.4	804.5
Farm	19.0	12.9	7.5	10.7	11.7	14.2	15.4
Nonfarm	708.8	743.7	740.0	748.0	759.9	770.2	789.1
Rental income of persons with capital consumption adjustment	137.9	142.4	153.5	144.1	130.6	126.9	115.3
Personal dividend income	409.2	433.8	430.3	437.3	443.8	451.2	459.0
Personal interest income	1,091.3	1,078.5	1,082.3	1,080.7	1,080.9	1,075.8	1,081.5
Transfer payments to persons	1,170.4	1,288.0	1,282.6	1,298.4	1,319.1	1,340.8	1,365.6
Old-age, survivors, disability, and health insurance benefits	664.3	699.8	696.3	701.9	710.8	722.6	735.1
Government unemployment insurance benefits	31.9	62.9	67.3	67.6	64.2	62.0	66.0
Veterans benefits	26.7	29.6	29.3	30.0	30.5	31.2	31.9
Other transfer payments	447.6	495.8	489.8	498.9	513.6	525.0	532.5
Family assistance ¹	19.2	19.3	19.3	19.3	19.4	19.4	19.5
Other	428.3	476.5	470.4	479.6	494.2	505.6	513.0
Less: Personal contributions for social insurance	372.3	384.0	383.6	385.3	386.8	391.9	394.0
Less: Personal tax and nontax payments	1,292.1	1,111.9	1,121.8	1,099.0	1,090.1	1,073.6	1,082.6
Equals: Disposable personal income	7,393.2	7,810.3	7,792.2	7,859.9	7,922.5	8,006.6	8,073.4
Less: Personal outlays	7,223.5	7,524.5	7,477.9	7,583.0	7,640.7	7,727.6	7,813.7
Personal consumption expenditures	6,987.0	7,303.7	7,254.7	7,360.7	7,425.4	7,512.5	7,598.6
Interest paid by persons	205.4	188.4	191.3	189.3	182.5	181.7	181.9
Personal transfer payments to the rest of the world (net)	31.1	32.3	31.9	32.9	32.8	33.4	33.2
Equals: Personal saving	169.7	285.8	314.3	276.9	281.8	278.9	259.7
Addenda:							
Disposable personal income: Total, billions of chained (1996) dollars ²	6,748.0	7,032.2	7,027.2	7,058.1	7,082.3	7,109.6	7,154.7
Per capita:							
Current dollars	25,957	27,170	27,144	27,313	27,463	27,694	27,855
Chained (1996) dollars	23,692	24,463	24,479	24,527	24,551	24,591	24,685
Population (mid-period, millions)	284.8	287.5	287.1	287.8	288.5	289.1	289.8
Personal saving as a percentage of disposable personal income	2.3	3.7	4.0	3.5	3.6	3.5	3.2

1. Consists of aid to families with dependent children and, beginning with 1996, assistance programs operating under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
2. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.
NOTE: Percent changes from preceding period for disposable personal income are shown in table 8.1.

Table 2.2. Personal Consumption Expenditures by Major Type of Product
[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Personal consumption expenditures	6,987.0	7,303.7	7,254.7	7,360.7	7,425.4	7,512.5	7,598.6
Durable goods	835.9	871.9	856.9	897.8	873.9	861.2	900.5
Motor vehicles and parts	361.3	376.1	362.1	400.7	375.9	366.5	392.2
Furniture and household equipment	306.1	318.7	319.1	319.2	319.4	314.9	321.8
Other	168.4	177.1	175.8	177.9	178.6	179.8	186.5
Nondurable goods	2,041.3	2,115.0	2,108.2	2,116.9	2,150.0	2,206.8	2,203.3
Food	992.4	1,029.4	1,023.9	1,024.8	1,043.9	1,070.1	1,078.4
Clothing and shoes	315.3	324.3	323.9	321.0	326.6	324.5	326.1
Gasoline, fuel oil, and other energy goods	178.6	173.5	174.7	178.2	184.7	211.1	193.8
Gasoline and oil	162.1	158.5	160.7	163.5	167.4	191.4	176.8
Fuel oil and coal	16.5	15.0	14.0	14.7	17.3	19.7	17.0
Other	555.0	587.8	585.6	592.9	594.8	601.1	605.1
Services	4,109.9	4,316.8	4,289.5	4,346.0	4,401.5	4,444.6	4,494.8
Housing	1,014.5	1,071.5	1,066.0	1,078.0	1,090.1	1,101.9	1,110.9
Household operation	406.3	405.2	400.9	406.3	414.2	422.4	422.3
Electricity and gas	154.5	148.2	144.9	147.4	156.5	162.1	161.1
Other household operation	251.8	257.0	256.1	258.9	257.7	260.4	261.2
Transportation	271.4	275.8	275.6	276.1	278.3	278.0	277.8
Medical care	1,072.2	1,148.5	1,139.3	1,158.8	1,176.9	1,192.0	1,213.8
Recreation	271.9	285.1	283.8	285.9	291.8	292.7	297.2
Other	1,073.6	1,130.7	1,123.8	1,140.9	1,150.2	1,157.5	1,172.8
Addenda:							
Energy goods and services ¹	333.0	321.6	319.6	325.6	341.1	373.1	354.9
Personal consumption expenditures less food and energy	5,661.6	5,952.7	5,911.1	6,010.3	6,040.3	6,069.3	6,165.4

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

Table 2.3. Real Personal Consumption Expenditures by Major Type of Product
[Billions of chained (1996) dollars]

	2001	2002	2003	2004	2005	2006	2007
Personal consumption expenditures	6,377.2	6,576.0	6,542.4	6,609.9	6,637.9	6,670.9	6,733.9
Durable goods	931.9	999.9	980.7	1,032.4	1,010.6	1,005.4	1,061.5
Motor vehicles and parts	361.9	382.4	369.1	407.6	382.8	374.9	403.0
Furniture and household equipment	398.0	438.1	435.2	441.4	447.5	447.8	466.6
Other	175.3	185.8	184.1	187.0	188.1	191.3	199.1
Nondurable goods	1,869.8	1,929.5	1,920.9	1,925.8	1,950.0	1,978.9	1,985.6
Food	887.0	902.3	899.2	897.9	910.7	929.7	931.4
Clothing and shoes	337.7	357.0	355.1	355.3	361.8	364.0	369.3
Gasoline, fuel oil, and other energy goods	151.2	157.5	156.5	157.5	158.9	159.2	156.9
Gasoline and oil	138.8	145.1	144.7	145.4	145.1	146.2	145.2
Fuel oil and coal	12.6	12.7	12.1	12.4	14.0	13.3	12.1
Other	495.5	515.8	513.1	518.0	521.9	528.9	532.2
Services	3,594.9	3,675.6	3,666.2	3,687.0	3,707.0	3,714.9	3,728.0
Housing	866.0	880.1	878.5	882.1	885.8	889.9	893.8
Household operation	382.6	384.7	382.9	384.7	389.9	388.5	384.0
Electricity and gas	134.5	136.4	133.6	135.7	142.8	140.7	134.2
Other household operation	248.2	248.4	249.5	249.1	247.0	247.8	250.5
Transportation	251.1	250.3	250.3	249.8	250.1	250.1	248.0
Medical care	938.3	978.6	974.7	984.4	992.0	1,002.1	1,012.7
Recreation	233.2	237.5	237.1	237.1	240.3	238.8	240.9
Other	922.7	942.7	941.0	947.0	947.5	943.8	946.3
Residual	-23.6	-37.2	-34.9	-40.3	-39.5	-38.4	-51.4
Addenda:							
Energy goods and services ¹	285.6	293.9	290.1	293.3	301.6	299.9	291.3
Personal consumption expenditures less food and energy	5,204.5	5,380.3	5,353.5	5,419.6	5,426.1	5,441.5	5,512.9

1. Consists of gasoline, fuel oil, and other energy goods and of electricity and gas.
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 7.4.
Contributions to the percent change in real personal consumption expenditures are shown in table 8.3.

3. Government Current Receipts and Expenditures

Table 3.1. Government Current Receipts and Expenditures
 (Billions of dollars)

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Current receipts	2,992.3	2,872.1	2,876.7	2,869.4	2,876.7	2,895.1	2,916.3
Personal tax and nontax receipts	1,292.1	1,111.9	1,121.8	1,099.0	1,090.1	1,073.6	1,082.6
Corporate profits tax accruals	199.3	213.3	213.7	214.7	222.4	237.8	234.3
Indirect business tax and nontax accruals	774.8	800.4	795.1	806.9	813.3	821.7	833.6
Contributions for social insurance	726.1	746.5	746.1	748.8	750.9	762.0	765.8
Current expenditures	2,951.6	3,126.2	3,117.4	3,134.6	3,185.6	3,243.0	3,321.4
Consumption expenditures	1,522.2	1,621.0	1,611.6	1,629.4	1,659.0	1,698.4	1,732.3
Transfer payments (net)	1,146.6	1,267.3	1,258.3	1,272.8	1,298.0	1,324.9	1,349.3
To persons	1,137.0	1,252.9	1,247.7	1,263.1	1,283.5	1,304.9	1,329.3
To the rest of the world (net)	9.6	14.4	10.6	9.7	14.5	20.1	20.0
Net interest paid	236.0	205.8	212.8	203.8	200.1	190.8	193.1
Interest paid	341.1	314.1	319.5	312.2	311.8	303.9	307.0
To persons and business	260.4	241.0	244.9	239.4	241.2	236.0	241.5
To the rest of the world	80.7	73.0	74.7	72.8	70.7	67.9	65.5
Less: Interest received by government	105.1	108.2	106.7	108.4	111.7	113.1	113.9
Less: Dividends received by government .....	.4	.5	.5	.5	.5	.5	.5
Subsidies less current surplus of government enterprises	47.3	32.5	35.1	29.1	29.0	30.7	45.9
Subsidies	55.3	46.2	46.0	46.6	45.9	49.6	63.9
Less: Current surplus of government enterprises	8.0	13.7	11.0	17.5	17.0	18.8	18.1
Less: Wage accruals less disbursements .....	.0	.0	.0	.0	.0	1.4	-1.4
Current surplus or deficit (-), national income and product accounts	40.7	-254.1	-240.7	-265.2	-309.0	-347.9	-405.1
Social insurance funds	93.2	51.9	49.6	48.0	45.9	49.3	38.1
Other	-52.5	-306.0	-290.3	-313.2	-354.9	-397.2	-443.2
Addenda:							
Net lending or net borrowing (-)	-46.9	-354.5	-341.3	-362.1	-409.2	-443.7	-511.7
Current surplus or deficit (-), national income and product accounts	40.7	-254.1	-240.7	-265.2	-309.0	-347.9	-405.1
Plus: Consumption of fixed capital	222.4	229.6	228.6	230.5	232.7	235.5	237.5
Plus: Capital transfers received (net)	35.4	32.9	29.7	35.7	30.3	30.6	26.0
Less: Gross investment	335.8	351.9	348.2	351.7	352.2	353.6	360.0
Less: Net purchases of nonproduced assets	9.6	11.0	10.6	11.4	11.0	8.3	10.1

Table 3.2. Federal Government Current Receipts and Expenditures

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Current receipts	2,008.4	1,873.3	1,883.7	1,864.1	1,860.8	1,865.0	1,871.3
Personal tax and nontax receipts	1,010.9	845.8	856.6	831.3	820.5	800.7	806.7
Income taxes	1,000.3	836.4	847.0	822.3	811.4	791.5	797.4
Nontaxes	10.6	9.4	9.6	9.1	9.0	9.2	9.3
Corporate profits tax accruals	170.2	179.8	180.2	181.1	187.5	200.7	196.5
Federal Reserve banks	27.1	22.2	23.2	22.2	20.6	20.4	20.1
Other	143.2	157.6	157.0	158.8	166.9	180.3	176.4
Indirect business tax and nontax accruals	110.3	110.6	110.2	112.4	111.5	111.2	111.9
Excise taxes	66.3	69.6	69.9	69.8	70.3	69.5	69.0
Customs duties	20.6	20.3	19.4	22.4	20.6	20.9	21.0
Nontaxes	23.4	20.7	20.9	20.2	20.5	20.8	21.9
Contributions for social insurance	716.9	737.1	736.7	739.3	741.4	752.5	756.2
Current expenditures	1,936.4	2,075.5	2,079.3	2,074.6	2,117.4	2,145.1	2,261.5
Consumption expenditures	528.4	586.5	581.0	589.8	608.9	626.6	664.3
Transfer payments (net)	842.2	931.7	927.6	934.1	948.5	970.7	990.9
To persons	832.6	917.4	917.0	924.4	934.0	950.7	970.8
To the rest of the world (net)	9.6	14.4	10.6	9.7	14.5	20.1	20.0
Grants-in-aid to State and local governments	277.4	305.7	309.6	305.0	315.8	313.0	351.4
Net interest paid	238.1	207.8	214.9	205.8	202.1	192.7	194.9
Interest paid	257.8	228.9	234.6	226.8	225.9	217.5	220.1
To persons and business	177.2	155.9	159.9	154.0	155.3	149.7	154.6
To the rest of the world	80.7	73.0	74.7	72.8	70.7	67.9	65.5
Less: Interest received by government	19.7	21.1	19.7	21.0	23.9	24.9	25.2
Subsidies less current surplus of government enterprises ..	50.3	43.7	46.3	39.9	42.1	43.5	58.6
Subsidies	47.5	45.4	45.5	45.0	46.3	49.4	63.5
Less: Current surplus of government enterprises ..	-2.8	1.7	-7	5.0	4.2	6.0	4.9
Less: Wage accruals less disbursements .....	.0	.0	.0	.0	.0	1.4	-1.4
Current surplus or deficit (-), national income and product accounts ..	72.0	-202.1	-195.6	-210.5	-256.6	-280.1	-390.2
Social insurance funds	93.3	52.0	49.7	48.1	46.0	49.4	38.2
Other	-21.3	-254.1	-245.3	-258.6	-302.6	-329.5	-428.4
Addenda:							
Net lending or net borrowing (-)	58.9	-226.7	-223.2	-233.5	-280.6	-295.1	-427.1
Current surplus or deficit (-), national income and product accounts	72.0	-202.1	-195.6	-210.5	-256.6	-280.1	-390.2
Plus: Consumption of fixed capital	98.7	101.9	101.3	102.2	103.6	104.7	105.8
Plus: Capital transfers received (net)	-12.9	-19.1	-21.8	-16.8	-19.5	-13.9	-28.2
Less: Gross investment ...	99.7	107.2	107.1	107.9	108.0	108.6	115.5
Less: Net purchases of nonproduced assets	-7	.2	-1	.6	.1	-2.7	-1.0

Table 3.3. State and Local Government Current Receipts and Expenditures

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Current receipts	1,261.3	1,304.5	1,302.5	1,310.3	1,331.6	1,343.1	1,396.4
Personal tax and nontax receipts	281.2	266.1	265.3	267.7	269.6	272.9	276.0
Income taxes	218.7	200.3	199.9	201.4	202.4	204.2	205.7
Nontaxes	41.9	45.1	44.7	45.5	46.4	47.7	49.1
Other	20.6	20.7	20.7	20.7	20.8	20.9	21.1
Corporate profits tax accruals ..	29.1	33.5	33.5	33.7	34.9	37.2	37.8
Indirect business tax and nontax accruals	664.4	689.8	684.9	694.5	701.8	710.4	721.7
Sales taxes	321.2	333.5	330.6	337.2	338.6	342.3	346.0
Property taxes	257.4	267.8	265.9	268.6	273.2	278.0	282.9
Other	85.8	88.5	88.3	88.7	90.0	90.1	92.8
Contributions for social insurance	9.2	9.4	9.4	9.4	9.5	9.5	9.6
Federal grants-in-aid	277.4	305.7	309.6	305.0	315.8	313.0	351.4
Current expenditures	1,292.6	1,356.4	1,347.6	1,365.0	1,384.0	1,410.9	1,411.3
Consumption expenditures	993.7	1,034.5	1,030.6	1,039.6	1,050.1	1,071.8	1,068.0
Transfer payments to persons ..	304.4	335.6	330.7	338.7	349.5	354.2	358.4
Net interest paid	-2.1	-2.0	-2.0	-2.0	-1.9	-1.8	-1.9
Interest paid	83.3	85.2	84.9	85.4	85.9	86.4	86.9
Less: Interest received by government	85.4	87.1	87.0	87.4	87.8	88.2	88.8
Less: Dividends received by government .....	.4	.5	.5	.5	.5	.5	.5
Subsidies less current surplus of government enterprises ..	-3.1	-11.2	-11.2	-10.8	-13.2	-12.7	-12.7
Subsidies	7.8	.8	.5	1.7	-4	.2	.5
Less: Current surplus of government enterprises ..	10.9	12.0	11.7	12.5	12.8	12.9	13.2
Less: Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
Current surplus or deficit (-), national income and product accounts ..	-31.3	-52.0	-45.1	-54.7	-52.4	-67.9	-14.9
Social insurance funds	-1	-1	-1	-1	-1	-1	-1
Other	-31.2	-51.9	-44.9	-54.6	-52.3	-67.7	-14.8
Addenda:							
Net lending or net borrowing (-)	-105.8	-127.8	-118.1	-128.5	-128.6	-148.5	-84.6
Current surplus or deficit (-), national income and product accounts	-31.3	-52.0	-45.1	-54.7	-52.4	-67.9	-14.9
Plus: Consumption of fixed capital	123.7	127.7	127.3	128.3	129.1	130.8	131.6
Plus: Capital transfers received (net)	48.3	52.0	51.5	52.5	49.8	44.5	54.2
Less: Gross investment ...	236.2	244.7	241.1	243.8	244.2	245.0	244.5
Less: Net purchases of nonproduced assets	10.3	10.8	10.7	10.9	10.9	11.0	11.1

Table 3.7. Government Consumption Expenditures and Gross Investment by Type

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Government consumption expenditures and gross investment¹	1,858.0	1,972.9	1,959.8	1,981.1	2,011.3	2,052.0	2,092.2
Federal	628.1	693.7	688.2	697.7	716.9	735.2	779.8
National defense	399.9	447.4	442.1	451.2	464.7	471.1	518.6
Consumption expenditures	344.5	386.6	382.5	388.9	403.2	408.7	451.7
Durable goods ²	24.2	25.3	24.9	26.3	25.2	24.7	29.0
Nondurable goods	10.5	11.5	11.7	12.0	11.4	12.2	11.9
Services	309.8	349.9	345.9	350.6	366.6	371.8	410.8
Compensation of general government employees, except own-account investment ³	143.7	154.4	155.0	155.8	153.9	165.1	169.5
Consumption of general government fixed capital ⁴	63.5	64.2	64.0	64.3	64.9	65.2	65.6
Other services	102.5	131.3	127.0	130.5	147.7	141.5	175.8
Gross investment	55.5	60.8	59.6	62.4	61.5	62.4	67.0
Structures	5.4	5.3	5.4	5.4	5.3	5.5	5.9
Equipment and software	50.0	55.5	54.2	57.0	56.3	56.9	61.0
Nondefense	228.2	246.3	246.1	246.5	252.2	264.1	261.1
Consumption expenditures	184.0	199.9	198.6	200.9	205.8	217.9	212.6
Durable goods ²	1.3	1.4	1.4	1.4	1.6	1.5	1.2
Nondurable goods	8.7	9.4	10.1	9.4	9.4	8.9	9.9
Commodity Credit Corporation inventory change .....	.8	-.2	.3	-.2	-.6	-.4	-.5
Other nondurables	7.9	9.6	9.8	9.6	10.1	9.3	10.4
Services	174.0	189.1	187.1	190.1	194.7	207.5	201.5
Compensation of general government employees, except own-account investment ³	95.2	104.3	102.7	104.6	108.0	113.8	114.3
Consumption of general government fixed capital ⁴	28.7	30.8	30.5	31.0	31.6	32.3	33.0
Other services	50.1	54.0	53.9	54.5	55.1	61.3	54.2
Gross investment	44.2	46.4	47.5	45.5	46.5	46.2	48.5
Structures	10.4	12.3	12.1	11.3	12.6	12.0	12.5
Equipment and software	33.8	34.1	35.4	34.3	33.8	34.1	36.1
State and local	1,229.9	1,279.2	1,271.6	1,283.3	1,294.4	1,316.8	1,312.5
Consumption expenditures	993.7	1,034.5	1,030.6	1,039.6	1,050.1	1,071.8	1,068.0
Durable goods ²	18.3	19.4	19.3	19.5	19.7	20.0	20.2
Nondurable goods	118.7	121.1	120.2	122.6	126.3	139.7	131.7
Services	856.7	894.0	891.1	897.5	904.1	912.1	916.1
Compensation of general government employees, except own-account investment ³	700.4	733.8	730.1	737.1	744.0	748.6	751.7
Consumption of general government fixed capital ⁴	95.4	100.0	99.6	100.4	101.1	102.5	103.1
Other services	60.9	60.3	61.3	59.9	59.0	61.0	61.2
Gross investment	236.2	244.7	241.1	243.8	244.2	245.0	244.5
Structures	177.6	188.2	184.4	187.4	188.6	189.8	189.5
Equipment and software	58.6	56.5	56.6	56.4	55.6	55.2	55.0
Addenda:							
Compensation of general government employees ³	952.1	1,006.1	1,001.2	1,011.3	1,019.8	1,041.7	1,049.7
Federal	240.5	260.5	259.6	262.5	263.9	281.1	286.0
State and local ⁵	711.6	745.5	741.6	748.9	755.8	760.6	763.8

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

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Government consumption expenditures and gross investment¹	1,640.4	1,712.8	1,703.3	1,715.6	1,735.0	1,736.7	1,772.6
Federal	570.6	613.3	608.7	615.1	631.4	632.5	669.5
National defense	366.0	400.0	395.8	402.5	413.2	409.7	450.2
Consumption expenditures	308.9	337.0	333.9	338.0	349.4	345.4	380.9
Durable goods ²	24.3	25.3	24.9	26.4	25.2	24.6	28.9
Nondurable goods	9.9	11.4	11.7	11.6	10.8	10.7	11.0
Services	275.1	300.6	297.6	300.5	313.4	310.0	341.2
Compensation of general government employees, except own-account investment ³	121.2	123.4	123.8	124.3	123.0	125.5	128.6
Consumption of general government fixed capital ⁴	62.4	62.6	62.5	62.6	62.8	63.1	63.4
Other services	91.7	114.9	111.6	113.8	128.2	121.8	150.1
Gross investment	57.3	63.3	62.2	65.0	63.9	64.7	69.4
Structures	4.6	4.4	4.5	4.4	4.3	4.5	4.8
Equipment and software	53.0	59.5	58.2	61.1	60.1	60.7	65.1
Nondefense	204.4	213.3	212.9	212.7	218.3	222.8	219.7
Consumption expenditures	161.1	167.8	166.5	167.9	172.5	177.1	172.3
Durable goods ²	1.5	1.7	1.7	1.7	1.9	1.9	1.5
Nondurable goods	8.9	8.5	9.6	8.3	8.4	7.8	8.5
Commodity Credit Corporation inventory change	1.7	-.1	.8	-.1	-.6	-.1	-.6
Other nondurables	7.2	8.6	8.8	8.4	9.0	8.0	9.1
Services	151.6	157.7	155.8	157.9	162.2	167.5	162.0
Compensation of general government employees, except own-account investment ³	79.0	80.7	79.2	80.4	83.6	83.7	83.6
Consumption of general government fixed capital ⁴	28.0	30.1	29.8	30.3	30.9	31.5	32.1
Other services	45.4	48.0	47.9	48.3	48.7	53.8	47.3
Gross investment	43.6	45.9	47.0	45.1	46.0	45.7	48.0
Structures	8.9	10.4	10.2	9.5	10.6	10.0	10.2
Equipment and software	35.4	36.0	37.3	36.3	35.9	36.3	38.4
State and local	1,069.4	1,099.7	1,094.7	1,100.6	1,104.0	1,104.6	1,104.1
Consumption expenditures	856.8	881.1	879.4	883.0	886.3	887.9	888.1
Durable goods ²	18.3	19.3	19.2	19.4	19.6	19.8	20.0
Nondurable goods	108.7	113.0	112.6	113.3	114.1	114.9	115.8
Services	731.1	750.5	749.2	751.9	754.2	754.9	754.1
Compensation of general government employees, except own-account investment ³	589.6	601.7	600.8	602.6	604.1	604.1	602.4
Consumption of general government fixed capital ⁴	88.7	92.6	92.2	93.0	93.7	94.4	95.0
Other services	53.2	56.8	56.8	57.0	57.1	57.3	57.7
Gross investment	212.8	218.6	215.3	217.6	217.7	216.6	215.9
Structures	148.6	154.9	151.9	153.9	154.5	153.8	153.0
Equipment and software	65.9	64.6	64.6	64.7	64.0	63.6	63.8
Residual	-6.8	-7.0	-7.7	-7.3	-6.5	-7.2	-8.6
Addenda:							
Compensation of general government employees ³	800.5	817.0	814.8	818.6	822.2	824.8	826.3
Federal	201.6	205.7	204.5	206.4	208.4	210.9	213.9
State and local ⁵	598.9	611.3	610.3	612.2	613.8	613.7	612.1

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

See footnotes to table 3.7.

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

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

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

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

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

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

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

Table 3.10. National Defense Consumption Expenditures and Gross Investment
[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
National defense consumption expenditures and gross investment¹	399.9	447.4	442.1	451.2	464.7	471.1	518.6
Consumption expenditures	344.5	386.6	382.5	388.9	403.2	408.7	451.7
Durable goods²	24.2	25.3	24.9	26.3	25.2	24.7	29.0
Aircraft	11.2	11.3	11.3	11.6	11.4	10.8	12.8
Missiles	2.5	2.8	2.5	3.0	3.1	2.7	3.3
Ships	1.2	1.3	1.3	1.5	1.2	1.2	1.3
Vehicles	1.0	1.1	1.1	1.0	1.2	1.1	1.1
Electronics	3.0	3.1	3.2	3.3	2.8	3.4	3.6
Other durable goods	5.3	5.6	5.5	5.8	5.5	5.5	6.9
Nondurable goods	10.5	11.5	11.7	12.0	11.4	12.2	11.9
Petroleum products	4.0	4.2	4.3	4.7	4.0	5.0	3.5
Ammunition	2.1	2.5	2.6	2.7	2.4	2.1	2.7
Other nondurable goods ..	4.4	4.8	4.8	4.6	5.0	5.1	5.7
Services	309.8	349.9	345.9	350.6	366.6	371.8	410.8
Compensation of general government employees, except own-account investment ³	143.7	154.4	155.0	155.8	153.9	165.1	169.5
Military	94.1	102.1	102.4	103.0	101.5	110.4	115.3
Civilian	49.6	52.3	52.5	52.8	52.4	54.7	54.2
Consumption of general government fixed capital ⁴	63.5	64.2	64.0	64.3	64.9	65.2	65.6
Other services	102.5	131.3	127.0	130.5	147.7	141.5	175.8
Research and development	29.6	42.0	40.9	40.0	49.5	44.7	54.3
Installation support	25.5	28.5	27.1	29.6	30.2	26.9	35.9
Weapons support	12.2	18.3	17.2	19.2	20.7	17.2	25.9
Personnel support	28.0	35.5	34.2	36.6	39.0	39.1	46.4
Transportation of material	4.9	5.0	4.9	5.0	5.2	10.0	10.2
Travel of persons	4.2	4.0	4.0	4.0	4.1	4.7	4.8
Other	-2.0	-1.9	-1.3	-3.9	-9	-1.1	-1.9
Gross investment	55.5	60.8	59.6	62.4	61.5	62.4	67.0
Structures	5.4	5.3	5.4	5.4	5.3	5.5	5.9
Equipment and software	50.0	55.5	54.2	57.0	56.3	56.9	61.0
Aircraft	8.3	9.3	9.0	9.9	9.9	9.5	9.6
Missiles	3.3	3.1	3.1	2.6	3.1	2.8	2.8
Ships	7.2	8.7	8.5	8.9	9.0	8.8	10.0
Vehicles	1.8	2.6	2.8	3.0	2.7	3.6	3.4
Electronics and software ..	13.7	15.0	14.7	15.3	14.9	15.7	14.4
Other equipment	15.7	16.8	16.2	17.1	16.7	16.5	20.8
Addendum:							
Compensation of general government employees ³ ..	144.3	155.3	155.9	156.8	154.9	166.1	170.5

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.
 2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries.
 3. Compensation of government employees engaged in new own-account investment and related expenditures for goods and services are classified as investment in structures and in software. The compensation of all general government employees is shown in the addendum.
 4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

Table 3.11. Real National Defense Consumption Expenditures and Gross Investment
[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
National defense consumption expenditures and gross investment¹	366.0	400.0	395.8	402.5	413.2	409.7	450.2
Consumption expenditures	308.9	337.0	333.9	338.0	349.4	345.4	380.9
Durable goods²	24.3	25.3	24.9	26.4	25.2	24.6	28.9
Aircraft	11.2	11.3	11.2	11.6	11.3	10.7	12.6
Missiles	2.5	2.8	2.6	3.0	3.1	2.7	3.2
Ships	1.2	1.3	1.3	1.5	1.2	1.2	1.3
Vehicles .....	.8	.8	.8	.9	.8	.8	.8
Electronics	3.4	3.6	3.7	3.9	3.3	4.0	4.2
Other durable goods	5.2	5.6	5.5	5.8	5.5	5.4	6.9
Nondurable goods	9.9	11.4	11.7	11.6	10.8	10.7	11.0
Petroleum products	3.4	4.3	4.4	4.5	3.6	3.7	3.0
Ammunition	2.1	2.6	2.7	2.8	2.5	2.2	2.8
Other nondurable goods ..	4.2	4.5	4.5	4.3	4.6	4.7	5.3
Services	275.1	300.6	297.6	300.5	313.4	310.0	341.2
Compensation of general government employees, except own-account investment ³	121.2	123.4	123.8	124.3	123.0	125.5	128.6
Military	80.7	83.7	84.0	84.5	83.3	86.3	90.1
Civilian	40.7	39.9	40.0	40.1	39.9	39.5	39.0
Consumption of general government fixed capital ⁴	62.4	62.6	62.5	62.6	62.8	63.1	63.4
Other services	91.7	114.9	111.6	113.8	128.2	121.8	150.1
Research and development	26.9	37.5	36.7	35.6	43.9	39.4	47.7
Installation support	23.4	25.6	24.5	26.4	26.7	23.5	31.0
Weapons support	10.7	15.8	14.9	16.6	17.9	14.8	22.1
Personnel support	23.4	28.6	27.6	29.4	31.2	30.9	36.5
Transportation of material	4.6	4.6	4.5	4.5	4.7	9.0	9.0
Travel of persons	4.1	3.9	3.8	3.9	4.0	4.6	4.6
Other	-1.7	-1.6	-1.1	-3.2	-7	-9	-1.5
Gross investment	57.3	63.3	62.2	65.0	63.9	64.7	69.4
Structures	4.6	4.4	4.5	4.4	4.3	4.5	4.8
Equipment and software	53.0	59.5	58.2	61.1	60.1	60.7	65.1
Aircraft	9.6	11.2	10.8	11.9	11.7	11.4	11.4
Missiles	3.5	3.4	3.4	2.9	3.4	3.0	3.1
Ships	7.1	8.5	8.4	8.7	8.8	8.6	9.7
Vehicles	1.9	2.8	2.9	3.2	2.7	3.6	3.4
Electronics and software ..	15.3	17.1	16.7	17.5	17.2	18.2	16.8
Other equipment	15.5	16.5	15.9	16.8	16.4	16.1	20.3
Residual	-7	-1.3	-9	-1.5	-1.0	-1.3	-1.3
Addendum:							
Compensation of general government employees ³ ..	121.7	124.1	124.5	125.1	123.8	126.2	129.4

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. 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				
			2002			2003	
			II	III	IV	I	II
Receipts from the rest of the world	1,351.1	1,292.9	1,294.1	1,325.9	1,309.6	1,313.1	1,313.9
Exports of goods and services	1,034.1	1,014.9	1,018.1	1,038.6	1,025.4	1,031.8	1,031.5
Goods ¹	733.5	703.6	709.4	722.6	702.6	711.9	711.9
Durable	522.4	493.0	499.3	509.5	486.0	485.7	487.1
Nondurable	211.2	210.6	210.0	213.1	216.5	226.1	224.7
Services ¹	300.6	311.3	308.8	316.0	322.8	319.9	319.6
Income receipts	316.9	278.0	276.0	287.3	284.2	281.3	282.4
Payments to the rest of the world	1,351.1	1,292.9	1,294.1	1,325.9	1,309.6	1,313.1	1,313.9
Imports of goods and services	1,383.0	1,438.5	1,443.7	1,471.5	1,501.4	1,519.0	1,536.1
Goods ¹	1,167.2	1,192.1	1,202.9	1,220.9	1,242.5	1,256.1	1,274.1
Durable	754.4	771.1	781.6	783.8	786.6	769.7	788.3
Nondurable	412.8	421.0	421.3	437.2	455.9	486.4	485.8
Services ¹	215.8	246.4	240.8	250.6	258.9	262.9	262.0
Income payments	295.0	287.6	296.1	298.2	293.4	291.5	286.0
Transfer payments (net)	49.8	55.7	51.5	51.8	55.9	62.5	61.8
From persons (net)	31.1	32.3	31.9	32.9	32.8	33.4	33.2
From government (net)	9.6	14.4	10.6	9.7	14.5	20.1	20.0
From business	9.1	9.0	9.0	9.2	8.7	9.0	8.5
Net foreign investment	-376.7	-488.9	-497.2	-495.6	-541.0	-559.9	-570.0

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

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

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Exports of goods and services	1,076.1	1,058.8	1,065.5	1,077.7	1,061.6	1,058.1	1,055.5
Goods ¹	785.2	756.9	765.8	773.5	750.3	753.9	750.8
Durable	558.3	529.2	536.3	546.6	521.5	520.3	521.1
Nondurable	226.7	227.5	229.3	226.7	228.5	233.2	229.5
Services ¹	292.0	301.5	299.7	304.0	310.0	303.5	303.9
Income receipts	292.0	253.3	251.8	261.3	257.5	252.5	253.4
Imports of goods and services	1,492.0	1,547.4	1,552.9	1,565.7	1,593.8	1,568.4	1,601.7
Goods ¹	1,270.5	1,320.1	1,329.2	1,340.3	1,360.8	1,337.4	1,380.4
Durable	865.6	901.4	912.5	915.5	921.6	901.9	923.5
Nondurable	402.3	415.5	414.3	421.7	434.5	430.1	449.7
Services ¹	222.4	227.2	224.3	226.0	233.0	230.7	223.8
Income payments	269.2	260.3	268.2	269.5	264.2	260.4	255.4

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.

Table 4.3. Exports and Imports of Goods and Services by Type of Product

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Exports of goods and services	1,034.1	1,014.9	1,018.1	1,038.6	1,025.4	1,031.8	1,031.5
Exports of goods ¹	733.5	703.6	709.4	722.6	702.6	711.9	711.9
Foods, feeds, and beverages	49.4	49.5	48.6	49.5	50.3	52.3	52.0
Industrial supplies and materials.....	155.3	153.7	155.6	156.3	158.0	166.5	166.6
Durable goods.....	57.1	56.0	57.2	56.9	56.4	58.8	59.7
Nondurable goods.....	98.2	97.7	98.4	99.4	101.6	107.7	106.9
Capital goods, except automotive.....	321.7	291.3	294.1	301.7	285.0	282.7	281.6
Civilian aircraft, engines, and parts.....	52.6	51.0	50.2	56.4	48.1	45.8	44.0
Computers, peripherals, and parts.....	47.6	38.6	38.6	37.8	38.9	38.5	37.3
Other.....	221.6	201.7	205.4	207.5	198.0	198.4	200.3
Automotive vehicles, engines, and parts.....	75.4	78.5	80.4	82.5	77.4	78.7	78.7
Consumer goods, except automotive.....	88.3	84.5	84.2	86.0	85.6	86.9	88.5
Durable goods.....	46.5	44.1	44.3	45.1	44.1	43.2	44.9
Nondurable goods.....	41.9	40.4	39.9	40.9	41.5	43.7	43.7
Other.....	43.3	46.0	46.4	46.7	46.1	44.7	44.4
Exports of services ¹	300.6	311.3	308.8	316.0	322.8	319.9	319.6
Transfers under U.S. military agency sales contracts....	11.2	11.4	11.6	11.1	11.6	11.7	12.4
Travel.....	73.1	71.1	69.3	70.9	75.7	69.3	64.6
Passenger fares.....	18.0	17.6	16.8	18.2	18.6	16.5	16.7
Other transportation.....	28.3	28.1	27.7	28.4	29.3	29.7	30.0
Royalties and license fees....	38.7	41.6	42.6	42.3	41.1	42.9	42.9
Other private services.....	108.1	116.6	115.9	119.6	120.3	123.2	126.4
Other.....	23.2	25.0	24.7	25.6	26.3	26.6	26.6
Imports of goods and services	1,383.0	1,438.5	1,443.7	1,471.5	1,501.4	1,519.0	1,536.1
Imports of goods ¹	1,167.2	1,192.1	1,202.9	1,220.9	1,242.5	1,256.1	1,274.1
Foods, feeds, and beverages	46.6	49.8	49.4	50.4	52.0	54.4	55.0
Industrial supplies and materials, except petroleum and products..	164.8	160.2	159.0	163.5	168.7	177.2	174.8
Durable goods.....	80.0	81.0	79.5	82.2	84.9	82.8	79.9
Nondurable goods.....	84.8	79.1	79.5	81.3	83.9	94.4	94.9
Petroleum and products.....	103.6	103.4	108.1	110.7	117.9	136.3	130.9
Capital goods, except automotive.....	298.0	284.0	288.4	285.3	284.9	282.8	291.0
Civilian aircraft, engines, and parts.....	31.4	25.7	24.9	22.2	26.6	23.7	24.0
Computers, peripherals, and parts.....	74.0	75.3	76.6	74.7	74.4	73.1	75.1
Other.....	192.6	183.0	186.9	188.4	183.9	186.0	191.9
Automotive vehicles, engines, and parts.....	189.8	204.0	207.5	210.0	208.1	203.2	210.3
Consumer goods, except automotive.....	284.5	307.6	307.2	315.0	322.9	327.5	328.5
Durable goods.....	146.7	160.5	164.5	163.2	164.8	163.5	165.4
Nondurable goods.....	137.8	147.1	142.7	151.8	158.1	164.0	163.1
Other.....	79.9	83.2	83.2	86.0	88.0	74.7	83.7
Imports of services ¹	215.8	246.4	240.8	250.6	258.9	262.9	262.0
Direct defense expenditures	15.2	18.8	18.4	19.4	19.9	22.0	23.3
Travel.....	60.1	61.3	59.2	61.4	65.8	63.0	58.4
Passenger fares.....	22.4	21.6	20.6	21.9	23.3	22.0	21.9
Other transportation.....	38.8	39.1	39.6	39.5	41.4	43.6	44.8
Royalties and license fees....	16.4	18.3	18.0	19.2	17.2	18.5	19.1
Other private services.....	54.6	78.5	76.4	80.4	82.5	84.8	85.4
Other.....	8.3	8.7	8.6	8.7	8.8	9.0	9.1
Addenda:							
Exports of agricultural goods ²	54.9	54.5	54.1	53.4	55.3	57.3	57.8
Exports of nonagricultural goods.....	678.6	649.1	655.3	669.1	647.3	654.6	654.1
Imports of nonpetroleum goods.....	1,063.6	1,088.8	1,094.7	1,110.2	1,124.5	1,119.8	1,143.2

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

2. Includes parts of foods, feeds, and beverages, of nondurable industrial supplies and materials, and of nondurable nonautomotive consumer goods.

Table 4.4. Real Exports and Imports of Goods and Services by Type of Product

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Exports of goods and services	1,076.1	1,058.8	1,065.5	1,077.7	1,061.6	1,058.1	1,055.5
Exports of goods ¹	785.2	756.9	765.8	773.5	750.3	753.9	750.8
Foods, feeds, and beverages	62.3	60.9	61.3	59.4	59.6	61.7	59.7
Industrial supplies and materials.....	162.2	162.8	165.8	163.1	163.9	167.0	165.5
Durable goods.....	61.7	60.5	62.0	60.9	60.4	61.9	62.1
Nondurable goods.....	100.4	102.2	103.6	101.9	103.3	104.9	103.3
Capital goods, except automotive.....	355.8	324.8	327.7	336.8	318.6	316.7	315.8
Civilian aircraft, engines, and parts.....	44.8	42.2	41.7	46.6	39.3	37.1	35.3
Computers, peripherals, and parts *.....	75.4	64.4	63.8	63.6	66.3	65.1	63.2
Other.....	238.6	219.1	222.9	225.5	215.7	217.6	220.4
Automotive vehicles, engines, and parts.....	73.4	76.1	78.1	79.9	74.7	75.8	75.8
Consumer goods, except automotive.....	87.9	84.6	84.5	86.0	85.6	86.7	88.3
Durable goods.....	46.0	43.9	44.2	44.8	43.9	42.9	44.5
Nondurable goods.....	41.9	40.7	40.3	41.2	41.7	43.8	43.8
Other.....	44.5	47.3	47.9	47.7	47.0	45.1	44.6
Exports of services ¹	292.0	301.5	299.7	304.0	310.0	303.5	303.9
Transfers under U.S. military agency sales contracts....	11.5	11.8	12.1	11.6	12.0	12.0	12.7
Travel.....	65.5	64.4	62.7	64.2	68.1	62.2	58.2
Passenger fares.....	17.0	16.1	15.8	15.8	16.9	14.3	14.1
Other transportation.....	26.6	26.4	26.2	26.3	26.8	26.0	27.4
Royalties and license fees....	35.6	37.8	38.8	38.4	37.2	38.4	38.5
Other private services.....	119.1	126.8	126.4	129.3	129.6	131.9	134.7
Other.....	19.3	21.2	20.9	21.7	22.4	22.5	22.6
Residual.....	-7.5	-3.0	-3.2	-1.1	-3.3	-5.1	-5.4
Imports of goods and services	1,492.0	1,547.4	1,552.9	1,565.7	1,593.8	1,568.4	1,601.7
Imports of goods ¹	1,270.5	1,320.1	1,329.2	1,340.3	1,360.8	1,337.4	1,380.4
Foods, feeds, and beverages	51.7	54.6	54.6	55.0	55.7	57.4	58.1
Industrial supplies and materials, except petroleum and products..	160.9	166.7	165.1	169.1	171.9	168.8	168.9
Durable goods.....	81.0	85.2	83.3	85.9	89.0	86.7	83.6
Nondurable goods.....	79.7	81.3	81.6	83.0	82.7	81.9	84.6
Petroleum and products.....	89.2	86.7	88.6	85.5	90.2	87.3	97.4
Capital goods, except automotive.....	400.0	393.2	398.2	394.9	397.6	394.9	406.5
Civilian aircraft, engines, and parts.....	27.3	21.9	21.4	18.9	22.6	20.1	20.1
Computers, peripherals, and parts *.....	138.4	152.3	153.0	151.3	154.3	153.5	159.8
Other.....	236.6	229.5	234.5	236.2	231.3	233.2	239.8
Automotive vehicles, engines, and parts.....	186.7	200.1	203.8	205.9	203.4	198.8	205.3
Consumer goods, except automotive.....	298.9	326.6	326.4	334.4	343.2	348.6	349.3
Durable goods.....	159.6	177.5	181.7	180.6	183.1	182.1	184.2
Nondurable goods.....	139.4	149.4	145.4	154.0	160.2	166.3	165.0
Other.....	79.8	83.8	84.0	86.6	88.1	73.8	82.5
Imports of services ¹	222.4	227.2	224.3	226.0	233.0	230.7	223.8
Direct defense expenditures	17.5	20.9	21.0	20.6	20.8	21.5	21.9
Travel.....	63.5	61.9	60.9	60.0	63.6	58.5	51.5
Passenger fares.....	17.7	16.2	15.7	15.5	17.6	16.6	16.0
Other transportation.....	33.6	35.1	35.9	35.1	36.1	36.6	35.8
Royalties and license fees....	15.0	16.7	16.4	17.5	15.5	16.6	17.1
Other private services.....	69.8	70.4	68.4	71.2	73.0	74.5	75.0
Other.....	8.0	8.3	8.2	8.2	8.2	8.2	8.1
Residual.....	-2.5	-4.4	-5.5	-5.3	-1.6	-5.2	-4.1
Addenda:							
Exports of agricultural goods ²	70.5	68.8	70.3	65.8	66.9	68.8	68.2
Exports of nonagricultural goods.....	714.9	688.5	696.0	707.4	683.5	685.4	682.9
Imports of nonpetroleum goods.....	1,177.1	1,229.8	1,236.5	1,252.3	1,266.4	1,246.9	1,275.1

* The chained-dollar estimates for computers can be used to accurately measure the real growth rate of this component. However, for computers, or for other components that exhibit rapid changes in prices relative to other prices in the economy, the chained-dollar estimates should not be used to measure the component's relative importance or its contribution to the growth rate of more aggregate series.

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. For exports and for imports, the residual line is the difference between the aggregate line and the sum of the most detailed lines.

Chain-type quantity indexes for the series in this table are shown in table 7.10.

Contributions to the percent change in real exports and in real imports of goods and services are shown in table 8.5.

See footnotes to table 4.3.

5. Saving and Investment

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

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Gross saving	1,662.4	1,565.1	1,604.0	1,535.5	1,517.5	1,479.4	1,476.3
Gross private saving	1,399.3	1,589.6	1,616.1	1,570.2	1,593.8	1,591.9	1,643.9
Personal saving	169.7	285.8	314.3	276.9	281.8	278.9	259.7
Undistributed corporate profits with inventory valuation and capital consumption adjustments	122.7	139.9	140.5	118.6	129.4	127.0	203.2
Undistributed profits	61.2	17.6	13.5	16.1	28.2	38.6	6.4
Inventory valuation adjustment	5.0	-6.9	-5.7	-15.1	-8.5	-26.9	-2.2
Capital consumption adjustment	56.5	129.1	132.8	117.6	109.7	115.3	199.0
Corporate consumption of fixed capital	789.1	827.5	826.1	836.1	839.3	837.6	832.2
Noncorporate consumption of fixed capital	317.7	336.4	335.1	338.7	343.3	348.3	348.7
Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
Gross government saving	263.1	-24.5	-12.1	-34.7	-76.2	-112.4	-167.6
Federal	170.7	-100.2	-94.3	-108.3	-153.0	-175.4	-284.4
Consumption of fixed capital	98.7	101.9	101.3	102.2	103.6	104.7	105.8
Current surplus or deficit (-), national income and product accounts	72.0	-202.1	-195.6	-210.5	-256.6	-280.1	-390.2
State and local	92.4	75.7	82.2	73.6	76.7	63.0	116.7
Consumption of fixed capital	123.7	127.7	127.3	128.3	129.1	130.8	131.6
Current surplus or deficit (-), national income and product accounts	-31.3	-52.0	-45.1	-54.7	-52.4	-67.9	-14.9
Gross investment	1,545.1	1,456.2	1,439.0	1,453.4	1,439.3	1,404.8	1,406.4
Gross private domestic investment	1,586.0	1,593.2	1,588.0	1,597.3	1,628.1	1,611.2	1,616.5
Gross government investment	335.8	351.9	348.2	351.7	352.2	353.6	360.0
Net foreign investment	-376.7	-488.9	-497.2	-495.6	-541.0	-559.9	-570.0
Statistical discrepancy	-117.3	-108.8	-165.0	-82.1	-78.2	-74.6	-69.8
Addendum:							
Gross saving as a percentage of gross national product	16.5	15.0	15.5	14.6	14.3	13.9	13.7

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

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Private fixed investment	1,646.3	1,589.3	1,584.6	1,579.7	1,603.6	1,610.7	1,635.0
Nonresidential	1,201.6	1,117.4	1,115.8	1,109.8	1,117.1	1,103.4	1,119.0
Structures	324.5	269.3	275.2	259.4	254.2	254.9	257.3
Nonresidential buildings, including farm	216.3	179.2	182.3	171.1	170.9	171.3	172.2
Utilities	55.0	53.1	53.9	51.5	50.6	49.4	46.7
Mining exploration, shafts, and wells	42.7	30.6	31.7	31.0	27.3	29.2	33.1
Other structures	10.5	6.4	7.3	5.8	5.4	4.9	5.3
Equipment and software	877.1	848.1	840.7	850.4	863.0	848.6	861.7
Information processing equipment and software	404.3	399.7	397.1	406.9	406.3	411.8	426.9
Computers and peripheral equipment ¹	74.2	74.2	72.8	76.8	75.4	76.3	82.4
Software ²	180.4	182.8	181.0	186.3	186.7	187.0	191.0
Other	149.8	142.7	143.3	143.8	144.2	148.5	153.6
Industrial equipment	159.0	152.2	150.5	153.3	151.5	149.8	149.7
Transportation equipment	165.8	148.9	145.2	141.7	154.5	138.5	134.9
Other	148.0	147.4	148.0	148.5	150.8	148.4	150.1
Residential	444.8	471.9	468.7	469.9	486.5	507.3	516.0
Structures	435.4	462.4	459.2	460.4	476.9	497.7	506.1
Single family	232.1	247.0	244.3	245.3	257.4	273.8	275.2
Multifamily	30.7	33.6	34.2	33.4	32.4	35.7	35.4
Other structures	172.7	181.8	180.7	181.7	187.1	188.2	195.5
Equipment	9.3	9.6	9.6	9.5	9.6	9.6	9.9

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

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Private fixed investment	1,627.4	1,577.3	1,572.6	1,571.6	1,588.5	1,587.9	1,615.3
Nonresidential	1,255.1	1,183.4	1,181.1	1,178.7	1,185.3	1,172.1	1,193.0
Structures	270.9	226.4	231.7	218.2	212.6	211.0	213.2
Nonresidential buildings, including farm	178.7	145.6	148.2	139.1	137.8	136.5	137.2
Utilities	50.3	47.3	48.4	45.6	44.6	43.2	40.5
Mining exploration, shafts, and wells	34.0	29.2	30.3	29.9	26.5	28.4	32.7
Other structures	9.3	5.5	6.3	5.0	4.6	4.2	4.5
Equipment and software	988.2	971.1	961.4	977.2	992.1	979.9	999.5
Information processing equipment and software	548.5	563.1	557.0	575.2	579.7	594.5	620.7
Computers and peripheral equipment ¹	239.9	283.7	271.6	297.6	303.2	319.1	354.9
Software ²	182.0	185.7	184.3	189.4	190.3	192.5	196.8
Other	163.9	158.2	158.5	159.7	160.7	165.3	171.6
Industrial equipment	153.8	146.9	145.6	147.9	145.9	143.9	143.6
Transportation equipment	163.6	147.0	143.4	141.7	151.4	135.8	133.7
Other	140.7	139.3	140.1	140.3	142.3	139.6	140.8
Residential	373.5	388.2	386.1	387.1	395.9	405.5	412.0
Structures	364.0	378.5	376.4	377.4	386.1	395.6	401.7
Single family	192.6	200.5	198.4	199.8	206.5	214.7	216.2
Multifamily	24.4	26.3	26.8	26.2	25.1	27.0	26.8
Other structures	146.9	151.6	151.0	151.3	154.4	153.5	158.6
Equipment	9.5	9.7	9.7	9.7	9.8	9.9	10.4
Residual	-62.2	-99.2	-90.0	-111.6	-114.6	-125.7	-153.0

1. Includes new computers and peripheral equipment only.
2. Excludes software "embedded," or bundled, in computers and other equipment.

1. Includes new computers and peripheral equipment only. The chained-dollar estimates for computers can be used to accurately measure the real growth rate of this component. However, for computers, or for other components that exhibit rapid changes in prices relative to other prices in the economy, the chained-dollar estimates should not be used to measure the component's relative importance or its contribution to the growth rate of more aggregate series; 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				
			2002			2003	
			II	III	IV	I	II
Change in private inventories	-60.3	3.9	3.4	17.6	24.5	.4	-18.5
Farm	1.6	.5	.4	-2.3	-1.5	.5	-6
Construction, mining, and utilities	7.6	-9	-1.1	-2.5	-1.7	-14.2	-4.6
Manufacturing	-35.9	-11.3	-14.2	-2.7	2.8	-6.1	-14.5
Durable goods industries	-29.3	-11.3	-14.9	-10.2	5.4	-9.6	-15.4
Nondurable goods industries	-6.5	.0	.6	7.6	-2.6	3.5	.9
Wholesale trade	-15.6	-3.7	-9.0	7.1	6.6	-3.1	-7.6
Durable goods industries	-19.7	-3.4	-7.4	6.1	3.7	1.7	-6.7
Nondurable goods industries	4.0	-3	-1.6	.9	2.9	-4.7	-9
Retail trade	-20.7	16.8	22.2	15.6	15.7	21.9	6.1
Motor vehicle dealers	-15.5	10.4	15.4	4.6	7.8	15.6	5.8
Food and beverage stores .....	.6	-1	.1	1.7	-1	.5	-8
General merchandise stores	-.5	1.3	.0	2.6	7.1	1.1	-1
Other retail stores	-5.3	5.3	6.8	6.6	1.0	4.7	1.2
Other industries	2.7	2.5	5.1	2.3	2.5	1.4	2.6
Addenda:							
Change in private inventories	-60.3	3.9	3.4	17.6	24.5	.4	-18.5
Durable goods industries	-65.0	1.1	-4.8	4.8	24.5	11.6	-14.3
Nondurable goods industries	4.7	2.8	8.2	12.7	-.1	-11.2	-4.1
Nonfarm industries	-61.9	3.4	3.0	19.8	26.0	-.1	-17.9
Nonfarm change in book value ¹	-75.5	14.1	13.4	38.1	41.9	45.4	-21.2
Nonfarm inventory valuation adjustment ²	13.6	-10.7	-10.4	-18.2	-15.9	-45.5	3.3
Wholesale trade	-15.6	-3.7	-9.0	7.1	6.6	-3.1	-7.6
Merchant wholesale trade	-12.6	-4.2	-8.4	3.9	4.0	.7	-7.1
Durable goods industries	-16.8	-3.9	-7.1	3.8	1.9	4.8	-5.6
Nondurable goods industries	4.2	-3	-1.3	.1	2.0	-4.0	-1.5
Nonmerchant wholesale trade	-3.1	.5	-6	3.2	2.7	-3.8	-5

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				
			2002			2003	
			II	III	IV	I	II
Change in private inventories	-61.4	5.2	4.9	18.8	25.8	4.8	-17.6
Farm	2.0	1.1	.8	-2.2	-2.8	1.0	-4
Construction, mining, and utilities	6.4	-.7	-1.0	-2.3	-1.1	-9.9	-3.6
Manufacturing	-36.2	-11.5	-14.1	-2.6	2.8	-6.1	-14.3
Durable goods industries	-30.1	-11.4	-15.0	-10.3	5.5	-9.8	-15.5
Nondurable goods industries	-6.3	-.1	.8	7.4	-2.5	3.4	.8
Wholesale trade	-16.5	-3.4	-8.7	7.9	7.0	-2.2	-7.4
Durable goods industries	-21.8	-3.6	-7.7	6.5	3.8	2.1	-7.1
Nondurable goods industries	4.3	.0	-1.3	1.6	3.1	-3.8	-7
Retail trade	-20.3	16.6	22.0	15.5	15.2	21.8	6.1
Motor vehicle dealers	-15.5	10.5	15.6	4.7	7.8	16.0	5.9
Food and beverage stores .....	.5	-1	.1	1.6	-1	.4	-7
General merchandise stores	-.4	1.3	.0	2.6	6.8	1.1	.0
Other retail stores	-5.2	5.2	6.7	6.6	1.0	4.9	1.3
Other industries	2.6	2.5	5.0	2.3	2.5	1.4	2.6
Residual	2.1	.5	.9	.3	-.2	-2.0	-.2
Addenda:							
Change in private inventories	-61.4	5.2	4.9	18.8	25.8	4.8	-17.6
Durable goods industries	-67.9	1.4	-4.4	5.0	25.1	12.2	-14.5
Nondurable goods industries	4.8	3.8	9.0	13.6	1.4	-6.7	-3.6
Nonfarm industries	-63.2	4.1	4.2	20.8	26.5	3.8	-17.1
Wholesale trade	-16.5	-3.4	-8.7	7.9	7.0	-2.2	-7.4
Merchant wholesale trade	-13.3	-3.9	-8.2	4.6	4.2	1.8	-7.0
Durable goods industries	-18.7	-4.1	-7.5	4.0	1.9	5.5	-5.8
Nondurable goods industries	4.5	.0	-.9	.8	2.3	-3.2	-1.3
Nonmerchant wholesale trade	-3.2	.5	-.6	3.2	2.7	-3.7	-.5

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				
	2002			2003	
	II	III	IV	I	II
Private inventories ¹	1,438.1	1,446.9	1,462.9	1,488.9	1,480.4
Farm.....	104.0	100.1	106.6	108.5	110.7
Construction, mining, and utilities.....	41.9	41.3	43.6	45.6	43.8
Manufacturing.....	445.7	447.9	449.1	455.0	450.5
Durable goods industries.....	273.2	270.2	271.1	270.2	266.9
Nondurable goods industries.....	172.5	177.7	178.0	184.8	183.7
Wholesale trade.....	335.1	341.2	342.4	347.3	343.1
Durable goods industries.....	193.6	195.1	196.0	197.4	195.3
Nondurable goods industries.....	141.6	146.1	146.4	149.9	147.8
Retail trade.....	398.0	402.3	406.3	414.9	414.7
Motor vehicle dealers.....	124.5	125.1	126.0	131.0	131.3
Food and beverage stores.....	32.9	33.4	33.5	33.9	33.9
General merchandise stores.....	62.7	63.3	65.4	65.8	65.9
Other retail stores.....	177.9	180.4	181.4	184.2	183.7
Other industries.....	113.4	114.1	115.1	117.6	117.6
Addenda:					
Private inventories.....	1,438.1	1,446.9	1,462.9	1,488.9	1,480.4
Durable goods industries.....	672.3	672.9	677.2	683.9	679.6
Nondurable goods industries.....	765.8	774.0	785.7	805.1	800.8
Nonfarm industries.....	1,334.1	1,346.8	1,356.4	1,380.4	1,369.7
Wholesale trade.....	335.1	341.2	342.4	347.3	343.1
Merchant wholesale trade.....	287.5	292.1	292.6	296.4	293.7
Durable goods industries.....	166.6	167.6	168.0	170.0	168.3
Nondurable goods industries.....	120.9	124.5	124.6	126.3	125.4
Nonmerchant wholesale trade.....	47.6	49.1	49.8	51.0	49.4
Final sales of domestic business ²	724.7	732.6	737.2	744.8	754.9
Final sales of goods and structures of domestic business ²	382.7	386.6	386.1	391.2	395.0
Ratios of private inventories to final sales of domestic business:					
Private inventories to final sales.....	1.98	1.98	1.98	2.00	1.96
Nonfarm inventories to final sales.....	1.84	1.84	1.84	1.85	1.81
Nonfarm inventories to final sales of goods and structures.....	3.49	3.48	3.51	3.53	3.47

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				
	2002			2003	
	II	III	IV	I	II
Private inventories ¹	1,452.7	1,457.4	1,463.9	1,465.1	1,460.7
Farm.....	107.8	107.2	107.1	107.3	107.2
Construction, mining, and utilities.....	40.2	39.6	39.3	36.8	35.9
Manufacturing.....	448.1	447.5	448.2	446.7	443.1
Durable goods industries.....	276.5	273.9	275.3	272.9	269.0
Nondurable goods industries.....	171.5	173.3	172.7	173.6	173.7
Wholesale trade.....	350.4	352.4	354.2	353.6	351.8
Durable goods industries.....	211.2	212.8	213.8	214.3	212.5
Nondurable goods industries.....	138.1	138.5	139.3	138.3	138.1
Retail trade.....	390.2	394.1	397.9	403.4	404.9
Motor vehicle dealers.....	126.3	127.5	129.4	133.4	134.9
Food and beverage stores.....	30.1	30.5	30.4	30.5	30.4
General merchandise stores.....	61.1	61.7	63.4	63.7	63.7
Other retail stores.....	172.8	174.4	174.7	175.9	176.2
Other industries.....	113.7	114.3	114.9	115.2	115.9
Residual.....	3.4	3.7	3.6	3.2	3.2
Addenda:					
Private inventories.....	1,452.7	1,457.4	1,463.9	1,465.1	1,460.7
Durable goods industries.....	695.4	696.6	702.9	706.0	702.4
Nondurable goods industries.....	754.6	758.0	758.3	756.7	755.8
Nonfarm industries.....	1,344.1	1,349.3	1,355.9	1,356.9	1,352.6
Wholesale trade.....	350.4	352.4	354.2	353.6	351.8
Merchant wholesale trade.....	302.3	303.5	304.5	305.0	303.2
Durable goods industries.....	182.1	183.1	183.6	184.9	183.5
Nondurable goods industries.....	119.2	119.4	120.0	119.2	118.8
Nonmerchant wholesale trade.....	48.2	49.0	49.6	48.7	48.6
Final sales of domestic business ²	664.6	670.6	672.0	676.0	683.6
Final sales of goods and structures of domestic business ²	369.2	373.3	372.0	376.1	380.3
Ratios of private inventories to final sales of domestic business:					
Private inventories to final sales.....	2.19	2.17	2.18	2.17	2.14
Nonfarm inventories to final sales.....	2.02	2.01	2.02	2.01	1.98
Nonfarm inventories to final sales of goods and structures.....	3.64	3.61	3.64	3.61	3.56

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				
			2002			2003	
			II	III	IV	I	II
National income without capital consumption adjustment	8,053.5	8,174.8	8,158.0	8,196.8	8,270.6	8,348.1	8,370.5
Domestic industries	8,031.5	8,184.4	8,178.1	8,207.7	8,279.8	8,358.4	8,374.1
Private industries	6,969.4	7,068.4	7,067.0	7,086.4	7,149.6	7,208.2	7,215.2
Agriculture, forestry, and fishing	111.1	109.5	102.8	108.0	110.6	114.5	115.5
Mining	69.5	59.1	57.5	57.5	63.2	66.3	65.6
Construction	438.9	442.0	440.6	442.5	445.6	446.2	450.4
Manufacturing	1,132.2	1,122.2	1,126.8	1,131.3	1,137.8	1,152.4	1,134.4
Durable goods	640.5	628.4	634.2	634.5	634.6	636.4	626.6
Nondurable goods	491.8	493.8	492.6	496.8	503.2	516.0	507.8
Transportation and public utilities	529.9	514.3	514.3	512.2	522.3	521.9	536.0
Transportation	236.6	236.2	233.8	237.7	242.2	238.3	248.9
Communications	148.4	136.8	135.9	134.7	136.9	136.6	142.0
Electric, gas, and sanitary services	144.9	141.3	144.6	139.8	143.2	146.9	145.1
Wholesale trade	458.4	465.8	463.9	464.9	477.1	475.9	483.5
Retail trade	686.1	702.8	705.5	707.7	702.9	707.6	719.2
Finance, insurance, and real estate	1,571.1	1,635.8	1,649.0	1,639.7	1,641.2	1,646.5	1,646.6
Services	1,972.0	2,016.8	2,006.6	2,022.6	2,048.9	2,077.1	2,064.0
Government	1,062.1	1,116.0	1,111.1	1,121.3	1,130.2	1,150.2	1,159.0
Rest of the world	21.9	-9.6	-20.0	-10.9	-9.2	-10.2	-3.6

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				
			2002			2003	
			II	III	IV	I	II
Corporate profits with inventory valuation and capital consumption adjustments	731.6	787.4	785.0	771.0	796.1	816.5	897.1
Domestic industries	580.9	668.1	669.9	654.9	682.0	710.0	788.9
Financial	173.5	209.7	210.7	207.3	207.6	223.5	231.9
Nonfinancial	407.4	458.4	459.3	447.6	474.4	486.5	557.0
Rest of the world	150.8	119.3	115.1	116.1	114.1	106.5	108.2
Receipts from the rest of the world	172.4	177.0	173.4	185.9	187.3	193.0	196.6
Less: Payments to the rest of the world	21.6	57.7	58.3	69.7	73.3	86.6	88.4
Corporate profits with inventory valuation adjustment	675.1	658.3	652.2	653.4	686.4	701.2	698.1
Domestic industries	524.4	539.0	537.1	537.3	572.3	594.7	589.9
Financial	190.6	217.3	218.5	216.1	216.5	230.3	226.6
Federal Reserve banks	27.9	22.8	23.9	22.9	21.2	20.9	20.7
Other	162.8	194.5	194.6	193.2	195.2	209.4	205.9
Nonfinancial	333.7	321.7	318.6	321.2	355.8	364.4	363.3
Manufacturing	83.4	92.6	91.9	100.5	108.9	122.0	106.9
Durable goods	9.9	17.0	17.8	22.8	24.6	28.0	21.0
Primary metal industries	-1.6	1.2	.3	1.3	2.6	2.6	-1.7
Fabricated metal products	9.0	5.8	5.8	4.7	7.3	6.0	7.6
Industrial machinery and equipment	-6	-2.5	-2.9	-1	-2.2	-6	-3.3
Electronic and other electric equipment	-3.2	.7	-9	4.0	6.1	8.8	11.7
Motor vehicles and equipment	-9.4	-7.6	-4.4	-6.6	-7.7	3.3	-3.7
Other	15.7	19.4	20.0	19.5	18.5	7.8	10.3
Nondurable goods	73.5	75.6	74.1	77.6	84.3	94.0	85.9
Food and kindred products	16.6	20.1	19.2	21.0	21.1	22.8	21.0
Chemicals and allied products	15.2	16.9	16.7	17.0	18.9	20.9	14.8
Petroleum and coal products	25.7	16.9	15.4	17.4	20.7	36.5	33.1
Other	16.0	21.8	22.8	22.3	23.7	13.9	17.0
Transportation and public utilities	27.7	16.7	17.1	13.2	21.5	20.1	33.8
Transportation	1.2	.3	-1.7	-3	3.6	-1.5	11.5
Communications	-5.8	-11.7	-12.7	-13.1	-11.8	-11.3	-8.7
Electric, gas, and sanitary services	32.2	28.1	31.4	26.5	29.6	33.0	31.1
Wholesale trade	44.8	47.3	44.8	44.5	58.9	51.4	57.3
Retail trade	79.1	81.2	86.0	82.5	75.1	74.8	85.9
Other	98.8	83.9	78.9	80.6	91.5	96.1	79.3
Rest of the world	150.8	119.3	115.1	116.1	114.1	106.5	108.2

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

Table 7.2. Quantity and Price Indexes for Gross Domestic Product, Final Sales, and Purchases

[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2002			2003	
			II	III	IV	I	II
Gross domestic product:							
Current dollars	129.04	133.70	132.81	134.47	135.53	136.80	138.26
Chain-type quantity index.....	117.94	120.82	120.21	121.41	121.82	122.26	123.25
Chain-type price index.....	109.42	110.66	110.48	110.76	111.25	111.90	112.18
Implicit price deflator	109.42	110.66	110.48	110.76	111.25	111.90	112.18
Final sales of domestic product:							
Current dollars	130.31	134.17	133.28	134.76	135.73	137.32	139.03
Chain-type quantity index....	118.95	121.09	120.49	121.51	121.84	122.52	123.74
Chain-type price index.....	109.55	110.80	110.62	110.91	111.40	112.08	112.36
Implicit price deflator	109.55	110.80	110.62	110.91	111.40	112.08	112.36
Gross domestic purchases:							
Current dollars	132.00	137.56	136.70	138.43	140.02	141.43	143.09
Chain-type quantity index....	121.50	125.15	124.53	125.72	126.62	126.81	128.19
Chain-type price index.....	108.65	109.90	109.77	110.11	110.59	111.53	111.62
Implicit price deflator	108.65	109.91	109.77	110.11	110.59	111.53	111.63
Final sales to domestic purchasers:							
Current dollars	133.27	138.03	137.18	138.74	140.25	141.96	143.87
Chain-type quantity index....	122.52	125.43	124.82	125.84	126.65	127.09	128.69
Chain-type price index.....	108.78	110.04	109.90	110.25	110.73	111.70	111.79
Implicit price deflator	108.78	110.04	109.90	110.25	110.73	111.70	111.79
Addenda:							
Final sales of computers: ¹							
Current dollars.....	101.79	90.86	86.34	94.26	94.94	96.44	98.45
Chain-type quantity index.....	420.15	474.70	436.31	504.33	535.03	569.35	605.39
Chain-type price index.....	24.23	19.27	19.81	18.71	17.76	16.96	16.28
Implicit price deflator.....	24.23	19.14	19.79	18.69	17.74	16.94	16.26
Gross domestic product less final sales of computers:							
Current dollars.....	129.32	134.13	133.28	134.87	135.94	137.21	138.67
Chain-type quantity index.....	116.43	119.20	118.66	119.73	120.09	120.47	121.40
Chain-type price index.....	111.08	112.53	112.32	112.65	113.19	113.90	114.22
Implicit price deflator.....	111.07	112.53	112.32	112.65	113.19	113.90	114.22
Gross domestic purchases less final sales of computers:							
Current dollars.....	132.27	137.87	137.03	138.72	140.34	141.75	143.38
Chain-type quantity index.....	119.61	122.99	122.43	123.51	124.35	124.48	125.75
Chain-type price index.....	110.59	112.09	111.92	112.32	112.86	113.88	114.02
Implicit price deflator.....	110.58	112.09	111.92	112.32	112.86	113.88	114.03
Chain-type price indexes for gross domestic product:							
Food.....	110.45	112.60	112.31	112.71	113.16	113.60	114.43
Energy goods and services.....	114.15	104.54	104.09	103.44	105.46	111.04	113.27
Gross domestic product less food and energy....	109.17	110.67	110.51	110.81	111.25	111.76	111.92
Chain-type price indexes for gross domestic purchases:							
Food.....	111.48	113.59	113.40	113.58	114.08	114.58	115.26
Energy goods and services.....	116.41	108.90	109.54	110.56	112.91	125.50	120.96
Gross domestic purchases less food and energy....	108.05	109.58	109.42	109.75	110.15	110.65	110.88

1. For some components of final sales of computers, includes computer parts.
NOTE: Percent changes from preceding period for selected items in this table are shown in table 8.1.

Table 7.3. Quantity and Price Indexes for Gross National Product and Command-Basis Gross National Product

[Index numbers, 1996=100]

Gross national product:							
Current dollars	129.02	133.27	132.25	134.02	135.10	136.35	137.90
Chain-type quantity index.....	117.96	120.46	119.73	121.03	121.46	121.88	122.94
Chain-type price index.....	109.39	110.63	110.45	110.73	111.22	111.88	112.16
Implicit price deflator	109.38	110.63	110.45	110.73	111.22	111.88	112.16
Less: Exports of goods and services and income receipts from the rest of the world:							
Chain-type quantity index....	122.04	116.74	117.17	119.16	117.39	116.59	116.46
Plus: Command-basis exports of goods and services and income receipts from the rest of the world:							
Chain-type quantity index....	125.93	120.07	120.18	121.96	120.16	117.56	118.60
Equals: Command-basis gross national product:							
Chain-type quantity index....	118.51	120.94	120.16	121.43	121.86	122.02	123.25

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

Table 7.4. Chain-Type Quantity and Price Indexes for Personal Consumption Expenditures by Major Type of Product

[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2002			2003	
			II	III	IV	I	II
Personal consumption expenditures:							
Durable goods.....	121.76	125.56	124.92	126.20	126.74	127.37	128.57
Motor vehicles and parts.....	141.21	149.18	144.00	159.04	149.35	146.27	157.24
Furniture and household equipment.....	168.03	184.95	183.72	186.34	188.94	189.03	196.98
Other.....	142.19	150.73	149.34	151.66	152.53	155.19	161.52
Nondurable goods.....	118.79	122.58	122.03	122.35	123.88	125.72	126.14
Food.....	112.85	114.80	114.42	114.24	115.87	118.29	118.50
Clothing and shoes.....	130.61	138.07	137.32	137.41	139.92	140.78	142.82
Gasoline, fuel oil, and other energy goods.....	108.21	112.75	111.98	112.74	113.74	113.94	112.29
Gasoline and oil.....	111.75	116.83	116.51	117.08	116.89	117.76	116.93
Fuel oil and coal.....	81.16	81.82	77.75	79.91	89.85	85.20	77.84
Other.....	127.12	132.32	131.64	132.89	133.90	135.67	136.53
Services.....	117.98	120.63	120.32	121.01	121.66	121.92	122.35
Housing.....	112.09	113.92	113.71	114.19	114.66	115.19	115.69
Household operation.....	120.60	121.25	120.68	121.24	122.89	122.47	121.04
Electricity and gas.....	104.46	105.95	103.79	105.40	110.94	109.31	104.24
Other household operation.....	131.68	131.76	132.34	132.14	130.99	131.46	132.85
Transportation.....	117.24	116.86	116.88	116.63	116.76	116.78	115.78
Medical care.....	115.21	120.16	119.67	120.87	121.80	123.04	124.34
Recreation.....	122.07	124.31	124.09	124.10	125.75	124.96	126.10
Other.....	125.12	127.83	127.59	128.42	128.48	127.99	128.31
Addenda:							
Energy goods and services ¹	106.37	109.48	108.07	109.23	112.35	111.71	108.50
Personal consumption expenditures less food and energy.....	124.42	128.62	127.98	129.56	129.72	130.08	131.79
Chain-type quantity indexes							
Personal consumption expenditures.....	109.56	111.06	110.89	111.36	111.87	112.62	112.84
Durable goods.....	89.70	87.19	87.36	86.94	86.46	85.64	84.82
Motor vehicles and parts.....	99.84	98.36	98.10	98.30	98.20	97.75	97.32
Furniture and household equipment.....	76.92	72.73	73.29	72.29	71.33	70.31	68.95
Other.....	96.08	95.30	95.48	95.13	94.99	93.97	93.65
Nondurable goods.....	109.17	109.61	109.75	109.92	110.25	111.51	110.96
Food.....	111.89	114.09	113.87	114.13	114.63	115.10	115.78
Clothing and shoes.....	93.35	90.84	91.22	90.34	90.25	89.13	88.28
Gasoline, fuel oil, and other energy goods.....	118.11	109.96	111.53	113.02	116.06	132.43	123.36
Gasoline and oil.....	116.80	109.10	110.95	112.32	115.18	130.69	121.61
Fuel oil and coal.....	130.74	117.70	115.93	118.83	123.78	149.18	140.50
Other.....	112.01	113.97	114.14	114.46	113.97	113.67	113.71
Services.....	114.32	117.44	117.00	117.88	118.74	119.64	120.57
Housing.....	117.15	121.74	121.35	122.21	123.07	123.83	124.29
Household operation.....	106.18	105.32	104.71	105.63	106.23	108.71	109.95
Electricity and gas.....	114.84	108.62	108.42	108.64	109.57	115.17	120.05
Other household operation.....	101.45	103.47	102.65	103.94	104.36	105.05	104.28
Transportation.....	108.08	110.20	110.10	110.52	111.28	111.17	112.05
Medical care.....	114.27	117.36	116.90	117.73	118.66	118.96	119.87
Recreation.....	116.58	120.04	119.71	120.57	121.45	122.58	123.35
Other.....	116.35	119.94	119.44	120.47	121.40	122.64	123.95
Addenda:							
Energy goods and services ¹	116.62	109.37	110.14	111.04	113.10	124.41	121.82
Personal consumption expenditures less food and energy.....	108.78	110.64	110.42	110.91	111.33	111.54	111.84

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

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

[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2002			2003	
			II	III	IV	I	II
	Chain-type quantity indexes						
Private fixed investment	134.20	130.06	129.68	129.60	130.99	130.94	133.20
Nonresidential	139.55	131.57	131.32	131.05	131.79	130.32	132.64
Structures	120.43	100.62	102.97	96.97	94.47	93.79	94.76
Nonresidential buildings, including farm.....	110.52	90.04	91.65	86.07	85.27	84.43	84.90
Utilities.....	139.52	131.34	134.15	126.53	123.65	119.78	112.41
Mining exploration, shafts, and wells.....	161.41	138.63	143.55	141.96	125.83	134.57	155.14
Other structures.....	149.20	89.29	100.97	80.03	74.39	67.94	72.48
Equipment and software	146.51	143.98	142.55	144.88	147.09	145.28	148.20
Information processing equipment and software.....	190.92	196.02	193.91	200.24	201.81	206.94	216.08
Computers and peripheral equipment ¹	338.61	400.31	383.36	420.05	427.94	450.31	500.90
Software ²	191.35	195.21	193.67	199.09	199.97	202.37	206.80
Other.....	135.16	130.48	130.74	131.65	132.51	136.35	141.47
Industrial equipment.....	112.69	107.67	106.71	108.38	106.89	105.43	105.24
Transportation equipment.....	117.80	105.81	103.23	102.02	108.97	97.73	96.28
Other.....	125.83	124.61	125.33	125.47	127.28	124.85	125.87
Residential	119.22	123.92	123.25	123.59	126.39	129.45	131.53
Structures	119.12	123.84	123.17	123.51	126.34	129.43	131.44
Single family.....	121.05	125.99	124.70	125.53	129.80	134.96	135.85
Multifamily.....	120.21	129.37	131.98	129.14	123.51	132.88	131.86
Other structures.....	116.48	120.15	119.71	119.95	122.38	121.70	125.68
Equipment	123.67	127.27	127.32	127.23	128.19	129.85	135.75
	Chain-type price indexes						
Private fixed investment	101.16	100.76	100.76	100.52	100.95	101.44	101.21
Nonresidential	95.73	94.43	94.48	94.17	94.25	94.15	93.80
Structures	119.76	118.95	118.77	118.89	119.57	120.79	120.67
Nonresidential buildings, including farm.....	121.05	123.06	122.97	122.92	123.91	125.41	125.36
Utilities.....	109.45	112.12	111.50	112.82	113.50	114.45	115.34
Mining exploration, shafts, and wells.....	125.45	104.34	104.41	103.41	102.63	102.86	101.02
Other structures.....	113.16	116.00	115.93	116.35	116.36	117.13	118.04
Equipment and software	88.76	87.36	87.46	87.04	87.00	86.61	86.22
Information processing equipment and software.....	73.72	71.04	71.31	70.76	70.12	69.30	68.81
Computers and peripheral equipment ¹	30.91	26.26	26.84	25.84	24.91	23.94	23.24
Software ²	99.10	98.43	98.24	98.34	98.13	97.13	97.07
Other.....	91.37	90.23	90.39	90.10	89.75	89.82	89.55
Industrial equipment.....	103.40	103.56	103.33	103.67	103.83	104.14	104.27
Transportation equipment.....	101.32	101.26	101.25	100.03	102.05	102.05	100.86
Other.....	105.16	105.76	105.58	105.84	105.91	106.31	106.63
Residential	119.09	121.57	121.40	121.38	122.88	125.10	125.23
Structures	119.61	122.16	121.98	121.98	123.51	125.82	125.98
Single family.....	120.50	123.20	123.10	122.80	124.60	127.48	127.29
Multifamily.....	125.60	127.74	127.64	127.33	129.19	132.18	131.98
Other structures.....	117.49	119.90	119.62	120.04	121.18	122.57	123.31
Equipment	98.50	98.17	98.14	97.91	97.97	96.96	95.54

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				
			2002			2003	
			II	III	IV	I	II
	Chain-type quantity indexes						
Exports of goods and services	123.10	121.13	121.89	123.28	121.44	121.04	120.75
Goods ¹	126.97	122.40	123.84	125.08	121.34	121.91	121.42
Durable.....	132.39	125.49	127.18	129.63	123.66	123.37	123.57
Nondurable.....	115.23	115.67	116.56	115.23	116.17	118.54	116.65
Services ¹	114.18	117.87	117.18	118.87	121.19	118.67	118.83
Income receipts	118.90	103.17	102.55	106.41	104.85	102.83	103.19
Imports of goods and services	154.91	160.66	161.24	162.56	165.48	162.84	166.30
Goods ¹	157.18	163.31	164.44	165.81	168.34	165.45	170.77
Durable.....	162.31	169.03	171.12	171.66	172.82	169.12	173.17
Nondurable.....	146.27	151.05	150.62	153.30	157.97	156.38	163.48
Services ¹	143.71	146.79	144.92	146.02	150.54	149.03	144.60
Income payments	118.35	114.41	117.90	118.46	116.13	114.45	112.26
	Chain-type price indexes						
Exports of goods and services	96.10	95.87	95.58	96.41	96.62	97.55	97.75
Goods ¹	93.42	92.98	92.67	93.45	93.67	94.46	94.85
Durable.....	93.56	93.19	93.13	93.23	93.22	93.39	93.51
Nondurable.....	93.17	92.54	91.61	94.02	94.76	96.98	97.94
Services ¹	102.94	103.27	103.04	103.97	104.18	105.43	105.19
Income receipts	108.55	109.74	109.61	109.95	110.39	111.40	111.45
Imports of goods and services	92.70	92.99	93.03	94.05	94.27	96.92	95.97
Goods ¹	91.87	90.32	90.55	91.15	91.36	93.98	92.35
Durable.....	87.16	85.57	85.67	85.65	85.38	85.38	85.40
Nondurable.....	102.59	101.23	101.73	103.71	104.96	113.13	108.08
Services ¹	97.03	108.47	107.43	110.92	111.16	114.03	117.11
Income payments	109.57	110.47	110.36	110.64	111.03	111.95	111.96

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 7.10. Chain-Type Quantity and Price Indexes for Exports and Imports of Goods and Services by Type of Product

[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted					2001	2002	Seasonally adjusted					
			2002			2003				2002			2003		
			II	III	IV	I	II			II	III	IV	I	II	
Chain-type quantity indexes							Chain-type price indexes								
Exports of goods and services	123.10	121.13	121.89	123.28	121.44	121.04	120.75	Exports of goods and services	96.10	95.87	95.58	96.41	96.62	97.55	97.75
Exports of goods ¹	126.97	122.40	123.84	125.08	121.34	121.91	121.42	Exports of goods ¹	93.42	92.98	92.67	93.45	93.67	94.46	94.85
Foods, feeds, and beverages	112.18	109.72	110.45	106.97	107.39	111.03	107.57	Foods, feeds, and beverages	79.31	81.30	79.17	83.24	84.37	84.81	87.02
Industrial supplies and materials	114.96	115.43	117.52	115.60	116.21	118.37	117.32	Industrial supplies and materials	95.78	94.41	93.92	95.87	96.45	99.79	100.71
Durable goods	121.06	118.63	121.59	119.61	118.49	121.41	121.83	Durable goods	92.53	92.68	92.42	93.37	93.44	95.07	96.24
Nondurable goods	111.41	113.41	115.02	113.14	114.68	116.43	114.61	Nondurable goods	97.85	95.56	94.92	97.48	98.35	102.71	103.47
Capital goods, except automotive	140.47	128.25	129.40	132.98	125.82	125.03	124.71	Capital goods, except automotive	90.44	89.73	89.79	89.62	89.48	89.31	89.21
Civilian aircraft, engines, and parts	145.39	137.15	135.55	151.37	127.77	120.38	114.74	Civilian aircraft, engines, and parts	117.54	120.71	120.08	120.94	122.19	123.56	124.38
Computers, peripherals, and parts ...	172.40	147.29	145.85	145.57	151.70	148.88	144.52	Computers, peripherals, and parts ...	63.09	60.02	60.61	59.48	58.79	59.18	59.18
Other	133.48	122.57	124.73	126.15	120.68	121.75	123.31	Other	92.86	92.12	92.17	92.08	91.83	91.21	90.93
Automotive vehicles, engines, and parts	112.92	117.01	120.04	122.83	114.90	116.56	116.51	Automotive vehicles, engines, and parts	102.74	103.25	103.07	103.28	103.64	103.86	103.87
Consumer goods, except automotive ...	125.52	120.78	120.66	122.79	122.17	123.81	126.02	Consumer goods, except automotive ...	100.46	99.89	99.66	99.96	100.05	100.16	100.30
Durable goods	128.91	122.91	123.76	125.50	122.79	120.15	124.52	Durable goods	100.88	100.54	100.27	100.49	100.58	100.59	100.89
Nondurable goods	121.99	118.56	117.42	119.96	121.55	127.69	127.61	Nondurable goods	99.99	99.19	99.01	99.39	99.47	99.68	99.65
Other	132.94	141.24	143.00	142.46	140.33	134.71	133.18	Other	97.34	97.27	96.86	97.87	98.22	99.20	99.68
Exports of services ¹	114.18	117.87	118.87	121.19	118.67	118.83	118.83	Exports of services ¹	102.94	103.27	103.04	103.97	104.18	105.43	105.19
Transfers under U.S. military agency								Transfers under U.S. military agency							
sales contracts								sales contracts	96.95	95.92	95.68	95.91	96.78	97.00	97.13
Travel	93.87	92.39	89.85	91.99	97.59	89.15	83.44	Travel	111.68	110.37	110.60	110.44	111.17	111.52	111.00
Passenger fares	83.16	78.81	77.54	77.54	82.70	69.96	68.83	Passenger fares	106.08	109.13	106.36	114.72	109.90	115.88	118.69
Other transportation	102.07	101.23	100.43	101.06	102.92	99.68	105.07	Other transportation	106.37	106.42	106.01	107.98	109.13	114.41	109.61
Royalties and license fees	109.54	116.55	119.51	118.41	114.44	118.36	118.45	Royalties and license fees	108.72	109.90	109.77	110.11	110.55	111.56	111.61
Other private services	164.44	175.07	174.52	178.52	179.02	182.16	186.01	Other private services	90.79	91.92	91.72	92.47	92.79	93.41	93.85
Other	96.08	105.76	104.34	108.19	111.54	112.15	112.97	Other	120.46	118.10	118.21	117.98	117.73	118.08	117.38
Imports of goods and services	154.91	160.66	161.24	162.56	165.48	162.84	166.30	Imports of goods and services	92.70	92.99	93.03	94.05	94.27	96.92	95.97
Imports of goods ¹	157.18	163.31	164.44	165.81	168.34	165.45	170.77	Imports of goods ¹	91.87	90.32	90.55	91.15	91.36	93.98	92.35
Foods, feeds, and beverages	144.74	152.98	152.82	154.14	155.91	160.64	162.69	Foods, feeds, and beverages	90.23	91.14	90.50	91.45	93.41	94.77	94.71
Industrial supplies and materials, except								Industrial supplies and materials, except							
petroleum and products	128.51	133.19	131.91	135.07	137.29	134.86	134.93	petroleum and products	102.44	96.15	96.41	96.83	98.32	105.10	103.65
Durable goods	128.33	135.00	131.98	136.08	140.98	137.38	132.49	Durable goods	98.78	95.12	95.49	95.75	95.41	95.55	95.57
Nondurable goods	128.38	131.04	131.50	133.72	133.32	131.96	136.24	Nondurable goods	106.41	97.45	97.59	98.16	101.58	115.48	112.53
Petroleum and products	122.65	119.13	121.82	117.54	124.05	119.96	133.95	Petroleum and products	116.10	118.84	122.01	129.50	130.69	156.22	134.34
Capital goods, except automotive	175.36	172.40	174.57	173.17	174.33	173.16	178.25	Capital goods, except automotive	74.51	72.30	72.51	72.32	71.72	71.68	71.64
Civilian aircraft, engines, and parts ...	215.81	173.19	168.58	149.01	178.14	158.33	158.55	Civilian aircraft, engines, and parts ...	114.68	116.99	116.45	117.68	117.77	118.35	119.28
Computers, peripherals, and parts ...	224.98	247.65	248.65	245.89	250.78	249.47	259.71	Computers, peripherals, and parts ...	53.47	49.55	50.17	49.48	48.32	47.73	47.09
Other	153.73	149.12	152.35	153.52	150.33	151.51	155.82	Other	81.43	79.78	79.77	79.79	79.52	79.79	80.07
Automotive vehicles, engines, and parts	144.79	155.17	158.09	159.66	157.72	154.16	159.24	Automotive vehicles, engines, and parts	101.66	101.96	101.81	102.02	102.31	102.25	102.41
Consumer goods, except automotive ...	173.70	189.78	189.68	194.30	199.42	202.56	202.99	Consumer goods, except automotive ...	95.17	94.21	94.12	94.22	94.09	93.96	94.03
Durable goods	176.62	196.43	201.09	199.89	202.58	201.48	203.89	Durable goods	91.93	90.43	90.54	90.37	90.04	89.83	89.77
Nondurable goods	170.62	182.85	177.92	188.44	196.02	203.44	201.89	Nondurable goods	98.80	98.46	98.14	98.56	98.66	98.63	98.84
Other	175.02	183.67	184.22	189.78	193.17	161.90	180.92	Other	100.11	99.20	99.00	99.31	99.82	101.09	101.34
Imports of services ¹	143.71	146.79	144.92	146.02	150.54	149.03	144.60	Imports of services ¹	97.03	108.47	107.43	110.92	111.16	114.03	117.11
Direct defense expenditures	158.92	189.18	190.62	187.00	188.87	194.93	198.88	Direct defense expenditures	86.72	90.13	87.74	94.07	95.75	102.21	106.13
Travel	132.22	128.88	126.80	124.92	132.40	121.67	107.28	Travel	94.63	99.01	97.20	102.27	103.40	107.76	113.26
Passenger fares	111.68	102.49	99.25	98.26	111.06	104.91	101.46	Passenger fares	126.91	132.82	130.81	140.45	132.27	132.48	135.98
Other transportation	122.45	127.89	131.09	128.09	131.76	133.70	130.80	Other transportation	115.69	111.74	110.40	112.64	114.71	119.10	125.19
Royalties and license fees	191.99	212.78	208.87	222.74	198.21	212.16	218.33	Royalties and license fees	108.70	109.89	109.75	110.09	110.53	111.54	111.59
Other private services	183.69	185.49	180.22	187.59	192.35	196.24	197.45	Other private services	78.26	110.91	111.03	112.37	112.37	113.19	113.36
Other	119.89	123.91	123.63	122.51	123.18	122.23	120.96	Other	104.05	105.41	104.86	106.87	107.56	110.26	112.74
Addenda:								Addenda:							
Exports of agricultural goods ²	114.66	111.95	114.27	107.00	108.88	111.86	110.89	Exports of agricultural goods ²	77.86	79.21	76.96	81.19	82.51	83.22	84.78
Exports of nonagricultural goods	128.37	123.62	124.98	127.02	122.72	123.07	122.62	Exports of nonagricultural goods	94.93	94.32	94.19	94.64	94.75	95.55	95.82
Imports of nonpetroleum goods	160.02	167.19	168.10	170.24	172.15	169.51	173.34	Imports of nonpetroleum goods	90.36	88.56	88.57	88.69	88.84	89.84	89.69

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.

2. Includes parts of foods, feeds, and beverages, of nondurable industrial supplies and materials, and of nondurable nonautomotive consumer goods.

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					
			2002			2003				2002			2003		
			II	III	IV	I	II			II	III	IV	I	II	
	Chain-type quantity indexes						Chain-type price indexes								
Government consumption expenditures and gross investment ¹	115.36	120.46	119.79	120.65	122.02	122.14	124.66	Government consumption expenditures and gross investment ¹	113.27	115.18	115.06	115.47	115.92	118.15	118.04
Federal	107.33	115.37	114.50	115.71	118.79	118.99	125.94	Federal	110.09	113.11	113.07	113.44	113.53	116.23	116.48
National defense	102.51	112.04	110.87	112.74	115.74	114.76	126.10	National defense	109.27	111.86	111.71	112.12	112.46	114.98	115.21
Consumption expenditures	102.17	111.46	110.42	111.80	115.56	114.22	125.97	Consumption expenditures	111.50	114.71	114.56	115.04	115.37	118.33	118.58
Durable goods ²	116.02	120.85	118.91	125.79	120.40	117.54	137.74	Durable goods ²	99.37	99.68	99.72	99.65	99.81	100.23	100.33
Nondurable goods	129.00	148.45	152.03	151.30	140.58	139.60	143.81	Nondurable goods	106.08	100.68	99.84	103.19	105.40	113.37	107.49
Services	100.50	109.80	108.71	109.77	114.49	113.24	124.63	Services	112.61	116.41	116.26	116.67	116.95	119.94	120.41
Compensation of general government employees, except own-account investment ³	91.09	92.73	93.03	93.44	92.44	94.28	96.66	Compensation of general government employees, except own-account investment ³	118.58	125.09	125.19	125.33	125.13	131.58	131.74
Consumption of general government fixed capital ⁴	99.03	99.35	99.22	99.42	99.70	100.13	100.58	Consumption of general government fixed capital ⁴	101.84	102.63	102.37	102.60	103.25	103.35	103.50
Other services	118.09	148.01	143.65	146.55	165.10	156.80	193.24	Other services	111.79	114.20	113.84	114.66	115.25	116.24	117.15
Gross investment	104.87	115.94	113.83	119.04	116.96	118.42	126.97	Gross investment	96.77	96.01	95.89	95.95	96.31	96.48	96.55
Structures	68.01	65.07	66.47	66.30	64.31	66.62	71.17	Structures	118.80	121.72	121.56	121.89	122.47	123.96	124.17
Equipment and software	110.58	124.05	121.32	127.46	125.39	126.68	135.87	Equipment and software	94.40	93.34	93.23	93.27	93.61	93.68	93.73
Nondefense	117.10	122.18	121.93	121.83	125.07	127.62	125.87	Nondefense	111.64	115.46	115.61	115.89	115.53	118.54	118.85
Consumption expenditures	112.76	117.42	116.48	117.48	120.74	123.94	120.55	Consumption expenditures	114.18	119.12	119.31	119.70	119.25	123.05	123.43
Durable goods ²								Durable goods ²							
Nondurable goods								Nondurable goods							
Commodity Credit Corporation inventory change								Commodity Credit Corporation inventory change							
Other nondurables	111.07	132.68	135.70	129.39	138.43	122.80	140.40	Other nondurables	108.99	110.76	111.34	113.42	111.69	116.29	113.28
Services	111.72	116.17	114.83	116.35	119.54	123.46	119.34	Services	114.75	119.92	120.07	120.42	120.05	123.84	124.43
Compensation of general government employees, except own-account investment ³	103.40	105.63	103.75	105.28	109.52	109.58	109.40	Compensation of general government employees, except own-account investment ³	120.51	129.23	129.63	130.11	129.14	136.01	136.79
Consumption of general government fixed capital ⁴	155.81	167.02	165.47	168.46	171.61	175.06	178.56	Consumption of general government fixed capital ⁴	102.45	102.48	102.44	102.34	102.46	102.52	102.59
Other services	109.87	116.07	115.97	116.86	117.80	130.10	114.47	Other services	110.27	112.56	112.39	112.79	113.14	114.08	114.66
Gross investment	137.77	144.80	148.22	142.28	145.28	144.26	151.60	Gross investment	101.39	101.15	101.18	101.04	101.00	101.02	101.07
Structures	80.33	93.17	91.85	84.94	94.81	89.36	92.00	Structures	116.73	118.72	118.42	118.91	119.60	120.84	121.65
Equipment and software	172.20	175.17	181.69	176.60	174.79	176.88	187.21	Equipment and software	95.58	94.74	94.85	94.54	94.30	93.97	93.81
State and local	120.11	123.51	122.95	123.62	123.99	124.06	124.00	State and local	115.01	116.33	116.17	116.60	117.24	119.21	118.88
Consumption expenditures	117.93	121.28	121.04	121.54	121.99	122.21	122.24	Consumption expenditures	115.99	117.40	117.19	117.72	118.49	120.70	120.25
Durable goods ²	139.80	147.53	146.72	148.34	149.97	151.62	153.30	Durable goods ²	100.11	100.58	100.67	100.55	100.54	100.66	100.76
Nondurable goods	136.09	141.40	140.90	141.89	142.89	143.89	144.90	Nondurable goods	109.20	107.15	106.74	108.10	110.62	121.47	113.71
Services	115.40	118.45	118.25	118.68	119.04	119.15	119.02	Services	117.18	119.12	118.94	119.36	119.88	120.83	121.49
Compensation of general government employees, except own-account investment ³	108.72	110.96	110.79	111.13	111.40	111.40	111.09	Compensation of general government employees, except own-account investment ³	118.80	121.95	121.53	122.33	123.16	123.94	124.80
Consumption of general government fixed capital ⁴	129.92	135.67	135.17	136.31	137.31	138.32	139.20	Consumption of general government fixed capital ⁴	107.64	107.98	108.04	107.99	107.94	108.59	108.59
Other services	231.02	246.72	246.56	247.35	247.89	248.47	250.39	Other services	114.44	105.86	107.86	104.98	103.16	106.42	106.00
Gross investment	129.86	133.43	131.41	132.83	132.90	132.20	131.77	Gross investment	111.00	111.95	111.97	112.02	112.17	113.13	113.26
Structures	121.33	126.48	123.97	125.67	126.16	125.53	124.90	Structures	119.49	121.51	121.47	121.74	122.04	123.48	123.87
Equipment and software	159.28	156.24	156.32	156.51	154.83	153.91	154.32	Equipment and software	88.96	87.43	87.62	87.14	86.93	86.68	86.20
Addenda:								Addenda:							
Compensation of general government employees ³	105.41	107.58	107.30	107.79	108.26	108.61	108.80	Compensation of general government employees ³	118.94	123.15	122.88	123.56	124.05	126.31	127.05
Federal	95.56	97.47	96.94	97.80	98.75	99.94	101.37	Federal	119.30	126.69	126.91	127.19	126.68	133.29	133.70
State and local ⁵	109.21	111.47	111.29	111.63	111.92	111.91	111.61	State and local ⁵	118.80	121.96	121.53	122.34	123.16	123.94	124.80

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				
			2002			2003	
			II	III	IV	I	II
Chain-type quantity indexes							
Gross domestic product	117.94	120.82	120.21	121.41	121.82	122.26	123.25
Business ¹	119.56	122.53	121.86	123.17	123.55	123.97	125.10
Nonfarm ²	119.51	122.49	121.86	123.16	123.52	123.93	125.11
Nonfarm less housing	120.48	123.84	122.95	124.60	125.16	125.61	127.11
Housing	110.86	110.72	112.17	110.72	109.39	109.49	108.06
Farm	124.00	124.46	120.17	122.49	125.29	126.02	122.61
Households and institutions	114.39	116.95	116.59	117.35	118.14	118.78	119.14
Private households	84.25	73.59	73.19	73.92	74.82	75.75	76.72
Nonprofit institutions	115.49	118.53	118.17	118.93	119.71	120.34	120.68
General government ³	107.69	110.15	109.84	110.41	110.95	111.39	111.71
Federal	99.77	101.90	101.39	102.24	103.18	104.36	105.72
State and local	111.40	114.01	113.79	114.22	114.57	114.67	114.48
Chain-type price indexes							
Gross domestic product	109.42	110.66	110.48	110.76	111.25	111.90	112.18
Business ¹	108.23	109.04	108.89	109.08	109.53	109.98	110.23
Nonfarm ²	108.78	109.63	109.59	109.68	110.10	110.51	110.72
Nonfarm less housing	107.97	108.40	108.39	108.41	108.79	109.15	109.36
Housing	116.62	121.65	121.22	122.13	123.02	123.82	124.12
Farm	70.50	68.00	61.18	67.77	69.86	73.27	76.04
Households and institutions	115.28	119.24	118.47	119.93	121.42	122.89	123.01
Private households	117.43	121.68	121.29	122.18	122.75	123.45	124.30
Nonprofit institutions	115.20	119.16	118.38	119.85	121.36	122.85	122.95
General government ³	116.48	120.00	119.77	120.33	120.77	122.68	123.30
Federal	114.23	119.51	119.60	119.83	119.63	124.23	124.55
State and local	117.47	120.26	119.90	120.59	121.31	122.07	122.81

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

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

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

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

[Dollars]

Price per unit of real gross product of nonfinancial corporate business ¹	1.041	1.036	1.036	1.035	1.037	1.039	1.037
Compensation of employees (unit labor cost)	.695	.680	.680	.679	.678	.678	.671
Unit nonlabor cost	.267	.270	.269	.271	.271	.269	.265
Consumption of fixed capital	.127	.129	.129	.130	.130	.129	.127
Indirect business tax and nontax liability plus business transfer payments less subsidies	.102	.104	.103	.104	.104	.104	.102
Net interest	.038	.037	.037	.037	.037	.036	.036
Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production)	.079	.086	.087	.084	.089	.090	.102
Profits tax liability	.024	.025	.025	.025	.027	.028	.028
Profits after tax with inventory valuation and capital consumption adjustments	.055	.062	.062	.059	.062	.062	.074

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				
	2002		2003		
	II	III	IV	I	II
Private inventories ¹	98.99	99.28	99.94	101.63	101.35
Farm	96.53	93.35	99.54	101.13	103.24
Construction, mining, and utilities	104.47	104.34	110.78	123.80	121.84
Manufacturing	99.45	100.10	100.20	101.88	101.68
Durable goods industries	98.81	98.65	98.46	99.04	99.22
Nondurable goods industries	100.57	102.52	103.07	106.47	105.72
Wholesale trade	95.62	96.80	96.67	98.22	97.54
Durable goods industries	91.66	91.68	91.69	92.11	91.91
Nondurable goods industries	102.50	105.46	105.11	108.41	106.98
Retail trade	101.98	102.08	102.10	102.86	102.43
Motor vehicle dealers	98.59	98.17	97.33	98.17	97.30
Food and beverage stores	109.41	109.59	110.19	111.12	111.69
General merchandise stores	102.62	102.67	103.13	103.32	103.50
Other retail stores	102.96	103.44	103.84	104.71	104.22
Other industries	99.71	99.86	100.19	102.02	101.49
Addenda:					
Private inventories	98.99	99.28	99.94	101.63	101.35
Durable goods industries	96.68	96.58	96.34	96.87	96.76
Nondurable goods industries	101.49	102.12	103.61	106.39	105.96
Nonfarm industries	99.25	99.81	100.03	101.74	101.27
Wholesale trade	95.62	96.80	96.67	98.22	97.54
Merchant wholesale trade	95.10	96.23	96.08	97.17	96.85
Durable goods industries	91.49	91.51	91.53	91.94	91.73
Nondurable goods industries	101.44	104.27	103.88	106.01	105.51
Nonmerchant wholesale trade	98.80	100.30	100.26	104.67	101.73

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				
			2002			2003	
			II	III	IV	I	II
Gross domestic product..	117.94	120.82	120.21	121.41	121.82	122.26	123.25
Final sales of domestic product	118.95	121.09	120.49	121.51	121.84	122.52	123.74
Change in private inventories							
Goods	121.64	125.71	124.50	127.23	126.73	127.43	128.22
Final sales	124.71	126.57	125.39	127.62	126.86	128.31	129.78
Change in private inventories							
Durable goods	129.90	134.92	132.10	138.60	137.15	136.17	138.85
Final sales	136.94	136.59	134.22	140.00	136.89	136.97	141.88
Change in private inventories							
Nondurable goods	114.62	117.99	117.93	117.98	118.15	120.01	119.48
Final sales	114.86	118.28	117.94	117.67	118.55	120.92	120.04
Change in private inventories							
Services	115.16	118.35	118.01	118.74	119.65	119.83	120.90
Structures	118.80	115.51	115.51	113.88	114.60	115.62	116.84
Addenda:							
Motor vehicle output	114.63	129.33	125.97	136.32	131.50	130.90	129.79
Gross domestic product less motor vehicle output	118.03	120.53	120.01	120.91	121.50	121.96	123.02

Table 7.18B. Chain-Type Quantity Indexes for Motor Vehicle Output

[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2002			2003	
			II	III	IV	I	II
Motor vehicle output...	114.63	129.33	125.97	136.32	131.50	130.90	129.79
Auto output	89.86	93.97	93.02	97.86	90.01	83.13	83.22
Truck output ¹	135.17	158.50	153.18	168.04	165.62	170.00	167.94
Final sales of domestic product.....	119.40	122.56	115.98	131.99	124.74	120.02	125.65
Personal consumption expenditures.....	143.85	152.48	146.73	164.00	152.39	148.50	160.35
New motor vehicles	152.65	164.29	156.46	179.76	161.70	160.30	179.02
Autos	131.93	130.12	129.18	138.70	122.19	126.84	129.91
Light trucks.....	177.01	204.40	188.48	227.97	208.09	199.61	236.64
Net purchases of used autos	117.43	117.37	117.67	117.26	124.68	113.40	105.08
Private fixed investment	106.83	103.02	100.72	106.73	108.75	97.22	98.23
New motor vehicles	106.87	104.24	102.26	107.74	110.57	98.47	96.59
Autos	95.08	92.02	90.77	95.56	96.97	87.42	79.88
Trucks	118.27	116.04	113.36	119.50	123.67	109.15	112.51
Light trucks	137.74	135.69	132.07	136.71	147.17	132.33	134.22
Other	82.30	79.69	78.64	87.11	80.78	67.26	72.90
Net purchases of used autos	106.65	108.39	107.53	111.10	116.85	102.65	90.12
Gross government investment	126.36	122.90	117.17	115.74	132.75	129.05	110.25
Autos	97.37	97.51	92.55	87.91	108.40	100.75	87.17
New trucks	142.63	137.12	130.97	131.45	146.29	144.89	123.16
Net exports	92.55	104.06	102.26	109.72	110.21	110.20	116.45
Exports	101.19	115.49	116.09	121.85	119.06	119.00	124.86
Autos	77.15	83.66	77.57	88.05	94.36	94.45	101.40
Trucks	153.19	161.37	164.52	164.33	165.64	154.66	165.45
Imports	157.44	167.33	171.40	171.52	171.41	161.05	172.15
Autos	132.92	132.99	131.82	130.20	138.17	124.32	133.58
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	133.53	129.04	141.60	135.90	129.20	136.07
Private fixed investment in new autos and new light trucks	112.41	109.78	107.57	112.31	117.36	105.66	101.93
Domestic output of new autos ²	92.85	98.82	101.17	104.43	93.11	90.09	93.91
Sales of imported new autos ³	152.80	157.39	153.87	166.84	157.56	153.19	150.03

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.

8. Supplemental Tables

Table 8.1. Percent Change From Preceding Period in Selected Series

[Percent]

	2001	2002	Seasonally adjusted at annual rates					2001	2002	Seasonally adjusted at annual rates						
			2002			2003				2002			2003			
			II	III	IV	I	II			II	III	IV	I	II		
Gross domestic product:																
Current dollars	2.6	3.6	2.5	5.1	3.2	3.8	4.3									
Chain-type quantity index.....	.3	2.4	1.3	4.0	1.4	1.4	3.3									
Chain-type price index.....	2.4	1.1	1.2	1.0	1.8	2.4	1.0									
Implicit price deflator	2.4	1.1	1.2	1.0	1.8	2.4	1.0									
Imports of services:																
Current dollars	-3.4	14.2	9.9	17.1	14.0	6.3	-1.4									
Chain-type quantity index	-5	2.1	-2.1	3.1	13.0	-4.0	-11.4									
Chain-type price index	-2.9	11.8	12.2	13.6	.9	10.7	11.2									
Implicit price deflator	-2.9	11.8	12.2	13.6	.9	10.7	11.2									
Government consumption expenditures and gross investment:																
Current dollars	6.1	6.2	4.3	4.4	6.2	8.3	8.1									
Chain-type quantity index	3.7	4.4	1.4	2.9	4.6	.4	8.5									
Chain-type price index	2.4	1.7	2.8	1.4	1.6	7.9	-4									
Implicit price deflator	2.4	1.7	2.8	1.4	1.6	7.9	-4									
Federal:																
Current dollars	6.6	10.4	10.0	5.7	11.5	10.6	26.5									
Chain-type quantity index	4.8	7.5	7.5	4.3	11.0	.7	25.5									
Chain-type price index	1.7	2.7	2.3	1.3	.3	9.8	.9									
Implicit price deflator	1.7	2.7	2.3	1.3	.4	9.8	.9									
National defense:																
Current dollars	6.7	11.9	9.9	8.5	12.5	5.6	46.9									
Chain-type quantity index	5.0	9.3	7.8	6.9	11.0	-3.3	45.8									
Chain-type price index	1.6	2.4	2.0	1.5	1.2	9.3	.8									
Implicit price deflator	1.6	2.4	2.0	1.5	1.3	9.3	.8									
Nondefense:																
Current dollars	6.5	7.9	10.0	.7	9.7	20.2	-4.4									
Chain-type quantity index	4.5	4.3	6.9	-3	11.1	8.4	-5.4									
Chain-type price index	1.9	3.4	2.9	1.0	-1.2	10.9	1.0									
Implicit price deflator	1.9	3.4	2.8	1.0	-1.2	10.9	1.0									
State and local:																
Current dollars	5.9	4.0	1.3	3.7	3.5	7.1	-1.3									
Chain-type quantity index	3.1	2.8	-1.7	2.2	1.2	.2	-2									
Chain-type price index	2.7	1.1	3.1	1.5	2.2	6.9	-1.1									
Implicit price deflator	2.7	1.1	3.0	1.5	2.2	6.9	-1.1									
Addenda:																
Final sales of domestic product:																
Current dollars	3.9	3.0	1.2	4.5	2.9	4.8	5.1									
Chain-type quantity index	1.5	1.8	-1	3.4	1.1	2.3	4.0									
Chain-type price index	2.4	1.1	1.2	1.1	1.8	2.5	1.0									
Implicit price deflator	2.4	1.1	1.2	1.1	1.8	2.4	1.0									
Gross domestic purchases:																
Current dollars	2.4	4.2	4.9	5.2	4.7	4.1	4.8									
Chain-type quantity index .....	.4	3.0	2.6	3.9	2.9	.6	4.4									
Chain-type price index	1.9	1.2	2.3	1.2	1.8	3.4	.4									
Implicit price deflator	1.9	1.2	2.3	1.2	1.7	3.4	.4									
Final sales to domestic purchasers:																
Current dollars	3.6	3.6	3.6	4.6	4.4	5.0	5.5									
Chain-type quantity index	1.6	2.4	1.3	3.3	2.6	1.4	5.1									
Chain-type price index	1.9	1.2	2.3	1.3	1.8	3.5	.3									
Implicit price deflator	1.9	1.2	2.3	1.3	1.8	3.5	.3									
Gross national product:																
Current dollars	2.6	3.3	1.6	5.5	3.3	3.8	4.6									
Chain-type quantity index .....	.2	2.1	.4	4.4	1.4	1.4	3.5									
Chain-type price index	2.4	1.1	1.2	1.0	1.8	2.4	1.0									
Implicit price deflator	2.4	1.1	1.2	1.0	1.8	2.4	1.0									
Command-basis gross national product:																
Chain-type quantity index .....	.5	2.0	-4	4.3	1.4	.5	4.1									
Disposable personal income:																
Current dollars	3.8	5.6	6.7	3.5	3.2	4.3	3.4									
Chained (1996) dollars	1.8	4.2	3.9	1.8	1.4	1.6	2.6									
Final sales of computers: ¹																
Current dollars	-14.4	-10.7	-6.9	42.0	2.9	6.5	8.6									
Chain-type quantity index	9.1	13.0	13.1	78.5	26.7	28.2	27.8									
Chain-type price index	-21.6	-20.5	-17.7	-20.4	-18.7	-17.0	-15.0									
Implicit price deflator	-21.6	-21.0	-17.7	-20.4	-18.7	-17.0	-15.0									
Gross domestic product less final sales of computers:																
Current dollars	2.8	3.7	2.6	4.9	3.2	3.8	4.3									
Chain-type quantity index .....	.2	2.4	1.2	3.6	1.2	1.3	3.1									
Chain-type price index	2.6	1.3	1.4	1.2	1.9	2.5	1.1									
Implicit price deflator	2.6	1.3	1.4	1.2	1.9	2.5	1.2									
Gross domestic purchases less final sales of computers:																
Current dollars	2.6	4.2	5.0	5.0	4.8	4.1	4.7									
Chain-type quantity index .....	.4	2.8	2.5	3.5	2.8	.4	4.1									
Chain-type price index	2.2	1.4	2.4	1.4	2.0	3.6	.5									
Implicit price deflator	2.2	1.4	2.4	1.4	2.0	3.7	.5									
Chain-type price indexes for gross domestic product:																
Food	3.1	1.9	.3	1.4	1.6	1.6	2.9									
Energy goods and services	10.1	-8.4	-4.0	-2.5	8.0	22.9	8.3									
Gross domestic product less food and energy	2.0	1.4	1.5	1.1	1.6	1.8	.6									
Chain-type price indexes for gross domestic purchases:																
Food	3.0	1.9	.4	.7	1.8	1.8	2.4									
Energy goods and services	2.3	-6.4	29.9	3.8	8.8	52.6	-13.7									
Gross domestic purchases less food and energy	1.8	1.4	1.5	1.2	1.5	1.8	.8									

1. For some components of final sales of computers, includes computer parts.
NOTE: Contributions to the percent change in real gross domestic product are shown in table 8.2.

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

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Percent change at annual rate:							
Gross domestic product.....	.3	2.4	1.3	4.0	1.4	1.4	3.3
Percentage points at annual rates:							
Personal consumption expenditures	1.67	2.15	1.22	2.93	1.19	1.40	2.68
Durable goods.....	.48	.59	.16	1.74	-.72	-.17	1.79
Motor vehicles and parts.....	.24	.20	-.03	1.46	-.93	-.29	1.03
Furniture and household equipment.....	.19	.30	.20	.18	.17	.01	.49
Other.....	.06	.10	.00	.11	.04	.12	.27
Nondurable goods.....	.39	.64	-.02	.22	1.01	1.21	.28
Food.....	.09	.17	-.09	-.05	.56	.83	.07
Clothing and shoes.....	.08	.17	-.03	.01	.22	.08	.18
Gasoline, fuel oil, and other energy goods.....	.02	.07	-.03	.05	.06	.01	-.11
Other.....	.21	.23	.13	.22	.17	.30	.14
Services.....	.80	.92	1.08	.97	.90	.36	.60
Housing.....	.17	.17	.21	.18	.17	.19	.18
Household operation.....	.05	.02	.06	.07	.21	-.05	-.18
Electricity and gas.....	-.03	.02	.01	.09	.30	-.09	-.29
Other household operation.....	.08	.00	.06	-.01	-.09	.04	.10
Transportation.....	-.02	-.01	-.03	-.02	.01	.00	-.09
Medical care.....	.43	.46	.51	.45	.34	.45	.48
Recreation.....	.08	.05	.07	.00	.14	-.07	.10
Other.....	.09	.23	.26	.29	.02	-.16	.11
Gross private domestic investment	-1.90	.15	1.16	.55	.93	-.83	.30
Fixed investment	-.65	-.50	-.15	-.03	.65	-.02	1.05
Nonresidential.....	-.66	-.68	-.27	-.08	.24	-.47	.74
Structures.....	-.05	-.52	-.53	-.62	-.25	-.07	.10
Equipment and software.....	-.61	-.15	.26	.53	.49	-.40	.64
Information processing equipment and software.....	-.26	.10	.46	.50	.12	.39	.68
Computers and peripheral equipment.....	-.02	.12	.10	.26	.05	.15	.32
Software ¹	-.02	.03	.20	.20	.03	.08	.15
Other.....	-.22	-.05	.16	.04	.04	.16	.21
Industrial equipment.....	-.07	-.07	-.11	.09	-.08	-.08	-.01
Transportation equipment.....	-.23	-.17	-.32	-.06	.37	-.60	-.08
Other.....	-.04	-.01	.23	.01	.08	-.11	.05
Residential.....	.01	.18	.12	.05	.41	.45	.31
Change in private inventories	-1.24	.65	1.31	.58	.28	-.82	-.74
Farm.....	.04	-.01	-.20	-.10	.05	.07	-.05
Nonfarm.....	-1.28	.66	1.51	.68	.24	-.88	-.69
Net exports of goods and services	-.18	-.67	-1.40	-.01	-1.59	.78	-1.29
Exports	-.59	-.17	1.29	.45	-.59	-.13	-.09
Goods.....	-.47	-.26	.99	.28	-.82	.13	-.10
Services.....	-.13	.09	.30	.17	.23	-.25	.02
Imports	.42	-.50	-2.69	-.47	-1.00	.91	-1.21
Goods.....	.40	-.43	-2.74	-.40	-.71	.81	-1.50
Services.....	.01	-.07	.05	-.07	-.30	.10	.30
Government consumption expenditures and gross investment	.65	.81	.27	.56	.85	.08	1.59
Federal	.29	.47	.47	.29	.70	.05	1.61
National defense.....	.19	.37	.32	.29	.46	-.15	1.74
Consumption expenditures.....	.16	.31	.32	.19	.50	-.18	1.57
Gross investment.....	.02	.06	.00	.11	-.04	.03	.17
Nondefense.....	.10	.10	.16	-.01	.25	.20	-.13
Consumption expenditures.....	.08	.08	.10	.07	.21	.21	-.22
Gross investment.....	.01	.02	.06	-.07	.04	-.01	.09
State and local	.36	.34	-.21	.27	.15	.03	-.02
Consumption expenditures.....	.30	.28	.16	.17	.14	.08	.01
Gross investment.....	.07	.06	-.37	.10	.00	-.05	-.03
Addenda:							
Goods.....	-.85	1.19	.14	3.10	-.55	.78	.87
Services.....	1.11	1.52	1.91	1.43	1.71	.33	2.03
Structures.....	-.01	-.26	-.80	-.50	.22	.32	.38
Motor vehicle output.....	-.21	.39	.25	1.06	-.49	-.06	-.11
Final sales of computers ².....	.08	.08	.08	.39	.17	.18	.18

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

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Percent change at annual rate:							
Personal consumption expenditures	2.5	3.1	1.8	4.2	1.7	2.0	3.8
Percentage points at annual rates:							
Durable goods	.71	.86	.23	2.49	-1.03	-.24	2.55
Motor vehicles and parts.....	.35	.29	-.05	2.09	-1.32	-.41	1.46
Furniture and household equipment.....	.28	.43	.29	.25	.24	.01	.70
Other.....	.08	.14	.00	.15	.06	.17	.39
Nondurable goods	.58	.93	-.03	.32	1.45	1.73	.41
Food.....	.13	.25	-.13	-.08	.80	1.18	.11
Clothing and shoes.....	.12	.25	-.04	.01	.32	.11	.25
Gasoline, fuel oil, and other energy goods.....	.03	.10	-.04	.07	.09	.02	-.16
Gasoline and oil.....	.05	.10	-.02	.05	-.01	.07	-.07
Fuel oil and coal.....	-.03	.00	-.02	.02	.10	-.05	-.09
Other.....	.30	.33	.19	.31	.25	.42	.21
Services	1.17	1.33	1.56	1.38	1.29	.51	.87
Housing.....	.25	.24	.30	.25	.25	.27	.26
Household operation.....	.07	.03	.09	.11	.30	-.08	-.26
Electricity and gas.....	-.04	.02	.01	.12	.42	-.13	-.41
Other household operation.....	.12	.00	.08	-.02	-.12	.05	.15
Transportation.....	-.03	-.01	-.04	-.03	.02	.00	-.13
Medical care.....	.64	.66	.73	.64	.49	.65	.68
Recreation.....	.11	.07	.10	.00	.21	-.10	.14
Other.....	.13	.34	.37	.41	.03	-.23	.17
Addenda:							
Energy goods and services ¹	-.01	.12	-.03	.19	.51	-.11	-.56
Personal consumption expenditures less food and energy.....	2.35	2.75	1.94	4.07	.41	.93	4.29

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				
			2002			2003	
			II	III	IV	I	II
Percent change at annual rate:							
Private fixed investment.....	-3.8	-3.1	-1.0	-3	4.4	-1	7.1
Percentage points at annual rates:							
Nonresidential	-3.88	-4.18	-1.74	-58	1.63	-3.10	5.01
Structures	-.31	-3.23	-3.44	-4.05	-1.68	-.46	.69
Nonresidential buildings, including farm.....	-.95	-2.46	-2.75	-2.81	-.40	-.42	.25
Utilities.....	-.01	-.20	-.69	-.78	-.29	-.40	-.75
Mining exploration, shafts, and wells.....	.48	-.31	.02	-.09	-.89	.47	1.10
Other structures.....	.16	-.26	-.01	-.38	-.10	-.12	.08
Equipment and software	-3.57	-.94	1.70	3.47	3.31	-2.64	4.32
Information processing equipment and software.....	-1.54	.61	2.99	3.26	.82	2.56	4.55
Computers and peripheral equipment ¹	-.13	.71	.65	1.73	.36	.96	2.11
Software ²	-.13	.22	1.31	1.28	.22	.56	1.04
Other.....	-1.27	-.32	1.02	.25	.24	1.04	1.40
Industrial equipment.....	-.43	-.43	-.70	.60	-.53	-.52	-.05
Transportation equipment.....	-1.37	-1.03	-2.06	-.43	2.47	-3.96	-.50
Other.....	-.23	-.09	1.48	.04	.55	-.72	.32
Residential.....	.07	1.10	.78	.32	2.73	2.96	2.08
Structures.....	.07	1.08	.76	.32	2.71	2.93	1.97
Single family.....	.11	.60	.38	.41	2.13	2.57	.48
Multifamily.....	.11	.14	-.06	-.19	-.37	.62	-.06
Other structures.....	-.15	.34	.43	.09	.94	-.26	1.56
Equipment.....	.00	.02	.02	.00	.02	.03	.11

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				
			2002			2003	
			II	III	IV	I	II
Percent change at annual rate:							
Exports of goods and services..	-5.4	-1.6	14.3	4.6	-5.8	-1.3	-1.0
Percentage points at annual rates:							
Exports of goods ¹	-4.23	-2.55	10.92	2.86	-8.25	1.29	-1.11
Foods, feeds, and beverages.....	.13	-.10	-.61	-.61	.08	.66	-.64
Industrial supplies and materials.....	-.58	.05	2.84	-.99	.34	1.16	-.58
Capital goods, except automotive.....	-3.21	-2.71	4.48	3.21	-6.21	-.69	-.29
Automotive vehicles, engines, and parts.....	-.47	.27	2.73	.74	-2.04	.43	-.01
Consumer goods, except automotive.....	-.07	-.32	.96	.59	-.15	.45	.60
Other.....	-.03	.26	.54	-.07	-.26	-.72	-.20
Exports of services ¹	-1.14	.95	3.36	1.77	2.42	-2.62	.16
Percent change at annual rate:							
Imports of goods and services..	-2.9	3.7	22.2	3.3	7.4	-6.2	8.8
Percentage points at annual rates:							
Imports of goods ¹	-2.78	3.19	22.25	2.81	5.23	-5.55	10.82
Foods, feeds, and beverages.....	.14	.19	.41	.12	.17	.42	.19
Industrial supplies and materials, except petroleum and products.....	-.45	.39	1.38	1.06	.76	-.79	.05
Petroleum and products.....	.27	-.16	2.13	-1.07	1.69	-1.11	3.93
Capital goods, except automotive.....	-2.73	-.38	3.77	-.63	.56	-.47	2.25
Automotive vehicles, engines, and parts.....	-.41	.98	5.21	.57	-.67	-1.21	1.81
Consumer goods, except automotive.....	.33	1.89	7.03	2.07	2.30	1.37	.24
Other.....	.07	.28	2.32	.69	.43	-3.76	2.34
Imports of services ¹	-.08	.52	-.10	.52	2.14	-6.67	-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				
			2002			2003	
			II	III	IV	I	II
Percent change at annual rate:							
Government consumption expenditures and gross investment ¹	3.7	4.4	1.4	2.9	4.6	.4	8.5
Percentage points at annual rates:							
Federal	1.61	2.54	2.52	1.50	3.76	.25	8.48
National defense	1.06	2.01	1.68	1.53	2.44	-.78	9.15
Consumption expenditures.....	.92	1.70	1.69	.98	2.65	-.93	8.26
Durable goods ².....	.09	.05	.03	.29	-.23	-.12	.83
Nondurable goods.....	.03	.08	.03	-.01	-.17	-.02	.07
Services.....	.80	1.56	1.63	.70	3.05	-.80	7.36
Compensation of general government employees, except own-account investment ³.....	.05	.14	.36	.14	-.33	.62	.83
Consumption of general government fixed capital ⁴	-.01	.01	.02	.03	.04	.06	.07
Other services.....	-.76	1.40	1.25	.53	3.34	-1.47	6.46
Gross investment.....	-.14	.31	-.01	.56	-.22	.15	.89
Structures.....	-.01	-.01	.05	.00	-.03	.04	.07
Equipment and software.....	.14	.32	-.07	.56	-.18	.11	.81
Nondefense.....	.55	.54	.84	-.04	1.33	1.03	-.67
Consumption expenditures.....	.47	.42	.52	.35	1.13	1.09	-1.14
Durable goods ².....	.01	.01	.00	.01	.03	.00	-.06
Nondurable goods.....	.13	.03	.22	-.17	.04	-.19	.25
Services.....	.34	.38	.29	.51	1.06	1.27	-1.33
Compensation of general government employees, except own-account investment ³	-.03	.12	-.04	.31	.85	.01	-.02
Consumption of general government fixed capital ⁴.....	.11	.11	.11	.11	.12	.13	.13
Other services.....	.26	.15	.22	.09	.09	1.14	-1.43
Gross investment.....	.08	.12	.32	-.39	.20	-.06	.46
Structures.....	-.04	.09	-.25	-.19	.26	-.14	.07
Equipment and software.....	.11	.03	.57	-.20	-.07	.08	.39
State and local	2.05	1.87	-1.10	1.42	.85	.13	.04
Consumption expenditures.....	1.66	1.52	.84	.89	.81	.39	.17
Durable goods ².....	.06	.05	.04	.04	.04	.04	.05
Nondurable goods.....	.36	.24	.17	.17	.18	.18	.20
Services.....	1.24	1.22	.63	.67	.59	.16	-.08
Compensation of general government employees, except own-account investment ³.....	.79	.78	.36	.46	.40	-.01	-.31
Consumption of general government fixed capital ⁴.....	.24	.23	.20	.17	.15	.15	.14
Other services.....	.21	.21	.08	.04	.03	.03	.10
Gross investment.....	.39	.35	-1.94	.53	.04	-.25	-.13
Structures.....	.23	.41	-1.87	.52	.15	-.19	-.16
Equipment and software.....	.16	-.06	-.07	.02	-.12	-.07	.03

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 8.7. Selected Per Capita Product and Income Series in Current and Chained Dollars

[Dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Current dollars:							
Gross domestic product.....	35,398	36,340	36,147	36,509	36,706	36,970	37,272
Gross national product.....	35,475	36,307	36,077	36,471	36,674	36,935	37,260
Personal income.....	30,494	31,039	31,052	31,132	31,242	31,407	31,591
Disposable personal income.....	25,957	27,170	27,144	27,313	27,463	27,694	27,855
Personal consumption expenditures.....	24,531	25,408	25,271	25,579	25,740	25,985	26,217
Durable goods.....	2,935	3,033	2,985	3,120	3,029	2,979	3,107
Nondurable goods.....	7,167	7,358	7,344	7,356	7,453	7,633	7,602
Services.....	14,430	15,017	14,942	15,102	15,258	15,373	15,508
Chained (1996) dollars:							
Gross domestic product.....	32,352	32,839	32,718	32,962	32,995	33,039	33,224
Gross national product.....	32,432	32,817	32,663	32,936	32,974	33,014	33,219
Disposable personal income.....	23,692	24,463	24,479	24,527	24,551	24,591	24,685
Personal consumption expenditures.....	22,390	22,877	22,790	22,969	23,010	23,074	23,234
Durable goods.....	3,272	3,478	3,416	3,588	3,503	3,477	3,662
Nondurable goods.....	6,565	6,712	6,691	6,692	6,760	6,845	6,851
Services.....	12,622	12,787	12,771	12,812	12,850	12,849	12,863
Population (mid-period, thousands).....	284,822	287,456	287,072	287,770	288,475	289,109	289,834

Table 8.8B. Motor Vehicle Output

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Motor vehicle output.....							
Auto output.....	312.0	344.2	334.7	360.7	349.7	347.4	340.9
Truck output ¹	109.6	111.6	110.3	115.8	106.0	96.0	95.1
Final sales of domestic product.....	202.4	232.7	224.4	244.9	243.7	251.4	245.8
329.3	330.8	312.6	353.8	336.6	321.9	333.2	
Personal consumption expenditures.....							
New motor vehicles.....	288.4	299.7	287.5	321.8	298.7	289.2	310.8
Autos.....	227.8	241.0	228.8	262.9	237.4	233.1	258.9
Light trucks.....	105.9	103.2	102.2	109.6	96.9	99.4	101.2
Net purchases of used autos.....	121.8	137.8	126.6	153.3	140.5	133.7	157.7
Net purchases of used autos.....	60.6	58.6	58.7	59.0	61.4	56.1	51.9
Private fixed investment.....							
New motor vehicles.....	127.7	122.5	119.9	125.0	130.2	116.3	115.5
Autos.....	164.2	158.0	155.1	161.5	167.7	149.3	144.4
Trucks.....	70.6	67.4	66.4	69.8	71.1	63.3	57.5
Light trucks.....	93.6	90.5	88.7	91.8	96.7	86.0	86.8
Other.....	70.2	67.1	65.7	66.0	72.6	65.8	65.0
Net purchases of used autos.....	23.4	23.5	23.0	25.7	24.1	20.2	21.9
Net purchases of used autos.....	-36.5	-35.5	-35.2	-36.6	-37.5	-33.0	-28.9
Gross government investment.....							
Autos.....	13.7	13.3	12.7	12.4	14.3	13.9	11.7
Trucks.....	3.8	3.9	3.7	3.6	4.3	4.0	3.4
New trucks.....	9.9	9.4	9.0	8.9	10.0	10.0	8.3
Net exports.....							
Exports.....	-100.5	-104.6	-107.5	-105.4	-106.7	-97.5	-104.8
Autos.....	25.4	28.9	28.3	30.5	30.9	30.9	32.8
Trucks.....	17.8	20.5	20.6	21.6	21.4	21.4	22.5
Imports.....	7.6	8.4	7.7	8.8	9.5	9.6	10.3
Autos.....	125.9	133.5	135.8	135.9	137.5	128.4	137.6
Trucks.....	106.7	114.1	116.6	116.9	117.4	110.2	117.9
Trucks.....	19.2	19.4	19.2	19.0	20.2	18.2	19.7
Change in private inventories.....							
Autos.....	-17.3	13.4	22.1	6.9	13.1	25.4	7.7
New.....	-6.1	7.4	10.5	5.7	5.9	-5.0	5.4
Domestic.....	-6.7	7.0	10.4	4.4	5.9	-5.6	4.4
Foreign.....	-7.4	5.7	9.1	7.9	-9	-3.9	2.8
Used.....	.7	1.2	1.3	-3.4	6.8	-1.7	1.6
Used.....	.6	.5	.1	1.3	.0	.7	.9
New trucks.....	-11.3	6.0	11.6	1.2	7.2	30.4	2.3
Domestic.....	-10.7	4.3	11.6	2.2	1.0	28.1	1.2
Foreign.....	-5	1.7	.1	-1.0	6.2	2.3	1.1
Addenda:							
Final sales of motor vehicles to domestic purchasers.....	429.8	435.5	420.1	459.2	443.3	419.4	438.0
Private fixed investment in new autos and new light trucks.....	140.8	134.5	132.1	135.8	143.6	129.1	122.5
Domestic output of new autos ²	107.3	113.2	115.8	119.3	106.5	101.7	105.6
Sales of imported new autos ³	82.9	84.4	82.3	89.1	84.5	81.2	79.0

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 8.9B. Real Motor Vehicle Output

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Motor vehicle output.....							
Auto output.....	315.9	356.5	347.2	375.7	362.4	360.8	357.7
Truck output ¹	113.4	118.5	117.3	123.4	113.5	104.9	105.0
Final sales of domestic product.....	202.0	236.9	229.0	251.2	247.5	254.1	251.0
333.9	342.7	324.3	369.1	348.8	335.6	351.4	
Personal consumption expenditures.....							
New motor vehicles.....	290.0	307.4	295.8	330.6	307.2	299.3	323.2
Autos.....	229.2	246.7	234.9	269.9	242.8	240.7	268.8
Light trucks.....	108.0	106.5	105.8	113.6	100.0	103.8	106.4
Net purchases of used autos.....	120.9	139.6	128.7	155.6	142.1	136.3	161.6
Net purchases of used autos.....	60.4	60.4	60.5	60.3	64.1	58.3	54.0
Private fixed investment.....							
New motor vehicles.....	129.1	124.4	121.7	128.9	131.4	117.4	118.7
Autos.....	165.8	161.8	158.7	167.2	171.6	152.8	149.9
Trucks.....	71.9	69.6	68.7	72.3	73.4	66.1	60.4
Light trucks.....	94.0	92.3	90.1	95.0	98.3	86.8	89.5
Other.....	72.0	71.0	69.1	71.5	77.0	69.2	70.2
Net purchases of used autos.....	22.4	21.7	21.4	23.7	22.0	18.3	19.8
Net purchases of used autos.....	-36.7	-37.3	-37.0	-38.2	-40.2	-35.3	-31.0
Gross government investment.....							
Autos.....	13.7	13.3	12.7	12.5	14.4	14.0	11.9
Trucks.....	3.7	3.7	3.5	3.4	4.2	3.9	3.3
New trucks.....	10.0	9.6	9.2	9.2	10.2	10.1	8.6
Net exports.....							
Exports.....	-97.8	-101.3	-104.3	-102.2	-103.1	-94.4	-101.3
Autos.....	24.0	27.0	26.6	28.5	28.6	28.6	30.2
Trucks.....	17.2	19.6	19.7	20.7	20.2	20.2	21.2
Imports.....	7.0	7.5	7.0	7.9	8.5	8.5	9.1
Autos.....	121.8	128.4	130.9	130.7	131.7	123.0	131.6
Trucks.....	103.7	110.2	112.9	113.0	112.9	106.1	113.4
Trucks.....	18.2	18.2	18.0	17.8	18.9	17.0	18.3
Change in private inventories.....							
Autos.....	-15.9	12.1	20.1	6.3	11.7	22.7	6.8
New.....	-6.2	7.7	10.8	6.0	6.0	-5.2	5.6
Domestic.....	-6.8	7.1	10.7	4.6	5.9	-5.8	4.5
Foreign.....	-7.6	6.0	9.5	8.3	-1.0	-4.1	3.0
Used.....	.7	1.2	1.2	-3.3	6.5	-1.6	1.5
Used.....	.6	.5	.1	1.4	-.1	.7	1.0
New trucks.....	-8.8	4.4	8.7	.9	5.3	21.6	1.6
Domestic.....	-8.3	3.2	8.6	1.6	.9	19.7	.9
Foreign.....	-5	1.4	.1	-9	5.3	1.9	.9
Residual.....	-3.9	.7	2.0	-6	1.1	7.9	-1.5
Addenda:							
Final sales of motor vehicles to domestic purchasers.....	432.5	445.0	430.0	471.8	452.8	430.5	453.4
Private fixed investment in new autos and new light trucks.....	143.8	140.5	137.6	143.7	150.2	135.2	130.4
Domestic output of new autos ²	108.4	115.3	118.1	121.9	108.7	105.1	109.6
Sales of imported new autos ³	84.6	87.1	85.1	92.3	87.2	84.8	83.0

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.

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.

Chain-type quantity indexes for the series in this table are shown in table 7.18B.

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

	2001	2002	Seasonally adjusted at annual rates				
			2002			2003	
			II	III	IV	I	II
Percent change at annual rate:							
Gross domestic purchases	1.9	1.2	2.3	1.2	1.8	3.4	.4
Percentage points at annual rates:							
Personal consumption expenditures	1.34	.92	1.83	1.15	1.22	1.84	.54
Durable goods	-.16	-.23	-.23	-.16	-.18	-.29	-.30
Motor vehicles and parts .....	.01	-.05	-.10	.03	-.01	-.06	-.06
Furniture and household equipment	-.17	-.17	-.12	-.16	-.16	-.16	-.22
Other .....	.01	-.01	-.01	-.02	-.01	-.07	-.02
Nondurable goods .....	.29	.08	.89	.12	.24	.90	-.39
Food .....	.28	.19	.05	.09	.17	.16	.23
Clothing and shoes	-.06	-.08	-.04	-.11	-.01	-.15	-.11
Gasoline, fuel oil, and other energy goods	-.06	-.12	.72	.09	.18	.94	-.51
Other .....	.12	.09	.16	.06	-.09	-.05	.01
Services	1.21	1.07	1.18	1.19	1.17	1.23	1.23
Housing .....	.37	.38	.33	.28	.28	.25	.15
Household operation .....	.15	-.03	.00	.13	.09	.35	.17
Electricity and gas .....	.15	-.08	.03	.01	.05	.29	.24
Other household operation .....	.00	.05	-.03	.12	.04	.06	-.07
Transportation .....	.05	.05	.11	.04	.07	-.01	.08
Medical care .....	.37	.28	.27	.30	.33	.12	.32
Recreation .....	.08	.08	.11	.08	.08	.10	.07
Other .....	.19	.32	.35	.36	.32	.43	.44
Gross private domestic investment .....	.19	-.08	-.06	-.16	.24	.19	-.11
Fixed investment .....	.19	-.06	-.03	-.14	.25	.28	-.13
Nonresidential .....	.02	-.15	-.15	-.14	.04	-.04	-.15
Structures .....	.15	-.02	.02	.01	.05	.09	-.01
Equipment and software	-.14	-.13	-.17	-.15	-.01	-.14	-.14
Information processing equipment and software	-.16	-.14	-.13	-.11	-.14	-.17	-.10
Computers and peripheral equipment	-.17	-.11	-.06	-.10	-.10	-.11	-.08
Software ¹ .....	.03	-.01	-.05	.01	-.01	-.07	.00
Other	-.03	-.02	-.02	-.02	-.02	.00	-.02
Industrial equipment .....	.01	.00	-.01	.02	.01	.02	.01
Transportation equipment	-.01	.00	-.03	-.06	.11	.00	-.06
Other equipment .....	.02	.01	-.01	.01	.00	.02	.02
Residential .....	.17	.09	.11	.00	.21	.32	.02
Change in private inventories .....	.00	-.02	-.03	-.03	-.01	-.09	.02
Farm .....	.00	.00	.00	.00	.00	.00	.00
Nonfarm .....	.00	-.02	-.03	-.02	-.01	-.09	.02
Government consumption expenditures and gross investment .....	.41	.31	.51	.26	.28	1.41	-.07
Federal .....	.10	.17	.15	.08	.02	.62	.06
National defense .....	.06	.09	.08	.06	.05	.38	.03
Consumption expenditures .....	.07	.10	.08	.06	.04	.37	.03
Gross investment .....	.00	.00	.00	.00	.01	.00	.00
Nondefense .....	.04	.08	.06	.02	-.03	.24	.02
Consumption expenditures .....	.04	.08	.07	.02	-.03	.24	.02
Gross investment .....	.00	.00	.00	.00	.00	.00	.00
State and local .....	.31	.14	.36	.18	.26	.79	-.13
Consumption expenditures .....	.26	.12	.33	.17	.25	.71	-.14
Gross investment .....	.05	.02	.03	.00	.01	.08	.01
Addenda:							
Final sales of computers ²	-.27	-.19	-.11	-.16	-.19	-.17	-.15
Gross domestic purchases less final sales of computers	2.21	1.34	2.39	1.41	1.94	3.61	.50
Food .....	.28	.18	.04	.06	.17	.17	.23
Energy goods and services .....	.09	-.26	.93	.14	.31	1.64	-.58
Gross domestic purchases less food and energy	1.57	1.23	1.31	1.05	1.27	1.63	.70

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

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

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

Annual Estimates

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

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

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

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

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

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

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

Table B.4. Personal Consumption Expenditures by Type of Expenditure

Table with columns for Billions of dollars (1999-2001) and Billions of chained (1996) dollars (1999-2001). Rows include categories like Personal consumption expenditures, Food and tobacco, Personal care, Housing, Household operation, Medical care, Education and research, and Religious and welfare activities.

* 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.
1. Consists of purchases (including tips) of meals and beverages from retail, service, and amusement establishments...
2. Includes luggage.
3. Consists of watch, clock, and jewelry repairs, costume and dress suit rental, and miscellaneous personal services.

18. Consists of current expenditures (including consumption of fixed capital) of trade unions and professional associations, employment agency fees, money order fees, spending for classified advertisements, tax return preparation services, and other personal business services.
19. Consists of premiums, less benefits and dividends, for motor vehicle insurance.
20. Consists of baggage charges, coastal and inland waterway fares, travel agents' fees, and airport bus fares.

Note: Consumer durable goods are designated (d.), nondurable goods (n.d.), and services (s.). 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.

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

1. Equals the number of full-time equivalent employees plus the number of self-employed persons. Unpaid family workers are not included.

2. Beginning with 2001, reflects the reclassification of employees of Indian tribal governments from the private sector in accordance with the Consolidated Appropriations Act of 2001.

3. Reflects the reclassification of air couriers from trucking and warehousing to transportation by air.

4. Consists of museums, botanical and zoological gardens; engineering and management services; and

services, not elsewhere classified.

5. Includes Coast Guard.

6. Includes estimates of foreign professional workers and undocumented Mexican migratory workers employed temporarily in the United States.

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

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

	Wage and salary accruals per full-time equivalent employee			Full-time equivalent employees ¹				Wage and salary accruals per full-time equivalent employee			Full-time equivalent employees ¹		
	Dollars			Thousands				Dollars			Thousands		
	1999	2000	2001	1999	2000	2001		1999	2000	2001	1999	2000	2001
Total	36,677	38,759	39,784	122,028	124,779	124,438							
Domestic industries	36,578	38,652	39,667	122,514	125,276	124,959							
Private industries ²	36,208	38,343	39,293	103,767	106,233	105,514							
Agriculture, forestry, and fishing	21,124	22,258	24,219	2,066	2,078	2,085							
Farms	20,832	21,708	24,657	791	763	746							
Agricultural services, forestry, and fishing	21,306	22,578	23,975	1,275	1,315	1,339							
Mining	55,409	58,875	60,871	528	530	556							
Metal mining	55,591	54,025	57,029	44	40	35							
Coal mining	51,524	53,130	55,275	84	77	80							
Oil and gas extraction	61,472	66,904	68,142	290	302	331							
Nonmetallic minerals, except fuels	42,318	42,766	44,282	110	111	110							
Construction	36,138	37,899	39,385	6,468	6,777	6,821							
Manufacturing	42,821	45,675	45,580	18,277	18,159	17,319							
Durable goods	44,835	47,930	47,409	11,004	11,004	10,445							
Lumber and wood products	28,986	30,005	30,978	844	827	783							
Furniture and fixtures	29,601	30,694	31,465	539	546	510							
Stone, clay, and glass products	38,616	40,718	40,900	562	571	560							
Primary metal industries	44,582	45,493	45,808	692	694	640							
Fabricated metal products	37,145	38,305	39,096	1,508	1,523	1,439							
Industrial machinery and equipment	49,629	54,703	51,717	2,102	2,080	1,973							
Electronic and other electric equipment	50,348	57,307	54,729	1,648	1,699	1,604							
Motor vehicles and equipment	53,879	55,296	54,783	1,016	1,013	934							
Other transportation equipment	50,087	51,877	54,315	866	828	803							
Instruments and related products	54,993	58,957	58,347	836	831	828							
Miscellaneous manufacturing industries	33,243	34,635	36,356	391	392	371							
Nondurable goods	39,773	42,207	42,801	7,273	7,155	6,874							
Food and kindred products	34,149	35,990	36,755	1,658	1,661	1,659							
Tobacco products	60,222	68,265	74,667	36	34	33							
Textile mill products	28,458	29,394	29,957	552	528	467							
Apparel and other textile products	23,344	25,268	25,944	675	597	540							
Paper and allied products	44,876	46,462	47,265	661	649	622							
Printing and publishing	41,061	43,254	43,533	1,466	1,463	1,419							
Chemicals and allied products	62,949	68,311	66,825	1,023	1,024	1,005							
Petroleum and coal products	63,754	64,560	67,618	130	125	123							
Rubber and miscellaneous plastics products	34,483	35,623	36,199	996	1,003	945							
Leather and leather products	27,947	29,606	31,459	76	71	61							
Transportation and public utilities	45,449	47,310	48,009	6,422	6,615	6,617							
Transportation	37,201	38,429	39,607	4,167	4,267	4,236							
Railroad transportation	60,555	61,766	64,495	209	201	192							
Local and interurban passenger transit	22,785	23,663	24,439	447	457	462							
Trucking and warehousing ³	33,977	35,014	35,744	1,726	1,760	1,752							
Electric, gas, and sanitary services	43,114	44,751	46,883	176	181	179							
Water transportation	42,520	43,817	45,715	1,159	1,207	1,197							
Transportation by air ³	65,385	66,538	66,071	13	13	14							
Pipelines, except natural gas	36,178	38,549	39,641	437	448	440							
Transportation services	62,336	64,057	62,157	1,406	1,505	1,533							
Communications	66,079	67,661	64,693	1,003	1,081	1,101							
Telephone and telegraph	53,020	54,868	55,718	403	424	432							
Radio and television	57,965	62,365	64,399	849	843	848							
Electric, gas, and sanitary services	45,986	48,738	49,701	6,725	6,818	6,553							
Wholesale trade	21,445	22,264	23,009	19,609	20,190	20,245							
Retail trade	55,374	60,817	63,738	7,147	7,148	7,216							
Finance, insurance, and real estate	43,370	44,473	47,440	1,922	1,901	1,902							
Depository institutions	51,999	54,997	62,849	689	645	669							
Nondepository institutions	139,608	161,541	161,879	686	749	767							
Security and commodity brokers	50,876	53,623	56,409	1,526	1,497	1,488							
Insurance carriers	45,356	48,118	51,325	743	744	759							
Insurance agents, brokers, and service	36,492	39,115	41,364	1,365	1,370	1,393							
Real estate	87,678	99,372	96,588	236	242	238							
Holding and other investment offices	34,236	36,396	37,647	36,525	37,918	38,102							
Services	23,657	24,727	25,229	1,710	1,759	1,733							
Hotels and other lodging places	21,024	21,811	22,759	1,204	1,228	1,255							
Personal services	35,235	38,706	39,444	8,787	9,401	9,016							
Business services	25,685	26,788	27,321	1,289	1,313	1,341							
Auto repair, services, and parking	32,482	34,235	35,393	365	358	363							
Miscellaneous repair services	40,781	43,406	45,413	485	485	472							
Motion pictures	28,513	29,446	30,763	1,449	1,531	1,493							
Amusement and recreation services	37,765	39,256	41,022	9,257	9,387	9,674							
Health services	62,580	67,484	71,019	1,016	1,035	1,057							
Legal services	28,104	29,356	30,538	2,063	2,148	2,237							
Educational services	21,901	22,786	23,729	4,640	4,822	4,920							
Social services and membership organizations	20,228	21,139	22,071	2,538	2,669	2,818							
Social services	23,920	24,829	25,952	2,102	2,153	2,102							
Membership organizations	53,951	57,447	58,682	3,418	3,618	3,768							
Other services ⁴	14,372	15,887	14,975	862	833	773							
Private households	38,628	40,379	41,700	18,747	19,043	19,445							
Government	44,210	46,593	47,919	4,167	4,198	4,119							
Federal	43,464	45,329	47,308	3,370	3,416	3,338							
General government	49,519	51,364	53,413	1,821	1,869	1,790							
Civilian	36,347	38,038	40,249	1,549	1,547	1,540							
Military ⁵	47,361	52,114	50,530	797	782	781							
Government enterprises	37,033	38,622	40,028	14,580	14,845	15,326							
State and local	36,895	38,462	39,931	13,705	13,964	14,334							
General government	36,586	37,958	39,205	7,367	7,567	7,784							
Education	37,253	39,059	40,794	6,338	6,397	6,550							
Other ⁶	39,206	41,150	41,427	875	881	992							
Government enterprises ⁷													
Rest of the world ⁸				-486	-497	-521							

1. Full-time equivalent employees equals the number of employees on full-time schedules plus the number of employees on part-time schedules converted to a full-time basis. The number of full-time equivalent employees in each industry is the product of the total number of employees and the ratio of average weekly hours per employee for all employees to average weekly hours per employee on full-time schedules.

2. Beginning with 2001, reflects the reclassification of employees of Indian tribal governments from the private sector in accordance with the Consolidated Appropriations Act of 2001.

3. Reflects the reclassification of air couriers from trucking and warehousing to transportation by air.

4. Consists of museums, botanical and zoological gardens; engineering and management services; and services, not elsewhere classified.

5. Includes Coast Guard.

6. Includes estimates of foreign professional workers and undocumented Mexican migratory workers employed temporarily in the United States.

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

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

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

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

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

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

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

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

Table D.1. Domestic Perspectives—Continued

	2001	2002	2002					2003							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Construction (monthly data seasonally adjusted at annual rates) ⁴															
New construction put in place (billions of dollars).....	852.6	860.9	848.6	854.9	861.9	870.0	872.1	883.2	876.5	875.2	871.9	871.9	878.8	880.8	882.7
Private construction.....	652.5	650.5	638.1	641.5	651.1	656.4	658.2	667.6	665.1	668.8	662.8	660.9	661.5	664.8	665.4
Residential buildings.....	388.3	421.5	423.6	425.7	429.9	434.4	441.5	450.0	448.5	447.1	443.9	444.9	444.4	447.0	453.4
Other.....	264.2	229.0	214.6	215.8	221.2	222.0	216.8	217.6	216.5	221.6	218.9	216.1	217.1	217.8	212.0
Public construction.....	200.1	210.4	210.5	213.3	210.8	213.6	213.8	215.6	211.4	206.5	209.1	210.9	217.2	216.0	217.3
Housing starts (thousands of units):.....															
Total.....	1,603	1,705	1,630	1,810	1,653	1,760	1,815	1,828	1,640	1,742	1,627	1,745	1,844	1,892	1,820
1-unit structures.....	1,273	1,359	1,249	1,449	1,366	1,403	1,462	1,509	1,312	1,393	1,357	1,389	1,499	1,537	1,476
New 1-family houses sold (thousands of units).....	908	973	1,025	1,057	1,005	1,022	1,052	1,009	935	1,008	1,004	1,081	1,179	1,112	1,150
Manufacturing and trade, inventories and sales (millions of dollars, monthly data seasonally adjusted) ⁴															
Inventories:															
Total manufacturing and trade.....			1,151,442	1,158,420	1,160,224	1,163,611	1,169,352	1,172,045	1,179,647	1,183,281	1,183,557	1,179,925	1,180,343	1,179,574	
Manufacturing.....			442,827	443,595	443,545	442,499	444,188	444,220	446,088	445,180	445,207	444,049	442,666	440,361	
Retail trade.....			422,377	427,879	430,960	434,693	436,317	439,120	443,879	447,163	448,258	446,914	448,758	450,177	
Merchant wholesalers.....			286,238	286,946	285,719	286,419	288,847	288,705	289,680	290,938	290,092	288,962	288,919	289,036	
Sales:															
Total manufacturing and trade.....	9,832,480	9,888,161	833,532	829,784	833,517	835,360	834,194	844,999	837,850	851,680	836,843	838,547	849,696	862,897	
Manufacturing.....	3,970,499	3,891,753	326,168	326,165	329,349	326,527	323,362	329,665	325,591	330,764	322,608	323,920	328,643	336,923	
Retail trade.....	3,153,315	3,245,407	274,858	271,307	271,703	273,570	277,100	278,356	274,066	280,369	279,601	280,578	283,318	287,245	
Merchant wholesalers.....	2,708,666	2,751,001	232,506	232,312	232,465	235,263	233,732	236,978	238,193	240,547	234,634	234,049	237,735	238,729	
Inventory-sales ratio:															
Total manufacturing and trade.....			9.07	1.40	1.39	1.39	1.40	1.39	1.41	1.39	1.41	1.41	1.39	1.37	
Manufacturing.....			1.36	1.36	1.35	1.36	1.37	1.35	1.37	1.35	1.38	1.37	1.35	1.31	
Retail trade.....			12.57	1.58	1.59	1.59	1.57	1.58	1.62	1.59	1.60	1.59	1.58	1.57	
Merchant wholesalers.....			1.23	1.24	1.23	1.22	1.24	1.22	1.22	1.21	1.24	1.23	1.22	1.21	
Industrial production indexes and capacity utilization rates (monthly data seasonally adjusted) ²															
Industrial production indexes, 1997=100:															
Total.....	111.2	110.8	111.3	111.2	110.6	110.8	109.9	110.7	110.7	110.1	109.5	109.5	109.3	110.1	110.2
Final products.....	109.0	108.1	107.6	107.4	106.6	107.1	106.0	107.1	107.2	106.7	106.3	106.4	106.4	106.9	107.0
Consumer goods.....	106.5	107.0	107.8	107.9	107.0	107.8	106.6	107.7	107.8	107.2	106.8	106.7	106.6	107.2	107.1
Business equipment.....	117.3	112.3	108.1	106.9	106.0	106.1	104.6	105.6	105.9	105.5	104.8	105.1	105.4	105.7	106.3
Nonindustrial supplies.....	115.3	114.9	115.4	115.8	115.4	114.9	113.9	114.4	114.7	113.8	113.0	113.4	112.9	113.5	113.8
Materials.....	111.8	112.0	113.6	113.4	112.8	113.1	112.4	113.0	112.8	112.1	111.4	111.1	110.9	112.1	112.1
Capacity utilization rates (percent):															
Total industry.....	77.3	75.6	76.1	76.0	75.5	75.6	74.9	75.4	75.3	74.8	74.3	74.3	74.1	74.6	74.6
Manufacturing.....	75.6	73.7	74.3	74.1	73.7	73.7	73.0	73.3	73.3	73.1	72.5	72.5	72.6	72.9	72.7
Credit market borrowing (billions of dollars, quarterly data seasonally adjusted at annual rates) ²															
All sectors, by instrument:															
Total.....	1,998.7	2,304.3	2,152.7			2,642.7			2,264.4			3,347.2			
Open market paper.....	-164.4	-98.2	70.8			-53.3			96.3			-107.5			
U.S. government securities.....	623.8	811.5	686.5			814.9			531.9			1,348.6			
Municipal securities.....	122.9	160.8	154.2			216.1			90.3			189.4			
Corporate and foreign bonds.....	633.3	515.2	130.0			768.6			581.7			713.7			
Bank loans, n.e.c.....	-76.2	-80.6	-54.4			-126.1			-102.0			-74.3			
Other loans and advances.....	32.9	36.7	132.2			-20.9			90.1			66.7			
Mortgages.....	700.4	879.6	925.7			1,050.6			883.2			1,144.3			
Consumer credit.....	126.0	79.2	107.6			-7.1			93.0			66.2			

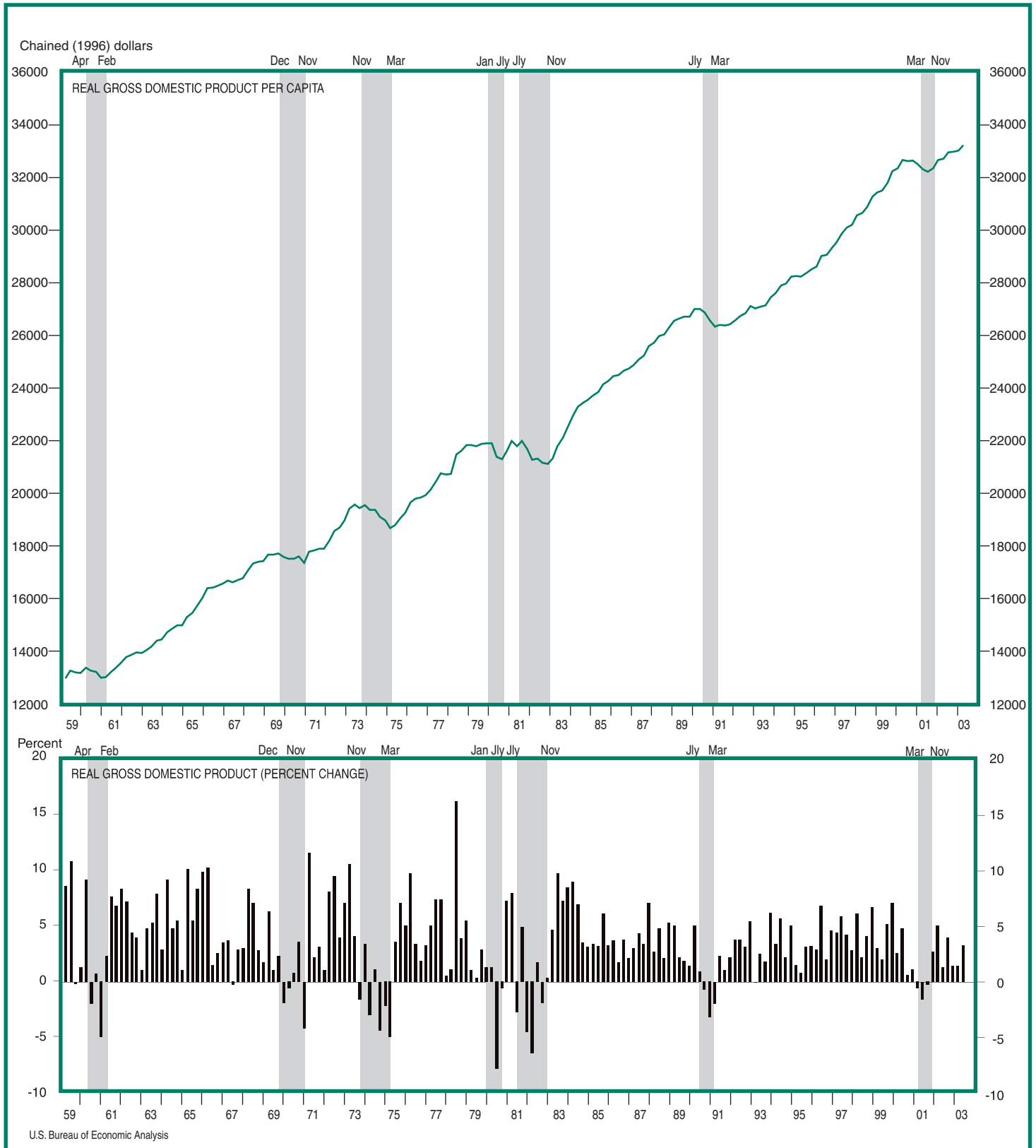
Sources:
1. Bureau of Labor Statistics
2. Federal Reserve Board

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

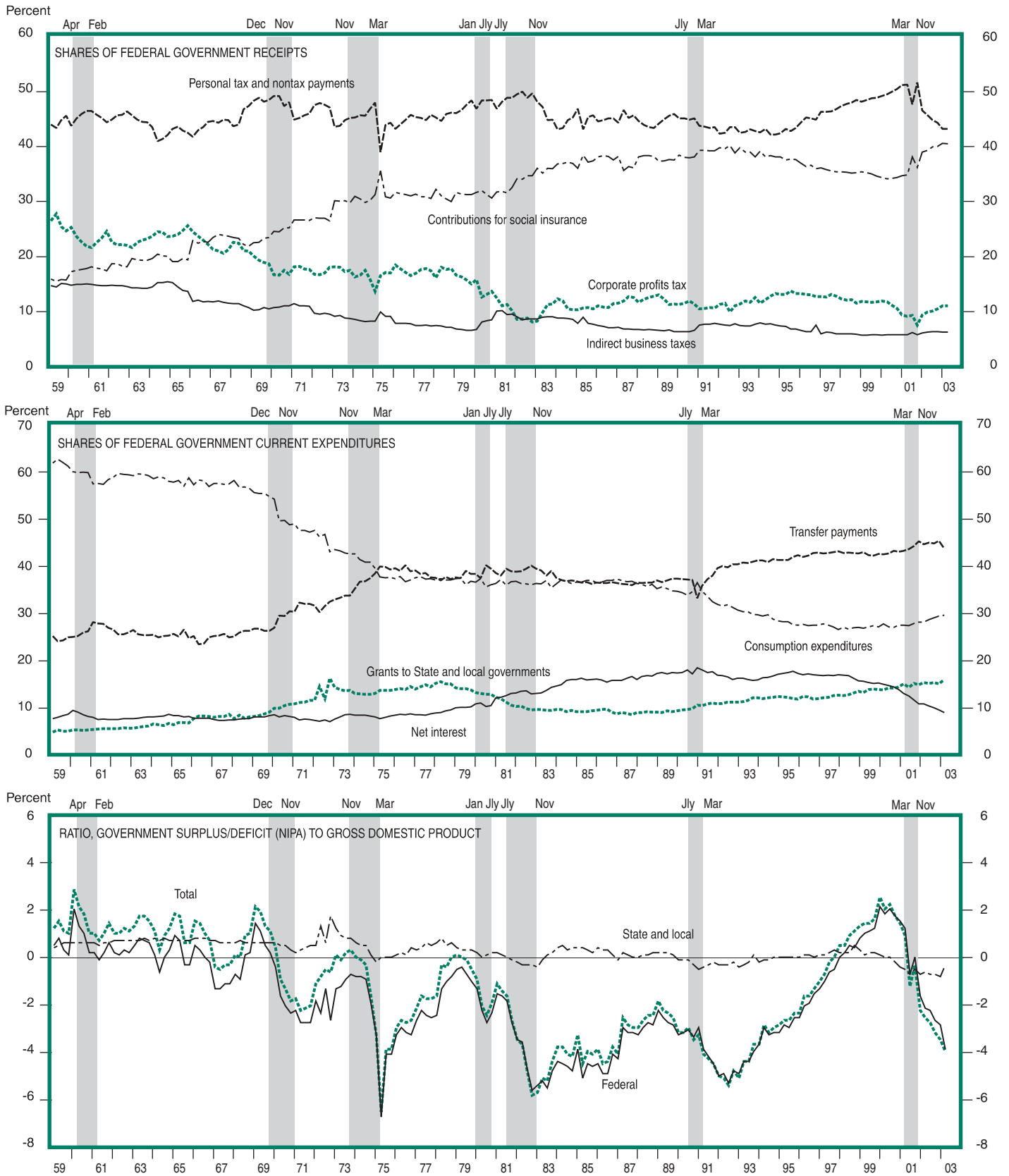
E. Charts

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

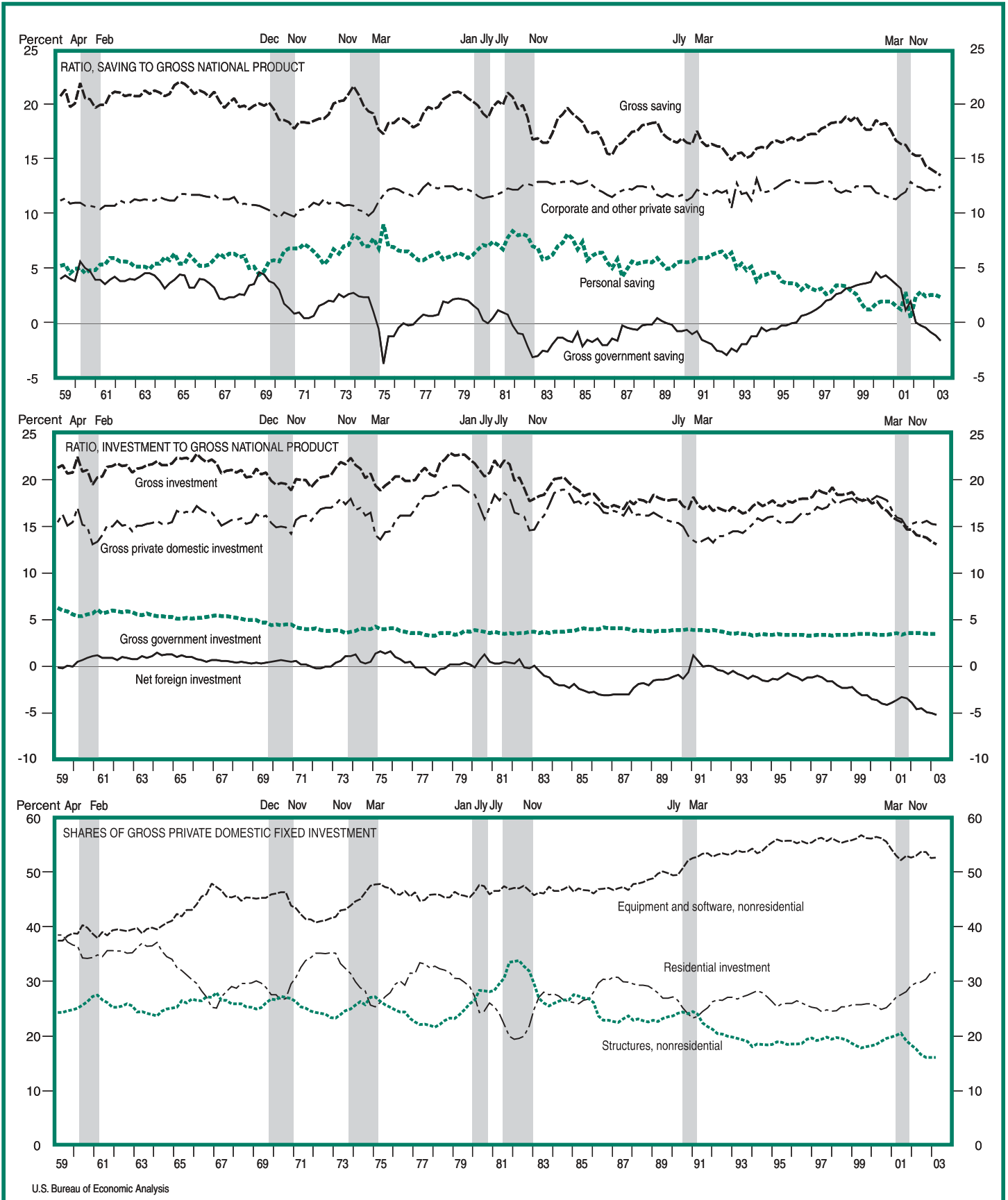
SELECTED NIPA SERIES



SELECTED NIPA SERIES

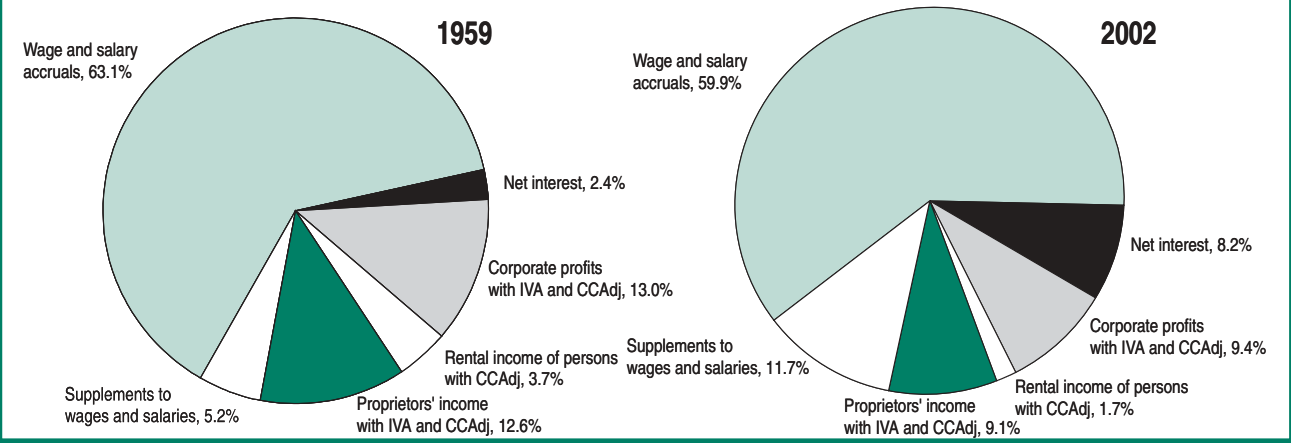


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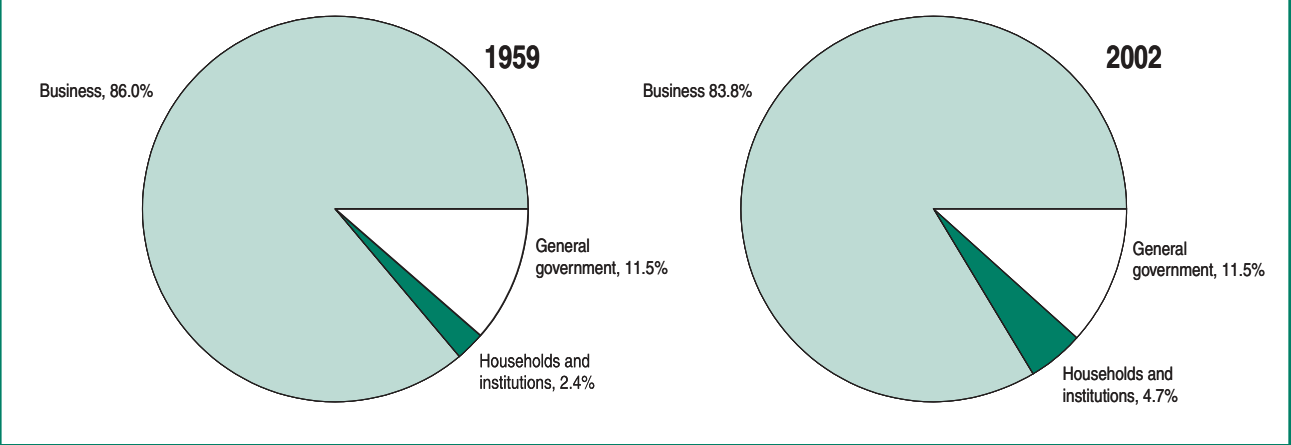


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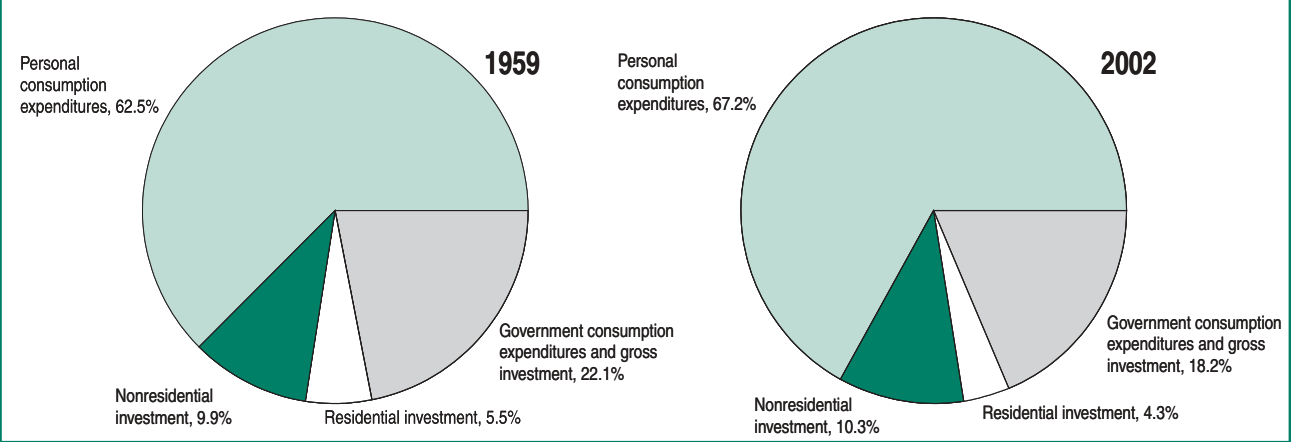
SHARES OF NATIONAL INCOME



SHARES OF GROSS DOMESTIC PRODUCT BY SECTOR



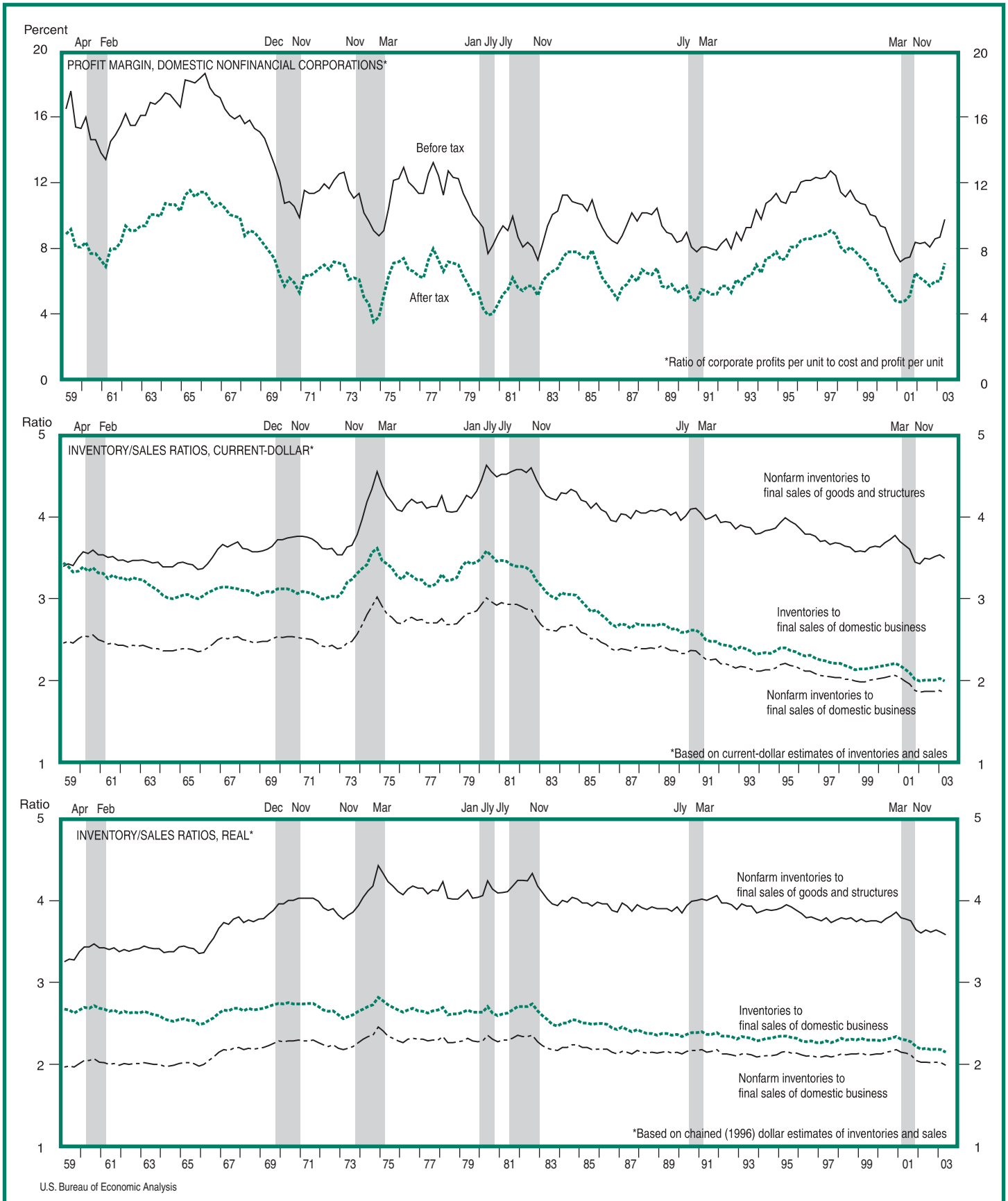
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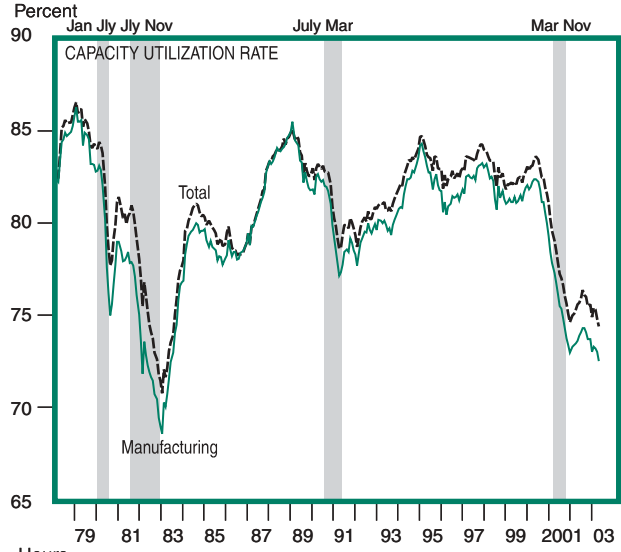
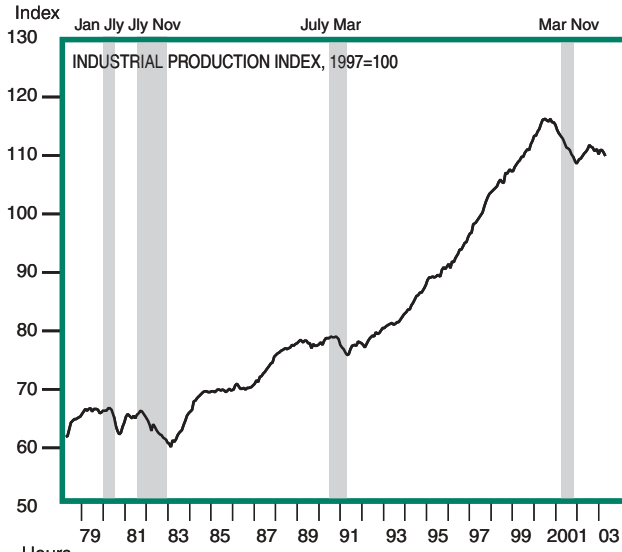
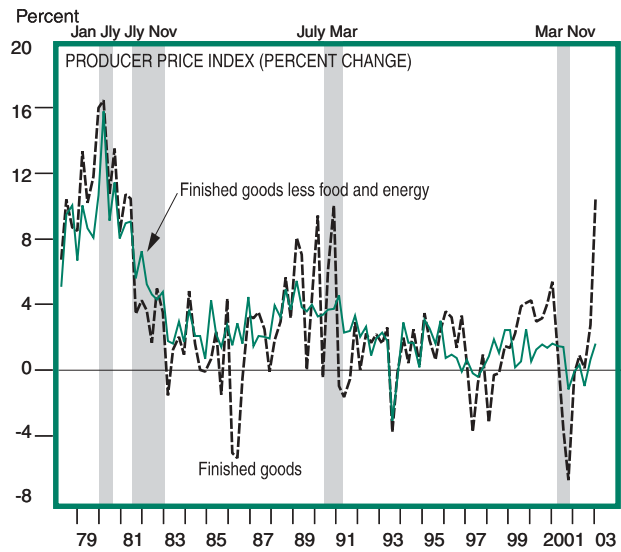
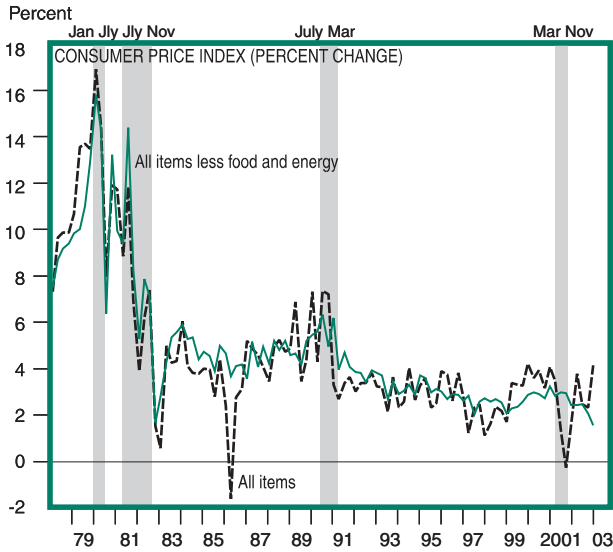
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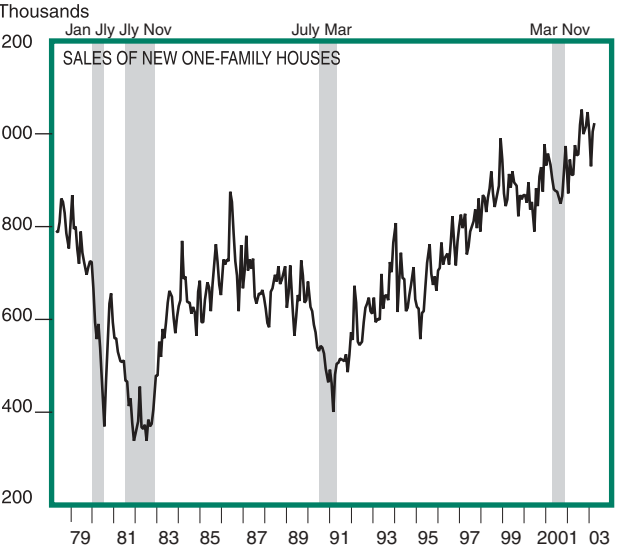
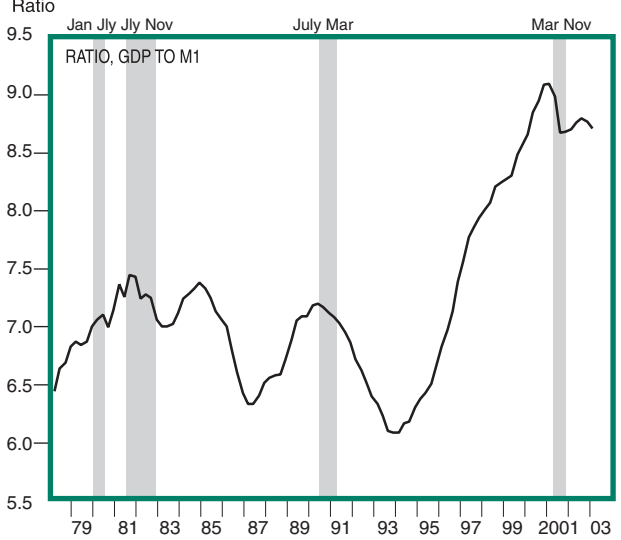
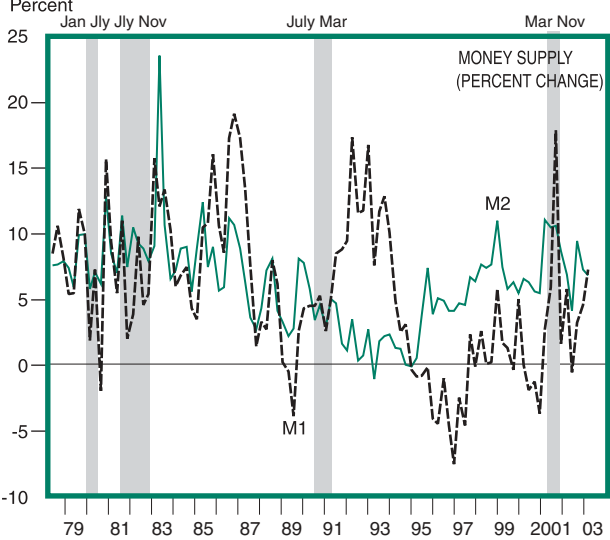
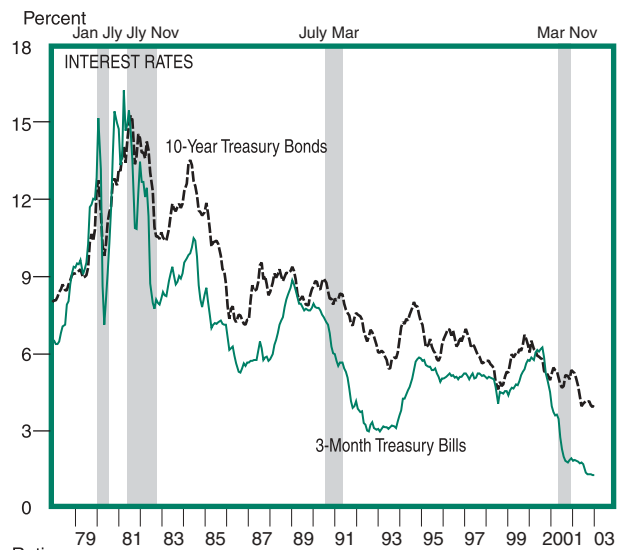
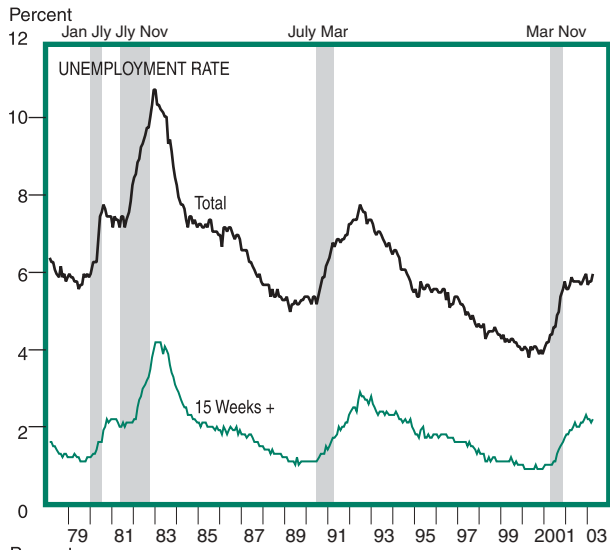
SELECTED NIPA SERIES



OTHER INDICATORS OF THE DOMESTIC ECONOMY



OTHER INDICATORS OF THE DOMESTIC ECONOMY



U.S. Bureau of Economic Analysis

Table F.2. U.S. International Transactions

(Millions of dollars)

Line	(Credits +; debits -) ¹	Not seasonally adjusted													
		2002		2003		2002		2003		2002		2003			
		I	II	III	IV	I ^r	II ^p	I	II	III	IV	I ^r	II ^p		
Current account															
1 Exports of goods and services and income receipts	1,229,649	294,947	310,189	312,767	311,746	307,576	313,376	297,074	307,616	313,939	311,015	310,278	311,002		
2 Exports of goods and services	974,107	233,613	245,704	245,866	248,924	243,942	249,875	236,442	243,696	247,815	246,151	247,377	247,991		
3 Goods, balance of payments basis ²	681,874	163,785	175,002	169,014	174,073	171,180	177,678	165,298	171,421	174,315	170,840	173,346	174,034		
4 Services ³	292,233	69,828	70,702	76,852	74,851	72,762	72,197	71,144	72,275	73,500	75,311	74,031	73,957		
5 Transfers under U.S. military agency sales contracts ⁴	11,943	2,785	2,751	3,418	2,989	2,827	3,023	2,785	2,751	3,418	2,989	2,827	3,023		
6 Travel	66,547	14,479	16,732	18,829	16,507	14,286	15,546	16,295	16,030	16,217	18,005	16,089	14,902		
7 Passenger fares	17,046	3,872	4,281	4,831	4,062	3,444	3,768	4,224	4,279	4,288	4,255	3,736	3,768		
8 Other transportation	29,166	6,784	7,104	7,646	7,632	7,488	7,941	7,102	7,075	7,307	7,682	7,837	7,910		
9 Royalties and license fees ⁵	44,142	10,139	11,012	11,168	11,823	11,297	11,485	10,373	11,221	11,389	11,157	11,630	11,643		
10 Other private services ⁵	122,594	31,574	28,623	30,760	31,637	33,218	30,232	30,170	30,720	30,681	31,022	31,710	32,509		
11 U.S. Government miscellaneous services	795	195	199	200	201	202	202	195	199	200	201	202	202		
12 Income receipts	255,542	61,334	64,485	66,901	62,822	63,634	63,501	60,632	63,920	66,124	64,864	62,901	63,011		
13 Income receipts on U.S.-owned assets abroad	252,379	60,523	63,705	66,116	62,035	62,827	62,687	59,821	63,140	65,339	64,077	62,094	62,197		
14 Direct investment receipts	142,933	32,674	35,538	37,986	36,735	38,124	39,720	32,058	34,874	37,264	38,735	37,508	39,131		
15 Other private receipts	106,143	26,950	27,560	27,225	24,408	23,700	22,321	26,950	27,560	27,225	24,408	23,700	22,321		
16 U.S. Government receipts	3,303	899	607	905	892	1,003	646	813	706	850	934	886	745		
17 Compensation of employees	3,163	811	780	785	787	807	814	811	780	785	787	807	814		
18 Imports of goods and services and income payments	-1,651,657	-373,437	-418,753	-431,963	-427,504	-416,512	-434,240	-387,864	-416,962	-422,666	-424,165	-431,716	-432,731		
19 Imports of goods and services	-1,392,145	-312,227	-349,628	-363,766	-366,524	-354,003	-372,140	-326,499	-348,584	-354,795	-362,267	-369,006	-371,399		
20 Goods, balance of payments basis ²	-1,164,746	-260,732	-291,870	-303,073	-309,071	-298,174	-311,024	-271,331	-292,707	-297,627	-303,081	-309,364	-312,013		
21 Services ³	-227,399	-51,495	-57,758	-60,693	-57,453	-55,829	-61,116	-55,168	-55,877	-57,168	-59,186	-59,642	-59,386		
22 Direct defense expenditures	-19,245	-4,394	-4,668	-4,990	-5,193	-5,674	-6,000	-4,394	-4,668	-4,990	-5,193	-5,674	-6,000		
23 Travel	-58,044	-12,430	-15,806	-16,930	-12,878	-12,196	-14,395	-14,453	-14,252	-14,314	-15,025	-14,168	-13,014		
24 Passenger fares	-19,969	-4,422	-5,475	-5,430	-4,642	-4,479	-5,512	-4,874	-4,829	-5,392	-4,960	-4,920	-4,920		
25 Other transportation	-38,527	-8,420	-9,577	-10,138	-10,392	-10,303	-11,226	-8,891	-9,580	-9,787	-10,271	-10,873	-11,182		
26 Royalties and license fees ⁵	-19,258	-4,607	-4,765	-4,941	-4,945	-4,564	-4,679	-4,728	-4,902	-5,036	-4,592	-4,698	-4,835		
27 Other private services ⁵	-69,436	-16,481	-16,742	-17,539	-18,674	-17,868	-18,555	-17,087	-16,876	-17,487	-17,984	-18,524	-18,686		
28 U.S. Government miscellaneous services	-2,920	-741	-725	-725	-729	-745	-749	-741	-725	-725	-729	-745	-749		
29 Income payments	-259,512	-61,210	-69,125	-68,197	-60,980	-62,509	-62,100	-61,365	-68,378	-67,871	-61,898	-62,710	-61,332		
30 Income payments on foreign-owned assets in the United States	-251,108	-59,211	-67,085	-66,107	-58,705	-60,428	-60,075	-59,271	-66,246	-65,820	-59,771	-60,527	-59,213		
31 Direct investment payments	-49,458	-8,074	-14,303	-15,637	-11,444	-15,332	-17,170	-8,134	-13,646	-15,350	-12,510	-15,431	-16,308		
32 Other private payments	-127,538	-32,512	-33,773	-31,802	-29,648	-28,245	-26,638	-32,512	-33,773	-31,802	-29,648	-28,245	-26,638		
33 U.S. Government payments	-73,915	-18,625	-19,009	-18,668	-17,613	-16,851	-16,267	-18,625	-19,009	-18,668	-17,613	-16,851	-16,267		
34 Compensation of employees	-8,404	-1,999	-2,040	-2,090	-2,275	-2,081	-2,025	-2,094	-2,132	-2,051	-2,127	-2,183	-2,119		
35 Unilateral current transfers, net	-58,853	-16,450	-12,834	-13,772	-15,797	-17,575	-16,697	-15,938	-13,481	-13,997	-15,436	-17,269	-16,942		
36 U.S. Government grants ⁴	-17,097	-6,397	-3,287	-3,075	-4,338	-5,813	-5,620	-6,397	-3,287	-3,075	-4,338	-5,813	-5,620		
37 U.S. Government pensions and other transfers	-5,125	-1,330	-1,005	-923	-1,867	-1,037	-1,208	-1,271	-1,279	-1,282	-1,292	-1,320	-1,335		
38 Private remittances and other transfers ⁶	-36,631	-8,723	-8,542	-9,774	-9,592	-10,725	-9,869	-8,270	-8,915	-9,640	-9,806	-10,136	-9,987		
Capital and financial account															
Capital account															
39 Capital account transactions, net	-1,285	-277	-286	-364	-358	-388	-325	-277	-286	-364	-358	-388	-325		
Financial account															
40 U.S.-owned assets abroad, net (increase/financial outflow (-))	-178,985	-37,698	-130,751	26,896	-37,432	-103,903	-109,412	-35,227	-128,567	29,712	-44,902	-101,331	-106,665		
41 U.S. official reserve assets, net	-3,681	390	-1,843	-1,416	-812	83	-170	390	-1,843	-1,416	-812	83	-170		
42 Gold ⁷	-475	-109	-107	-132	-127	897	-102	-109	-107	-132	-127	897	-102		
43 Special drawing rights	-2,632	652	-1,807	-1,136	-541	-644	86	652	-1,607	-1,136	-541	-644	86		
44 Reserve position in the International Monetary Fund	-574	-153	-129	-148	-144	-170	-154	-153	-129	-148	-144	-170	-154		
45 Foreign currencies	-32	133	42	-27	-180	-70	-323	133	42	-27	-180	-70	-323		
46 U.S. Government assets, other than official reserve assets, net	-5,611	-853	-565	-1,375	-2,818	-2,578	-928	-853	-565	-1,375	-2,818	-2,578	-928		
47 U.S. credits and other long-term assets	5,684	994	566	1,452	2,672	2,472	674	994	566	1,452	2,672	2,472	674		
48 Repayments on U.S. credits and other long-term assets ⁸	-105	-8	41	-104	-34	36	-69	-8	41	-104	-34	36	-69		
49 U.S. foreign currency holdings and U.S. short-term assets, net	-175,272	-38,221	-128,950	28,339	-36,440	-103,916	-108,919	-35,750	-126,766	31,155	-43,910	-101,344	-106,172		
50 U.S. private assets, net	-157,836	-41,554	-37,643	-34,439	-24,200	-36,977	-34,767	-39,083	-35,459	-31,623	-31,670	-34,405	-32,020		
51 Direct investment	15,801	5,367	5,843	21,641	5,364	-27,146	9,240	5,367	5,843	21,641	5,364	-27,146	9,240		
52 Foreign securities	-31,880	-1,886	-16,210	-11,862	-1,922	-11,998	-22,789	-1,886	-16,210	-11,862	-1,922	-11,998	-22,789		
53 U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-21,357	-148	-69,254	52,999	-4,954	-27,795	-60,603	-148	-69,254	52,999	-4,954	-27,795	-60,603		
54 U.S. claims reported by U.S. banks, not included elsewhere	706,983	146,075	224,088	142,129	194,691	241,859	257,612	146,813	221,242	141,478	197,448	242,004	255,273		
55 Foreign-owned assets in the United States, net (increase/financial inflow (+))	94,860	6,106	47,552	8,992	32,210	40,978	57,580	6,106	47,552	8,992	32,210	40,978	57,580		
56 U.S. Government securities	73,521	6,257	21,706	12,300	33,258	31,768	36,522	6,257	21,706	12,300	33,258	31,768	36,522		
57 U.S. Treasury securities ⁹	43,144	-1,039	15,138	1,415	27,630	22,288	33,232	-1,039	15,138	1,415	27,630	22,288	33,232		
58 Other ¹⁰	30,377	7,296	6,568	10,885	5,628	9,480	3,290	7,296	6,568	10,885	5,628	9,480	3,290		
59 Other U.S. Government liabilities ¹¹	137	-597	365	464	-95	-437	-32	-597	365	464	-95	-437	-32		
60 U.S. liabilities reported by U.S. banks, not included elsewhere	17,594	-280	24,575	-4,607	-2,094	8,321	20,385	-280	24,575	-4,607	-2,094	8,321	20,385		
61 Other foreign official assets ¹²	3,608	726	906	835	1,141	1,326	705	726	906	835	1,141	1,326	705		
62 Other foreign assets in the United States, net	612,123	139,969	176,536	133,137	162,481	200,881	200,032	140,707	173,690	132,486	165,238	201,026	197,693		
63 Direct investment	63,433	9,869	2,390	14,850	12,524	34,241	14,476	10,607	-456	14,199	15,281	34,386	12,137		
64 U.S. Treasury securities	96,217	11,789	14,218	57,505	12,705	14,568	61,139	11,789	14,218	57,505	12,705	14,568	61,139		
65 U.S. securities other than U.S. Treasury securities	291,492	74,461	104,187	45,880	66,964	55,574	86,525	74,461	104,187	45,880	66,964	55,574	86,525		
66 U.S. currency	21,513	4,525	7,183	2,556	7,249	4,927	1,458	4,525	7,183	2,556	7,249	4,927	1,458		
67 U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	72,142	46,771	24,610	-8,102	8,863	74,848	3,189	46,771	24,610	-8,102	8,863	74,848	3,189		
68 U.S. liabilities reported by U.S. banks, not included elsewhere	91,126	-7,446	23,948	20,448	54,176	16,723	33,245	-7,446	23,948	20,448	54,176				

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

[Millions of dollars]

Line	(Credits +; debits -) ¹	Western Europe			European Union ¹⁴			United Kingdom			European Union (6) ¹⁵		
		2002		2003	2002		2003	2002		2003	2002		2003
		IV	I r	II P	IV	I r	II P	IV	I r	II P	IV	I r	II P
Current account													
1	Exports of goods and services and income receipts.....	97,315	95,287	98,050	86,964	85,579	87,264	24,879	23,326	23,880	46,514	47,035	47,658
2	Exports of goods and services.....	69,110	67,424	68,710	62,482	61,050	61,915	16,384	16,083	16,311	34,440	34,001	34,405
3	Goods, balance of payments basis ²	39,433	40,240	40,923	36,151	36,934	37,179	7,777	8,457	8,423	22,533	22,800	23,176
4	Services ³	29,677	27,184	27,787	26,331	24,116	24,736	8,607	7,626	7,888	11,907	11,201	11,229
5	Transfers under U.S. military agency sales contracts ⁴	891	748	826	597	612	696	68	119	76	228	292	231
6	Travel.....	5,521	4,331	4,538	5,084	3,955	4,171	2,305	1,779	1,776	1,920	1,490	1,674
7	Passenger fares.....	1,586	1,207	1,408	1,534	1,165	1,316	756	572	597	678	528	649
8	Other transportation.....	2,500	2,495	2,720	2,240	2,218	2,372	519	512	574	1,223	1,166	1,257
9	Royalties and license fees ⁵	5,790	5,449	5,452	5,166	4,790	4,813	1,103	938	1,016	2,571	2,390	2,214
10	Other private services ⁵	13,354	12,919	12,807	11,679	11,345	11,336	3,852	3,702	3,845	5,265	5,314	5,183
11	U.S. Government miscellaneous services.....	35	35	36	31	31	32	4	4	4	22	21	21
12	Income receipts.....	28,205	27,863	29,340	24,482	24,529	25,349	8,495	7,243	7,569	12,074	13,034	13,253
13	Income receipts on U.S.-owned assets abroad.....	28,128	27,786	29,260	24,417	24,464	25,281	8,474	7,222	7,547	12,039	12,999	13,216
14	Direct investment receipts.....	15,732	15,900	18,251	13,246	13,774	15,278	3,150	2,541	3,097	7,542	8,501	9,053
15	Other private receipts.....	12,148	11,466	10,744	10,932	10,460	9,828	5,240	4,681	4,450	4,353	4,329	4,010
16	U.S. Government receipts.....	248	420	265	239	230	175	84	.....	.....	144	169	153
17	Compensation of employees.....	77	77	80	65	65	68	21	21	22	35	35	37
18	Imports of goods and services and income payments.....	-120,531	-117,305	-125,113	-109,517	-105,717	-111,825	-34,605	-34,120	-33,470	-56,307	-53,233	-57,676
19	Imports of goods and services.....	-91,086	-85,912	-94,227	-82,692	-78,153	-85,005	-17,553	-16,911	-17,843	-48,229	-44,738	-48,750
20	Goods, balance of payments basis ²	-66,594	-62,223	-66,886	-61,153	-57,391	-61,271	-10,498	-10,114	-10,458	-37,030	-34,155	-36,482
21	Services ³	-24,492	-23,689	-27,341	-21,539	-20,762	-23,734	-7,055	-6,797	-7,385	-11,199	-10,583	-12,268
22	Direct defense expenditures.....	-2,331	-2,566	-2,602	-1,990	-2,185	-2,221	-169	-200	-200	-1,703	-1,810	-1,846
23	Travel.....	-3,954	-3,482	-3,352	-3,679	-3,251	-4,908	-1,450	-1,214	-1,319	-1,676	-1,455	-2,528
24	Passenger fares.....	-2,024	-1,993	-2,835	-1,894	-1,866	-2,617	-743	-701	-956	-759	-726	-1,094
25	Other transportation.....	-3,680	-3,863	-4,370	-3,120	-3,241	-3,583	-724	-750	-789	-1,603	-1,610	-1,795
26	Royalties and license fees ⁵	-2,771	-2,309	-2,469	-2,227	-1,839	-1,969	-374	-395	-398	-1,605	-1,249	-1,351
27	Other private services ⁵	-9,426	-9,187	-9,422	-8,366	-8,134	-8,189	-3,574	-3,519	-3,705	-3,641	-3,535	-3,455
28	U.S. Government miscellaneous services.....	-306	-289	-291	-263	-246	-247	-21	-18	-18	-212	-198	-199
29	Income payments.....	-29,445	-31,393	-30,886	-26,825	-27,564	-26,820	-17,052	-17,209	-15,627	-8,078	-8,495	-8,926
30	Income payments on foreign-owned assets in the United States.....	-29,345	-31,293	-30,797	-26,742	-27,481	-26,743	-17,032	-17,189	-15,609	-8,023	-8,440	-8,874
31	Direct investment payments.....	-6,878	-10,340	-11,038	-6,378	-8,391	-8,746	-3,639	-4,721	-3,793	-2,771	-3,539	-4,306
32	Other private payments.....	-17,695	-16,441	-15,502	-16,083	-15,057	-14,216	-11,115	-10,280	-9,741	-3,998	-3,767	-3,512
33	U.S. Government payments.....	-4,772	-4,512	-4,257	-4,281	-4,033	-3,781	-2,278	-2,188	-2,075	-1,254	-1,134	-1,056
34	Compensation of employees.....	-100	-100	-89	-83	-83	-77	-20	-20	-18	-55	-55	-52
35	Unilateral current transfers, net.....	15	-206	38	225	82	251	148	225	288	85	-97	-46
36	U.S. Government grants ⁴	-142	-264	-211	-7	-7	-5	.....	.....	.....	.....	.....	.....
37	U.S. Government pensions and other transfers.....	-438	-377	-400	-340	-338	-349	-59	-60	-57	-186	-183	-198
38	Private remittances and other transfers ⁶	595	435	649	572	427	605	207	285	345	271	86	152
Capital and financial account													
Capital account													
39	Capital account transactions, net.....	-136	-81	-80	-62	-60	-59	-10	-8	-8	-11	-11	-10
Financial account													
40	U.S.-owned assets abroad, net (increase/financial outflow (-)).....	3,482	-69,228	-62,825	24,747	-72,372	-57,969	21,525	-56,822	-42,166	590	-16,849	-10,441
41	U.S. official reserve assets, net.....	-144	-170	-154	-86	-120	-104	.....	.....	.....	.....	.....	.....
42	Gold ⁷.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
43	Special drawing rights.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
44	Reserve position in the International Monetary Fund.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
45	Foreign currencies.....	-144	-170	-154	-86	-120	-104	.....	.....	.....	.....	.....	.....
46	U.S. Government assets, other than official reserve assets, net.....	177	34	-7	72	238	79	58	.....	-6	-26	31	.....
47	U.S. credits and other long-term assets.....	-7	-404	-188	.....	.....	.....	.....	.....	.....	.....	.....	.....
48	Repayments on U.S. credits and other long-term assets ⁸	214	414	165	106	207	69	66	.....	.....	.....	.....	.....
49	U.S. foreign currency holdings and U.S. short-term assets, net.....	-30	24	16	-34	31	10	-8	.....	-6	-26	31	.....
50	U.S. private assets, net.....	3,449	-69,092	-62,664	24,761	-72,490	-57,944	21,467	-56,822	-42,160	616	-16,880	-10,441
51	Direct investment.....	-13,278	-17,683	-21,156	-11,093	-17,123	-17,698	-1,093	-7,518	-3,923	-6,730	-7,107	-9,292
52	Foreign securities.....	-2,750	-19,045	7,549	-2,192	-17,769	7,028	-3,063	-13,009	2,227	1,540	-5,671	3,103
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	16,415	-24,501	.....	15,693	-24,008	.....	17,352	-25,236	.....	-3,159	1,147	.....
54	U.S. claims reported by U.S. banks, not included elsewhere.....	3,062	-7,863	-49,057	22,353	-13,590	-47,274	8,271	-11,059	-40,464	8,965	-5,249	-4,252
55	Foreign owned assets in the United States, net (increase/financial inflow (+)).....	106,277	112,053	53,547	69,972	126,889	45,261	41,592	110,122	6,609	21,253	9,627	26,630
56	Foreign official assets in the United States, net.....	9,645	179	-6,546	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
57	U.S. Government securities.....	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
58	U.S. Treasury securities ⁹	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	Other ¹⁰	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
60	Other U.S. Government liabilities ¹¹	-191	-186	-40	182	-169	-23	31	-83	37	-21	-83	44
61	U.S. liabilities reported by U.S. banks, not included elsewhere.....	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
62	Other foreign official assets ¹²	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
63	Other foreign assets in the United States, net.....	96,632	111,874	60,093	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
64	Direct investment.....	3,757	31,559	6,046	3,633	24,169	4,879	5,291	19,538	4,073	411	3,747	1,866
65	U.S. Treasury securities.....	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
66	U.S. securities other than U.S. Treasury securities.....	39,445	47,175	39,371	35,907	43,330	37,324	26,659	34,651	26,954	9,019	7,420	3,314
67	U.S. currency.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	13,468	62,037	.....	10,336	62,145	.....	6,700	55,166	.....	1,712	3,768	.....
69	U.S. liabilities reported by U.S. banks, not included elsewhere.....	(17)	(17)	(17)	18 19,914	18 -2,586	18 3,081	18 2,911	18 850	18 -24,455	18 10,132	18 -5,225	18 21,406
70	Statistical discrepancy (sum of above items with sign reversed).....	-86,422	-20,520	36,383	-72,329	-34,401	37,077	-53,529	-42,723	44,867	-12,124	13,528	-6,115
Memoranda:													
71	Balance on goods (lines 3 and 20).....	-27,161	-21,983	-25,963	-25,002	-20,457	-24,092	-2,721	-1,657	-2,035	-14,497	-11,355	-13,306
72	Balance on services (lines 4 and 21).....	5,185	3,495	446	4,792	3,354	1,002	1,552	829	503	708	618	-1,039
73	Balance on goods and services (lines 2 and 19).....	-21,976	-18,488	-25,517	-20,210	-17,103	-23,090	-1,169	-828	-1,532	-13,789	-10,737	-14,345
74	Balance on income (lines 12 and 29).....	-1,240	-3,530	-1,546	-2,343	-3,035	-1,471	-8,557	-9,966	-8,058	3,996	4,539	4,327
75	Unilateral current transfers, net (line 35).....	15	-206	38	225	82	251	148	225	288	85	-97	-46
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	-23,201	-22,224	-27,025	-22,328	-20,056	-24,310	-9,578	-10,569	-9,307	-9,708	-6,295	-10,064

Table F.3. U.S. International Transactions, by Area—Continued
 [Millions of dollars]

Line	(Credits +; debits -) ¹	Eastern Europe			Canada			Latin America and Other Western Hemisphere			Japan		
		2002		2003	2002		2003	2002		2003	2002		2003
		IV	I ^r	II ^p	IV	I ^r	II ^p	IV	I ^r	II ^p	IV	I ^r	II ^p
Current account													
1	Exports of goods and services and income receipts	3,140	3,286	3,292	51,907	52,766	56,109	60,981	56,612	57,905	22,486	22,738	23,193
2	Exports of goods and services	2,763	2,725	2,697	46,834	47,662	51,088	51,769	47,163	48,722	19,877	19,600	20,150
3	Goods, balance of payments basis ²	1,627	1,511	1,603	40,843	41,177	44,810	38,341	35,022	36,071	12,177	12,179	12,888
4	Services ³	1,136	1,214	1,094	5,991	6,485	6,278	13,428	12,141	12,651	7,700	7,421	7,262
5	Transfers under U.S. military agency sales contracts ⁴	108	105	92	13	44	57	90	114	102	202	151	120
6	Travel	282	255	310	1,323	1,803	1,725	4,628	3,597	4,234	2,161	1,913	1,781
7	Passenger fares	14	15	12	405	483	389	1,165	955	1,012	615	534	602
8	Other transportation	65	59	58	710	665	658	852	842	917	776	753	789
9	Royalties and license fees ⁵	115	106	116	803	809	837	927	891	906	1,620	1,592	1,626
10	Other private services ⁵	541	666	498	2,715	2,660	2,591	5,723	5,698	5,436	2,304	2,452	2,318
11	U.S. Government miscellaneous services	11	8	8	22	21	21	43	44	44	22	26	26
12	Income receipts	377	561	595	5,073	5,104	5,021	9,212	9,449	9,183	2,609	3,138	3,043
13	Income receipts on U.S.-owned assets abroad	363	547	581	5,052	5,081	4,997	9,161	9,396	9,129	2,591	3,120	3,025
14	Direct investment receipts	190	290	400	3,243	3,295	3,386	3,920	4,262	4,051	1,228	1,679	1,692
15	Other private receipts	138	131	121	1,809	1,786	1,611	5,133	5,067	5,024	1,363	1,440	1,332
16	U.S. Government receipts	35	126	60	.....	.....	.....	108	67	54	.....	1	1
17	Compensation of employees	14	14	14	21	23	24	51	53	54	18	18	18
18	Imports of goods and services and income payments	-6,144	-5,900	-6,267	-59,055	-61,875	-63,552	-73,146	-73,131	-75,934	-46,549	-40,039	-40,783
19	Imports of goods and services	-5,187	-5,016	-5,387	-57,936	-60,312	-61,400	-63,887	-61,836	-65,402	-37,463	-33,756	-34,021
20	Goods, balance of payments basis ²	-4,578	-4,485	-4,442	-53,646	-56,339	-56,879	-53,510	-51,404	-54,199	-32,519	-28,953	-29,246
21	Services ³	-609	-531	-945	-4,290	-3,973	-4,521	-10,377	-10,432	-10,843	-4,944	-4,803	-4,775
22	Direct defense expenditures	-49	-38	-38	-28	-19	-18	-104	-83	-90	-376	-391	-400
23	Travel	-195	-179	-482	-1,108	-962	-1,356	-4,443	-4,572	-4,566	-730	-588	-613
24	Passenger fares	-76	-66	-154	-119	-87	-107	-697	-706	-848	-263	-241	-232
25	Other transportation	-51	-36	-47	-903	-865	-921	-844	-927	-959	-1,140	-1,130	-1,110
26	Royalties and license fees ⁵	-22	-18	-16	-232	-198	-207	-345	-329	-343	-1,224	-1,392	-1,322
27	Other private services ⁵	-202	-179	-193	-1,856	-1,797	-1,867	-3,816	-3,681	-3,902	-1,181	-1,012	-1,049
28	U.S. Government miscellaneous services	-14	-15	-15	-44	-45	-45	-128	-134	-135	-30	-49	-49
29	Income payments	-957	-884	-880	-1,119	-1,563	-2,152	-9,259	-11,295	-10,892	-9,086	-6,283	-6,762
30	Income payments on foreign-owned assets in the United States	-938	-865	-865	-1,039	-1,479	-2,069	-7,437	-9,672	-9,236	-9,062	-6,259	-6,745
31	Direct investment payments	-391	-395	-411	70	-366	-1,020	1,486	-805	-732	-3,008	-515	-1,168
32	Other private payments	-166	-122	-135	-886	-919	-873	-6,621	-6,605	-6,261	-1,587	-1,468	-1,317
33	U.S. Government payments	-381	-348	-319	-223	-194	-176	-2,302	-2,282	-2,243	-4,467	-4,276	-4,260
34	Compensation of employees	-19	-19	-15	-80	-84	-83	-1,822	-1,623	-1,656	-24	-24	-17
35	Unilateral current transfers, net	-1,062	-1,037	-1,087	-127	-145	-125	-6,189	-6,335	-6,549	172	141	162
36	U.S. Government grants ⁴	-417	-349	-429	.....	.....	.....	-469	-501	-668	.....	.....	.....
37	U.S. Government pensions and other transfers	-15	-15	-11	-135	-136	-151	-248	-186	-196	-33	-34	-26
38	Private remittances and other transfers ⁶	-630	-673	-647	8	-9	26	-5,472	-5,648	-5,685	205	175	188
Capital and financial account													
Capital account													
39	Capital account transactions, net	-49	-55	-51	38	28	24	2	-57	-6	5	6	6
Financial account													
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-10	315	67	5,006	-400	7,800	-37,817	-18,193	-41,824	-13,901	-12,088	-7,375
41	U.S. official reserve assets, net	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
42	Gold ⁷	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
43	Special drawing rights	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
44	Reserve position in the International Monetary Fund	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
45	Foreign currencies	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
46	U.S. Government assets, other than official reserve assets, net	63	58	-41	.....	.....	.....	-21	173	94	-6	8	2
47	U.S. credits and other long-term assets	-8	-12	-78	.....	.....	.....	-172	-68	-68	.....	.....	.....
48	Repayments on U.S. credits and other long-term assets ⁸	71	70	37	.....	.....	.....	141	248	164	.....	.....	.....
49	U.S. foreign currency holdings and U.S. short-term assets, net	.....	.....	.....	.....	.....	.....	10	-7	-2	-6	8	2
50	U.S. private assets, net	-73	257	108	5,006	-400	7,800	-37,796	-18,366	-41,918	-13,895	-12,096	-7,377
51	Direct investment	-214	549	-664	1,484	-2,807	-5,164	-608	-7,307	306	-772	-893	-248
52	Foreign securities	851	135	429	-766	4,195	2,166	739	-12,693	-3,293	-8,613	-1,102	-260
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	2	-126	.....	1,362	-529	.....	-16,335	13,130	-14,347	-1,424	-340	.....
54	U.S. claims reported by U.S. banks, not included elsewhere	-712	-301	343	2,926	-1,259	10,798	-21,592	-11,496	-24,584	-3,086	-9,761	-6,869
55	Foreign owned assets in the United States, net (increase/financial inflow (+))	1,157	4,332	8,288	-1,297	10,168	11,630	39,886	62,743	99,615	6,101	24,922	44,635
56	Foreign official assets in the United States, net	(¹⁸)	(¹⁸)	(¹⁸)	993	-1,262	122	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
57	U.S. Government securities	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
58	U.S. Treasury securities ⁹	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
59	Other ¹⁰	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
60	Other U.S. Government liabilities ¹¹	14	12	98	11	-12	-22	27	-5	25	-189	-176	20
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
62	Other foreign official assets ¹²	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
63	Other foreign assets in the United States, net	(¹⁸)	(¹⁸)	(¹⁸)	-2,290	11,430	11,508	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
64	Direct investment	-619	-1,152	-194	101	325	1,971	4,058	960	1,814	4,222	-1,995	1,436
65	U.S. Treasury securities	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁷)	(¹⁷)	(¹⁷)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)	(¹⁸)
66	U.S. securities other than U.S. Treasury securities	-1,157	-1,254	-1,468	-1,981	2,566	4,119	8,882	-1,709	37,358	13,756	5,379	5,745
67	U.S. currency	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	16	-110	.....	-175	4,666	.....	-1,699	5,890	8,856	-1,914	-39	.....
69	U.S. liabilities reported by U.S. banks, not included elsewhere	¹⁸ 2,903	¹⁸ 6,836	¹⁸ 9,852	(¹⁷)	(¹⁷)	(¹⁷)	¹⁸ 28,618	¹⁸ 57,607	¹⁸ 51,562	¹⁸ -9,774	¹⁸ 21,753	¹⁸ 37,434
70	Statistical discrepancy (sum of above items with sign reversed)	2,968	-941	-4,242	3,528	-542	-11,886	16,283	-21,639	-33,207	31,686	4,320	-19,838
Memoranda:													
71	Balance on goods (lines 3 and 20)	-2,951	-2,974	-2,839	-12,803	-15,162	-12,069	-15,169	-16,382	-18,128	-20,342	-16,774	-16,358
72	Balance on services (lines 4 and 21)	527	683	149	1,701	2,512	1,757	3,051	1,709	1,808	2,756	2,618	2,487
73	Balance on goods and services (lines 2 and 19)	-2,424	-2,291	-2,690	-11,102	-12,650	-10,312	-12,118	-14,673	-16,320	-17,586	-14,156	-13,871
74	Balance on income (lines 12 and 29)	-580	-323	-285	3,954	3,541	2,869	-47	-1,846	-1,709	-6,477	-3,145	-3,719
75	Unilateral current transfers, net (line 35)	-1,062	-1,037	-1,087	-127	-145	-125	-6,189	-6,335	-6,549	172	141	162
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	-4,066	-3,651	-4,062	-7,275	-9,254	-7,568	-18,354	-22,854	-24,578	-23,891	-17,160	-17,428

See footnotes on page D-57.

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	2003		2002	2003		2002	2003	
		IV	I ^r	II ^P	IV	I ^r	II ^P	IV	I ^r	II ^P
Current account										
1	Exports of goods and services and income receipts	5,880	5,283	5,841	61,206	62,650	60,192	8,831	8,954	8,794
2	Exports of goods and services.....	4,709	4,075	4,576	52,306	53,738	52,345	1,556	1,555	1,587
3	Goods, balance of payments basis ²	3,331	2,766	3,154	38,321	38,285	38,229	.....	.....	.....
4	Services ³	1,378	1,309	1,422	13,985	15,453	14,116	1,556	1,555	1,587
5	Transfers under U.S. military agency sales contracts ⁴	48	57	43	1,637	1,608	1,783	.....	.....	.....
6	Travel.....	370	317	352	2,222	2,070	2,606	.....	.....	.....
7	Passenger fares.....	67	66	79	210	184	266	.....	.....	.....
8	Other transportation.....	80	73	89	2,475	2,421	2,508	174	180	202
9	Royalties and license fees ⁵	217	207	245	1,718	1,636	1,688	633	607	615
10	Other private services ⁵	593	587	612	5,658	7,468	5,200	749	768	770
11	U.S. Government miscellaneous services.....	3	2	2	65	66	65	.....	.....	.....
12	Income receipts.....	1,171	1,208	1,265	8,900	8,912	7,847	7,275	7,399	7,207
13	Income receipts on U.S.-owned assets abroad.....	1,165	1,201	1,258	8,799	8,809	7,745	6,776	6,887	6,692
14	Direct investment receipts.....	733	768	850	7,059	7,264	6,408	4,630	4,666	4,682
15	Other private receipts.....	432	433	408	1,366	1,273	1,174	2,019	2,104	1,907
16	U.S. Government receipts.....	.....	.....	.....	374	272	163	127	117	103
17	Compensation of employees.....	6	7	7	101	103	102	499	512	515
18	Imports of goods and services and income payments.....	-3,038	-2,856	-2,826	-114,618	-110,888	-117,610	-4,423	-4,518	-2,155
19	Imports of goods and services.....	-2,455	-2,212	-2,332	-107,727	-104,119	-108,685	-783	-840	-1,046
20	Goods, balance of payments basis ²	-1,640	-1,415	-1,594	-96,584	-93,355	-97,778	.....	.....	.....
21	Services ³	-815	-797	-738	-11,143	-10,764	-10,907	-783	-840	-1,046
22	Direct defense expenditures.....	-32	-26	-26	-2,273	-2,551	-2,826	.....	.....	.....
23	Travel.....	-246	-267	-194	-2,202	-2,146	-1,832	.....	.....	.....
24	Passenger fares.....	-164	-176	-187	-1,299	-1,210	-1,149	.....	.....	.....
25	Other transportation.....	-45	-52	-44	-3,228	-2,858	-3,003	-501	-572	-772
26	Royalties and license fees ⁵	-29	-15	-18	-63	-60	-56	-259	-243	-248
27	Other private services ⁵	-289	-252	-260	-1,881	-1,736	-1,837	-23	-24	-25
28	U.S. Government miscellaneous services.....	-10	-9	-9	-197	-203	-204	.....	-1	-1
29	Income payments.....	-583	-644	-494	-6,891	-6,769	-8,925	-3,640	-3,678	-1,109
30	Income payments on foreign-owned assets in the United States.....	-580	-640	-491	-6,542	-6,542	-8,763	-3,640	-3,678	-1,109
31	Direct investment payments.....	-302	-372	-226	72	-29	-2,575	-2,493	-2,510	.....
32	Other private payments.....	-162	-159	-152	-1,724	-1,696	-1,608	-807	-835	-790
33	U.S. Government payments.....	-116	-109	-113	-5,012	-4,817	-4,580	-340	-333	-319
34	Compensation of employees.....	-3	-4	-3	-227	-227	-162	.....	.....	.....
35	Unilateral current transfers, net.....	-55	-64	-64	-6,492	-8,388	-7,415	-2,059	-1,541	-1,657
36	U.S. Government grants ⁴.....	.....	.....	.....	-3,227	-4,552	-4,106	-83	-147	-206
37	U.S. Government pensions and other transfers.....	-13	-13	-14	-133	-134	-136	-852	-142	-274
38	Private remittances and other transfers ⁶	-42	-51	-50	-3,132	-3,702	-3,173	-1,124	-1,252	-1,177
Capital and financial account										
Capital account										
39	Capital account transactions, net.....	-6	-6	-6	-212	-223	-212	.....	.....	.....
Financial account										
40	U.S.-owned assets abroad, net (increase/financial outflow (-)).....	-2,279	1,051	-4,911	14,547	-197	13,226	-6,460	-5,163	-13,570
41	U.S. official reserve assets, net.....	.....	.....	.....	.....	.....	.....	-668	253	-16
42	Gold ⁷.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
43	Special drawing rights.....	.....	.....	.....	.....	.....	.....	-127	897	-102
44	Reserve position in the International Monetary Fund.....	.....	.....	.....	.....	.....	.....	-541	-644	86
45	Foreign currencies.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
46	U.S. Government assets, other than official reserve assets, net.....	.....	.....	.....	-132	-80	-110	-261	-263	-261
47	U.S. credits and other long-term assets.....	.....	.....	.....	-2,370	-1,831	-333	-261	-263	-261
48	Repayments on U.S. credits and other long-term assets ⁸.....	.....	.....	.....	2,246	1,740	308	.....	.....	.....
49	U.S. foreign currency holdings and U.S. short-term assets, net.....	.....	.....	.....	-8	11	-85	.....	.....	.....
50	U.S. private assets, net.....	-2,279	1,051	-4,911	14,679	-117	13,336	-5,531	-5,153	-13,293
51	Direct investment.....	-883	-1,276	-601	-5,299	-2,894	-2,558	-4,630	-4,666	-4,682
52	Foreign securities.....	126	369	-1,907	4,805	979	4,642	244	16	-86
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	-2,306	1,499	.....	366	-1,131	.....	-2	.....	-8,442
54	U.S. claims reported by U.S. banks, not included elsewhere.....	784	459	-2,403	14,807	2,929	11,252	-1,143	-503	-83
55	Foreign owned assets in the United States, net (increase/financial inflow (+)).....	2,020	-3,365	11,514	26,074	24,886	26,469	14,473	6,120	1,914
56	Foreign official assets in the United States, net.....	(18)	(18)	(18)	(18)	(18)	(18)	.....	168	25
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	6	-9	11	227	-229	-149	.....	168	25
61	U.S. liabilities reported by U.S. banks, not included elsewhere.....	(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....
62	Other foreign official assets ¹²	(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....
63	Other foreign assets in the United States, net.....	(18)	(18)	(18)	(18)	(18)	(18)	14,473	5,952	1,889
64	Direct investment.....	-520	1,104	671	-968	930	233	2,493	2,510	2,499
65	U.S. Treasury securities.....	(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....
66	U.S. securities other than U.S. Treasury securities.....	495	-2,708	776	7,188	6,235	977	336	-110	-353
67	U.S. currency.....	.....	.....	.....	.....	.....	.....	7,249	4,927	1,458
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	.....	.....	.....	-1,103	1,689	.....	.....	.....	-5,667
69	U.S. liabilities reported by U.S. banks, not included elsewhere.....	18 270	18 -2,467	18 10,056	18 20,730	18 16,261	18 25,408	18 4,395	18 -1,375	18 3,952
70	Statistical discrepancy (sum of above items with sign reversed).....	-2,522	-43	-9,548	19,495	32,160	25,350	-10,362	-3,852	6,674
Memoranda:										
71	Balance on goods (lines 3 and 20).....	1,691	1,351	1,560	-58,263	-55,070	-59,549	.....	.....	.....
72	Balance on services (lines 4 and 21).....	563	512	684	2,842	4,689	3,209	773	715	541
73	Balance on goods and services (lines 2 and 19).....	2,254	1,863	2,244	-55,421	-50,381	-56,340	773	715	541
74	Balance on income (lines 12 and 29).....	588	564	771	2,009	2,143	-1,078	3,635	3,721	6,098
75	Unilateral current transfers, net (line 35).....	-55	-64	-64	-6,492	-8,388	-7,415	-2,059	-1,541	-1,657
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	2,787	2,363	2,951	-59,904	-56,626	-64,833	2,349	2,895	4,982

^P Preliminary.^r Revised.

See footnotes on page D-57.

Source: Table 11 in "U.S. International Transactions, Second Quarter 2003" in the October 2003 issue of the SURVEY OF CURRENT BUSINESS.

Table F.4. Private Services Transactions
[Millions of dollars]

Line	2002	Not seasonally adjusted						Seasonally adjusted					
		2002				2003		2002				2003	
		I	II	III	IV	I ^P	II ^P	I	II	III	IV	I ^P	II ^P
1 Exports of private services	279,495	66,848	67,752	73,234	71,661	69,733	68,972	68,164	69,325	69,882	72,121	71,002	70,732
2 Travel (table F.2, line 6).....	66,547	14,479	16,732	18,829	16,507	14,286	15,546	16,295	16,030	16,217	18,005	16,089	14,902
3 Passenger fares (table F.2, line 7).....	17,046	3,872	4,281	4,831	4,062	3,444	3,768	4,224	4,279	4,288	4,255	3,736	3,768
4 Other transportation (table F.2, line 8).....	29,166	6,784	7,104	7,646	7,632	7,488	7,941	7,102	7,075	7,307	7,682	7,837	7,910
5 Freight.....	12,330	2,879	2,926	3,134	3,391	3,273	3,656	2,934	2,918	3,140	3,338	3,337	3,645
6 Port services.....	16,836	3,905	4,178	4,512	4,241	4,215	4,285	4,168	4,157	4,167	4,344	4,500	4,265
7 Royalties and license fees (table F.2, line 9).....	44,142	10,139	11,012	11,168	11,823	11,297	11,485	10,373	11,221	11,389	11,157	11,630	11,643
8 Affiliated.....	32,218	7,200	8,050	8,173	8,795	8,237	8,393	7,434	8,259	8,394	8,129	8,570	8,551
9 U.S. parents' receipts.....	29,066	6,881	7,236	7,199	7,750	7,285	7,827	7,066	7,313	7,357	7,329	7,487	7,895
10 U.S. affiliates' receipts.....	3,152	319	814	974	1,045	952	566	368	946	1,037	800	1,083	656
11 Unaffiliated.....	11,924	2,939	2,962	2,995	3,028	3,060	3,092	2,939	2,962	2,995	3,028	3,060	3,092
12 Industrial processes ¹	3,900	981	974	972	973	976	981	981	974	972	973	976	981
13 Other ²	8,024	1,958	1,988	2,023	2,055	2,084	2,110	1,958	1,988	2,023	2,055	2,084	2,110
14 Other private services (table F.2, line 10).....	122,594	31,574	28,623	30,760	31,637	33,218	30,232	30,170	30,720	30,681	31,022	31,710	32,509
15 Affiliated services.....	43,500	9,465	10,389	10,988	12,658	11,260	11,717	9,992	10,897	11,195	11,415	11,906	12,233
16 U.S. parents' receipts.....	25,194	5,793	6,167	6,207	7,027	6,582	7,051	6,035	6,262	6,380	6,517	6,852	7,154
17 U.S. affiliates' receipts.....	18,306	3,672	4,222	4,781	5,631	4,678	4,666	3,957	4,635	4,815	4,898	5,054	5,079
18 Unaffiliated services.....	79,094	22,109	18,234	19,772	18,979	21,958	18,515	20,178	19,823	19,486	19,607	19,804	20,276
19 Education.....	12,759	5,095	5,584	3,471	2,610	5,607	1,730	3,082	3,150	3,253	3,274	3,364	3,468
20 Financial services.....	15,859	4,083	4,126	3,842	3,808	3,825	3,977	4,083	4,126	3,842	3,808	3,825	3,977
21 Insurance services.....	2,839	663	701	735	740	742	740	663	701	735	740	742	
22 Telecommunications.....	4,137	1,092	1,045	1,009	992	987	976	1,092	1,045	1,009	992	987	976
23 Business, professional, and technical services.....	28,739	7,599	7,146	6,993	7,062	7,081	7,319	7,599	7,146	6,993	7,062	7,081	7,319
24 Other unaffiliated services ³	14,700	3,578	3,632	3,723	3,767	3,717	3,773	3,660	3,655	3,654	3,731	3,805	3,797
25 Imports of private services	205,234	46,360	52,365	54,978	51,531	49,410	54,367	50,033	50,484	51,453	53,264	53,223	52,637
26 Travel (table F.2, line 23).....	58,044	12,430	15,806	16,930	12,878	12,196	14,395	14,453	14,252	14,314	15,025	14,168	13,014
27 Passenger fares (table F.2, line 24).....	19,969	4,422	5,475	5,430	4,642	4,479	5,512	4,874	4,874	4,829	5,392	4,960	4,920
28 Other transportation (table F.2, line 25).....	38,527	8,420	9,577	10,138	10,392	10,303	11,226	8,891	9,580	9,787	10,271	10,873	11,182
29 Freight.....	25,973	5,594	6,428	6,806	7,145	6,962	7,994	5,924	6,456	6,579	7,016	7,360	7,985
30 Port services.....	12,554	2,826	3,149	3,332	3,247	3,341	3,232	2,967	3,124	3,208	3,255	3,513	3,197
31 Royalties and license fees (table F.2, line 26).....	19,258	4,607	4,765	4,941	4,945	4,564	4,679	4,728	4,902	5,036	4,592	4,698	4,835
32 Affiliated.....	15,132	3,242	3,691	4,106	4,093	3,699	3,802	3,363	3,828	4,201	3,740	3,833	3,958
33 U.S. parents' payments.....	2,958	598	718	843	799	630	630	598	718	843	799	630	630
34 U.S. affiliates' payments.....	12,174	2,644	2,973	3,263	3,294	3,069	3,172	2,765	3,110	3,358	2,941	3,203	3,328
35 Unaffiliated.....	4,126	1,365	1,074	835	852	865	877	1,365	1,074	835	852	865	877
36 Industrial processes ¹	1,935	474	480	487	494	504	513	474	480	487	494	504	513
37 Other ²	2,192	891	594	349	358	362	365	891	594	349	358	362	365
38 Other private services (table F.2, line 27).....	69,436	16,481	16,742	17,539	18,674	17,868	18,555	17,087	16,876	17,487	17,984	18,524	18,686
39 Affiliated services.....	32,367	7,616	7,496	8,053	9,202	8,192	8,529	8,094	7,631	8,183	8,457	8,720	8,674
40 U.S. parents' payments.....	17,529	3,749	4,181	4,607	4,992	4,329	4,805	4,062	4,287	4,657	4,522	4,705	4,915
41 U.S. affiliates' payments.....	14,838	3,867	3,315	3,446	4,210	3,863	3,724	4,032	3,344	3,526	3,935	4,015	3,759
42 Unaffiliated services.....	37,069	8,865	9,246	9,486	9,472	9,676	10,026	8,993	9,245	9,304	9,527	9,804	10,012
43 Education.....	2,466	471	615	807	573	510	667	597	612	624	627	639	653
44 Financial services.....	3,665	975	999	834	857	839	925	975	999	834	857	939	925
45 Insurance services.....	15,348	3,533	3,756	3,948	4,111	4,250	4,374	3,533	3,756	3,948	4,111	4,250	4,374
46 Telecommunications.....	4,180	1,112	1,050	1,023	996	966	961	1,112	1,050	1,023	996	966	961
47 Business, professional, and technical services.....	10,732	2,613	2,658	2,702	2,759	2,830	2,916	2,613	2,658	2,702	2,759	2,830	2,916
48 Other unaffiliated services ³	679	161	169	173	176	180	183	161	169	173	176	180	183
Supplemental detail on insurance transactions:													
49 Premiums received.....	11,937	2,649	2,916	3,124	3,248	3,265	3,277	2,649	2,916	3,124	3,248	3,265	3,277
50 For insurance services ⁴ (line 21).....	2,839	663	701	735	740	742	740	663	701	735	740	742	740
51 For loss settlement ⁵	9,098	1,986	2,215	2,389	2,508	2,523	2,537	1,986	2,215	2,389	2,508	2,523	2,537
52 Actual losses paid ⁵	8,619	2,199	2,158	2,131	2,131	2,176	2,236	2,199	2,158	2,131	2,131	2,176	2,236
53 Premiums paid.....	47,156	11,416	11,663	11,902	12,175	12,472	12,826	11,416	11,663	11,902	12,175	12,472	12,826
54 For insurance services ⁴ (line 45).....	15,348	3,533	3,756	3,948	4,111	4,250	4,374	3,533	3,756	3,948	4,111	4,250	4,374
55 For loss settlement ⁵	31,808	7,882	7,907	7,954	8,064	8,222	8,452	7,882	7,907	7,954	8,064	8,222	8,452
56 Actual losses recovered ⁵	30,914	7,123	7,658	8,003	8,130	8,026	7,704	7,123	7,658	8,003	8,130	8,026	7,704
Memoranda:													
57 Balance on goods (table F.2, line 71).....	-482,872	-96,947	-116,868	-134,059	-134,998	-126,994	-133,346	-106,033	-121,286	-123,312	-132,241	-136,018	-137,979
58 Balance on private services (line 1 line 25).....	74,261	20,488	15,387	18,256	20,130	20,323	14,605	18,131	18,841	18,829	18,857	17,779	18,095
59 Balance on goods and private services (lines 57 and 58).....	-408,611	-76,459	-101,481	-115,803	-114,868	-106,671	-118,741	-87,902	-102,445	-104,883	-113,384	-118,239	-119,884

^P Preliminary.
^R Revised.
 1. Includes royalties, license fees, and other fees associated with the use of intangible assets, including patents, trade secrets, and other proprietary rights, that are used in connection with the production of goods.
 2. Includes royalties, license fees, and other fees associated with the use of copyrights, trademarks, franchises, rights to broadcast live events, software licensing fees, and other intangible property rights.
 3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign governments and international organizations in the United States and film and television tape rentals. Payments (imports) include mainly expenditures of U.S. residents temporarily working abroad and film and television tape rentals.
 4. Includes charges for auxiliary insurance services.
 5. Beginning in 1992, the "other transfers" component (line 55 - line 56) is recorded in "private remittances and other transfers" (table F.2, line 38).
 Source: Table 3 in "U.S. International Transactions, Second Quarter 2003" in the October 2003 issue of the SURVEY OF CURRENT BUSINESS.

Footnotes to Tables F.2. and F.3.

Footnotes to Tables F.2 and F.3:
 1. Credits, +; Exports of goods and services and income receipts; unilateral current transfers to the United States; capital account transactions receipts; financial inflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).
 Debits, -; Imports of goods and services and income payments; unilateral current transfers to foreigners; capital account transactions payments; financial outflows—decrease in U.S.-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).
 2. Excludes exports of goods under U.S. military agency sales contracts identified in Census export documents, excludes imports of goods under direct defense expenditures identified in Census import documents, and reflects various other adjustments for valuation, coverage, and timing) of Census statistics to balance of payments basis; see table 2 in "U.S. International Transactions, Second Quarter 2003" in the October 2003 issue of the SURVEY OF CURRENT BUSINESS.
 3. Includes some goods: mainly military equipment in line 5; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 22; and fuels purchased by airline and steamship operators in lines 8 and 25.
 4. Includes transfers of goods and services under U.S. military grant programs.
 5. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents.
 6. Beginning in 1982, the "other transfers" component includes taxes paid by U.S. private residents to foreign governments and taxes paid by private nonresidents to the U.S. Government.
 7. At the present time, all U.S. Treasury-owned gold is held in the United States.
 8. Includes sales of foreign obligations to foreigners.
 9. Consists of bills, certificates, marketable bonds and notes, and nonmarketable convertible and nonconvertible bonds and notes.
 10. Consists of U.S. Treasury and Export-Import Bank obligations, not included elsewhere, and of debt securities of U.S. Government corporations and agencies.
 11. Includes, primarily, U.S. Government liabilities associated with military agency sales contracts and other transactions arranged with or through foreign official agencies; see table 4 in "U.S. International Transactions, Second Quarter 2003" in the October 2003 issue of the SURVEY.
 12. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and State and local governments.
 13. Conceptually, line 76 is equal to "net foreign investment" in the national income and product accounts (NIPAs). However, the foreign transactions account in the NIPAs (a) includes adjustments to the international transactions accounts for the treatment of gold, (b) includes adjustments for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (c) includes services furnished without payment by financial pension plans except life insurance carriers and private noninsured pension plans. A reconciliation of the balance on goods and services from the international accounts and the NIPA net exports appears in reconciliation table 2 in appendix A in this issue of the SURVEY. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.5 of the full set of NIPA tables.
Additional footnotes to Table F.3:
 14. The "European Union" includes the "European Union (6)," United Kingdom, Denmark, Ireland, Greece, Spain, and Portugal. Beginning with the first quarter of 1995, the "European Union" also includes Austria, Finland, and Sweden.
 15. The "European Union (6)" includes Belgium, France, Germany (includes the former German Democratic Republic (East Germany) beginning in the fourth quarter of 1990), Italy, Luxembourg, Netherlands, European Atomic Energy Community, European Coal and Steel Community, and European Investment Bank.
 16. Includes, as part of international and unallocated, the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment internationally, and in petroleum trading. Also includes taxes withheld; current-cost adjustments associated with U.S. and foreign direct investment; before 1996, small transactions in business services that are not reported by country; and net U.S. currency flows, for which geographic source data are not available.
 17. Details are not shown separately; see totals in lines 56 and 63.
 18. Details not shown separately are included in line 69.

G. Investment Tables

Table G.1. International Investment Position of the United States at Yearend, 2001 and 2002

[Millions of dollars]

Line	Type of investment	Position, 2001 ^r	Changes in position in 2001 (decrease (-))				Total (a+b+c+d)	Position, 2002 ^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)	-1,979,906	-527,998	-83,284	147,129	56,848	-407,305	-2,387,211
2	With direct investment positions at market value (line 4 less line 25)	-2,314,271	-527,998	-42,105	230,053	49,166	-290,884	-2,605,155
U.S.-owned assets abroad:								
3	With direct investment positions at current cost (lines 5+10+15)	6,187,410	178,985	-365,107	182,335	5,568	1,781	6,189,191
4	With direct investment positions at market value (lines 5+10+16)	6,891,251	178,985	-847,812	264,680	-13,542	-417,689	6,473,562
5	U.S. official reserve assets	129,961	3,681	18,492	6,482	-14	28,641	158,602
6	Gold	72,328	.....	³ 18,492	.....	⁴ -14	18,478	90,806
7	Special drawing rights	10,783	475	.....	908	.....	1,383	12,166
8	Reserve position in the International Monetary Fund	17,869	2,632	.....	1,478	.....	4,110	21,979
9	Foreign currencies	28,981	574	.....	4,096	.....	4,670	33,651
10	U.S. Government assets, other than official reserve assets	85,654	32	.....	.....	.....	32	85,686
11	U.S. credits and other long-term assets 5	83,132	-73	.....	.....	.....	-73	83,059
12	Repayable in dollars	82,854	-69	.....	.....	.....	-69	82,785
13	Other 6	278	-4	.....	.....	.....	-4	274
14	U.S. foreign currency holdings and U.S. short-term assets	2,522	105	.....	.....	.....	105	2,627
U.S. private assets:								
15	With direct investment at current cost (lines 17+19+22+23)	5,971,795	175,272	-383,599	175,853	5,582	-26,892	5,944,903
16	With direct investment at market value (lines 18+19+22+23)	6,675,636	175,272	-866,304	258,198	-13,528	-446,362	6,229,274
Direct investment abroad:								
17	At current cost	1,598,072	137,836	-5,215	25,577	-4,418	153,780	1,751,852
18	At market value	2,301,913	137,836	-487,920	107,922	-23,528	-265,690	2,036,223
19	Foreign securities	2,114,734	-15,801	-378,384	126,427	.....	-267,758	1,846,976
20	Bonds	502,061	-33,478	.....	11,927	.....	-277	501,784
21	Corporate stocks	1,612,673	17,677	-399,658	114,500	.....	-267,481	1,345,192
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	835,780	31,880	.....	13,301	10,000	55,181	890,961
23	U.S. claims reported by U.S. banks, not included elsewhere	1,423,209	21,357	.....	10,548	.....	31,905	1,455,114
Foreign-owned assets in the United States:								
24	With direct investment at current cost (lines 26+33)	8,167,316	706,983	-281,823	35,206	-51,280	409,086	8,576,402
25	With direct investment at market value (lines 26+34)	9,205,522	706,983	-805,707	34,627	-62,708	-126,805	9,078,717
26	Foreign official assets in the United States	1,027,194	94,860	10,476	.....	.....	105,336	1,132,530
27	U.S. Government securities	798,844	73,521	25,640	.....	.....	99,161	898,005
28	U.S. Treasury securities	650,703	43,144	16,761	.....	.....	59,905	710,608
29	Other	148,141	30,377	8,879	.....	.....	39,256	187,397
30	Other U.S. Government liabilities ⁷	17,007	137	.....	.....	.....	137	17,144
31	U.S. liabilities reported by U.S. banks, not included elsewhere	123,425	17,594	.....	.....	.....	17,594	141,019
32	Other foreign official assets	87,918	3,608	-15,164	.....	.....	-11,556	76,362
Other foreign assets:								
33	With direct investment at current cost (lines 35+37+38+41+42+43)	7,140,122	612,123	-292,299	35,206	-51,280	303,750	7,443,872
34	With direct investment at market value (lines 36+37+38+41+42+43)	8,178,328	612,123	-816,183	34,627	-62,708	-232,141	7,946,187
Direct investment in the United States:								
35	At current cost	1,514,374	39,633	-6,060	579	-44,098	-9,946	1,504,428
36	At market value	2,552,580	39,633	-529,944	.....	-55,526	-545,837	2,006,743
37	U.S. Treasury securities	389,000	96,217	18,413	.....	.....	114,630	503,630
38	U.S. securities other than U.S. Treasury securities	2,855,705	291,492	-304,652	18,570	.....	5,410	2,861,115
39	Corporate and other bonds	1,391,616	236,309	43,801	18,570	.....	298,680	1,690,296
40	Corporate stocks	1,464,089	55,183	-348,453	.....	.....	-293,270	1,170,819
41	U.S. currency	275,569	21,513	.....	.....	.....	21,513	297,082
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	799,120	72,142	.....	6,179	-7,182	71,139	870,259
43	U.S. liabilities reported by U.S. banks, not included elsewhere	1,306,354	91,126	.....	9,878	.....	101,004	1,407,358

^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, capital gains and losses of direct investment affiliates, and other statistical 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 2002" in the July 2003 issue of the SURVEY OF CURRENT BUSINESS.

Table G.2. U.S. Direct Investment Abroad: Selected Items, by Country of Foreign Affiliate and by Industry of Foreign Affiliate, 1999-2002

[Millions of dollars]

	Direct investment position on a historical-cost basis				Capital outflows (inflows (-))				Income			
	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002
All countries, all industries	1,215,960	1,316,247	1,383,225	1,520,965	209,392	142,627	103,767	119,742	114,348	133,692	107,060	123,889
By country of foreign affiliate												
Canada	119,590	132,472	141,789	152,522	22,824	16,899	15,510	12,893	13,529	16,181	11,881	11,098
Europe	627,754	687,320	716,901	796,913	109,484	77,976	44,720	66,761	58,289	65,574	51,133	59,487
<i>Of which:</i>												
France	43,120	42,628	40,839	43,978	2,111	1,967	-118	2,132	1,781	2,370	1,722	1,884
Germany	53,399	55,508	65,800	64,739	5,658	3,811	11,046	-4654	5,086	4,736	3,879	2,991
Ireland	25,157	35,903	35,712	41,636	4,741	9,823	196	4,870	4,167	5,773	4,375	4,652
Netherlands	121,315	115,429	126,076	145,474	13,320	961	12,828	18,325	13,646	13,402	12,096	14,401
Switzerland	40,532	55,377	60,675	70,051	6,929	8,687	4,029	7,673	6,686	5,027	4,974	7,861
United Kingdom	216,638	230,762	238,773	255,391	47,265	28,317	15,720	18,871	13,629	19,099	9,665	11,250
Latin America and Other Western Hemisphere	253,928	266,576	282,328	272,363	44,658	23,212	26,152	8,610	19,686	19,796	18,860	16,809
<i>Of which:</i>												
Bermuda	50,847	60,114	66,144	68,856	6,871	9,363	6,704	4,238	4,655	6,446	6,137	4,758
Brazil	37,184	36,717	35,523	31,715	5,672	3,350	769	181	1,180	1,621	1,294	766
Mexico	37,151	39,352	56,554	58,074	8,164	4,203	15,305	3,627	4,350	4,431	4,251	4,532
United Kingdom Islands, Caribbean	29,762	33,451	30,242	29,252	11,264	989	-20	-719	2,466	1,606	2,813	3,132
Africa	13,118	11,891	13,411	15,066	596	716	1,120	861	1,803	2,010	1,537	1,938
Middle East	10,950	10,863	12,351	14,154	1,000	1,375	1,585	1,837	1,334	2,272	1,375	1,864
Asia and Pacific	190,621	207,125	216,445	269,947	30,831	22,449	14,680	28,779	19,707	27,861	22,274	32,694
<i>Of which:</i>												
Australia	35,386	34,838	32,574	36,337	4,868	890	-396	3,726	2,397	3,415	1,702	2,596
Hong Kong	22,759	27,447	32,089	35,764	4,447	4,922	4,407	2,035	3,170	5,163	4,785	4,962
Japan	55,120	57,091	58,233	65,676	10,602	4,235	2,322	4,482	4,146	5,988	4,767	6,807
Singapore	20,665	24,133	26,749	61,361	3,863	3,688	3,820	11,407	2,604	4,045	2,600	10,060
By industry of foreign affiliate												
Mining	72,526	72,111	78,319	80,976	9,298	2,174	12,823	9,011	8,451	13,164	10,011	10,165
Utilities	22,472	21,964	23,214	20,932	1,296	2,466	2,436	-3301	1,503	1,610	1,574	1,552
Manufacturing	327,282	343,899	365,924	392,553	39,672	43,002	29,899	29,510	35,637	42,230	32,234	31,279
<i>Of which:</i>												
Food	23,268	23,497	24,681	28,240	1,111	2,014	2,274	3,893	3,020	2,681	2,626	3,440
Chemicals	81,727	75,807	93,779	99,371	9,007	3,812	8,270	10,116	9,026	11,552	10,313	12,065
Primary and fabricated metals	21,569	21,644	22,699	24,359	2,068	1,233	1,251	1,814	1,552	1,536	1,379	973
Machinery	21,501	22,229	21,292	22,025	2,785	2,659	-845	161	2,048	2,257	1,261	1,412
Computers and electronic products	46,783	59,909	65,559	69,208	9,631	17,303	8,659	922	6,430	8,860	5,868	3,764
Electrical equipment, appliances, and components	8,212	10,005	10,118	10,166	1,136	2,100	1,115	100	998	1,079	478	397
Transportation equipment	43,322	49,887	44,210	48,378	4,482	7,814	2,809	3,238	4,770	4,107	1,921	1,477
Wholesale trade	86,313	93,936	102,322	114,895	11,029	11,938	9,096	7,182	12,414	14,198	13,002	13,229
Information	50,062	52,345	50,492	53,841	14,180	16,531	3,519	1,533	752	-964	-3491	237
Depository institutions (banking)	40,879	40,152	52,681	52,935	903	-1274	9,715	-1185	968	2,191	2,662	2,270
Finance (except depository institutions) and insurance	198,749	217,086	225,556	244,480	27,833	21,659	5,807	25,775	13,097	15,210	8,430	14,005
Professional, scientific, and technical services	29,968	32,868	34,704	38,307	7,238	5,441	3,442	2,448	2,985	3,548	2,084	2,968
Other industries	387,709	441,886	450,013	522,047	97,944	40,690	27,030	48,769	38,542	42,504	40,555	48,184

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, 2002" in the September 2003 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					Thou- sands 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, 1999-2002

[Millions of dollars]

	Direct investment position on a historical-cost basis				Capital inflows (outflows (-))				Income			
	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002
All countries, all industries	955,726	1,256,867	1,355,114	1,347,994	283,376	314,007	143,980	30,032	46,385	47,921	8,899	38,821
By country of foreign parent												
Canada	90,559	114,309	102,127	92,041	26,367	27,258	12,957	-3,577	2,215	849	-5,817	-1,233
Europe	639,923	887,014	1,005,606	1,006,530	223,406	251,041	127,859	25,956	36,753	38,766	17,454	32,348
<i>Of which:</i>												
France	89,945	125,740	148,282	170,619	29,834	51,001	12,146	16,097	2,954	3,633	5,477	5,052
Germany	112,126	122,412	164,017	137,036	23,478	14,054	37,939	-4,607	6,123	2,140	-8,155	-2,906
Luxembourg	35,644	58,930	34,111	34,349	6,887	30,864	-21,654	-1,327	2,241	4,711	2,675	1,220
Netherlands	125,010	138,894	157,596	154,753	41,689	33,517	25,193	-4,989	7,299	8,776	3,739	5,652
Switzerland	52,973	64,719	118,447	113,232	2,503	12,124	52,580	1,907	2,844	2,782	1,089	5,137
United Kingdom	153,797	277,613	269,321	283,317	108,566	82,652	4,891	14,851	11,899	13,347	10,368	12,309
Latin America and Other Western Hemisphere	40,771	53,691	54,082	52,291	16,929	12,741	3,435	-1,190	2,397	2,382	-3,567	-458
<i>Of which:</i>												
Bermuda	14,798	18,336	4,611	977	10,338	2,965	-8,734	-3,012	41	-204	-5,076	-2,928
Mexico	1,999	7,462	7,336	7,857	1,273	5,062	-320	1,281	175	-142	-716	-369
Panama	5,275	3,819	4,391	5,668	-226	-1,087	303	1,824	752	647	499	844
United Kingdom Islands, Caribbean	11,573	15,191	26,200	25,502	4,137	3,800	13,069	-1,419	1,527	1,627	1,264	720
Africa	1,361	2,700	2,397	2,344	423	666	-374	28	-66	31	-198	36
Middle East	4,362	6,506	6,145	6,766	376	2,389	-334	560	156	241	220	-89
Asia and Pacific	178,749	192,647	184,757	188,023	15,876	19,912	438	8,253	4,931	5,651	808	8,218
<i>Of which:</i>												
Australia	15,616	18,775	22,289	24,470	4,193	4,935	5,675	4,258	643	356	1,488	749
Japan	153,815	159,690	150,008	152,032	11,555	7,820	-4,005	4,970	4,006	5,182	-110	7,323
Singapore	1,365	5,087	3,490	2,902	-560	5,911	-1,467	-530	101	-123	-164	-75
By industry of U.S. affiliate												
Manufacturing	406,415	480,561	484,042	470,893	82,382	105,119	36,855	4,445	28,855	24,744	5,288	21,706
<i>Of which:</i>												
Food	15,015	18,073	15,240	15,113	-1,637	2,281	-2,735	1,427	1,246	1,076	528	-71
Chemicals	96,614	120,413	123,748	112,602	7,435	25,466	9,236	-10,519	6,236	4,572	3,413	7,326
Primary and fabricated metals	18,831	24,184	19,217	18,482	2,881	8,199	-3,219	1,038	886	1,121	-287	114
Machinery	30,462	32,283	32,924	35,502	17,878	2,175	1,553	1,150	886	1,003	582	-131
Computers and electronic products	62,566	92,782	58,053	54,040	29,481	33,073	-1,282	-2,598	634	2,395	-4,965	-1,543
Electrical equipment, appliances, and components	13,413	43,109	61,103	53,834	4,206	13,333	17,878	376	585	2,033	22	4,454
Transportation equipment	52,809	55,750	60,881	61,570	7,153	1,653	9,719	5,814	6,946	4,284	1,772	4,204
Wholesale trade	106,745	173,991	177,396	188,819	16,458	52,501	6,962	10,815	6,066	13,569	9,347	13,067
Retail trade	22,387	26,703	28,323	28,341	3,335	4,111	5,183	548	1,152	1,519	674	2,008
Information	78,035	146,856	199,809	185,408	81,894	25,207	47,436	8,074	-22	-3,996	-12,000	-4,354
Depository institutions (banking)	61,972	64,236	71,628	80,726	19,471	5,775	7,329	4,132	2,974	3,590	2,715	2,431
Finance (except depository institutions) and insurance	132,203	167,007	174,109	162,853	35,185	50,990	18,659	-7,887	3,185	3,782	-433	305
Real estate and rental and leasing	47,816	49,985	49,828	50,769	5,948	3,473	-2,645	1,781	1,211	2,382	1,562	1,866
Professional, scientific, and technical services	11,682	30,492	41,659	40,245	5,826	34,136	9,952	1,414	-66	-166	-20	5
Other industries	88,473	117,037	128,320	139,939	32,876	32,695	14,250	6,710	3,029	2,496	1,766	1,787

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, 2002" in the September 2003 issue of the SURVEY OF CURRENT BUSINESS.

Table G.5. Selected Financial and Operating Data of Nonbank U.S. Affiliates of Foreign Companies by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 2001

	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	5,466,000	2,354,136	-42,902	486,553	6,371.9	163,641	369,488	4,732,536	2,085,727	-48,608	428,109	5,671.5	149,323	352,861
By country														
Canada.....	385,328	156,413	-18,848	34,648	562.2	9,497	16,596	367,143	146,772	-18,694	30,843	509.4	9,143	16,170
Europe.....	3,732,776	1,389,403	-18,654	308,241	4,251.0	86,263	145,454	3,523,089	1,249,018	-20,864	275,753	3,894.9	78,431	139,964
<i>Of which:</i>														
France.....	534,536	188,096	-5,085	39,975	578.6	16,011	19,154	490,219	168,649	-3,309	37,376	505.5	10,464	(D)
Germany.....	687,828	313,897	-12,786	50,180	734.8	30,173	55,981	671,073	302,392	-12,734	46,985	699.4	29,665	55,687
Netherlands.....	620,025	244,594	1,964	44,685	571.9	6,717	16,496	598,268	(D)	(D)	40,309	558.3	(D)	(D)
Sweden.....	65,477	41,001	-852	10,494	248.8	3,866	4,171	64,968	40,263	-813	10,133	241.4	3,846	4,141
Switzerland.....	818,244	127,686	-4,425	36,080	546.8	7,216	8,461	793,647	115,143	-4,435	30,374	452.4	7,110	8,298
United Kingdom.....	841,184	353,895	4,474	100,338	1,120.7	15,985	26,366	755,051	319,860	2,372	87,941	1,037.7	15,394	26,046
Latin America and Other Western Hemisphere.....	250,890	138,681	-7,725	33,724	456.3	10,587	18,547	237,244	118,571	-7,848	29,631	355.8	10,357	15,735
<i>Of which:</i>														
Bermuda.....	149,960	57,834	-7,353	14,079	225.4	6,293	1,937	(D)	(D)	(D)	14,008	223.8	6,284	1,932
Mexico.....	29,957	29,809	-825	6,303	143.8	(D)	3,409	21,173	16,291	-670	3,270	50.1	(D)	2,774
Panama.....	1,750	1,194	-9	510	6.6	127	64	1,637	1,134	-15	492	6.5	127	64
United Kingdom Islands, Caribbean.....	44,411	(D)	(D)	2,002	34.8	(D)	1,555	43,927	9,596	-322	1,910	33.3	(D)	1,555
Venezuela.....	11,815	25,635	794	6,445	7.7	343	(D)	(D)	(D)	(D)	(D)	H	(D)	(D)
Africa.....	8,145	5,559	22	1,126	11.0	639	254	(D)	(D)	(D)	(D)	J	(D)	249
Middle East.....	25,621	32,251	928	8,819	48.2	846	7,801	23,557	30,805	969	8,298	39.8	842	7,744
Asia and Pacific.....	656,210	576,886	-5,424	87,368	965.1	54,017	179,590	555,586	518,444	-3,576	76,499	829.7	48,205	171,845
<i>Of which:</i>														
Australia.....	68,610	31,243	-3,601	8,251	80.4	1,715	1,328	60,231	25,526	-3,414	7,171	66.4	(D)	782
Japan.....	536,435	481,598	99	71,663	786.8	43,725	153,342	449,523	437,268	1,576	62,983	683.6	40,728	149,817
United States.....	407,029	54,944	6,798	12,627	78.1	1,792	1,245	(D)	(D)	(D)	(D)	K	(D)	1,153
By industry ¹														
Manufacturing.....	1,151,660	952,003	-22,025	225,483	2,569.8	99,394	144,995	1,066,060	829,797	-22,524	204,508	2,355.7	88,818	131,019
<i>Of which:</i>														
Food.....	59,196	49,269	-74	11,362	153.0	2,364	3,953	57,730	46,268	-136	10,762	143.2	2,242	3,879
Chemicals.....	263,557	174,681	-630	44,412	385.2	16,935	20,704	244,245	160,158	-1,138	40,640	354.4	15,872	20,404
Primary and fabricated metals ...	61,158	63,091	83	17,014	211.7	5,588	8,525	52,230	54,127	-19	15,167	196.5	4,483	7,667
Machinery.....	95,222	72,510	-1,592	21,325	309.9	8,572	8,773	93,528	71,023	-595	21,275	303.5	8,357	8,464
Computers and electronic products.....	111,804	98,870	-19,162	21,566	256.6	17,421	24,184	98,829	85,648	-18,673	18,455	224.9	12,478	17,040
Electrical equipment, appliances, and components.....	118,087	49,658	-1,509	12,777	198.8	6,080	3,056	117,844	49,279	-1,527	12,689	197.7	5,958	3,001
Transportation equipment.....	206,515	198,389	-2,472	32,166	389.2	29,788	50,651	199,646	187,749	-2,658	29,685	361.7	(D)	(D)
Wholesale trade.....	411,476	653,230	8,227	85,241	596.6	58,099	213,468	403,192	631,713	7,769	81,839	563.8	54,537	211,182
Retail trade.....	83,705	137,142	-989	30,131	776.5	1,443	5,114	63,854	115,413	-605	25,311	630.8	1,422	4,824
Information.....	334,134	98,779	-19,709	18,372	307.4	(D)	242	245,267	71,410	-19,886	8,444	235.0	(D)	(D)
<i>Of which:</i>														
Publishing industries.....	59,148	28,976	-4,059	7,698	101.9	467	(D)	44,867	25,397	-3,228	6,321	86.8	455	140
Broadcasting and telecommunications.....	178,253	45,443	-12,434	4,263	94.2	(D)	2	(D)	(D)	(D)	(D)	(D)	(D)	2
Finance (except depository institutions) and insurance.....	2,922,634	253,305	-4,705	33,264	336.5	(*)	4	2,475,361	207,910	-10,954	24,139	278.7	(*)	4
Real estate and rental and leasing.....	118,683	24,197	2,395	11,255	44.6	(D)	455	106,962	21,240	2,040	9,652	35.8	(D)	455
Professional, scientific, and technical services.....	60,319	45,396	-3,395	15,178	202.4	405	313	52,073	41,891	-2,432	14,500	180.8	(D)	(D)
Other industries.....	383,390	190,084	-2,701	67,628	1,538.1	3,370	4,897	319,767	166,352	-2,017	59,716	1,390.9	3,255	4,846

D Suppressed to avoid disclosure of data of individual companies.

* Less than \$500,000.

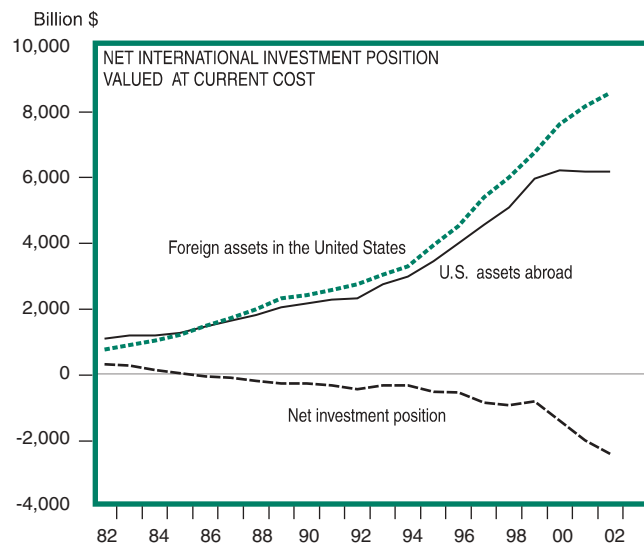
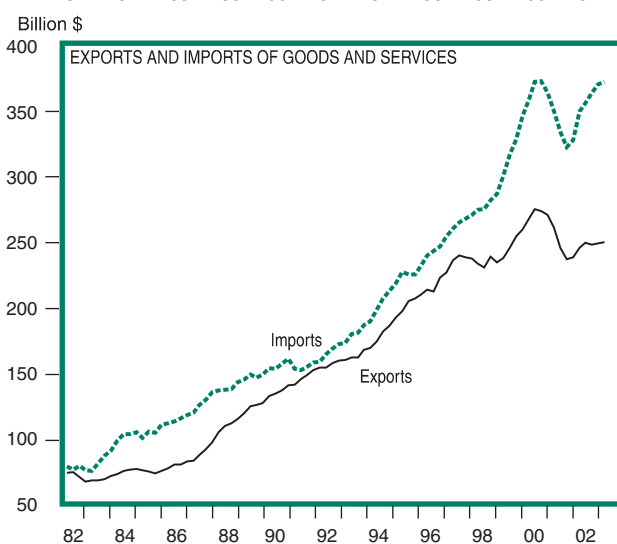
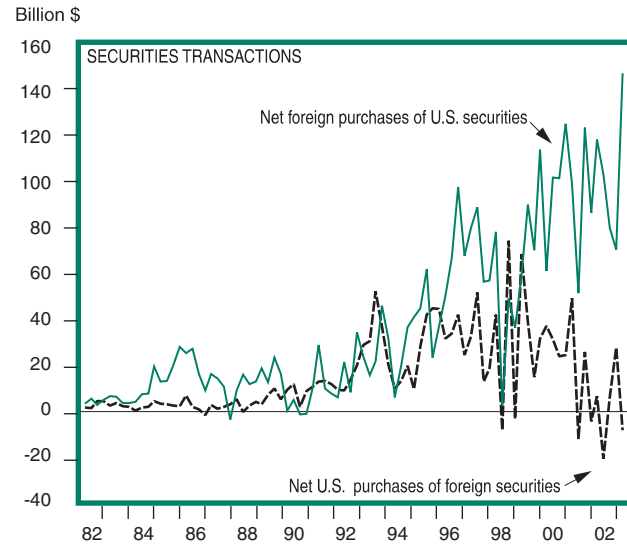
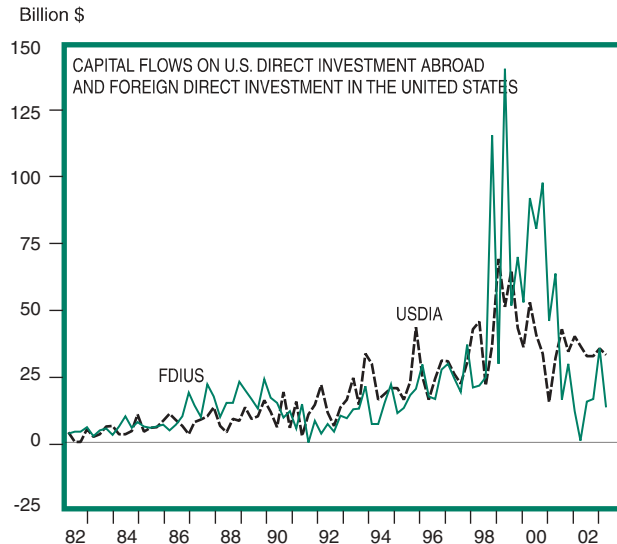
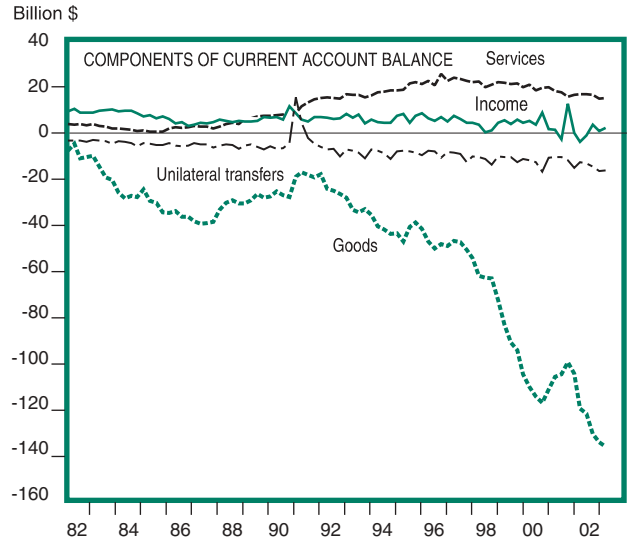
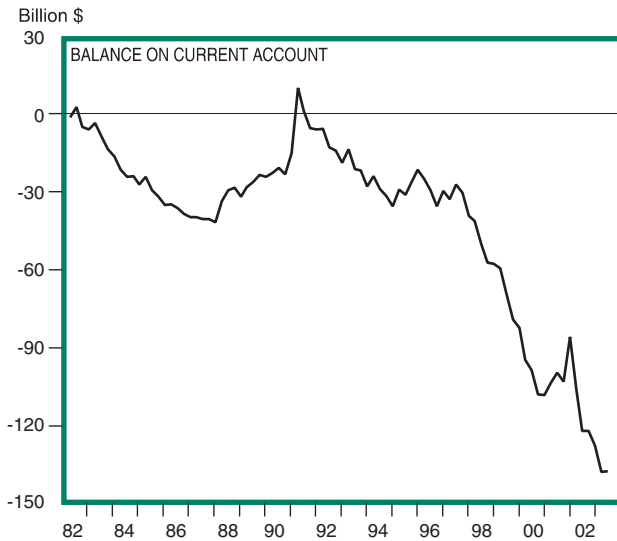
1. The industry classification system used to classify the data for U.S. affiliates is based on the North American Industry Classification System. Prior to 1997, the affiliate data were classified using an industry classification system based on the Standard Industrial Classification system.

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 2001," in the August 2003 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.

I. Charts

THE U.S. IN THE INTERNATIONAL DOMESTIC ECONOMY



K. Local Area Table

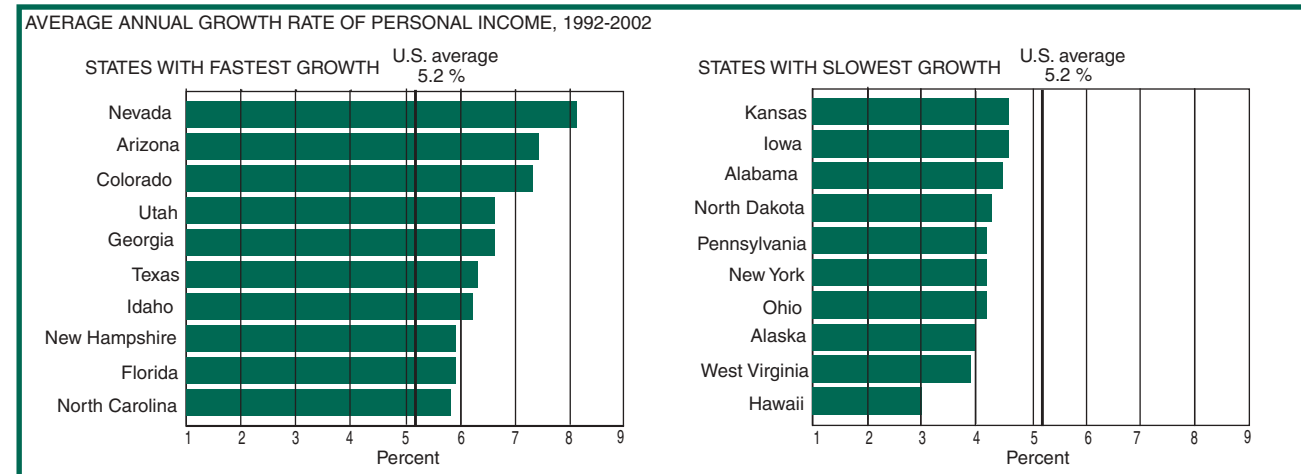
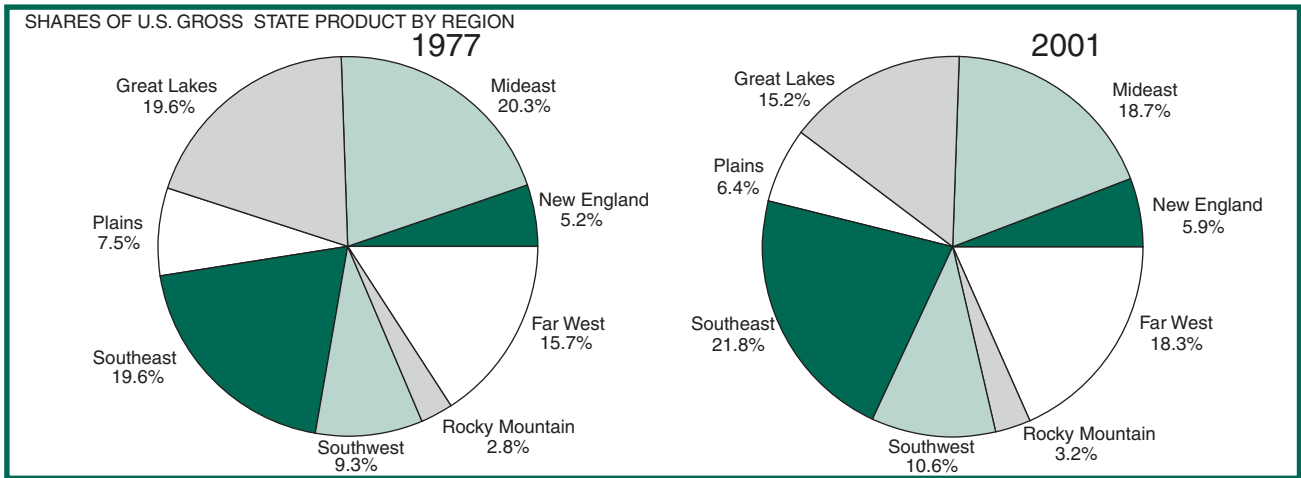
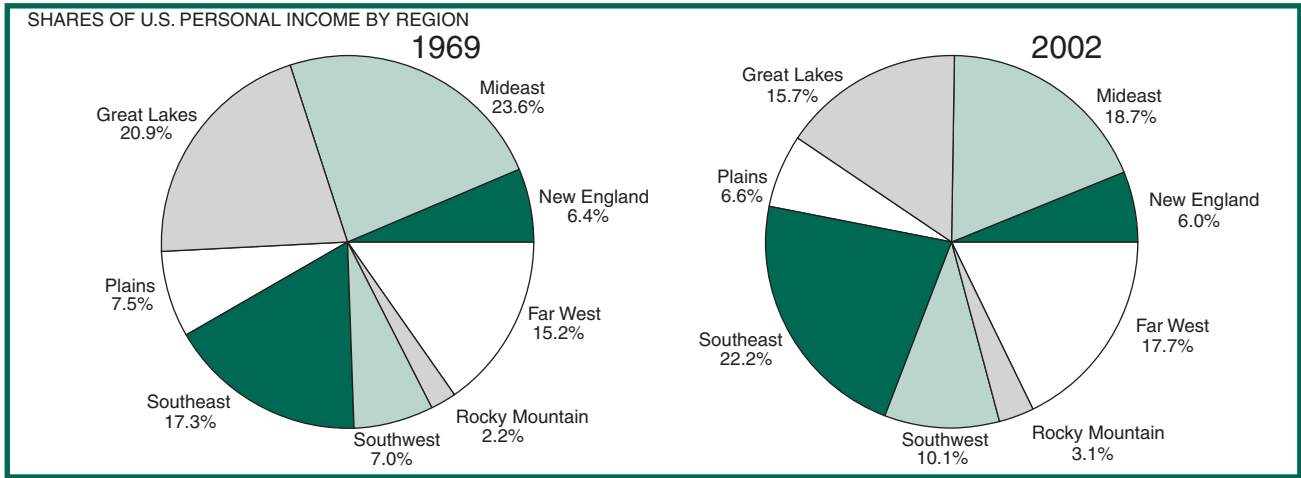
Table K.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 1999-2001

Table with 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), Per capita personal income (Dollars, Rank in U.S.). Rows include United States, Consolidated Metropolitan Statistical Areas, and Metropolitan Statistical Areas.

See footnotes at the end of the table.

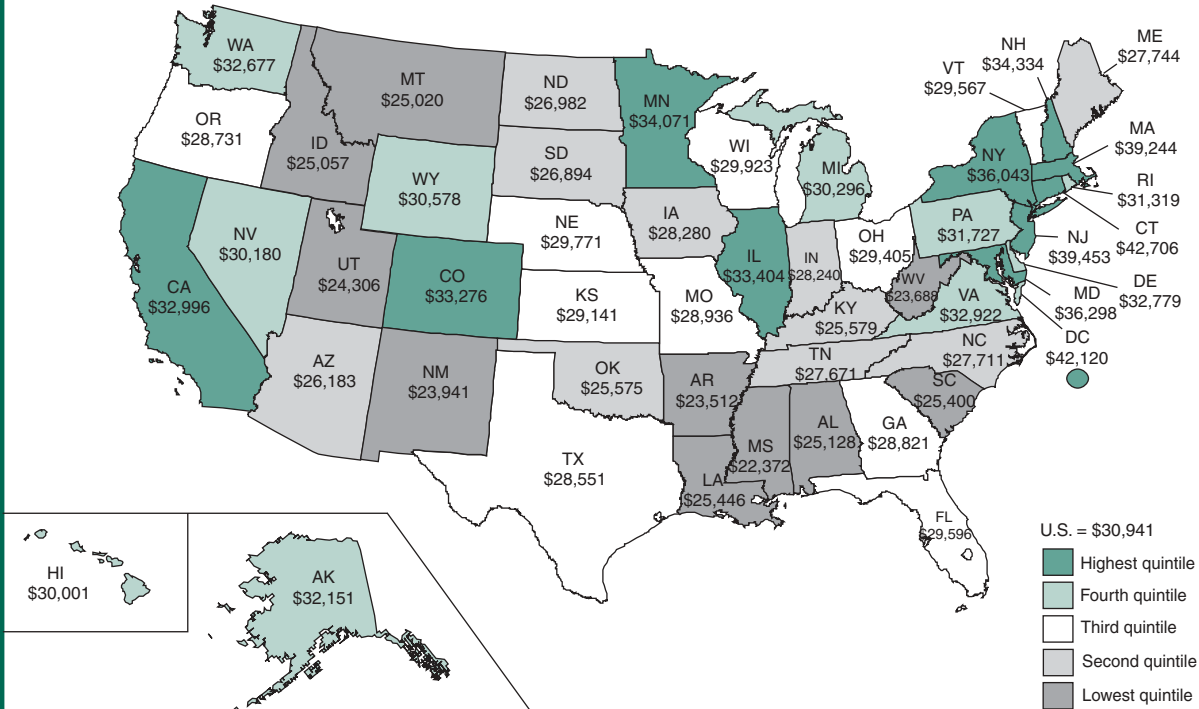
L. Charts

SELECTED REGIONAL ESTIMATES

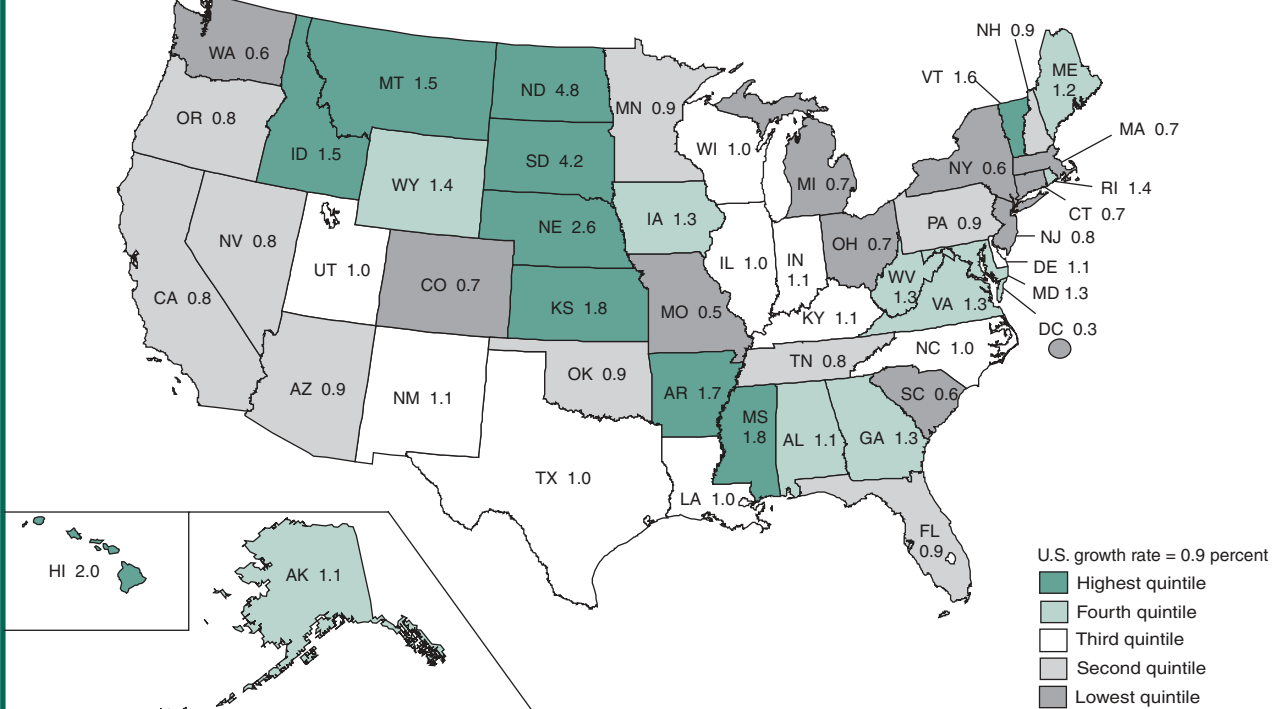


SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 2002



PERSONAL INCOME: PERCENT CHANGE, 2002:IV-2003:I



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					
			2002				2003	
			I	II	III	IV	I	II
BEA-derived compensation per hour of all persons in the nonfarm business sector (less housing) ¹	3.7	2.8	3.7	3.9	2.0	1.6	2.7	3.7
<i>Less:</i> Contribution of supplements to wages and salaries per hour.....	0.3	0.6	1.3	0.8	0.8	0.9	0.3	0.3
<i>Plus:</i> Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions	-0.1	-0.1	-0.1	0.3	0.4	0.4	0.2	-0.5
<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	-0.2	0.1	0.5	0.0	0.5	-0.2
Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector	3.4	2.1	2.5	3.2	1.1	1.1	2.1	3.2
<i>Less:</i> Contribution of wages and salaries per hour of nonproduction workers in manufacturing	-0.1	0.0	-0.2	0.2	-0.4	0.2	-0.2	0.4
<i>Less:</i> Other differences ²	-0.3	-0.9	0.5	0.4	-2.6	-2.7	-0.9	0.8
Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls	3.8	2.9	2.2	2.6	4.0	3.6	3.2	2.0
Addendum: BLS estimates of compensation per hour in the nonfarm business sector ³	3.6	2.8	3.7	3.9	2.0	1.6	4.1	3.8

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

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

3. These estimates differ from the BEA-derived estimates (first line) because the BLS estimates include compensation and hours of tenant-occupied housing. In addition, the published BLS estimates for the first and second quarters of 2003 do not reflect revisions to BEA wages and salaries for the first and second quarters of 2003.

BLS Bureau of Labor Statistics.

Table 2. Relation of Net Exports of Goods and Services and Net Receipts of Income in the NIPAs to Balance on Goods and Services and Income in the ITAs

[Billions of dollars]

	Line	2001	2002	Seasonally adjusted at annual rates					
				2002				2003	
				I	II	III	IV	I	II
Exports of goods and services and income receipts, ITAs	1	1,284.9	1,229.6	1,188.3	1,230.5	1,255.8	1,244.1	1,241.1	1,244.0
<i>Less:</i> Gold, ITAs	2	4.9	3.4	2.6	3.5	3.6	3.8	3.8	5.6
Statistical differences ¹	3	3.1	14.8	22.2	13.3	8.7	15.1	8.0	7.2
Other items.....	4	0.9	0.8	0.9	1.0	0.8	0.7	0.8	0.9
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments.....	5	6.0	5.0	4.3	5.1	4.8	5.7	5.0	5.0
Adjustment for U.S. territories and Puerto Rico	6	50.7	57.3	56.6	56.6	57.7	58.2	58.0	57.0
Services furnished without payment by financial intermediaries except life insurance carriers ...	7	18.3	20.1	18.6	19.8	20.6	21.3	21.5	21.5
Equals: Exports of goods and services and income receipts, NIPAs	8	1,351.1	1,292.9	1,242.2	1,294.1	1,325.9	1,309.6	1,313.1	1,313.9
Imports of goods and services and income payments, ITAs	9	1,632.1	1,651.7	1,551.5	1,667.8	1,690.7	1,696.7	1,726.9	1,730.9
<i>Less:</i> Gold, ITAs	10	4.3	2.9	2.0	3.5	3.0	2.9	2.4	4.1
Statistical differences ¹	11	6.2	-17.7	-1.2	-16.9	-19.0	-33.5	-13.9	-13.6
Other items.....	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Plus:</i> Gold, NIPAs	13	-3.4	-3.3	-3.3	-3.6	-3.5	-2.9	-3.4	-3.7
Adjustment for grossing of parent/affiliate interest payments.....	14	6.0	5.0	4.3	5.1	4.8	5.7	5.0	5.0
Adjustment for U.S. territories and Puerto Rico	15	35.6	38.0	30.1	37.2	41.1	43.4	31.9	40.2
Imputed interest paid to rest of world	16	18.3	20.1	18.6	19.8	20.6	21.3	21.5	21.5
Equals: Imports of goods and services and income payments, NIPAs	17	1,678.0	1,726.1	1,600.4	1,739.8	1,769.7	1,794.7	1,810.6	1,822.1
Balance on goods and services and income ITAs (1-9)	18	-347.2	-422.1	-363.2	-437.3	-434.9	-452.6	-485.8	-486.9
<i>Less:</i> Gold (2-10+13).....	19	-2.8	-2.8	-2.7	-3.6	-2.9	-2.0	15.1	16.5
Statistical differences (3-11) ¹	20	-3.1	32.5	23.4	30.2	27.7	48.6	21.9	20.8
Other items (4-12)	21	0.9	0.8	0.9	1.0	0.8	0.7	0.8	0.9
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15).....	22	15.1	19.3	26.5	19.4	16.6	14.8	26.1	16.8
Equals: Net exports of goods and services and net receipts of income, NIPAs (8-17)	23	-326.9	-433.2	-358.2	-445.7	-443.8	-485.1	-497.5	-508.2

1. Consists of statistical revisions in the NIPAs that have not yet been incorporated into the ITAs (2003:1) and statistical revisions in the ITAs that have not yet been incorporated into the NIPAs (2001:1-2003:1).

ITAs International transactions accounts
NIPAs 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 (2002)

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>.]

The following SURVEY articles describe the upcoming comprehensive revision of the NIPAs.

"Preview of the Revised NIPA Estimates for 1997: Effects of Incorporating the 1997 Benchmark I-O Accounts

and Proposed Definitional and Statistical Changes" (January 2003)

"Preview of the 2003 Comprehensive Revision of the National Income and Product Accounts: Changes in Definitions and Classifications" (June 2003)

"Preview of the 2003 Comprehensive Revision of the National Income and Product Accounts: New and Redesignated Tables" (August 2003)

"Preview of the 2003 Comprehensive Revision of the National Income and Product Accounts: Statistical Changes" (September 2003)

In addition, see the following articles.

"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) describes 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.

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>; look under "About BEA."

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.

“Gross Domestic Product by Industry for 1999–2001” (November 2002) 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.

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 (ITAs). *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 ITAs and the international investment position of the United States. These methodologies are usually updated and improved as part of the annual revisions of the ITAs.

The annual revisions of the ITAs are described in a series of articles, the latest of which was published in the July 2003 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*.

“State Personal Income: Revised Estimates for 1999–2001” (October 2002) presents the most recent annual revision of these estimates.

“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, 1969–2001*.

“Local Area Personal Income, 1999–2001” (May 2003) presents the most recent annual revision of these estimates.

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.

“Gross State Product by Industry, 1999–2001” (June 2003) presents the most recent annual revision of these estimates.