

# Bureau of Economic Analysis

## Survey of Current Business

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March 2004

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The pace of U.S. production slowed in the fourth quarter, as real GDP increased 4.1 percent after increasing 8.2 percent in the third quarter. The deceleration mainly reflected slower growth of consumer spending and a deterioration in the trade balance. Inflation slowed: The price index for gross domestic purchases increased 1.1 percent after increasing 1.8 percent, mainly reflecting a downturn in energy prices.

### 14. **Federal Budget Estimates for Fiscal Year 2005**

Each year, BEA prepares an adjusted presentation of the administration's budget estimates from the Budget of the United States Government that is consistent with the framework of the NIPAs. The fiscal year relationships derived from the budget estimates are then used in preparing BEA's quarterly estimates of Federal Government current receipts and expenditures. This year, the NIPA framework reflects the results of the 2003 comprehensive NIPA revision. For fiscal year 2005, the net Federal Government saving on the NIPA basis is estimated at -\$338.0 billion, compared with the deficit of \$363.6 billion in the administration's budget.

### 26. **Comprehensive NIPA Revision: Newly Available Tables**

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In the article on the comprehensive NIPA revision in the 2004 February Survey, the definitional and statistical sources of the revisions to taxes on production and imports and to business current transfer payments for several years were misreported.

### 38. **Preview of the Comprehensive Revision of the Annual Industry Accounts: Integrating the Annual Input-Output Accounts and the Gross-Domestic-Product-by-Industry Accounts**

The upcoming comprehensive revision of the annual industry accounts features the integration of these two sets of accounts. For the first time, these two sets of accounts will be released concurrently and will present fully consistent measures of gross output, intermediate inputs, and value added by industry. In addition, the annual input-output accounts for 1998-2002 will be a consistent time series.

### 52. **A Note on Patterns of Production and Employment by U.S. Multinational Companies**

This note examines recent patterns and trends in the worldwide operations of U.S. multinationals with a focus on production and employment. For example, U.S. parents have consistently accounted for about three-fourths, and their majority-owned foreign affiliates for about one-fourth, of the total gross product, capital expenditures, and employment of U.S. multinationals. The note concludes with a discussion of several data and analytical considerations.

### D-1. **BEA Current and Historical Data**

#### Looking Ahead

*Comprehensive Revision of State Personal Income.* An upcoming Survey article will present the results of the comprehensive revision of state personal income. The revised estimates will incorporate the results of the recent comprehensive NIPA revision, improvements in the source data and methods that are used for the state estimates, and newly available data from regular sources.

# Business Situation

## Preliminary Estimates for the Fourth Quarter of 2003

ACCORDING to the “preliminary” estimates of the national income and product accounts (NIPAs), U.S. economic growth slowed in the fourth quarter of 2003 after posting its largest increase in 20 years in the third quarter, and inflation continued to be modest. Much the same picture was shown in the “advance” estimates released a month ago (chart 1 and table 1).<sup>1</sup>

- Real GDP increased 4.1 percent—half as much as in the third quarter, but more than its 3.4-percent

1. Quarterly estimates in the NIPAs are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter changes are differences between these published estimates. Percent changes are calculated from unrounded data and annualized. “Real” estimates are in chained (2000) dollars, and price indexes are chain-type measures.

*This article was prepared by Daniel Larkins.*

**Table 1. Real Gross Domestic Product and Components**  
[Seasonally adjusted at annual rates]

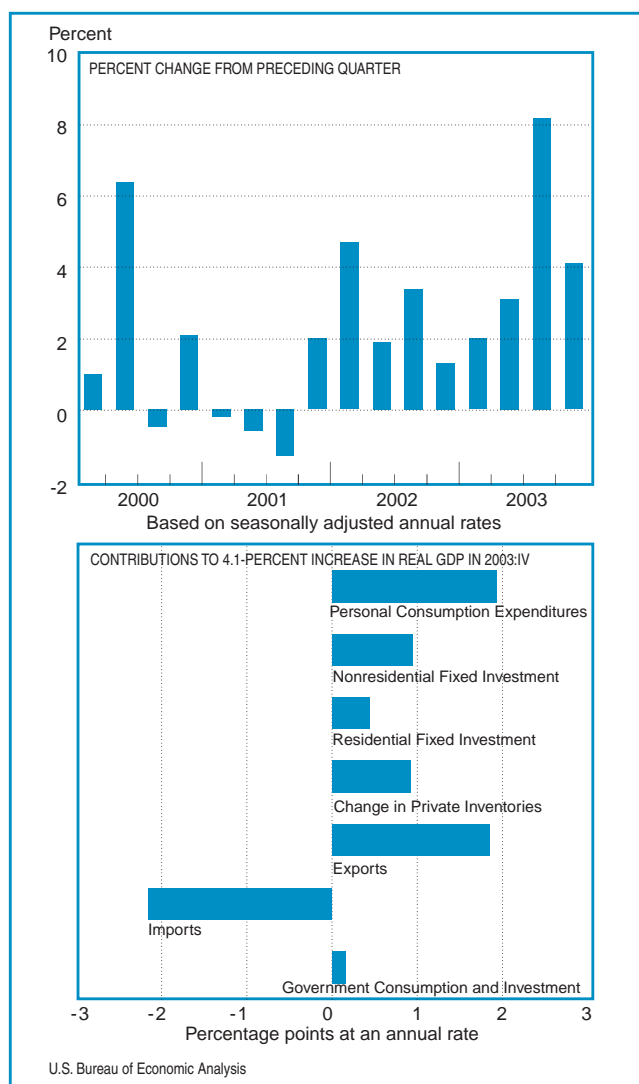
	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)				Share of current-dollar GDP (percent)
	2003				2003				2003
	I	II	III	IV	I	II	III	IV	IV
<b>Gross domestic product (GDP)</b> .....	<b>2.0</b>	<b>3.1</b>	<b>8.2</b>	<b>4.1</b>	<b>2.0</b>	<b>3.1</b>	<b>8.2</b>	<b>4.1</b>	<b>100</b>
<b>Personal consumption expenditures</b> .....	<b>2.5</b>	<b>3.3</b>	<b>6.9</b>	<b>2.7</b>	<b>1.80</b>	<b>2.34</b>	<b>4.89</b>	<b>1.93</b>	<b>70.2</b>
Durable goods.....	0.5	17.7	28.0	-0.1	0.04	1.38	2.23	-0.01	8.6
Nondurable goods.....	5.7	1.2	7.3	5.2	1.13	0.25	1.48	1.04	20.1
Services.....	1.5	1.7	2.8	2.2	0.63	0.71	1.19	0.91	41.6
<b>Gross private domestic investment</b> .....	<b>-3.5</b>	<b>4.7</b>	<b>14.8</b>	<b>15.8</b>	<b>-0.57</b>	<b>0.73</b>	<b>2.17</b>	<b>2.31</b>	<b>15.7</b>
Fixed investment.....	1.1	6.1	15.8	9.3	0.16	0.90	2.30	1.39	15.6
Nonresidential.....	-0.6	7.0	12.8	9.6	-0.06	0.68	1.25	0.95	10.3
Structures.....	-4.0	3.9	-1.8	-7.1	-0.10	0.09	-0.04	-0.17	2.3
Equipment and software.....	0.5	8.0	17.6	15.1	0.04	0.59	1.30	1.12	8.0
Residential.....	4.5	4.5	21.9	8.6	0.22	0.22	1.05	0.44	5.3
Change in private inventories.....	.....	.....	.....	.....	-0.74	-0.17	-0.13	0.92	0.1
<b>Net exports of goods and services</b> .....	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>0.81</b>	<b>-1.34</b>	<b>0.80</b>	<b>-0.30</b>	<b>-4.4</b>
Exports.....	-2.0	-1.1	9.9	21.0	-0.19	-0.11	0.92	1.85	9.8
Goods.....	1.9	-1.7	8.6	21.2	0.13	-0.11	0.56	1.28	6.8
Services.....	-10.1	0.2	12.7	20.7	-0.31	0.01	0.36	0.57	3.0
Imports.....	-6.8	9.1	0.8	16.4	1.00	-1.24	-0.12	-2.15	14.2
Goods.....	-6.6	13.7	-1.5	18.1	0.81	-1.51	0.18	-1.95	11.8
Services.....	-7.5	-10.9	13.4	8.6	0.19	0.27	-0.30	-0.20	2.4
<b>Government consumption expenditures and gross investment</b> .....	<b>-0.4</b>	<b>7.4</b>	<b>1.8</b>	<b>0.8</b>	<b>-0.07</b>	<b>1.36</b>	<b>0.34</b>	<b>0.16</b>	<b>18.5</b>
Federal.....	-0.2	23.5	1.2	1.6	-0.01	1.46	0.09	0.11	6.9
National defense.....	-5.6	41.9	-1.3	4.2	-0.25	1.58	-0.06	0.19	4.6
Nondefense.....	10.5	-5.0	6.5	-3.3	0.24	-0.12	0.15	-0.08	2.3
State and local.....	-0.5	-0.8	2.1	0.4	-0.06	-0.10	0.25	0.05	11.6

NOTE: Percent changes are from NIPA table 1.1.1, and contributions to percent change are from NIPA table 1.1.2. Shares are from NIPA table 1.1.10.

average rate for the past 10 years. The advance estimate had shown a 4.0-percent increase in the fourth quarter.

- Prices of goods and services purchased by U.S. residents increased 1.1 percent after increasing 1.8 percent. (The advance estimate had shown a fourth-quarter increase of 1.0 percent.) The deceleration mainly reflected a downturn in energy prices.

**Chart 1. Real Gross Domestic Product**



The deceleration in real GDP growth in the fourth quarter mainly reflected slower growth in consumer spending; other contributors were a deterioration in the trade balance and slower growth in residential and nonresidential fixed investment and in government spending.<sup>2</sup> These developments were partly offset by an upturn in inventory investment.

- Consumer spending increased 2.7 percent in the fourth quarter after increasing 6.9 percent in the third quarter, the largest increase in 17 years. Consumer spending contributed 1.93 percentage points to GDP growth in the fourth quarter after contributing 4.89 percentage points in the third.
- The trade balance (net exports) turned down as imports stepped up much more than exports. Trade subtracted 0.30 percentage point from GDP growth in the fourth quarter after adding 0.80 percentage point in the third.
- Residential investment increased 8.6 percent; it contributed 0.44 percentage point to GDP growth after contributing 1.05 percentage points. The slowdown was primarily accounted for by brokers' commissions.
- Nonresidential fixed investment increased 9.6 percent; it contributed 0.95 percentage point to GDP growth after contributing 1.25 percentage points. Equipment and software increased less than in the third quarter, and structures decreased more than in the third quarter.
- Government spending increased 0.8 percent; it contributed 0.16 percentage point to GDP growth after contributing 0.34 percentage point.
- Inventories were built up in the fourth quarter after being reduced in the third. Inventory investment added 0.92 percentage point to GDP growth after subtracting 0.13 percentage point.

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

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

- Real final sales of domestic product (GDP less the change in private inventories) increased 3.2 percent after increasing 8.3 percent (table 2).
- Real gross domestic purchases increased 4.2 percent after increasing 7.0 percent.
- The production of goods and of structures slowed, while the production of services increased slightly more than in the third quarter.
- Motor vehicle output increased modestly after a sharp increase. Excluding motor vehicles, real GDP increased 4.2 percent after increasing 7.6 percent.
- Final sales of computers slowed sharply after registering an unusually large increase in the third quarter. Excluding final sales of computers, real GDP increased 3.9 percent after increasing 7.6 percent.
- Real disposable personal income was unchanged in the fourth quarter after increasing in the third; this pattern primarily reflected the pattern of the advance payments of child tax credits associated with the Jobs and Growth Tax Relief Reconciliation Act of 2003.
- The personal saving rate—personal saving as a percentage of current-dollar disposable personal income—decreased from 2.3 percent to 1.6 percent.

**Table 2. Real Gross Domestic Product by Type of Product**  
[Seasonally adjusted at annual rates]

	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)				Share of current-dollar GDP (percent)
	2003				2003				2003
	I	II	III	IV	I	II	III	IV	IV
<b>Gross domestic product (GDP) ...</b>	<b>2.0</b>	<b>3.1</b>	<b>8.2</b>	<b>4.1</b>	<b>2.0</b>	<b>3.1</b>	<b>8.2</b>	<b>4.1</b>	<b>100</b>
Final sales of domestic product	2.7	3.3	8.3	3.2	2.71	3.25	8.34	3.19	99.9
Change in private inventories .....	.....	.....	.....	.....	-0.74	-0.17	-0.13	0.92	0.1
Goods.....	4.3	2.2	18.3	7.8	1.37	0.75	5.67	2.54	33.0
Services .....	1.0	3.6	2.1	2.3	0.62	2.08	1.27	1.32	57.5
Structures .....	-0.3	2.8	13.9	2.6	-0.02	0.26	1.27	0.25	9.5
<b>Addenda:</b>									
Motor vehicle output.....	-6.4	2.1	26.6	2.9	-0.23	0.07	0.82	0.10	3.5
GDP excluding motor vehicle output...	2.3	3.1	7.6	4.2	2.20	3.01	7.39	4.01	96.5
Final sales of computers.....	34.6	32.8	93.4	31.5	0.26	0.25	0.65	0.28	1.0
GDP excluding final sales of computers .....	1.7	2.8	7.6	3.9	1.71	2.83	7.56	3.82	99.0

NOTE. Percent changes are from NIPA table 1.2.1, and contributions to percent change are from NIPA table 1.2.2. Shares are calculated from NIPA table 1.2.5.

## Personal Consumption Expenditures

In the fourth quarter, real personal consumption expenditures slowed to a 2.7-percent increase (table 3 and chart 2). (Over the preceding 10 years, consumption spending increased at an average annual rate of 3.8 percent.) Purchases of durable goods decreased slightly in the fourth quarter after a strong increase in the third, and purchases of nondurable goods and of services slowed.

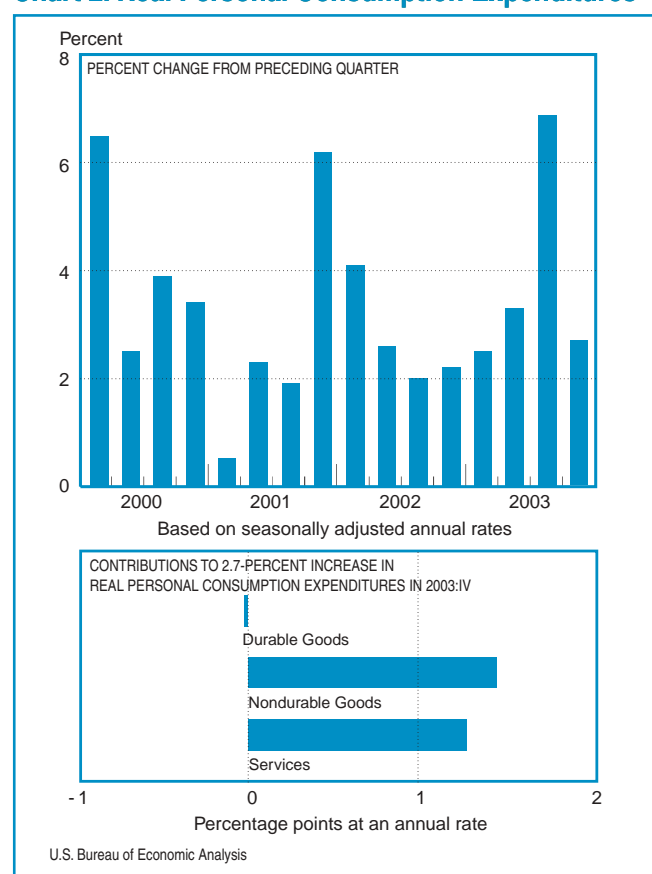
Most of the downturn in durable goods was accounted for by motor vehicles and parts; new light trucks—pickups, vans, and sport utility vehicles—and new autos both decreased after increasing. Furniture and household equipment and “other” durable goods each increased about half as much as in the third quar-

ter; within each, the slowdown was widespread. In furniture and household equipment, the sharpest deceleration was in video and audio goods (which includes computers, peripherals and software). In other durable goods, the sharpest deceleration was in the category that includes sports equipment and motorcycles.

In nondurable goods, slowdowns in purchases of food, clothing, and “other” nondurable goods were partly offset by a step-up in purchases of gasoline and oil.

In services, spending on electricity and gas turned down and spending on “other” services and on housing increased less than in the third quarter. The deceleration in other services reflected slowdowns in foreign

**Chart 2. Real Personal Consumption Expenditures**



**Table 3. Real Personal Consumption Expenditures**

[Seasonally adjusted at annual rates]

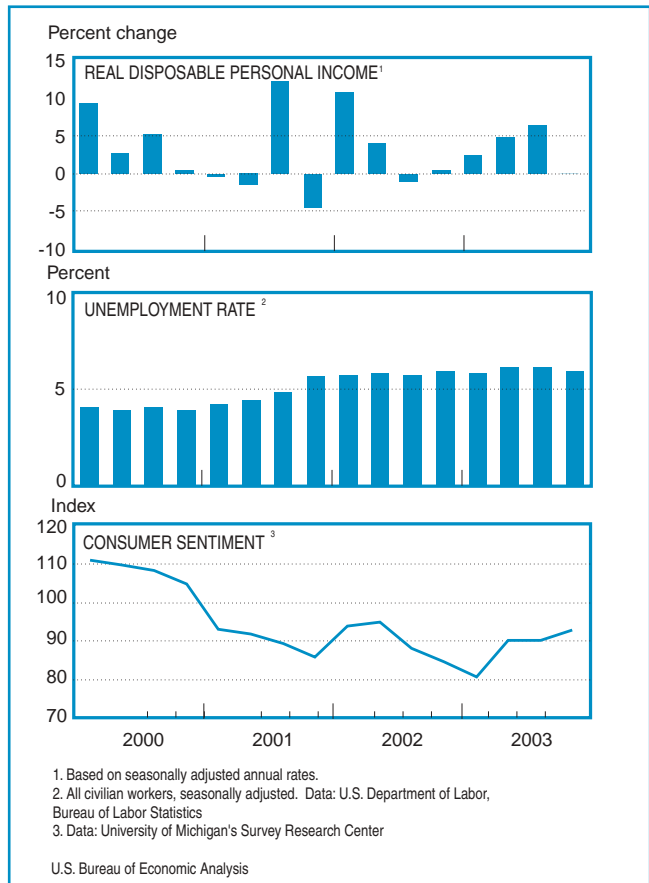
	Change from preceding period (percent)				Contribution to percent change in real PCE (percentage points)				Share of current-dollar PCE (percent)
	2003				2003				2003
	I	II	III	IV	I	II	III	IV	IV
<b>Personal consumption expenditures (PCE) .....</b>	<b>2.5</b>	<b>3.3</b>	<b>6.9</b>	<b>2.7</b>	<b>2.5</b>	<b>3.3</b>	<b>6.9</b>	<b>2.7</b>	<b>100</b>
<b>Durable goods .....</b>	<b>0.5</b>	<b>17.7</b>	<b>28.0</b>	<b>-0.1</b>	<b>0.06</b>	<b>1.98</b>	<b>3.13</b>	<b>-0.02</b>	<b>12.2</b>
Motor vehicles and parts .....	-4.2	15.3	39.7	-9.7	-0.23	0.77	1.92	-0.57	5.5
Furniture and household equipment .....	1.3	19.4	22.9	9.8	0.06	0.77	0.92	0.41	4.4
Other <sup>1</sup> .....	11.0	20.0	12.5	6.2	0.24	0.43	0.29	0.15	2.4
<b>Nondurable goods .....</b>	<b>5.7</b>	<b>1.2</b>	<b>7.3</b>	<b>5.2</b>	<b>1.59</b>	<b>0.35</b>	<b>2.08</b>	<b>1.46</b>	<b>28.6</b>
Food .....	6.7	2.4	7.3	3.8	0.89	0.32	0.99	0.52	13.9
Clothing and shoes .....	3.0	7.8	9.4	0.9	0.12	0.30	0.37	0.03	4.0
Gasoline, fuel oil, and other energy goods .....	4.2	-18.6	3.7	17.6	0.11	-0.56	0.10	0.44	2.7
Other <sup>2</sup> .....	5.9	3.6	7.6	6.0	0.47	0.29	0.61	0.47	8.1
<b>Services .....</b>	<b>1.5</b>	<b>1.7</b>	<b>2.8</b>	<b>2.2</b>	<b>0.88</b>	<b>1.02</b>	<b>1.68</b>	<b>1.29</b>	<b>59.2</b>
Housing .....	2.3	1.8	2.2	1.6	0.36	0.28	0.35	0.25	15.4
Household operation .....	1.0	-3.3	3.5	0.5	0.06	-0.18	0.20	0.02	5.4
Electricity and gas .....	0.4	-12.7	4.1	-1.2	0.01	-0.29	0.09	-0.03	2.1
Other household operation .....	1.4	3.2	3.2	1.5	0.05	0.11	0.11	0.05	3.3
Transportation .....	0.5	-4.0	-2.2	-2.4	0.02	-0.16	-0.08	-0.09	3.7
Medical care .....	5.1	4.6	5.0	5.0	0.84	0.75	0.84	0.83	17.0
Recreation .....	0.0	3.6	2.6	4.0	0.00	0.15	0.11	0.16	4.1
Other <sup>3</sup> .....	-2.8	1.3	1.9	0.8	-0.39	0.18	0.27	0.11	13.5

1. Includes jewelry and watches, ophthalmic products and orthopedic equipment, books and maps, bicycles and motorcycles, guns and sporting equipment, photographic equipment, boats, and pleasure aircraft.  
 2. Includes tobacco, toilet articles, drug preparations and sundries, stationery and writing supplies, toys, film, flowers, cleaning preparations and paper products, semidurable house furnishings, and magazines and newspapers.  
 3. Includes personal care, personal business, education and research, religious and welfare activities, and net foreign travel.  
 Note: Percent changes are from NIPA table 2.3.1, and contributions to percent change are from NIPA table 2.3.2. Shares are calculated from NIPA table 2.3.5.

travel by U.S. residents and in brokerage charges and investment counseling; these slowdowns were partly offset by an upturn in expenditures on social welfare. The slowdown in housing was accounted for by expenditures for lodging at hotels and motels.

Factors frequently considered in the analysis of consumer spending were mixed in the fourth quarter (chart 3). Real disposable personal income was flat, but the unemployment rate decreased, and the Index of Consumer Sentiment (from by the University of Michigan's Survey Research Center) increased modestly.

**Chart 3. Selected Factors Affecting Consumer Spending**



### Private Fixed Investment

Real private fixed investment increased 9.3 percent in the fourth quarter—less than in the third quarter but above its 5.7-percent average annual rate for the past 10 years (table 4 and chart 4).

**Nonresidential.** Equipment and software increased almost as much as in the third quarter, but the weakness in structures became more pronounced.

Slower growth in information processing equipment and software and in “other” equipment and a downturn in industrial equipment were partly offset by an upturn in transportation equipment. In information processing equipment, the slowdown was accounted for by communication equipment and by computers and peripheral equipment. In other equipment, the biggest slowdown was in construction machinery. The downturn in industrial equipment was more than accounted for by special industry equip-

ment, which includes equipment for the manufacture of semiconductors. The upturn in transportation equipment mainly reflected upturns in aircraft and in light trucks that were partly offset by a downturn in autos and a deceleration in heavy trucks.

In structures, the larger fourth-quarter decrease mainly reflected a downturn in commercial and health care facilities. Most other components of structures were also weaker in the fourth quarter than in the third, but power and communication decreased less than in the third quarter.

Conditions that are frequently considered in the analysis of investment spending have been mixed in recent quarters (chart 5). The capacity utilization rate for manufacturing, mining, and utilities increased modestly in the third and fourth quarters, but over the past 2 years, the series has shown little, if any, trend. Domestic corporations’ profits from current production posted large increases in the second and third quarters

**Table 4. Real Private Fixed Investment**  
[Seasonally adjusted at annual rates]

	Change from preceding period (percent)				Contribution to percent change in real PFI (percentage points)				Share of current-dollar PFI (percent)
	2003				2003				2003
	I	II	III	IV	I	II	III	IV	IV
<b>Private fixed investment (PFI)</b> .....	1.1	6.1	15.8	9.3	1.1	6.1	15.8	9.3	100.0
<b>Nonresidential</b> .....	-0.6	7.0	12.8	9.6	-0.39	4.64	8.59	6.33	65.9
<b>Structures</b> .....	-4.0	3.9	-1.8	-7.1	-0.66	0.62	-0.27	-1.10	14.7
Commercial and health care	-16.6	-2.4	2.2	-7.3	-1.24	-0.16	0.15	-0.47	6.1
Manufacturing.....	-16.6	8.8	-2.8	-15.9	-0.15	0.07	-0.02	-0.13	0.8
Power and communication	12.2	-24.0	-16.0	-5.8	0.37	-0.85	-0.50	-0.16	2.7
Mining exploration, shafts, and wells	30.1	89.1	8.9	0.1	0.41	1.10	0.16	0.00	1.8
Other structures <sup>1</sup> .....	-0.9	13.6	-1.4	-9.4	-0.03	0.46	-0.05	-0.33	3.3
<b>Equipment and software</b> .....	0.5	8.0	17.6	15.1	0.26	4.02	8.85	7.43	51.2
Information processing equipment and software	17.3	16.8	27.1	17.1	4.29	4.35	7.16	4.59	28.0
Computers and peripheral equipment	29.2	48.6	53.4	30.6	1.38	2.26	2.68	1.67	6.1
Software <sup>2</sup> .....	11.6	9.9	15.2	15.7	1.18	1.05	1.65	1.64	10.8
Other <sup>3</sup> .....	17.4	9.7	26.8	11.7	1.73	1.04	2.83	1.28	11.2
Industrial equipment	-7.4	-1.3	1.5	-0.9	-0.65	-0.11	0.13	-0.07	7.6
Transportation equipment	-27.4	-7.6	-4.8	23.7	-2.48	-0.57	-0.34	1.59	7.5
Other equipment <sup>4</sup> .....	-10.5	4.3	25.2	17.2	-0.89	0.34	1.91	1.32	8.0
<b>Residential</b> .....	4.5	4.5	21.9	8.6	1.46	1.50	7.18	2.94	34.1
<b>Structures</b> .....	4.5	4.2	22.0	8.6	1.43	1.40	7.08	2.88	33.6
Permanent site	8.2	-0.4	20.8	21.3	1.56	-0.08	4.04	4.05	20.8
Single family	8.5	0.1	21.5	24.7	1.45	0.02	3.73	4.16	18.8
Multifamily	5.7	-4.8	15.1	-5.5	0.11	-0.10	0.31	-0.11	2.0
Other structures <sup>5</sup> .....	-1.0	11.8	23.8	-8.6	-0.13	1.49	3.04	-1.17	12.8
<b>Equipment</b> .....	6.5	21.3	19.3	12.3	0.03	0.10	0.09	0.06	0.5

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.

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

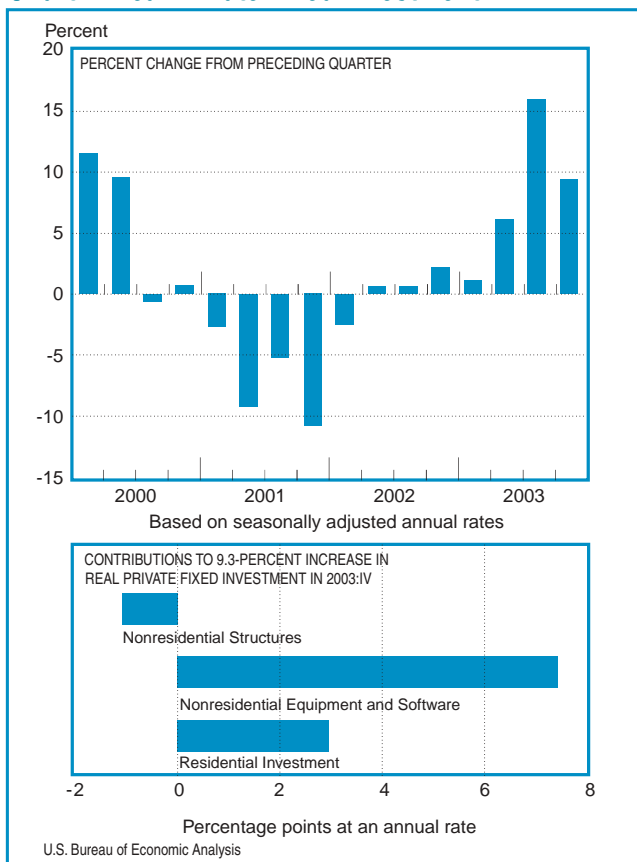
3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.

4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.

5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.

Note: Percent changes are from NIPA table 5.3.1, and contributions to percent change are from NIPA table 5.3.2. Shares are calculated from NIPA table 5.3.5.

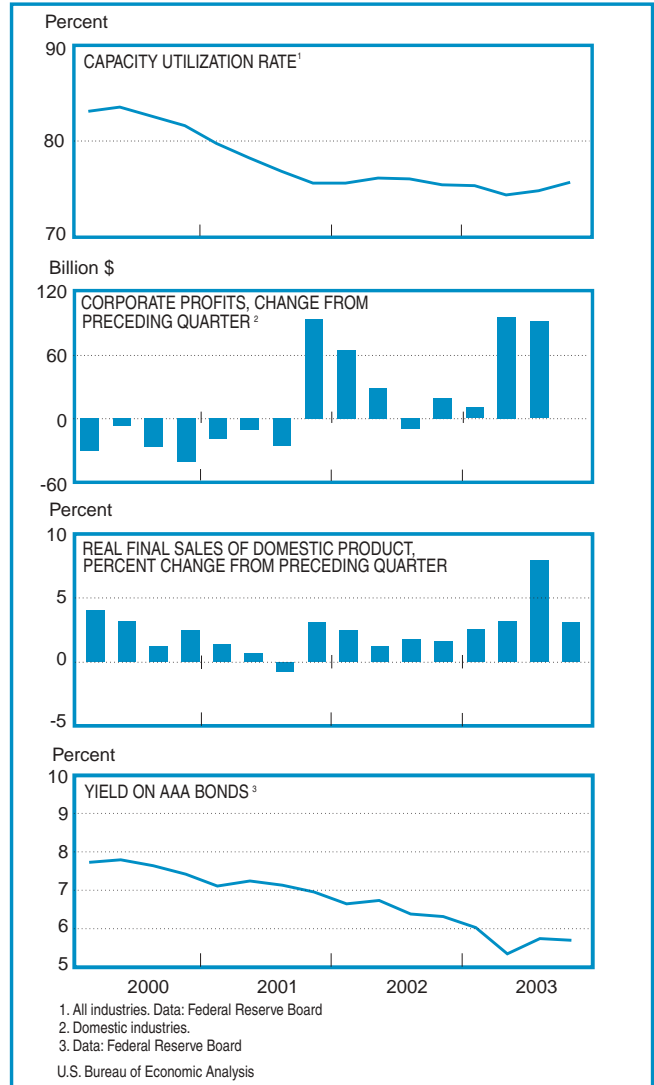
**Chart 4. Real Private Fixed Investment**



(the last quarters for which data are available). Long-term interest rates remained close to the lows recorded earlier in 2003. The growth of real final sales of domestic product slowed in the fourth quarter but remained close to its long-run average.

**Residential.** Real private residential investment increased 8.6 percent in the fourth quarter after increasing 21.9 percent in the third. Single-family construction increased more than in the third quarter, but “other” structures and multifamily construction turned down. The downturn in other structures mainly reflected a downturn in brokers’ commissions, as house sales dropped from a record level in the third quarter.

**Chart 5. Selected Factors Affecting Nonresidential Investment**



### Inventory Investment

Real inventory investment increased in the fourth quarter, as inventory liquidation gave way to inventory accumulation (table 5 and chart 6). In the third quarter, inventory investment had decreased, reflecting a step-up in the pace of liquidation.

Manufacturing inventories decreased less than in the third quarter. Inventories of computer manufacturers and of machinery manufacturers turned up, and inventories of fabricated metal product manufacturers and of transportation equipment manufactures decreased less than in the third quarter. These changes were partly offset by a downturn in inventories of petroleum manufacturers, faster liquidation by manufacturers of nonmetallic mineral products, and a downturn in inventories of beverage and tobacco product manufacturers.

Wholesale trade inventories increased after decreasing. In merchant wholesaling, inventories in a number of industries turned up, most notably motor vehicles. These changes were partly offset by downturns in inventories of drugs and sundries, of professional and

commercial equipment, and of miscellaneous nondurable goods. Inventories of nonmerchant wholesalers turned up.

Retail trade inventories increased more than in the third quarter. Inventories of general merchandise stores increased after a slight decrease, and accumulation by motor vehicle dealers stepped up. These changes were partly offset by a swing from accumulation to liquidation in the inventories of food and beverage stores and a slowdown in accumulation by building and garden equipment stores.

Farm inventories decreased less than in the third quarter. Livestock inventories turned up, and crop inventories decreased a little less than in the third quarter.

The ratio of real private nonfarm inventories to final sales of goods and structures decreased to 3.54 from 3.57. A ratio that includes all final sales of domestic businesses decreased to 2.21 from 2.22.<sup>3</sup> Both ratios have been trending down for decades.

**Table 5. Real Change in Private Inventories, by Industry**

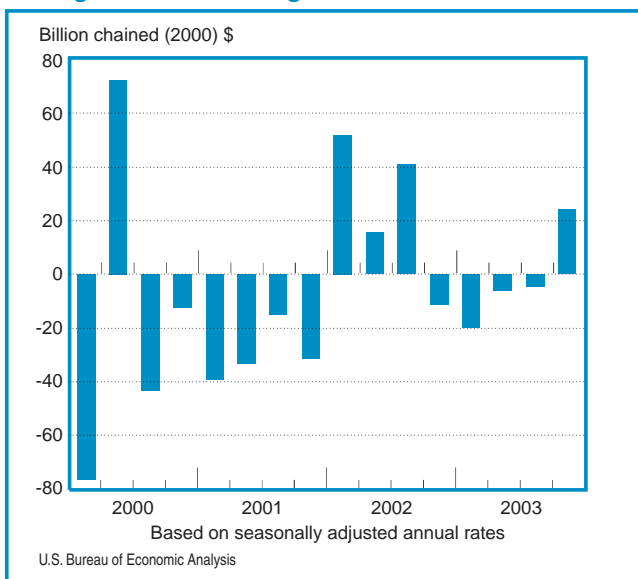
[Billions of chained (2000) dollars; seasonally adjusted at annual rates]

	Level					Change from preceding quarter			
	2002	2003				2003			
		IV	I	II	III	IV	I	II	III
<b>Change in private inventories (CPI)</b>	<b>21.5</b>	<b>1.6</b>	<b>-4.5</b>	<b>-9.1</b>	<b>14.9</b>	<b>-19.9</b>	<b>-6.1</b>	<b>-4.6</b>	<b>24.0</b>
Farm .....	-3.5	1.2	-2.0	-2.8	-0.6	4.7	-3.2	-0.8	2.2
Mining, utilities, and construction .....	-3.3	-6.9	-2.2	-0.2	-0.1	-3.6	4.7	2.0	0.1
Manufacturing .....	-3.8	-12.2	-15.1	-15.8	-5.9	-8.4	-2.9	-0.7	9.9
Durable goods industries .....	1.9	-13.4	-14.0	-15.9	-1.4	-15.3	-0.6	-1.9	14.5
Nondurable goods industries .....	-5.7	1.0	-1.3	-0.2	-4.4	6.7	-2.3	1.1	-4.2
Wholesale trade .....	6.5	-4.7	-4.6	-1.3	6.2	-11.2	0.1	3.3	7.5
Durable goods industries .....	4.0	0.6	-5.2	-7.6	7.0	-3.4	-5.8	-2.4	14.6
Nondurable goods industries .....	2.5	-5.1	0.4	5.8	-0.6	-7.6	5.5	5.4	-6.4
Retail trade .....	26.6	27.1	15.3	11.0	15.2	0.5	-11.8	-4.3	4.2
Motor vehicle and parts dealers .....	20.4	19.1	15.4	1.2	4.8	-1.3	-3.7	-14.2	3.6
Food and beverage stores .....	-0.4	0.8	-0.9	1.4	-2.3	1.2	-1.7	2.3	-3.7
General merchandise stores .....	4.7	0.3	-0.5	-0.1	3.7	-4.4	-0.8	0.4	3.8
Other retail stores .....	2.2	7.2	1.6	8.5	9.3	5.0	-5.6	6.9	0.8
Other industries .....	-0.7	-2.1	4.7	0.6	0.7	-1.4	6.8	-4.1	0.1
Residual <sup>1</sup> .....	-0.6	-1.1	-0.5	0.2	-1.2	-0.5	0.6	0.7	-1.4
<b>Addenda: Ratios of private inventories to final sales of domestic business:</b>									
Private inventories to final sales .....	2.53	2.51	2.49	2.42	2.40	.....	.....	.....	.....
Nonfarm inventories to final sales .....	2.32	2.30	2.29	2.22	2.21	.....	.....	.....	.....
Nonfarm inventories to final sales of goods and structures .....	3.79	3.75	3.72	3.57	3.54	.....	.....	.....	.....

1. The residual is the difference between the first line and the sum of the most detailed lines. It reflects the fact that chained-dollar estimates are usually not additive, because the quantity indexes on which they are based embody weights of more than one period. Note: Real change in private inventories is from NIPA table 5.6.6B, and ratios of private inventories to final sales of domestic business are from NIPA table 5.6.7B.

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

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





### Exports and Imports

Real exports of goods and services increased about twice as much as in the third quarter; the increase was the largest since the fourth quarter of 1996. Exports of goods and exports of services both stepped up (table 6 and chart 7).

Capital goods contributed the most to the step-up in exports of goods. The automotive category turned up, and industrial supplies and materials increased more than in the third quarter.

In services, “other transportation” and “other private services” contributed the most to the fourth-quarter step-up.

Real imports of goods and services also increased more than in the third quarter; the increase was the largest since the second quarter of 2002 (table 6 and chart 8). An upturn in imports of goods was partly offset by a deceleration in imports of services.

In goods, all categories except petroleum products

**Table 6. Real Exports and Imports of Goods and Services**

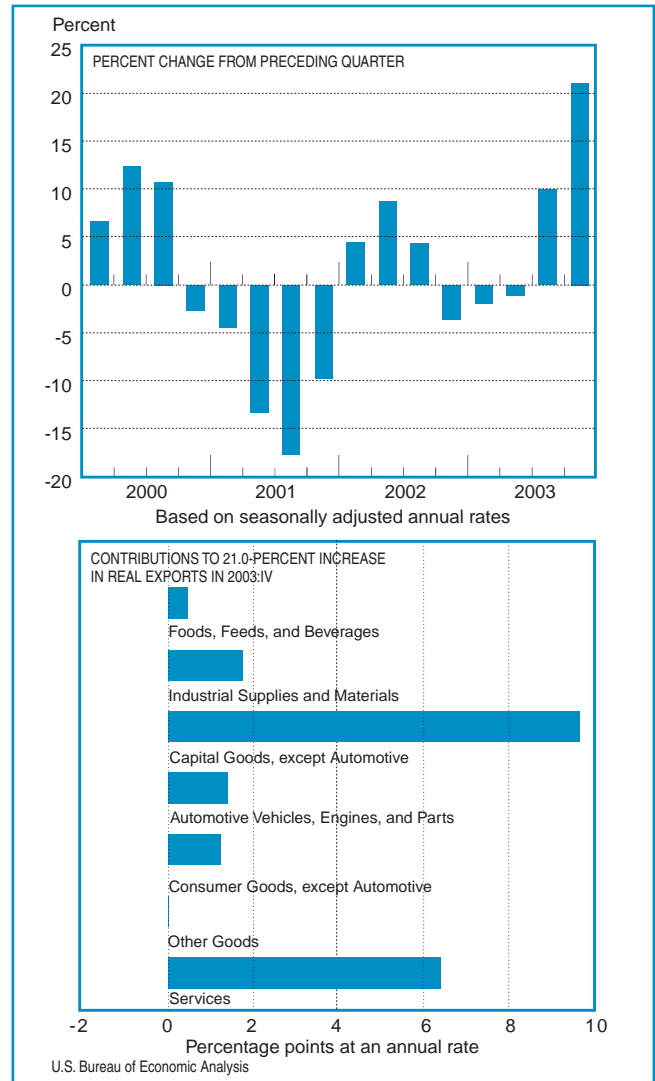
[Seasonally adjusted at annual rates]

	Change from preceding period (percent)				Contribution to percent change in real exports or imports (percentage points)				Share of current-dollar exports or imports (percent)	
	2003				2003					2003
	I	II	III	IV	I	II	III	IV		IV
<b>Exports of goods and services.....</b>	<b>-2.0</b>	<b>-1.1</b>	<b>9.9</b>	<b>21.0</b>	<b>-2.0</b>	<b>-1.1</b>	<b>9.9</b>	<b>21.0</b>	<b>100</b>	
<b>Exports of goods<sup>1</sup>.....</b>	<b>1.9</b>	<b>-1.7</b>	<b>8.6</b>	<b>21.2</b>	<b>1.31</b>	<b>-1.18</b>	<b>6.01</b>	<b>14.58</b>	<b>69.1</b>	
Foods, feeds, and beverages	14.5	-12.1	7.6	8.5	0.68	-0.65	0.39	0.47	5.3	
Industrial supplies and materials.....	7.5	-3.6	1.1	10.7	1.15	-0.59	0.18	1.77	15.7	
Capital goods, except automotive.....	-2.5	-1.1	19.7	36.4	-0.70	-0.31	5.19	9.66	28.5	
Automotive vehicles, engines, and parts.....	5.9	-0.4	-6.2	18.5	0.45	-0.03	-0.48	1.40	7.4	
Consumer goods, except automotive.....	5.4	7.4	12.2	14.1	0.44	0.61	1.04	1.25	8.5	
Other.....	-16.4	-4.9	-8.0	0.9	-0.71	-0.19	-0.31	0.04	3.5	
<b>Exports of services<sup>1</sup>.....</b>	<b>-10.1</b>	<b>0.2</b>	<b>12.7</b>	<b>20.7</b>	<b>-3.29</b>	<b>0.07</b>	<b>3.86</b>	<b>6.42</b>	<b>30.9</b>	
<b>Imports of goods and services.....</b>	<b>-6.8</b>	<b>9.1</b>	<b>0.8</b>	<b>16.4</b>	<b>-6.8</b>	<b>9.1</b>	<b>0.8</b>	<b>16.4</b>	<b>100</b>	
<b>Imports of goods<sup>1</sup>.....</b>	<b>-6.6</b>	<b>13.7</b>	<b>-1.5</b>	<b>18.1</b>	<b>-5.49</b>	<b>11.04</b>	<b>-1.28</b>	<b>14.92</b>	<b>83.1</b>	
Foods, feeds, and beverages	12.5	5.2	4.0	18.0	0.42	0.19	0.14	0.64	3.6	
Industrial supplies and materials, except petroleum an.....	-7.4	0.5	10.0	0.2	-0.85	0.09	1.10	0.07	11.2	
Petroleum and products.....	-12.6	55.5	-3.0	-16.1	-1.11	3.99	-0.27	-1.49	8.1	
Capital goods, except automotive.....	-2.0	12.6	5.0	27.3	-0.38	2.33	0.94	4.99	19.5	
Automotive vehicles, engines, and parts.....	-8.6	13.8	-14.0	35.0	-1.21	1.83	-2.04	4.34	13.8	
Consumer goods, except automotive.....	6.4	1.0	-0.2	27.9	1.35	0.21	-0.04	5.67	21.8	
Other.....	-51.3	57.5	-19.3	13.8	-3.71	2.39	-1.12	0.70	5.0	
<b>Imports of services<sup>1</sup>.....</b>	<b>-7.5</b>	<b>-10.9</b>	<b>13.4</b>	<b>8.6</b>	<b>-1.28</b>	<b>-1.91</b>	<b>2.13</b>	<b>1.52</b>	<b>16.9</b>	
<b>Addenda:</b>										
Exports of agricultural goods <sup>2</sup> .....	11.5	-3.9	14.7	-5.2					5.9	
Exports of nonagricultural goods.....	1.1	-1.5	8.1	23.9					63.2	
Imports of nonpetroleum goods.....	-5.9	9.5	-1.4	22.8					75.0	

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.  
 2. Includes parts of foods, feeds, and beverages, of nondurable industrial supplies and materials, and of nondurable nonautomotive consumer goods.

NOTE: Percent changes are from NIPA table 4.2.1, and contributions to percent change are from NIPA table 4.2.2.

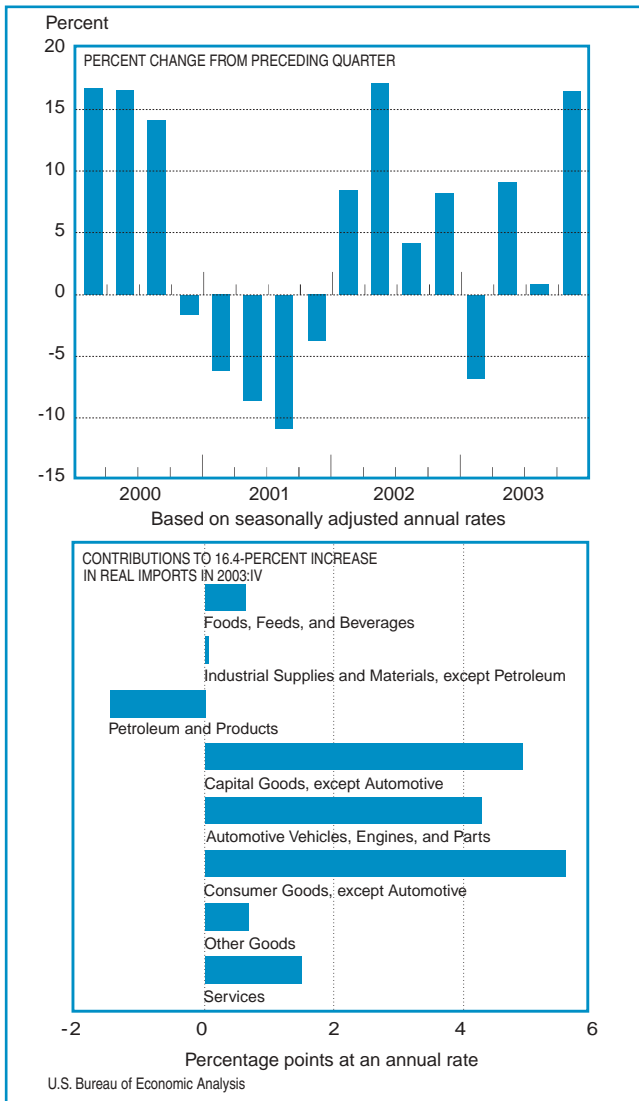
**Chart 7. Real Exports**



and industrial supplies and materials contributed to the fourth-quarter upturn. The largest contributions to the upturn were made by upturns in the automotive and consumer goods categories and by a step-up in capital goods. Petroleum imports decreased more than in the third quarter, and imports of industrial supplies and materials changed little after a strong increase.

In services, travel made the largest contribution to the fourth-quarter slowdown.

**Chart 8. Real Imports**



### Government Spending

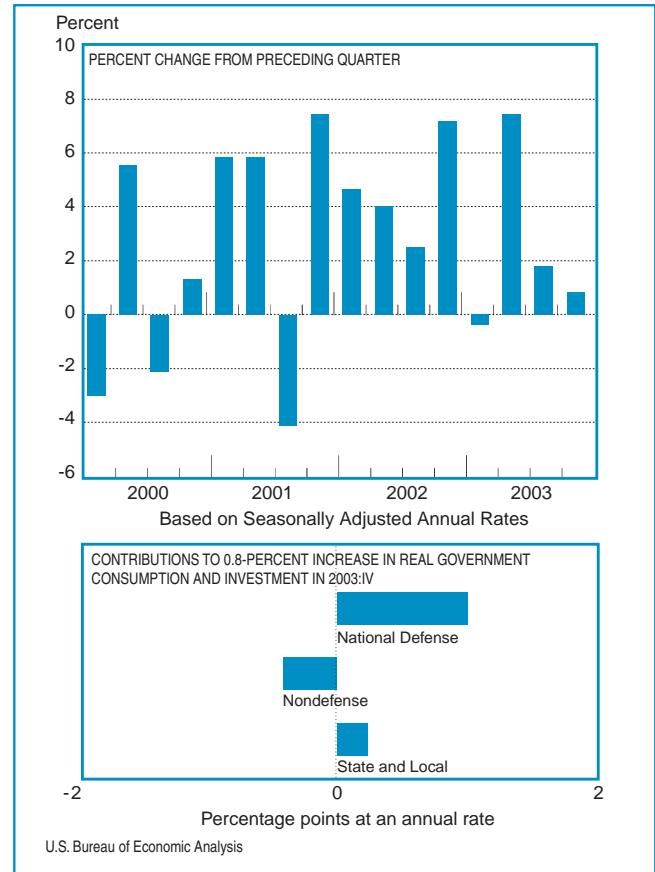
Government spending increased 0.8 percent in the fourth quarter, 1 percentage point less than in the third (table 7 and chart 9). Spending by state and local governments slowed; spending by the Federal Government stepped up modestly.

At the Federal level, an upturn in spending on national defense was partly offset by a downturn in non-defense spending. The upturn in defense spending was more than accounted for by consumption expenditures, especially expenditures on services, including research and development. The drop in Federal nondefense spending was more than accounted for by consumption expenditures, especially purchases of ser-

vices; gross investment increased after decreasing.

At the state and local level, gross investment slowed, while consumption expenditures turned up. The slowdown in gross investment was mainly accounted for by investment in structures.

**Chart 9. Real Government Consumption and Investment**



**Table 7. Real Government Consumption Expenditures and Gross Investment**  
[Seasonally adjusted at annual rates]

	Change from preceding period (percent)				Contribution to percent change in real CEGI (percentage points)				Share of current-dollar CEGI (percent)
	2003				2003				2003
	I	II	III	IV	I	II	III	IV	IV
<b>Government consumption expenditures and gross investment (CEGI).....</b>	<b>-0.4</b>	<b>7.4</b>	<b>1.8</b>	<b>0.8</b>	<b>-0.4</b>	<b>7.4</b>	<b>1.8</b>	<b>0.8</b>	<b>100</b>
Consumption expenditures.....	0.8	7.1	0.1	0.2	0.64	5.95	0.07	0.21	82.8
Gross investment.....	-5.9	9.0	10.4	3.7	-1.03	1.49	1.68	0.63	17.2
<b>Federal .....</b>	<b>-0.2</b>	<b>23.5</b>	<b>1.2</b>	<b>1.6</b>	<b>-0.06</b>	<b>7.95</b>	<b>0.46</b>	<b>0.60</b>	<b>37.2</b>
<b>National defense .....</b>	<b>-5.6</b>	<b>41.9</b>	<b>-1.3</b>	<b>4.2</b>	<b>-1.33</b>	<b>8.59</b>	<b>-0.33</b>	<b>1.02</b>	<b>24.7</b>
Consumption expenditures.....	-4.8	41.9	-4.7	4.3	-1.00	7.57	-1.03	0.90	21.6
Gross investment.....	-11.2	42.1	26.4	3.8	-0.33	1.02	0.70	0.11	3.1
<b>Nondefense .....</b>	<b>10.5</b>	<b>-5.0</b>	<b>6.5</b>	<b>-3.3</b>	<b>1.27</b>	<b>-0.64</b>	<b>0.79</b>	<b>-0.42</b>	<b>12.5</b>
Consumption expenditures.....	12.8	-11.7	11.9	-7.4	1.34	-1.37	1.23	-0.84	10.8
Gross investment.....	-4.1	53.7	-22.8	28.7	-0.07	0.73	-0.44	0.42	1.7
<b>State and local.....</b>	<b>-0.5</b>	<b>-0.8</b>	<b>2.1</b>	<b>0.4</b>	<b>-0.32</b>	<b>-0.52</b>	<b>1.29</b>	<b>0.24</b>	<b>62.8</b>
Consumption expenditures.....	0.6	-0.5	-0.3	0.3	0.31	-0.25	-0.13	0.15	50.4
Gross investment.....	-4.9	-2.2	12.2	0.7	-0.63	-0.26	1.42	0.09	12.4

NOTE: Percent changes are from NIPA table 3.9.1, and contributions to percent change are from NIPA table 3.9.2. Shares are calculated from NIPA table 3.9.5.

### Prices

Inflation as measured by the price index for gross domestic purchases slowed from 1.8 percent in the third quarter to 1.1 percent in the fourth (table 8). The slowdown mainly reflected a downturn in energy prices; excluding food and energy items, prices increased 1.2 percent after increasing 1.3 percent (chart 10).

Prices of goods and services purchased by consumers increased 0.7 percent after increasing 1.8 percent.

**Table 8. Price Indexes**

[Percent change at annual rates; based on seasonally adjusted index numbers (2000=100)]

	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
	2003				2003			
	I	II	III	IV	I	II	III	IV
<b>Gross domestic purchases</b> .....	<b>3.4</b>	<b>0.4</b>	<b>1.8</b>	<b>1.1</b>	<b>3.4</b>	<b>0.4</b>	<b>1.8</b>	<b>1.1</b>
<b>Personal consumption expenditures</b> .....	<b>2.8</b>	<b>0.5</b>	<b>1.8</b>	<b>0.7</b>	<b>1.87</b>	<b>0.29</b>	<b>1.18</b>	<b>0.45</b>
Durable goods.....	-4.4	-3.9	-4.0	-3.9	-0.37	-0.33	-0.34	-0.33
Nondurable goods.....	5.1	-2.1	3.8	0.5	0.96	-0.42	0.71	0.10
Services.....	3.2	2.7	2.0	1.7	1.28	1.05	0.81	0.68
<b>Gross private domestic investment</b> .....	<b>1.3</b>	<b>0.0</b>	<b>2.0</b>	<b>3.5</b>	<b>0.24</b>	<b>0.07</b>	<b>0.29</b>	<b>0.52</b>
Fixed investment.....	1.9	0.0	2.1	3.7	0.26	-0.01	0.30	0.53
Nonresidential.....	-0.3	-1.2	1.6	1.7	-0.03	-0.11	0.15	0.17
Structures.....	3.8	1.1	2.7	4.7	0.09	0.02	0.06	0.10
Equipment and software.....	-1.6	-1.8	1.2	0.9	-0.12	-0.14	0.09	0.07
Residential.....	6.4	2.2	3.1	7.5	0.29	0.10	0.15	0.36
Change in private inventories.....	.....	.....	.....	.....	-0.02	0.07	-0.01	-0.02
<b>Government consumption expenditures and gross investment</b> .....	<b>7.3</b>	<b>0.1</b>	<b>1.7</b>	<b>0.5</b>	<b>1.27</b>	<b>0.01</b>	<b>0.31</b>	<b>0.09</b>
Federal.....	7.7	1.4	1.3	0.2	0.48	0.09	0.09	0.02
National defense.....	8.0	1.2	1.3	0.4	0.32	0.05	0.06	0.02
Nondefense.....	7.2	1.6	1.3	0.0	0.16	0.04	0.03	0.00
State and local.....	7.1	-0.7	2.0	0.6	0.79	-0.08	0.22	0.07
<b>Addenda:</b>								
Gross domestic purchases:								
Food.....	1.8	2.4	2.5	4.0	0.17	0.22	0.23	0.37
Energy goods and services.....	52.5	-14.1	11.2	-8.0	1.66	-0.62	0.42	-0.32
Excluding food and energy.....	1.8	0.9	1.3	1.2	1.56	0.77	1.13	1.00
Personal consumption expenditures:								
Food.....	1.7	2.4	2.5	4.0	.....	.....	.....	.....
Energy goods and services.....	45.3	-8.6	12.3	-9.5	.....	.....	.....	.....
Excluding food and energy.....	0.9	0.8	1.0	0.7	.....	.....	.....	.....
Gross domestic product.....	2.3	1.1	1.6	1.2	.....	.....	.....	.....

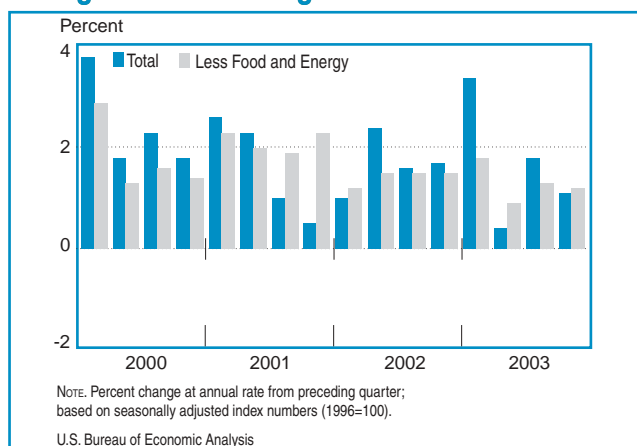
NOTE: Most percent changes are from NIPA table 1.6.7; percent changes for personal consumption expenditures for energy goods and services and for personal consumption expenditures excluding food and energy are calculated from index numbers in NIPA table 2.3.4. Contributions to percent change are from table 1.6.8.

The price of gasoline and oil turned down, as did the price of electricity and gas. Food prices, in contrast, increased more than in the third quarter. The price of consumer purchases excluding food and energy, which is sometimes viewed as an indicator of the “underlying” rate of inflation, increased 0.7 percent after increasing 1.0 percent.

Prices of private nonresidential fixed investment increased 1.7 percent after increasing 1.6 percent. Prices of structures increased 4.7 percent, the largest increase in more than 2 years. Prices of equipment and software increased a little less than in the third quarter; the rare back-to-back increases mainly reflected increases in the prices of transportation equipment.

Prices paid by government increased 0.5 percent after increasing 1.7 percent. The slowdown was evident at both the Federal level and at the state and local level.

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



NOTE: Percent change at annual rate from preceding quarter; based on seasonally adjusted index numbers (1996=100).  
U.S. Bureau of Economic Analysis

## Revisions

The preliminary estimate of a 4.1-percent increase in real GDP in the fourth quarter is 0.1 percentage point higher than the advance estimate released last month (table 9). In the past 20 years, the average revision, without regard to sign, from the advance estimate to the preliminary estimate was 0.5 percentage point.

The upward revision to fourth-quarter real GDP reflected upward revisions to equipment and software investment, to inventory investment, and to exports that were mostly offset by an upward revision to imports.

The revision to equipment and software contributed an additional 0.36 percentage point to real GDP growth. It primarily reflected the incorporation of Census Bureau data for December, specifically, newly available and revised data on shipments and newly available data on exports and imports.

The revision to inventory investment contributed an additional 0.31 percentage point to real GDP growth. It primarily reflected the incorporation of newly available and revised Census Bureau data on inventories for November and December.

The revision to exports contributed an additional 0.16 percentage point to real GDP growth, and the revision to imports reduced GDP by an additional 0.65 percentage point. Both of these revisions primarily reflect the incorporation of newly available Census Bureau data for December and revised data for November.

**Table 9. Preliminary and Advance Estimates for the Fourth Quarter of 2003**

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter			Contribution to percent change in real GDP		
	Preliminary estimate	Advance estimate	Preliminary minus advance	Preliminary estimate	Advance estimate	Preliminary minus advance
<b>Gross domestic product</b>	<b>4.1</b>	<b>4.0</b>	<b>0.1</b>	<b>4.1</b>	<b>4.0</b>	<b>0.1</b>
<b>Personal consumption expenditures</b> .....	<b>2.7</b>	<b>2.6</b>	<b>0.1</b>	<b>1.93</b>	<b>1.84</b>	<b>0.09</b>
Durable goods .....	-0.1	0.9	-1.0	-0.01	0.08	-0.09
Nondurable goods .....	5.2	4.4	0.8	1.04	0.89	0.15
Services.....	2.2	2.1	0.1	0.91	0.87	0.04
<b>Gross private domestic investment</b> .....	<b>15.8</b>	<b>12.4</b>	<b>3.4</b>	<b>2.31</b>	<b>1.84</b>	<b>0.47</b>
Private fixed investment.....	9.3	8.1	1.2	1.39	1.23	0.16
Nonresidential.....	9.6	6.9	2.7	0.95	0.69	0.26
Structures .....	-7.1	-3.0	-4.1	-0.17	-0.07	-0.10
Equipment and software .....	15.1	10.0	5.1	1.12	0.76	0.36
Residential.....	8.6	10.6	-2.0	0.44	0.54	-0.10
Change in private inventories .....	.....	.....	.....	0.92	0.61	0.31
<b>Net exports of goods and services</b> .....	.....	.....	.....	<b>-0.30</b>	<b>0.19</b>	<b>-0.49</b>
Exports .....	21.0	19.1	1.9	1.85	1.69	0.16
Goods .....	21.2	19.2	2.0	1.28	1.17	0.11
Services.....	20.7	18.9	1.8	0.57	0.52	0.05
Imports .....	16.4	11.3	5.1	-2.15	-1.50	-0.65
Goods .....	18.1	12.2	5.9	-1.95	-1.34	-0.61
Services.....	8.6	7.0	1.6	-0.20	-0.16	-0.04
<b>Government consumption expenditures and gross investment</b> .....	<b>0.8</b>	<b>0.8</b>	<b>0.0</b>	<b>0.16</b>	<b>0.16</b>	<b>0.00</b>
Federal.....	1.6	0.7	0.9	0.11	0.05	0.06
National defense.....	4.2	1.8	2.4	0.19	0.08	0.11
Nondefense.....	-3.3	-1.6	-1.7	-0.08	-0.04	-0.04
State and local.....	0.4	0.9	-0.5	0.05	0.11	-0.06
<b>Addenda:</b>						
Final sales of domestic product .....	3.2	3.4	-0.2	.....	.....	.....
Gross domestic purchases price index .....	1.1	1.0	0.1	.....	.....	.....
GDP price index.....	1.2	1.1	0.1	.....	.....	.....

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

*Personal consumption expenditures:* Revised retail sales for November and December, and revised estimates of electricity usage for October.

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

*Residential fixed investment:* Revised construction put-in-place data for October and November (revised) and December.

*Change in private inventories:* Manufacturers and trade inventories for November (revised) and December (newly

available and revised), and crop and livestock estimates from the U.S. Department of Agriculture for 2003 (revised) and 2004 (projected).

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

*Government consumption expenditures and gross investment:* Revised state and local construction put-in-place data for October and November (revised) and December.

*Wages and salaries:* Revised employment, average hourly earnings, and average weekly hours for December.

*GDP prices:* Revised export and import prices for October through December, revised unit-value index for petroleum imports for December, seasonally adjusted consumer price indexes for October through December (revised), and revised prices of single-family houses under construction for the quarter.

## Federal Budget Estimates for Fiscal Year 2005

By *Benyam Tsehaye and Michelle Robinson*

ON February 2, 2004, the President of the United States of America submitted the *Budget of the United States Government, Fiscal Year 2005* to Congress. The budget calls for the continued war on terrorism, the strengthening of homeland security, and fiscal restraint in nondefense and non-homeland-security. The budget also proposes to extend temporary tax cuts, some permanently and some for several years. The fiscal year 2005 budget shows a \$363.6 billion deficit, a \$157.1 billion decrease from the projected \$520.7 billion deficit in fiscal year 2004.<sup>1</sup> Fiscal year 2003 ended with a \$375.3 billion deficit. The Federal Government budget is presented on a total, or unified, budget basis.<sup>2</sup>

Most fiscal year 2004 appropriations were not enacted until after the fiscal year 2005 budget was proposed; therefore, the Office of Management and Budget prepared the current-services estimates for fiscal year 2005, using enacted appropriations for the Departments of Defense and Homeland Security for fiscal year 2004, and a conference report on the Consolidated Appropriations Act of Fiscal Year 2004 for the remaining agencies.<sup>3</sup> The conference report was subse-

quently adopted, so the budget estimates reflected in this article are consistent with the actual appropriations for fiscal year 2004. To estimate the current services for fiscal year 2005, the 2004 levels were increased by a projected rate of inflation.<sup>4</sup>

Each year, the Bureau of Economic Analysis prepares an adjusted presentation of the Federal budget receipts and outlays that places them on a basis that is consistent with the framework of the national income and product accounts (NIPAs). The NIPA framework, which differs in concept and timing from the Federal budget, is designed to show the composition of production and the distribution of the incomes earned in production (see the box “Relation Between Budget Estimates and NIPA Estimates”). The NIPA framework provides a means of gauging the effects of the Federal budget on aggregate measures of U.S. economic activity, such as gross domestic product (GDP). The NIPA estimates presented in this article use the same economic assumptions as the Federal budget for rates of unemployment, of inflation, and of long-term interest.<sup>5</sup>

The new NIPA framework now reflects the results of the 2003 comprehensive revision. As a result of the revision, several components that were previously included as negative entries on the expenditures side have been reclassified as current receipts. Some of the terms used have also changed; for example, the term “current surplus or deficit” has been replaced by “net saving.” The terms, concepts, and tables 4–10 used in this article now reflect the new NIPA framework.<sup>6</sup> The following are the highlights of the article:

- On the NIPA basis, net Federal Government saving (formerly, “current surplus or deficit (-), national income and product accounts”) stood at -\$519.5 billion in fiscal year 2004 and -\$338.0 billion in fiscal year 2005.
- The 2003 comprehensive revision of NIPAs reclassified components from current expenditures to current receipts, but the reclassification did not affect net Federal Government saving.

1. Executive Office of the President, Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2005* (Washington, DC: U.S. Government Printing Office, 2004); <www.whitehouse.gov/omb/budget/fy2005/budget.html>.

2. Other presentations of the Federal budget distinguish between off-budget and on-budget transactions or between trust fund and Federal transactions. In the off-budget and on-budget breakdown, off-budget receipts and outlays, which consist of the social security trust funds and the Postal Service fund, show surpluses of \$154.0 billion in 2004 and \$179.4 billion in 2005; on-budget receipts and expenditures, which include all other transactions, show deficits of \$674.8 billion in 2004 and \$542.9 billion in 2005. In the trust funds and Federal funds breakdown, trust fund receipts and outlays—which consist of all trust funds, including social security, medicare, and unemployment compensation—show surpluses of \$187.9 billion in 2004 and \$243.3 billion in 2005. Federal funds receipts and outlays, which consist of all transactions not classified as trust funds, show deficits of \$708.6 billion in 2004 and \$606.9 billion in 2005. There are no equivalent measures of these breakdowns in the national income and product accounts.

3. Conceptually, the current-services estimates are designed to show Federal receipts and outlays that exclude any changes to existing laws, so these estimates are neither recommended amounts nor forecasts; they form a baseline from which administration or congressional proposals can be analyzed. The Budget Enforcement Act provided rules for formulating baselines. However, economic and programmatic assumptions continue to be necessary to develop these estimates. In addition, the act itself allowed for exceptions, such as the extension of certain provisions even after their authority expired. The administration’s budget proposes several changes to a section of the Budget Enforcement Act that establishes the requirements for baselines.

4. *Analytical Perspectives: Budget of the United States Government*, 358.

5. See “Economic Assumptions” in *Analytical Perspectives*, 169–179.

6. See the box for a list of the articles on the 2003 comprehensive NIPA revision that were published in the *SURVEY OF CURRENT BUSINESS*.

### Relation Between Budget Estimates and NIPA Estimates

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

One major conceptual difference between the budget and the NIPAs is in the treatment of government investment in fixed assets; in the NIPAs, government consumption expenditures excludes investment in fixed assets, but it includes consumption of fixed capital, a depreciation charge on past investment. Certain transactions that are associated with the acquisition or disposal of assets are included in the budget; in the NIPAs these transactions are classified as capital transfers, and they include certain investment grants-in-aid to state and local governments, investment subsidies to businesses, and estate and gift taxes. In the NIPAs, government employee retirement plans are treated similarly to private pension plans, and their assets are treated as if they belong in the NIPA household sector; for example, employee contributions to these plans are included in budget receipts, but they are not included in NIPA current receipts. Similarly, Federal employee retirement benefits are included in budget outlays, but they are not included in NIPA current expenditures. In addition, the NIPAs exclude net purchases of nonproduced assets, such as land and the radio spectrum, because they do not affect current production; the NIPAs also exclude transactions with residents of Puerto Rico and the U.S. Territories, whose product and income are excluded by definition, and the transactions of the Federal Communication Commission (FCC) Universal Service Fund, which pass through a nonprofit institution regulated by the FCC. (Investment in fixed assets, capital transfers, and net lending and borrowing, which includes purchases of nonproduced assets, are

now shown in the gross saving and investment account rather than in the government current receipts and expenditures account. The differences are detailed in tables 4 and 5.

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

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

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

1. BEA's adjustments are shown in tables 4 and 5 of this article. The adjustments to the NIPA estimates that reflect the 2003 comprehensive NIPA revision will be presented in NIPA table 3.18B Relation of Federal Government Current Receipts and Expenditures in the NIPAs to the Budget, Fiscal Years" later this year. For a summary of these adjustments, see "National Income and Product Accounts" in the *Analytical Perspectives* 207-212.

For a detailed discussion of the adjustments, see *Government Transactions* (methodology paper no. 5, Bureau of Economic Analysis November 1988); <www.bea.gov>. For changes to the methodology since 1988, see Nicole Mayerhauser, Shelly Smith, and David Sullivan, "Preview of the 2003 Comprehensive Revision of the National Income and Product Accounts: New and Redesignated Tables," *SURVEY* 83 (August 2003): 7-25; see Brent R. Moulton and Eugene P. Seskin, "Preview of the 2003 Comprehensive Revision of the National Income and Product Accounts: Changes in Definitions and Classifications," *SURVEY* 83 (June 2003): 17-34; Brent R. Moulton, Robert P. Parker, and Eugene P. Seskin, "A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts: Definitional and Classificational Changes," *SURVEY* 79 (August 1999): 11-14; Robert P. Parker, "Preview of the Comprehensive Revision of the National Income and Product Accounts: Recognition of Government Investment and Incorporation of a New Methodology For Calculating Depreciation," *SURVEY* 75 (September 1995): 33-41; and Robert P. Parker, "A Preview of the Comprehensive Revision of the National Income and Product Accounts: Definitional and Classificational Changes," *SURVEY* 71 (September 1991): 24-25.

2. The differences in coverage arise because certain transactions that are excluded from the NIPAs are included in the budget and vice versa. The differences in netting and grossing arise because certain transactions are recorded as offsets to outlays in the budget, but they are recorded as receipts in the NIPAs (and vice versa). The differences in timing arise because in the budget, most receipts and outlays are recorded on a cash basis, and in the NIPAs, some transactions are recorded on an accrual basis.

- The budget deficit exceeds NIPA net Federal Government saving by \$25.6 billion in fiscal year 2005. The differences in the two measures of government fiscal position persist from year-to-year, and are due to alternative accounting practices, such as differences in coverage, timing, and netting and grossing.
- The President's proposed legislation and program changes added, on net, \$3.5 billion to the budget deficit in fiscal year 2005.

This article briefly summarizes the budget estimates for receipts and outlays, including major proposed legislation and program changes. It then explains how the budget estimates are transformed into the NIPA framework of current receipts and current expenditures and how the results of this process affect quarterly NIPA estimates for the current year. The article concludes with a presentation of fiscal year and quarterly NIPA projections that are based on the budget receipts and outlays.<sup>7</sup>

### The budget estimates

In the administration's budget, receipts in fiscal year 2005 are projected to increase \$238.2 billion, to \$2,036.3 billion (table 1). Receipts in 2004 are estimated at \$1,798.1 billion, up \$15.8 billion from 2003. Most of the acceleration in 2005 is accounted for by an upturn in individual income taxes, which would increase \$108.4 billion in 2005 after decreasing \$28.3 billion in 2004, and by an acceleration in social insurance taxes and contributions, which would increase \$61.5 billion after increasing \$19.4 billion. The upturn in receipts also reflects the effects of the "adjustments for

7. This article is published after the release of the Federal budget. It provides updated fourth-quarter 2003 estimates that incorporate information that became available after the release of the budget, and it provides more detailed estimates of receipts and expenditures than those shown in the NIPA estimates in *Analytical Perspectives*, 207–212.

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

	Level for fiscal year				Change from preceding year <sup>1</sup>		
	2002	2003	2004	2005	2003	2004	2005
<b>Budget receipts</b> .....	<b>1,853.2</b>	<b>1,782.3</b>	<b>1,798.1</b>	<b>2,036.3</b>	<b>-70.9</b>	<b>15.8</b>	<b>238.2</b>
Individual income taxes .....	858.3	793.7	765.4	873.8	-64.6	-28.3	108.4
Social insurance taxes and contributions .....	700.8	713.0	732.4	793.9	12.2	19.4	61.5
Corporation income taxes .....	148.0	131.8	168.7	230.2	-16.2	36.9	61.5
Excise taxes .....	67.0	67.5	70.8	73.2	0.5	3.3	2.4
Miscellaneous receipts .....	33.9	34.5	34.3	36.5	0.6	-0.2	2.2
Estate and gift taxes .....	26.5	22.0	23.9	21.4	-4.5	1.9	-2.5
Customs duties .....	18.6	19.9	22.6	22.1	1.3	2.7	-0.5
Adjustments for revenue uncertainty .....			-20.0	-15.0		-20.0	5.0

1. Values may differ from budget data by \$0.1 billion or less due to rounding.  
Source: *Budget of the United States Government, Fiscal Year 2005*.

revenue uncertainty," which are adjustments to receipts that take into account that actual receipts can differ from projected receipts that are based on economic and tax models; these adjustments would reduce the level of receipts \$20.0 billion in 2004 and \$15.0 billion in 2005; thus they would increase the year-to-year change in receipts \$5.0 billion in 2005.

Total budget outlays in fiscal year 2005 are projected to increase \$81.0 billion, to \$2,399.8 billion (table 2). Outlays in 2004 are estimated at \$2,318.8 billion, up \$161.2 billion from 2003. The deceleration in 2005 is accounted for by a downturn in outlays for national defense (which would decrease \$3.1 billion in 2005 after increasing \$48.8 billion in 2004), by a deceleration in outlays for health (which would increase \$9.1 billion after increasing \$23.9 billion), by a downturn in commerce and housing credit (which would decrease \$5.0 billion after increasing \$9.3 billion), and by a deceleration in outlays for international affairs (which would increase \$3.6 billion after increasing \$13.0 billion).

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

	Level for fiscal year				Change from preceding year <sup>1</sup>		
	2002	2003	2004	2005	2003	2004	2005
<b>Budget outlays</b> .....	<b>2,011.0</b>	<b>2,157.6</b>	<b>2,318.8</b>	<b>2,399.8</b>	<b>146.6</b>	<b>161.2</b>	<b>81.0</b>
Social security .....	456.0	474.7	496.2	515.0	18.7	21.5	18.8
National defense .....	348.6	404.9	453.7	450.6	56.3	48.8	-3.1
Income security .....	312.5	334.4	339.5	348.1	21.9	5.1	8.6
Medicare .....	230.9	249.4	270.5	294.2	18.5	21.1	23.7
Health .....	196.5	219.6	243.5	252.6	23.1	23.9	9.1
Net interest .....	171.0	153.1	156.3	177.9	-17.9	3.2	21.6
Education, training, employment, and social services .....	70.5	82.6	87.2	89.0	12.1	4.6	1.8
Transportation .....	61.8	67.1	68.1	69.9	5.3	1.0	1.8
Veterans benefits and services .....	51.0	57.0	60.5	67.5	6.0	3.5	7.0
Administration of justice .....	35.2	35.4	41.6	42.8	0.2	6.2	1.2
International affairs .....	22.4	21.2	34.2	37.8	-1.2	13.0	3.6
Natural resources and environment	29.5	29.7	31.7	30.9	0.2	2.0	-0.8
General science, space, and technology .....	20.8	20.9	22.3	24.4	0.1	1.4	2.1
Agriculture .....	22.0	22.6	20.1	22.3	0.6	-2.5	2.2
General government .....	16.8	23.0	25.4	19.1	6.2	2.4	-6.3
Community and regional development .....	13.0	18.9	18.8	17.0	5.9	-0.1	-1.8
Commerce and housing credit .....	-0.4	-1.6	7.7	2.7	-1.2	9.3	-5.0
Energy .....	0.5	-0.8	1.0	1.8	-1.3	1.8	0.8
Allowances <sup>2</sup> .....				-0.8			-0.8
Undistributed offsetting receipts <sup>3</sup> .....	-47.4	-54.4	-59.3	-63.1	-7.0	-4.9	-3.8

1. Values may differ from budget data by \$0.1 billion or less due to rounding.

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

3. Undistributed offsetting receipts are collections that are offset against outlays but not distributed to a particular agency or budget function. Undistributed offsetting receipts fall into two categories: Receipts from performing business-like activities, such as proceeds from leases or selling Federal assets; and shifts from one account to another, such as agency payments to retirement funds.

Source: *Budget of the United States Government, Fiscal Year 2005*.

### Proposed legislation and program changes

The fiscal year 2005 budget presents proposed legislation and program changes that would reduce the current-services deficit \$6.8 billion in 2004 and that would increase the current-services deficit 3.5 billion



in 2005 (table 3).<sup>8</sup> The administration's estimates of current-services for fiscal year 2005 include additional proposals and adjustments; and these adjustments would decrease the current-services deficit. Excluding these adjustments, the current-services deficit would be larger \$32.8 billion.

**Receipts.** Proposed legislation would increase receipts \$6.9 billion in 2004 and would decrease receipts \$0.4 billion in 2005. A proposed change in the measurement of employers' pension liabilities would increase receipts in both fiscal years. Proposals that extend certain expiring tax provisions, which are not

included in the baseline, would decrease receipts in fiscal year 2004 and in fiscal year 2005. Some key proposals would have the following effects on receipts:

- A proposal to change the interest rate that is currently used to discount the pension liabilities of employers who provide defined-benefit pension plans to their employees would increase corporate income tax receipts \$8.5 billion in 2004 and \$12.3 billion in 2005. By lowering employer payments to meet pension obligations, which are tax-deductible, the proposed interest rates would increase employers' corporate tax liabilities.
- A proposal to extend the current amounts of exemption for the alternative minimum tax and the use of nonrefundable personal tax credits to offset taxes would decrease receipts \$0.1 billion in fiscal year 2004 and \$9.4 billion in fiscal year 2005. Current law would lower the exemption amounts, beginning in tax year 2005, and beginning in tax year 2004, it would not permit the use of offsetting nonrefundable tax credits.

- A proposal to permanently extend the 20-percent tax credit for qualified research and experimentation expenses that are above specified amounts would lower receipts \$0.7 billion in fiscal year 2004 and \$3.6 billion in fiscal year 2005.

The budget baseline for receipts includes proposed legislation that would affect receipts. These proposals would decrease receipts \$11.8 billion in fiscal year 2005. Some key proposals included in the baseline would have the following effects on receipts:

- A proposal to extend the current standard deduction for married taxpayers filing joint returns would lower receipts \$5.3 billion in 2005. Under the current law, the standard deduction for joint filers would be lowered, beginning in tax year 2005.
- A proposal to extend the current 10-percent individual income tax bracket would lower receipts \$4.0 billion in fiscal year 2005. The current law contracts the bracket in 2005 and expands it in 2008.
- A proposal to extend the current child tax credit of \$1,000 for each qualifying child under the age of 17 would lower receipts \$2.2 billion in fiscal year 2005. The current law reduces the credit to \$700 in tax year 2005, raises it to \$800 in 2009, and then raises it back to \$1,000 in 2010.

**Outlays.** The fiscal year 2005 budget includes proposed program changes that would increase total outlays \$0.1 billion in 2004 and \$3.1 billion in 2005.<sup>9</sup> The increase in 2005 is more than accounted for by the ef-

8. In this article, the estimates of the administration's proposed legislation and program changes are the differences between the current-services estimates provided by the budget and the actual budget. The current-services estimates in the fiscal year 2005 budget include certain proposed legislation and adjustments that are linked to the administration's budget reform proposals.

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

	Fiscal year <sup>1</sup>	
	2004	2005
<b>Receipts</b>		
Current-services estimates <sup>2</sup> .....	1,791.2	2036.6
Plus: Proposed legislation excluding proposals included in the baseline <sup>3</sup> .....	6.9	-0.4
Extend minimum tax relief for individuals .....	-0.1	-9.4
Extend research and experimentation tax credit .....	-0.7	-3.6
Improve the accuracy of pension liability measures .....	8.5	12.3
Other .....	-0.8	0.3
Equals: The budget .....	1,798.1	2,036.3
<b>Outlays</b>		
Current-services estimates <sup>2</sup> .....	2,318.7	2396.7
Plus: Program changes excluding proposals included in the baseline <sup>3</sup> .....	0.1	3.1
National defense .....	0.0	10.3
Health .....	0.2	-1.6
Natural resources and environment .....	0.0	-1.6
International affairs .....	0.0	1.3
Medicare .....	0.0	-0.9
Undistributed offsetting receipts <sup>4</sup> .....	0.0	-0.9
Veterans benefits and services .....	-0.1	-0.8
General government .....	0.1	-0.8
Income security .....	0.0	-0.7
Community and regional development .....	0.0	-0.3
Net interest .....	0.0	-0.1
Other .....	-0.1	-0.8
Equals: The budget .....	2,318.8	2399.8
Current-services surplus or deficit (-) .....	-527.5	-360.1
Proposed changes, receipts less outlays .....	6.8	-3.5
Administration budget surplus or deficit (-) .....	-520.7	-363.6
<b>Addenda:</b>		
Net effect of budget reform proposals included in the baseline on current-services deficit .....		32.8
Effect on receipts of budget reform proposals included in the baseline <sup>5</sup> .....		-11.8
Extend certain provisions of the tax cuts enacted in 2001 and 2003:		
Doubling of the individual standard deduction for joint filers .....		-5.3
10-percent individual income tax rate bracket .....		-4.0
Child tax credit .....		-2.2
Repeal of estate and generation-skipping transfer taxes .....		-1.0
Dividends tax rate structure .....		0.5
Expensing for small business .....		0.2
Adjustment to the baseline for outlays, budget reform proposal <sup>5</sup> .....		-44.6
Adjustment for redefinition of emergencies, national defense .....		-42.8
Adjustment for cost of pay increases .....		-1.8

1. Values may differ from budget data by \$0.1 billion or less due to rounding.  
 2. These current-services estimates are from the budget and include certain adjustments to reflect budget reform proposals advanced by the administration. For information on the budget reform proposals, refer to the *Analytical Perspectives* and table S-16 of the main Budget document.  
 3. Consistent with the budget, the proposed legislation excludes budget reform proposals that are included in the baseline.  
 4. Undistributed offsetting receipts are collections that are offset against outlays but not distributed to a particular agency or budget function. Undistributed offsetting receipts fall into two categories: Receipts from performing business-like activities, such as proceeds from leases or selling Federal assets; and shifts from one account to another, such as agency payments to retirement funds.  
 5. Only budget reform proposals included in the baseline and that affect receipts and outlays are shown.  
 Source: *Budget of the United States Government, Fiscal Year 2005.*

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

fects of program changes in national defense and international affairs; the increase is partly offset by decreases in outlays for other functions. Key program changes include the following:

- An increase of \$10.3 billion for national defense, mostly for discretionary spending on operation and maintenance, on research, development, test, and evaluation, and on military personnel, including a 3.5-percent pay raise.
- An increase of \$1.3 billion for international affairs, including funding for assistance to developing nations through the Millennium Challenge Corporation, funding to combat AIDS in Africa and the Caribbean by expanding the Emergency Plan for AIDS Relief, and funding for payments to meet obligations to international organizations.
- A decrease of \$1.6 billion for health reflects the net impact of proposals for increases and decreases in Medicaid and other mandatory and discretionary health activities.
- A \$1.6 billion reduction in functions related to natural resources and the environment largely due to reduced funding for Corps of Engineers water projects, elimination of unrequested and unauthorized water and research projects in Environmental Protection Agency, and deletion of one-time emergency fire suppression funding provided for the Forest Service and Bureau of Land Management in fiscal year 2004.

### Transformation of budget data into a NIPA framework

Budget receipts and expenditures are transformed into a NIPA framework by a detailed analytical process. Fiscal year budget data for receipts are supplemented by information on the effects of budget proposals from the Department of the Treasury's Office of Tax Analysis. These data are analyzed for their effects on each of the NIPA receipts components: Current tax receipts, contributions for government social insurance, income receipts on assets, current transfer receipts, and current surplus of government enterprises. Quarterly projections are based on interpolations using the economic assumptions from the budget. For the monthly and quarterly NIPA estimates released by BEA during the year, these initial projections are reevaluated and revised as data from the Department of the Treasury become available.

Fiscal year budget outlays are organized by appro-

priation in the budget's appendix.<sup>10</sup> These fiscal year data, along with supplemental information from the Office of Management and Budget, are used to allocate Federal fiscal year spending to the various NIPA categories: Current transfer payments, interest payments, subsidies, and consumption expenditures and gross investment.<sup>11</sup> The quarterly projections shown in this article are mainly derived by interpolating the fiscal year projections.

For the historical quarterly NIPA estimates released by BEA during the current year, the fiscal year relationships derived from budget data are used to allocate the spending that is detailed in the *Monthly Treasury Statement of Receipts and Outlays of the United States Government*.<sup>12</sup> Supplemental data are also used. A detailed reconciliation of defense consumption expenditures and gross investment to outlays is prepared using extensive financial, delivery, and other information from the Department of Defense. In order to prepare seasonally adjusted estimates of nondefense consumption expenditures and gross investment, data derived from the budget are used to extrapolate portions of nondefense expenditures (for durable goods, other nondurable goods, other services, and equipment) for which there are no quarterly source data. These extrapolations are combined with actual quarterly data for certain spending categories, such as estimates of construction spending from the Census Bureau and estimates of compensation from the Office of Personnel Management and the Bureau of Labor Statistics.

BEA's users should remember that budget data are based on economic and programmatic assumptions about the budget year, and that actual outcomes may differ. In addition, the budget includes proposals for the budget year that may not become law, and it may exclude proposals that are subsequently enacted. Even with these caveats, the information on hundreds of receipts and expenditures programs contained in the budget forms the foundation of the NIPA Federal Government estimates. These estimates are initially prepared from budget data, and they are updated during the year as new laws are enacted, as actual spending

10. See *Appendix: Budget of the United States Government, Fiscal Year 2005*.

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

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

occurs, and as economic conditions change. Thus, the monthly and quarterly NIPA estimates released by BEA during the year may diverge from the initial quarterly projections.

### Comparison of the budget and NIPA estimates

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

For fiscal year 2005, NIPA current receipts would exceed budget receipts by \$73.2 billion as a result of netting and grossing, coverage, and timing adjustments (table 4). Netting and grossing adjustments would add \$98.4 billion, coverage adjustments would subtract \$36.9 billion, and timing adjustments would add \$11.7 billion. In netting and grossing, "Other"—which includes Federal government payments to the old-age, survivors, and disability trust funds—would add \$49.8 billion, and payments for supplementary medical insurance premiums would add \$36.8 billion. In coverage adjustments, capital transfers received, which consists of estate and gift taxes, would subtract \$21.3 billion.

For fiscal year 2005, NIPA current expenditures would exceed budget outlays by \$47.6 billion (table 5). Netting and grossing adjustments, which affect outlays the same as receipts, would add \$98.4 billion, coverage adjustments would subtract \$46.1 billion,

**Table 4. Relation of Federal Government Current Receipts in the NIPAs to the Budget**  
(Billions of dollars)

	Fiscal year		
	2003	2004	2005
<b>Budget receipts</b> .....	<b>1,782.3</b>	<b>1,798.1</b>	<b>2,036.3</b>
Less: Coverage differences .....	36.2	39.3	36.9
Geographic <sup>1</sup> .....	3.9	4.1	4.3
Contributions received by Federal employee retirement plans <sup>2</sup> .....	4.6	4.7	4.7
Capital transfers received <sup>3</sup> .....	21.8	23.8	21.3
Financial transactions .....	0.0	0.0	0.0
Other <sup>4</sup> .....	5.9	6.7	6.6
Netting and grossing differences .....	-86.1	-91.6	-98.4
Supplementary medical insurance premiums .....	-28.4	-32.2	-36.8
Income receipts on assets .....	-10.8	-12.9	-13.1
Current surplus of government enterprises .....	-2.9	0.6	1.4
Other <sup>5</sup> .....	-44.0	-47.1	-49.8
Plus: Timing differences .....	-2.1	-2.5	11.7
Taxes on corporate income .....	0.2	-6.5	1.7
Federal and state unemployment insurance taxes .....	0.8	1.5	1.1
Withheld personal current tax and social security contributions .....	-2.9	2.7	8.8
Excise taxes .....	0.1	0.2	-0.4
Other .....	-0.3	-0.4	0.5
<b>Equals: Federal Government current receipts, NIPAs</b> .....	<b>1,830.2</b>	<b>1,847.9</b>	<b>2,109.5</b>

1. Consists largely of contributions for social insurance by residents of U.S. territories and Puerto Rico.

2. These transactions are included in the NIPA personal sector.

3. Consists of estate and gift taxes.

4. Consists largely of Treasury receipts from sales of foreign currencies to Government agencies.

5. Includes proprietary receipts that are netted against outlays in the budget and classified as receipts in the NIPAs. Also includes some transactions not reflected in the budget but are added to both receipts and expenditures in the NIPAs.

Sources: *Budget of the United States Government, Fiscal Year 2005* and the Bureau of Economic Analysis.

and timing adjustments would subtract \$4.7 billion. In coverage adjustments, Federal employee retirement plan transactions would add \$31.5 billion, and capital transfers paid, which includes capital grants to state and local government and to businesses, would subtract \$48.0 billion. For national defense, largely because of the treatment of military and defense civilian retirement funds, the NIPA estimate of consumption expenditures would exceed the budget estimate of outlays by \$9.2 billion (table 6).

For fiscal year 2005, in absolute value, the budget deficit would exceed the NIPA estimate of net Federal Government saving by \$25.6 billion (table 7). The difference reflects the combined effects of coverage and timing adjustments. The coverage adjustments lower both NIPA current receipts and NIPA current expenditures; the timing adjustments raise NIPA current

**Table 5. Relation of Federal Government Current Expenditures in the NIPAs to the Budget**  
(Billions of dollars)

	Fiscal year		
	2003	2004	2005
<b>Budget outlays</b> .....	<b>2,157.6</b>	<b>2,318.8</b>	<b>2,399.8</b>
Less: Coverage differences .....	24.0	47.8	46.1
Geographic <sup>1</sup> .....	13.6	14.3	14.6
Federal employee retirement plan transactions <sup>2</sup> .....	-29.2	-31.8	-31.5
Interest received .....	-48.8	-46.2	-48.5
Contributions received (employer) .....	-68.6	-78.0	-78.9
Benefits paid .....	88.1	92.3	95.8
Administrative expenses .....	0.1	0.1	0.1
Financing disbursements from credit programs <sup>3</sup> .....	-6.8	-6.8	-8.3
Other differences in funds covered <sup>4</sup> .....	6.0	5.8	5.5
Net investment <sup>5</sup> .....	5.2	11.6	14.4
Capital transfers paid <sup>6</sup> .....	45.0	47.2	48.0
Financial transactions .....	-9.8	7.5	3.5
Loan disbursements less loan repayments and sales .....	1.2	15.8	13.4
Deposit insurance .....	1.1	1.4	1.1
Net purchases of foreign currency .....	0.0	0.0	0.0
Other .....	-12.0	-9.6	-11.1
Net purchases of nonproduced assets .....	0.0	0.1	0.0
Outer Continental Shelf .....	-0.2	0.0	0.0
Land and other <sup>7</sup> .....	0.2	0.1	0.0
Other <sup>8</sup> .....	0.0	0.0	0.0
Netting and grossing differences .....	-86.1	-91.6	-98.4
Supplementary medical insurance premiums .....	-28.4	-32.2	-36.8
Interest receipts .....	-10.8	-12.9	-13.1
Current surplus of government enterprises .....	-2.9	0.6	1.4
Other <sup>9</sup> .....	-44.0	-47.1	-49.8
Plus: Timing differences .....	-1.8	4.8	-4.7
Purchases (increase in payables net of advances) .....	-2.3	0.6	-3.3
Interest .....	0.0	0.0	0.0
Current transfer payments .....	1.1	4.0	-1.7
Subsidies .....	-0.6	0.2	0.3
<b>Equals: Federal Government current expenditures, NIPAs</b> .....	<b>2,218.0</b>	<b>2,367.4</b>	<b>2,447.4</b>

1. Consists largely of government social benefits, subsidies, and grants-in-aid to residents of U.S. territories and Puerto Rico.

2. These transactions are included in the NIPA personal sector.

3. Consists of transactions (not included in the budget totals) that record all cash flows arising from post-1991 direct loan obligations and loan guarantee commitments. Many of these flows are for new loans or loan repayments; consequently, related entries are included in "Loan disbursements less loan repayments and sales."

4. Consists largely of agencies or accounts, such as the Postal Service and the Federal Financing Bank, that were not included in the budget in some time periods.

5. Net investment is gross investment less consumption of fixed capital for general government and government enterprises.

6. Consists of investment grants to state and local governments and maritime construction subsidies. Does not include the forgiveness of debts owed by foreign governments to the U.S. Government; this forgiveness is classified as a capital transfer paid by the United States and is excluded from both budget outlays and NIPA current expenditures.

7. Consists of net sales of land other than the Outer Continental Shelf and, beginning with 1995, the auction of the radio spectrum.

8. Consists largely of net expenditures of foreign currencies.

9. Includes proprietary receipts that are netted against outlays in the budget and classified as receipts in the NIPAs. Also includes some transactions that are not reflected in the budget data but are added to both receipts and expenditures in the NIPAs.

Sources: *Budget of the United States Government, Fiscal Year 2005* and the Bureau of Economic Analysis.

**Table 6. Relation of National Defense Consumption Expenditures and Gross Investment in the NIPAs to National Defense Outlays in the Budget**  
[Billions of dollars]

	Fiscal year		
	2003	2004	2005
<b>National defense outlays in the budget</b> .....	<b>405.1</b>	<b>453.7</b>	<b>450.6</b>
Department of Defense, military.....	388.9	435.7	429.7
Military personnel.....	106.7	117.4	108.9
Operation and maintenance.....	151.4	165.7	163.9
Procurement.....	67.9	77.7	78.2
Aircraft.....	21.3	22.4	23.2
Missiles.....	4.1	4.7	5.4
Ships.....	9.5	10.6	11.7
Weapons.....	3.9	4.2	3.9
Ammunition.....	1.0	1.7	1.5
Other.....	28.2	34.1	32.4
Research, development, test, and evaluation.....	53.1	60.6	66.2
Other.....	9.7	14.3	12.6
Atomic energy and other defense-related activities.....	16.2	18.0	20.8
Plus: Consumption of general government fixed capital.....	61.0	62.2	63.4
Additional payments to military and civilian retirement funds.....	24.1	26.9	27.8
Timing difference.....	2.3	-0.6	3.3
Less: Grants-in-aid to state and local governments and net interest paid.....	3.4	3.8	3.9
Other differences.....	0.9	4.6	7.7
<b>Equals: National defense consumption expenditures and gross investment, NIPAs</b> .....	<b>483.5</b>	<b>535.0</b>	<b>526.9</b>
Less: National defense gross investment <sup>1</sup> .....	58.6	63.8	67.0
<b>Equals: National defense consumption expenditures, NIPAs</b> .....	<b>424.8</b>	<b>471.2</b>	<b>459.8</b>

1. Gross investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in Federal Government consumption expenditures.  
Sources: *Budget of the United States Government, Fiscal Year 2005* and the Bureau of Economic Analysis.

receipts and lower NIPA current expenditures. Netting and grossing adjustments have an equal effect on current receipts and expenditures, so they have no effect on saving.

**Fiscal year 2005 NIPA estimates**

In the NIPA framework, net Federal Government saving would increase \$181.6 billion in fiscal year 2005 after decreasing \$131.7 billion in fiscal year 2004 (table 7 and chart 1). The upturn in saving in fiscal year 2005

**Table 7. Relation of Administration Budget and NIPA Estimates of Federal Government Current Receipts and Expenditures**  
[Billions of dollars]

	Level for fiscal year			Change from preceding fiscal year	
	Actual	Estimates			
	2003	2004	2005	2004	2005
<b>Administration budget:</b>					
Receipts.....	1,782.3	1,798.1	2,036.3	15.8	238.2
Outlays.....	2,157.6	2,318.8	2,399.8	161.2	81.0
Surplus or deficit (-).....	-375.3	-520.7	-363.5	-145.4	157.2
<b>NIPAs:</b>					
Current receipts.....	1,830.2	1,847.9	2,109.5	17.6	261.6
Current expenditures.....	2,218.0	2,367.4	2,447.4	149.4	80.1
Net Federal Government saving.....	-387.8	-519.5	-338.0	-131.7	181.5
	Differences				
<b>Administration budget less NIPAs:</b>					
Receipts / Current receipts.....	-47.9	-49.8	-73.2	-1.9	-23.4
Outlays / Current expenditures.....	-60.4	-48.6	-47.6	11.8	1.0
Deficit / Net Federal Government saving.....	12.5	-1.2	-25.6	-13.7	-24.4

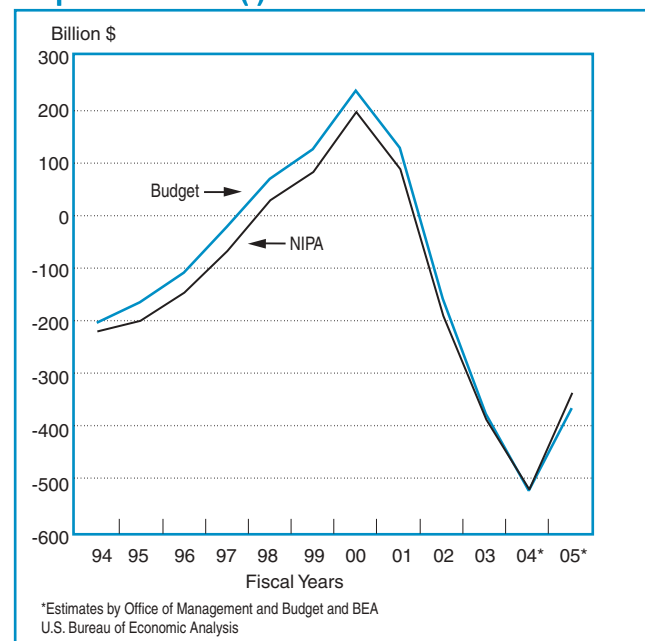
Sources: *Budget of the United States Government, Fiscal Year 2005* and the Bureau of Economic Analysis.

results from an acceleration in current receipts and from a deceleration in current expenditures.

On a NIPA basis, Federal current receipts would increase \$261.6 billion in fiscal year 2005 after increasing \$17.6 billion in fiscal year 2004 (table 8 and chart 2). The acceleration results from an acceleration in the tax base that would increase receipts \$279.7 billion. (The tax base is estimated using the administration's economic assumptions and does not include effects of proposed legislation.) In current receipts, personal current taxes would turn up, increasing \$129.5 billion after decreasing \$60.7 billion; the upturn is more than accounted for by an upturn in the tax base. Taxes on corporate income would increase \$71.9 billion after increasing \$33.1 billion, reflecting an acceleration in the tax base. Contributions for government social insurance would increase \$58.7 billion after increasing \$38.2 billion, reflecting an expected acceleration in taxable wages and salaries. The current surplus of government enterprises would decline less, decreasing \$0.8 billion after decreasing \$3.5 billion, reflecting an upturn in the current surplus of "other" government enterprises and a smaller deterioration in the Postal Service current surplus.

In the NIPA framework, Federal current expenditures would increase \$80.1 billion in fiscal year 2005 after increasing \$149.4 billion in fiscal year 2004 (table 9

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



and chart 3). Consumption expenditures would increase \$6.1 billion after increasing \$65.8 billion; the deceleration is mainly accounted for by a downturn in national defense consumption expenditures. Grants-in-aid to state and local governments would decrease \$4.1 billion after increasing \$27.3 billion; the downturn is mostly attributable to a deceleration in health grants and to downturns in "other" grants and in grants for central executive, legislative, and judicial activities. Government social benefits to persons would increase \$49.9 billion after increasing \$54.4 billion; the slowdown is mainly attributable to a downturn in "other" government social benefits to persons and to decelerations in veterans benefits and in social security. "Other" current transfer payments to the rest of the world would decelerate, increasing \$2.6 billion after increasing \$6.5 billion. In contrast, Federal interest paid would accelerate, increasing \$25.3 billion after increasing \$0.7 billion; the acceleration reflects the expected higher interest rates and a larger public debt. Subsidies would turn up, increasing \$0.2 billion after decreasing \$5.3 billion.

**Quarterly pattern.** Seasonally adjusted quarterly estimates of NIPA current receipts and current expenditures that are consistent with the budget estimates of receipts and outlays for the fiscal year are shown in table 10. The NIPA estimates of current receipts reflect the quarterly pattern that results from the enacted and proposed legislation, from the administration's pro-

jected quarterly pattern of wages, and from BEA's methodology for deriving quarterly estimates of declarations and settlements (estimated income tax payments and final settlements) less refunds.<sup>13</sup> The NIPA estimates of current expenditures reflect the quarterly pattern that results from enacted and proposed legislation that would adjust pay for Federal Government employees and that would provide cost-of-living increases in social security and other programs. The quarterly estimates do not control to the fiscal year estimates, but they reflect estimated changes from published preliminary estimates for the fourth quarter of 2003. Because of the limited information available to estimate quarterly patterns, the estimates should be viewed as rough approximations. These approximations will be superseded by BEA's more reliable quarterly estimates that will be prepared and published in NIPA table 3.2.

In the NIPA framework, net Federal government saving declines from -\$320.4 billion in the first quarter of 2003 to -\$436.6 billion in the fourth quarter. Net saving continues to decline in the first quarter of 2004,

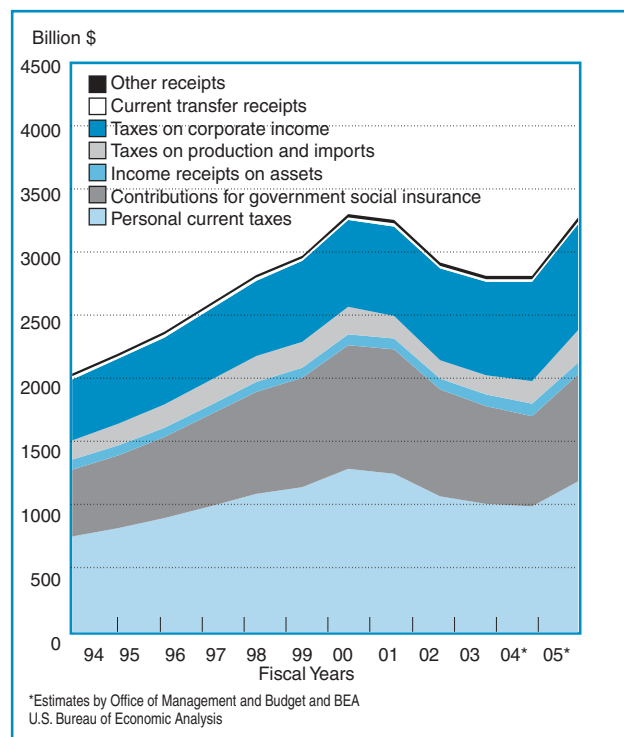
13. For details on the methodology, see Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts," SURVEY 78 (August 1998): 29-31.

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

	Change from preceding fiscal year		
	2003	2004	2005
<b>Total receipts</b> .....	<b>-48.3</b>	<b>17.6</b>	<b>261.6</b>
Due to tax bases.....	-47.4	9.9	279.7
Due to proposed legislation.....	0.0	7.7	-20.0
Current tax receipts.....	-60.5	-20.6	201.0
Personal current taxes.....	-67.1	-60.7	129.5
Due to tax bases.....	-67.1	-60.4	149.2
Due to proposed legislation.....	0.0	-0.4	-19.7
Taxes on production and imports.....	3.9	7.1	-0.4
Due to tax bases.....	3.9	5.7	1.1
Due to proposed legislation.....	0.0	1.4	-1.5
Taxes on corporate income.....	3.4	33.1	71.9
Due to tax bases.....	3.4	26.4	70.3
Due to proposed legislation.....	0.0	6.7	1.6
Taxes from the rest of the world.....	-0.7	-0.1	0.0
Contributions for government social insurance.....	12.4	38.2	58.7
Due to tax bases.....	12.4	38.2	59.1
Due to proposed legislation.....	0.0	0.0	-0.4
Income receipts on assets.....	0.6	2.2	0.4
Current transfer receipts.....	0.0	1.4	2.3
Current surplus of government enterprises.....	-0.6	-3.5	-0.8

Sources: Budget of the United States Government, Fiscal Year 2005 and the Bureau of Economic Analysis.

**Chart 2. Federal Government Current Receipts, NIPA Framework**



\*Estimates by Office of Management and Budget and BEA U.S. Bureau of Economic Analysis

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

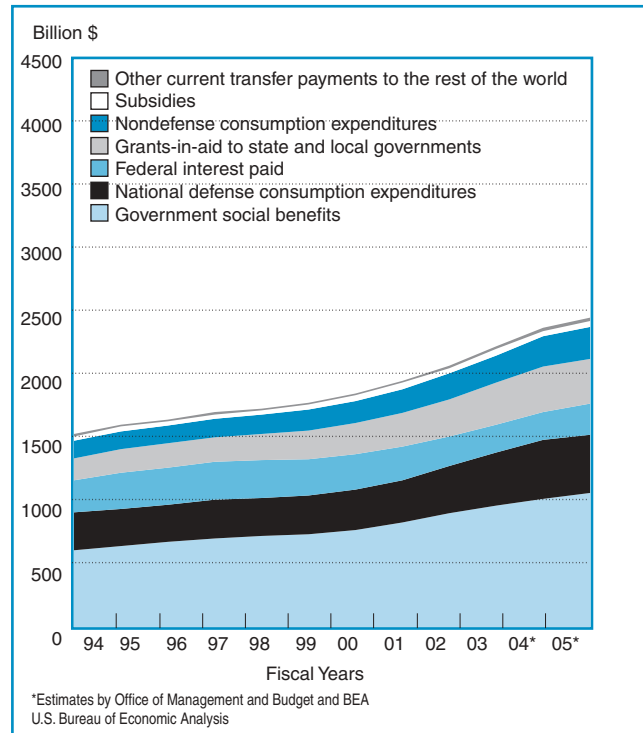
	Change from preceding fiscal year		
	2003	2004	2005
<b>Total current expenditures</b> .....	<b>154.7</b>	<b>149.4</b>	<b>80.1</b>
Consumption expenditures.....	64.2	65.8	6.1
National defense .....	54.9	46.4	-11.4
Pay raise and locality pay <sup>1</sup> .....	0.0	3.4	3.3
Other.....	54.9	43.0	-14.7
Nondefense .....	9.3	19.4	17.5
Pay raise and locality pay <sup>1</sup> .....	0.0	3.0	2.4
Other.....	9.3	16.5	15.1
Current transfer payments.....	95.4	88.3	48.4
Government social benefits to person.....	55.9	54.4	49.9
Social security.....	17.9	21.0	18.1
Medicare.....	15.5	23.8	28.0
Supplemental security income.....	1.7	3.1	1.1
Earned income and other tax credits.....	5.5	2.7	4.3
Veterans benefits.....	0.9	5.2	2.0
Unemployment benefits.....	2.9	-9.2	-5.0
Food stamps.....	3.3	2.9	2.0
Other.....	8.0	4.8	-0.5
Government social benefits to the rest of the world.....	0.1	0.1	0.1
Grants-in-aid to state and local governments.....	36.3	27.3	-4.1
Health.....	15.5	18.7	6.3
Medicaid.....	13.2	16.6	4.8
Other health.....	2.4	2.2	1.5
Education.....	6.7	6.0	-0.3
Welfare and social services.....	3.1	0.1	-0.1
Housing and community services.....	1.0	1.0	0.2
Central executive, legislative and judicial activities.....	4.0	0.2	-4.8
Labor training and services.....	1.6	-0.7	-1.8
Other.....	4.3	2.0	-3.6
Other current transfer payments to the rest of the world.....	3.1	6.5	2.6
Federal interest paid.....	-16.3	0.7	25.3
Subsidies.....	11.4	-5.3	0.1
Agriculture subsidies.....	5.9	-4.1	1.5
Housing subsidies.....	2.1	1.3	-0.1
Other subsidies.....	3.4	-2.6	-1.2

1. Consists of pay raises and locality pay beginning in January 2004.  
Source: Bureau of Economic Analysis.

reflecting an increase in current expenditures and a decrease in current receipts. The increase in current expenditures is caused by sharp increases in planned defense consumption expenditures and in government social benefits to persons due to cost-of-living adjustments. Net saving increases through the rest of 2004. The second-quarter increase in net saving results from an increase in receipts that offsets an increase in current expenditures; the increase in receipts reflects increases in current personal taxes, in contributions for government social insurance, and in taxes on corporate income. The third-quarter increase in net saving results from a larger increase in current receipts—mainly in personal current taxes—than in current expenditures. The fourth-quarter increase in net saving is attributable to an increase in current receipts, reflecting increases in personal current taxes, in taxes on corporate income, and in contributions for government social insurance; expenditures fall.

Net saving is projected to increase substantially in the first quarter of 2005 as a result of an increase in current receipts that more than offsets an increase in current expenditures. The increase in current receipts primarily reflects increases in personal current taxes, in

**Chart 3. Federal Government Current Expenditures, NIPA Framework**



taxes on corporate income, and in contributions for government social insurance. The increase in current expenditures reflects increases in government social benefits to persons, reflecting cost-of-living adjustments, in grants to the rest of the world, and in interest payments. Net saving continues to increase in the second and third quarters of 2005, but by smaller amounts. The second-quarter increase is accounted for by a larger increase in current receipts than in current expenditures; the increase in current receipts reflects increases in personal current taxes, in taxes on corporate income, in contributions for government social insurance, and in taxes on production and imports. The third-quarter increase is primarily attributable to an increase in current receipts, mainly in personal current taxes, in taxes on corporate income, and in contributions for government social insurance; the increase in current receipts more than offsets the increase in current expenditures.



Table 10. Federal Government Current Receipts and Expenditures, NIPA Framework—Continued [Billions of dollars; calendar year and quarters at seasonally adjusted annual rates]

Table with columns: Line, Fiscal year estimates (2003, 2004, 2005), Calendar year (2003, 2004), Quarter 2003 (I, II, III, IV), Quarter 2004 (I, II, III, IV), Quarter 2005 (I, II, III). Rows include categories like Veterans benefits, Grants-in-aid, Other current transfer payments, Federal interest paid, Subsidies, Net Federal Government saving, and Addenda.

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

2. Published estimates, both calendar year and quarters, appear in the NIPA tables 3.2 and 3.7 elsewhere in this issue. BEA's estimate of corporate profits tax accruals for the fourth quarter of 2003 will not be available until the release of the final estimate of gross domestic product on March 25, 2004. The value shown is derived from the budget.

3. Most transportation grants-in-aid to state and local governments are classified as capital transfers paid (see

addenda); however, water and railroad transportation grants are still classified as current account transactions.

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

Sources: Budget of the United States Government, Fiscal Year 2005 and the Bureau of Economic Analysis.

FICA Federal insurance contributions act

NIPAs National income and product accounts

SECA Self-employment contributions act



## Comprehensive Revision of the NIPAs Newly Available Tables

As part of the comprehensive revision of the national income and product accounts (NIPAs), this report presents the following newly available NIPA tables: 4.3B, 6.3D, 6.4D, 6.5D, 6.6D, 6.7D, 6.8D, 6.10D, 6.12D, 6.14D, 6.15D, 7.7, 7.13, 7.15, and 7.17.

The February 2004 issue of the SURVEY OF CURRENT BUSINESS included an article that described the revision and an extensive set of NIPA tables. The remaining tables are scheduled to be published in upcoming issues of the SURVEY.

**Table 4.3B. Relation of Foreign Transactions in the National Income and Product Accounts to the Corresponding Items in the International Transactions Accounts**

[Billions of dollars]

	Line	1999	2000	2001	2002
<b>Exports of goods, ITAs</b> .....	1	<b>684.0</b>	<b>772.0</b>	<b>718.7</b>	<b>681.9</b>
Less: Gold, ITAs <sup>1</sup> .....	2	5.3	6.0	4.9	3.4
Statistical differences <sup>2</sup> .....	3	0.0	0.0	0.0	0.0
Plus: Adjustment for U.S. territories and Puerto Rico <sup>3</sup> .....	4	18.5	18.4	17.7	19.3
<b>Equals: Exports of goods, NIPAs</b> .....	5	<b>697.2</b>	<b>784.3</b>	<b>731.5</b>	<b>697.8</b>
<b>Exports of services, ITAs</b> .....	6	<b>281.5</b>	<b>298.1</b>	<b>288.9</b>	<b>292.2</b>
Less: Statistical differences <sup>2</sup> .....	7	-1.6	-2.0	-1.9	-2.7
Other items <sup>4</sup> .....	8	0.7	1.0	0.8	0.7
Plus: Adjustment for U.S. territories and Puerto Rico <sup>3</sup> .....	9	3.9	4.1	4.2	4.2
Services furnished without payment by financial intermediaries except life insurance carriers.....	10	7.7	8.8	9.4	10.6
<b>Equals: Exports of services, NIPAs</b> .....	11	<b>294.0</b>	<b>311.9</b>	<b>303.6</b>	<b>309.1</b>
<b>Income receipts, ITAs</b> .....	12	<b>290.2</b>	<b>346.9</b>	<b>277.4</b>	<b>255.5</b>
Less: Statistical differences <sup>2</sup> .....	13	-5.1	-6.2	-9.0	-10.3
Plus: Adjustment for U.S. territories and Puerto Rico <sup>3</sup> .....	14	22.1	25.0	27.9	29.6
Imputed interest received from the rest of the world.....	15	-1.4	-1.8	-1.4	-1.2
Adjustment for grossing of parent/affiliate transactions <sup>5</sup> .....	16	4.9	6.3	6.0	5.0
<b>Equals: Income receipts, NIPAs</b> .....	17	<b>320.8</b>	<b>382.7</b>	<b>319.0</b>	<b>299.1</b>
<b>Imports of goods, ITAs</b> .....	18	<b>1,030.0</b>	<b>1,224.4</b>	<b>1,145.9</b>	<b>1,164.7</b>
Less: Gold, ITAs <sup>1</sup> .....	19	5.8	5.9	4.3	2.9
Statistical differences <sup>2</sup> .....	20	0.0	0.0	0.0	0.0
Plus: Gold, NIPAs <sup>1</sup> .....	21	-2.7	-3.2	-3.4	-3.3
Adjustment for U.S. territories and Puerto Rico <sup>3</sup> .....	22	23.9	28.2	29.8	31.8
<b>Equals: Imports of goods, NIPAs</b> .....	23	<b>1,045.5</b>	<b>1,243.5</b>	<b>1,168.0</b>	<b>1,190.3</b>
<b>Imports of services, ITAs</b> .....	24	<b>196.7</b>	<b>221.0</b>	<b>219.5</b>	<b>227.4</b>
Less: Statistical differences <sup>2</sup> .....	25	-5.1	-6.2	-9.0	-10.3
Plus: Adjustment for U.S. territories and Puerto Rico <sup>3</sup> .....	26	4.5	5.0	5.2	5.1
<b>Equals: Imports of services, NIPAs</b> .....	27	<b>206.3</b>	<b>232.3</b>	<b>233.6</b>	<b>242.7</b>
<b>Income payments, ITAs</b> .....	28	<b>273.1</b>	<b>327.3</b>	<b>266.7</b>	<b>259.5</b>
Less: Statistical differences <sup>2</sup> .....	29	-1.6	-2.0	-1.9	-2.7
Plus: Adjustment for U.S. territories and Puerto Rico <sup>3</sup> .....	30	1.2	1.2	1.2	1.1
Imputed interest paid to the rest of the world.....	31	6.3	7.0	8.0	9.4
Adjustment for grossing of parent/affiliate transactions <sup>5</sup> .....	32	4.9	6.3	6.0	5.0
<b>Equals: Income payments, NIPAs</b> .....	33	<b>287.0</b>	<b>343.7</b>	<b>283.8</b>	<b>277.6</b>
<b>Balance on goods and services and income, ITAs (1+6+12-18-24-28)</b> .....	34	<b>-244.1</b>	<b>-355.8</b>	<b>-347.1</b>	<b>-422.0</b>
Less: Gold (2-19+21).....	35	-3.2	-3.1	-2.8	-2.8
Statistical differences (3+7+13-20-25-29).....	36	0.0	0.0	0.0	0.0
Other items (8).....	37	0.7	1.0	0.8	0.7
Plus: Adjustment for U.S. territories and Puerto Rico (4+9+14-22-26-30).....	38	14.9	13.1	13.7	15.1
<b>Equals: Net exports of goods and services and net receipts of income, NIPAs (5+11+17-23-27-33)</b> .....	39	<b>-226.7</b>	<b>-340.5</b>	<b>-331.4</b>	<b>-404.8</b>
<b>Unilateral current transfers, net, ITAs</b> .....	40	<b>46.8</b>	<b>55.7</b>	<b>46.6</b>	<b>58.9</b>
Less: Statistical differences <sup>2</sup> .....	41	0.0	0.0	0.0	0.0
Plus: Adjustment for U.S. territories and Puerto Rico <sup>3</sup> .....	42	0.4	0.4	0.4	0.5
<b>Equals: Current taxes and transfer payments to the rest of the world, net, NIPAs</b> .....	43	<b>47.2</b>	<b>56.1</b>	<b>47.0</b>	<b>59.3</b>
<b>Balance on current account, ITAs (34-40)</b> .....	44	<b>-290.8</b>	<b>-411.5</b>	<b>-393.7</b>	<b>-480.9</b>
Less: Gold (35).....	45	-3.2	-3.1	-2.8	-2.8
Statistical differences (36-41).....	46	0.0	0.0	0.0	0.0
Other items (37).....	47	0.7	1.0	0.8	0.7
Plus: Adjustment for U.S. territories and Puerto Rico (38-42).....	48	14.5	12.7	13.2	14.6
<b>Equals: Balance on current account, NIPAs (39-43)</b> .....	49	<b>-273.9</b>	<b>-396.6</b>	<b>-378.4</b>	<b>-464.1</b>

1. Exports and imports of gold in the NIPAs differ from those in the ITAs. ITA gold exports (line 2) and imports (line 19) are excluded from the NIPAs; imports of gold in the NIPAs (line 21) is the excess of the value of gold in gross domestic purchases over the value of U.S. production of gold.

2. Consists of statistical revisions to the ITAs that have not yet been incorporated into the NIPAs and statistical revisions to the NIPAs that have not yet been incorporated into the ITAs.

3. Consists of transactions between the United States and its territories, Puerto Rico, and the Northern Mariana Islands. The treatment of U.S. territories, Puerto Rico, and the Northern Mariana Islands in the NIPAs differs from that in the ITAs. In the NIPAs, they are included in the rest of the world; in the ITAs, they are treated as part of the United States. The adjustment to unilateral current transfers, net (line 42) consists only of transfer payments from persons, because transfer payments, subsidies, and grants-in-aid from the Federal Government to residents of U.S. territories, Puerto Rico, and the Northern Mariana Islands are excluded from NIPA transfer payments to the rest of the world.

4. Beginning with 1988, the ITAs classify certain military grants as services that the NIPAs do not. In the NIPAs these transactions are excluded from exports and included in transfer payments from government.

5. In the ITAs, income transactions between parents and affiliates are recorded on a net basis. In ITA exports, U.S. parents' receipts from foreign affiliates for interest are net of such payments by U.S. parents to foreign affiliates. In ITA imports, U.S. affiliates' payments to foreign parents for interest are net of such receipts by U.S. affiliates from foreign parents. In the NIPAs, these transactions are recorded on a gross basis. The amount of the adjustment is identical in income payments and in income receipts and, thus, does not affect NIPA net income receipts or balance on current account.

ITAs International transactions accounts  
NIPAs National income and product accounts









**Table 6.7D. Self-Employed Persons by Industry**  
[Thousands]

	Line	1999	2000	2001	2002
<b>Self-employed persons</b> <sup>1</sup> .....	1	<b>10,121</b>	<b>10,233</b>	<b>10,133</b>	<b>9,963</b>
Agriculture, forestry, fishing, and hunting .....	2	985	996	975	990
Farms <sup>2</sup> .....	3	869	879	881	907
Forestry, fishing and related activities .....	4	116	117	94	83
Mining .....	5	9	9	20	12
Utilities .....	6	0	0	0	0
Construction .....	7	1,719	1,738	1,685	1,608
Manufacturing .....	8	320	324	355	315
Durable goods .....	9	206	208	227	192
Nondurable goods .....	10	115	116	128	123
Wholesale trade .....	11	228	231	222	221
Retail trade .....	12	994	1,005	985	955
Transportation and warehousing .....	13	344	348	375	368
Information .....	14	134	135	126	142
Finance and insurance, real estate, rental, and leasing .....	15	727	735	688	676
Professional and business services <sup>3</sup> .....	16	1,912	1,933	2,009	1,869
Educational services, health care, and social assistance .....	17	1,100	1,112	1,095	1,125
Arts, entertainment, recreation, accommodation, and food services .....	18	658	665	637	634
Other services, except government .....	19	991	1,002	961	1,048

1. Consists of active proprietors or partners who devote a majority of their working hours to their unincorporated businesses.

2. NAICS crop and animal production.

3. Consists of professional, scientific, and technical services; management of companies and enterprises; and administrative and waste management services.

NOTE: Estimates in this table are based on the 1997 North American Industry Classification System (NAICS).

Table 6.8D. Persons Engaged in Production by Industry

[Thousands]

	Line	1999	2000	2001	2002		Line	1999	2000	2001	2002
<b>Persons engaged in production</b> <sup>1</sup>	1	131,777	134,552	134,765	133,345	Publishing industries (includes software)	53	1,060	1,081	1,010	953
<b>Domestic industries</b>	2	132,218	134,940	135,189	133,789	Motion picture and sound recording industries	54	376	376	366	389
<b>Private industries</b>	3	113,369	115,812	115,799	113,992	Broadcasting and telecommunications ...	55	1,374	1,469	1,633	1,514
<b>Agriculture, forestry, fishing, and hunting</b>	4	2,159	2,177	2,344	2,369	Information and data processing services	56	518	552	517	466
Farms <sup>2</sup>	5	1,531	1,543	1,626	1,666	<b>Finance and insurance</b>	57	5,794	5,787	5,889	5,891
Forestry, fishing, and related activities	6	629	634	718	703	Federal Reserve banks, credit intermediation, and related activities ...	58	2,467	2,425	2,534	2,610
<b>Mining</b>	7	518	520	550	516	Securities, commodity contracts, and investments	59	876	927	927	871
Oil and gas extraction	8	115	120	127	125	Insurance carriers and related activities	60	2,304	2,286	2,340	2,323
Mining, except oil and gas	9	231	222	222	212	Funds, trusts, and other financial vehicles	61	147	149	89	87
Support activities for mining	10	172	178	201	179	<b>Real estate and rental and leasing</b>	62	2,232	2,265	2,331	2,326
<b>Utilities</b>	11	597	593	595	587	Real estate	63	1,603	1,611	1,678	1,705
<b>Construction</b>	12	8,356	8,645	8,540	8,361	Rental and leasing services and lessors of intangible assets <sup>5</sup>	64	629	654	653	622
<b>Manufacturing</b>	13	17,365	17,271	16,549	15,374	<b>Professional, scientific, and technical services</b>	65	7,897	8,228	8,094	7,789
Durable goods	14	10,910	10,921	10,421	9,560	Legal services	66	1,396	1,413	1,401	1,408
Wood products	15	645	633	610	590	Computer systems design and related services	67	1,329	1,413	1,347	1,203
Nonmetallic mineral products	16	551	561	552	527	Miscellaneous professional, scientific, and technical services <sup>6</sup>	68	5,172	5,402	5,345	5,178
Primary metals	17	611	613	564	502	<b>Management of companies and enterprises</b> <sup>7</sup>	69	1,621	1,647	1,636	1,613
Fabricated metal products	18	1,755	1,764	1,671	1,547	<b>Administrative and waste management services</b>	70	7,795	8,238	7,965	7,798
Machinery	19	1,448	1,436	1,360	1,225	Administrative and support services	71	7,483	7,923	7,642	7,471
Computer and electronic products	20	1,791	1,818	1,731	1,486	Waste management and remediation services	72	312	314	322	327
Electrical equipment, appliances, and components	21	566	582	558	495	<b>Educational services</b>	73	2,274	2,358	2,466	2,544
Motor vehicles, bodies and trailers, and parts	22	1,300	1,294	1,209	1,151	<b>Health care and social assistance</b>	74	12,394	12,660	13,192	13,594
Other transportation equipment	23	772	739	720	670	Ambulatory health care services	75	4,286	4,349	4,473	4,626
Furniture and related products	24	686	693	671	627	Hospitals	76	3,483	3,533	3,753	3,867
Miscellaneous manufacturing	25	785	787	775	741	Nursing and residential care facilities	77	2,297	2,355	2,432	2,482
Non-durable goods	26	6,455	6,351	6,128	5,814	Social assistance	78	2,328	2,423	2,535	2,620
Food and beverage and tobacco products	27	1,742	1,745	1,752	1,725	<b>Arts, entertainment, and recreation</b>	79	1,774	1,853	1,940	1,974
Textile mills and textile product mills	28	635	599	535	496	Performing arts, spectator sports, museums, and related activities	80	688	712	702	722
Apparel and leather and allied products	29	621	564	514	441	Amusements, gambling, and recreation industries	81	1,086	1,142	1,238	1,252
Paper products	30	608	597	568	533	<b>Accommodation and food services</b>	82	8,683	8,931	8,614	8,627
Printing and related support activities	31	810	803	803	740	Accommodation	83	1,667	1,713	1,738	1,683
Petroleum and coal products	32	127	121	119	118	Food services and drinking places	84	7,016	7,218	6,875	6,944
Chemical products	33	973	974	950	918	<b>Other services, except government</b>	85	6,398	6,491	6,550	6,735
Plastics and rubber products	34	940	947	889	842	<b>Government</b>	86	18,849	19,128	19,390	19,797
<b>Wholesale trade</b>	35	5,994	6,071	5,800	5,679	Federal	87	4,167	4,198	4,120	4,190
Durable goods	36	3,563	3,608	3,441	3,306	General government	88	3,370	3,416	3,342	3,395
Non-durable goods	37	2,432	2,463	2,360	2,373	Civilian	89	1,821	1,869	1,794	1,818
<b>Retail trade</b>	38	13,803	14,127	14,658	14,482	Military <sup>8</sup>	90	1,549	1,547	1,548	1,577
Motor vehicle and parts dealers	39	1,671	1,706	1,759	1,765	Government enterprises	91	797	782	778	795
Food and beverage stores	40	2,581	2,645	2,754	2,698	State and local	92	14,682	14,930	15,270	15,607
General merchandise stores	41	2,354	2,416	2,569	2,555	General government	93	13,762	14,000	14,318	14,619
Other retail <sup>9</sup>	42	7,197	7,359	7,575	7,463	Education	94	7,372	7,572	7,782	7,873
<b>Transportation and warehousing</b>	43	4,385	4,472	4,562	4,410	Other <sup>9</sup>	95	6,390	6,428	6,536	6,746
Air transportation	44	568	591	586	535	Government enterprises <sup>9</sup>	96	920	930	952	988
Rail transportation	45	208	198	189	181	<b>Rest of the world</b> <sup>10</sup>	97	-441	-388	-424	-444
Water transportation	46	52	54	53	52						
Truck transportation	47	1,536	1,565	1,572	1,548						
Transit and ground passenger transportation	48	406	403	436	439						
Pipeline transportation	49	45	44	44	41						
Other transportation and support activities <sup>4</sup>	50	1,101	1,138	1,191	1,125						
Warehousing and storage	51	470	479	491	489						
<b>Information</b>	52	3,328	3,478	3,525	3,322						

1. Equals the number of full-time equivalent employees plus the number of self-employed persons. Unpaid family workers are not included.

2. NAICS crop and animal production.

3. Consists of furniture and home furnishings stores; electronics and appliance stores; building material and garden equipment and supplies dealers; health and personal care stores; gasoline stations; clothing and clothing accessories stores; sporting goods, hobby, book, and music stores; miscellaneous store retailers; and nonstore retailers.

4. Consists of scenic and sightseeing transportation; transportation support activities; and couriers and messengers.

5. Intangible assets include patents, trademarks, and franchise agreements, but not copyrights.

6. Consists of accounting, tax preparation, bookkeeping, and payroll services; architectural, engineering, and related services; specialized design services; management, scientific, and technical consulting services; scientific research and development services; advertising and related services; and other professional, scientific, and technical services.

7. Consists of offices of bank and other holding companies and of corporate, subsidiary, and regional managing offices.

8. Includes the Coast Guard.

9. Employees of Indian tribal governments are classified in state and local government.

10. 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 1997 North American Industry Classification System (NAICS).





Table 7.7. Business Current Transfer Payments by Type

[Billions of dollars]

	Line	1999	2000	2001	2002
<b>Business current transfer payments (net)</b> .....	1	67.4	87.1	92.5	89.8
<b>Payments to persons (net)</b> .....	2	34.1	42.4	49.9	42.6
Insurance payments to persons by business ...	3	19.1	27.2	33.7	25.6
Automobile insurance.....	4	12.8	13.8	15.2	16.5
Medical malpractice insurance.....	5	3.6	4.1	5.5	6.8
Net insurance settlements .....	6	2.8	9.4	13.0	2.3
Donations by corporate business to nonprofit institutions serving households.....	7	10.7	10.7	11.4	12.0
Other <sup>1</sup> .....	8	4.2	4.5	4.8	5.1
<b>Payments to government (net)</b> <sup>2</sup> .....	9	35.9	43.7	47.3	46.8
<b>Payments to the rest of the world (net)</b> <sup>3</sup> .....	10	-2.6	1.0	-4.7	0.4

1. Consists largely of losses by business due to fraud and unrecovered thefts, corporate cash prizes, and payments from personal injury trust funds.

2. For detail, see table 3.7.

3. Consists of net insurance settlements paid to the rest of the world less net insurance settlements received from the rest of the world.

Table 7.13. Relation of Consumption of Fixed Capital in the National Income and Product Accounts to Depreciation and Amortization as Published by the Internal Revenue Service

[Billions of dollars]

	Line	1999	2000	2001	2002
<b>Corporations</b>					
<b>Depreciation and amortization, IRS</b> .....	1	678.0	718.7		
Less: Depreciation of assets of foreign branches .....	2	2.7	3.2		
Depreciation or amortization of intangible assets <sup>1</sup> .....	3	56.1	67.2		
Other <sup>2</sup> .....	4	21.7	23.7		
Plus: Accidental damage to fixed capital other than repairable damage.....	5	5.3	4.7		
Depreciation of computer software not in IRS depreciation .....	6	84.3	99.4		
Depreciation of mining exploration, shafts, and wells charged to current expense.....	7	12.3	12.6		
Depreciation of motor vehicles not in IRS depreciation <sup>3</sup> .....	8	5.5	5.7		
Depreciation of railroad track charged to current expense <sup>4</sup> .....	9				
Other <sup>5</sup> .....	10	1.4	1.4		
<b>Equals: Capital consumption allowances, NIPAs</b> .....	11	706.4	748.6	805.8	908.8
Less: Capital consumption adjustment .....	12	74.5	58.6	64.5	161.5
<b>Equals: Consumption of fixed capital, NIPAs</b> .....	13	632.0	690.0	741.3	747.3
<b>Nonfarm sole proprietorships and partnerships</b>					
<b>Depreciation and amortization, IRS</b> .....	14	163.4	182.7	211.4	
Less: Depreciation or amortization of intangible assets <sup>1</sup> .....	15	6.5	7.7	8.5	
Adjustment for misreporting on income tax returns .....	16	12.8	14.4	15.2	
Other <sup>6</sup> .....	17	0.8	0.9	0.9	
Plus: Accidental damage to fixed capital other than repairable damage.....	18	0.5	0.4	1.2	
Depreciation of computer software not in IRS depreciation .....	19	4.7	5.5	6.3	
Depreciation of mining exploration, shafts, and wells charged to current expense.....	20	3.0	3.2	3.5	
Depreciation of motor vehicles not in IRS depreciation <sup>3</sup> .....	21	0.5	0.5	0.5	
<b>Equals: Capital consumption allowances, NIPAs</b> .....	22	151.9	169.2	198.3	240.0
Less: Capital consumption adjustment .....	23	55.4	66.0	90.5	130.4
<b>Equals: Consumption of fixed capital, NIPAs</b> .....	24	96.5	103.2	107.8	109.7

1. Consists of intangible assets that the IRS allows to be amortized.

2. Consists of depreciation or amortization of the following items: Breeding, dairy, and work animals; motion picture films; rental videocassettes; and rental clothing.

3. Consists of depreciation of employees' motor vehicles reimbursed by business and depreciation of business motor vehicles charged to current expense.

4. Beginning with 1981, included in IRS depreciation (line 1).

5. Consists of depreciation of assets owned by Federal Reserve banks, Federally sponsored credit agencies, credit unions, and nonprofit institutions serving business; depreciation of interest paid by public utilities for own-account investment prior to 1987 (beginning with 1987, included in line 1).

6. Consists of depreciation or amortization of rental videocassettes and rental clothing.

IRS Internal Revenue Service

NIPAs National income and product accounts

**Table 7.15. Relation of Net Farm Income in the National Income and Product Accounts to Net Farm Income as Published by the U.S. Department of Agriculture**  
[Billions of dollars]

	Line	1999	2000	2001	2002
<b>Net farm income, USDA</b> .....	1	<b>46.8</b>	<b>47.8</b>	<b>50.6</b>	<b>35.3</b>
Plus: Depreciation and other consumption of farm capital, USDA.....	2	17.8	18.0	18.3	19.1
Farm housing expenses excluding depreciation.....	3	3.7	4.0	4.1	4.4
Monetary interest received by farm corporations.....	4	0.8	0.9	0.4	0.4
Valuation adjustment, Commodity Credit Corporation loans.....	5	-1.5	-1.9	-0.4	-0.1
Change in farm materials and supplies inventories.....	6	-1.1	0.6	-0.6	-0.2
Less: Consumption of fixed capital, NIPAs.....	7	21.2	21.3	21.7	22.1
Gross rental value of farm housing, USDA.....	8	10.2	10.7	11.4	11.3
Patronage dividends received from cooperatives.....	9	0.6	0.6	0.6	0.6
Other <sup>1</sup> .....	10	1.6	1.8	2.1	1.7
<b>Equals: Farm proprietors' income and corporate profits with inventory valuation and capital consumption adjustments</b> .....	11	<b>32.9</b>	<b>35.2</b>	<b>36.8</b>	<b>23.2</b>
Proprietors' income.....	12	28.6	22.7	25.0	14.3
Corporate profits.....	13	4.3	12.5	11.8	9.0

1. Consists largely of salaries paid to certain farm operators. USDA U.S. Department of Agriculture

**Table 7.17. Relation of Monetary Interest Paid and Received in the National Income and Product Accounts to Corresponding Measures as Published by the Internal Revenue Service**  
[Billions of dollars]

	Line	1999	2000	2001	2002
<b>Corporations</b>					
<b>Interest paid, IRS</b> .....	1	<b>1,019.0</b>	<b>1,271.7</b>	<b>1,203.9</b>	.....
Less: Interest paid by foreign branches of commercial banks.....	2	17.1	29.1	16.6	.....
Plus: Interest paid by organizations not filing corporation income tax returns.....	3	42.4	56.5	49.4	.....
Federally sponsored credit agencies.....	4	27.8	40.2	32.4	.....
Other <sup>1</sup> .....	5	14.6	16.3	17.0	.....
Interest paid by regulated investment companies reported as distributions to stockholders.....	6	118.2	143.5	124.5	.....
Adjustment for mutual savings banks and savings and loan associations.....	7	1.9	2.0	9.6	.....
Other <sup>2</sup> .....	8	8.2	8.9	8.8	.....
<b>Equals: Monetary interest paid by corporations, NIPAs</b> .....	9	<b>1,172.5</b>	<b>1,453.5</b>	<b>1,379.6</b>	<b>1,200.0</b>
<b>Nonfarm proprietorships and partnerships</b>					
<b>Interest paid, IRS</b> .....	10	<b>85.4</b>	<b>104.8</b>	<b>109.6</b>	.....
Plus: Interest reported on rental expense schedule.....	11	68.7	78.8	83.3	.....
Interest passed through to partners.....	12	20.1	28.8	30.4	.....
Interest capitalized on tax returns.....	13	0.9	1.0	1.0	.....
Less: Adjustment for misreporting on income tax returns.....	14	13.5	16.5	17.1	.....
<b>Equals: Monetary interest paid, NIPAs</b> .....	15	<b>161.7</b>	<b>196.8</b>	<b>207.1</b>	<b>205.0</b>
<b>Corporations</b>					
<b>Interest received, IRS</b> .....	16	<b>1,353.6</b>	<b>1,628.0</b>	<b>1,549.5</b>	.....
Less: Interest received by foreign branches of commercial banks.....	17	11.5	11.8	11.1	.....
Plus: Interest received by organizations not filing corporation income tax returns.....	18	89.3	110.6	102.0	.....
Federal Reserve banks.....	19	29.3	34.0	31.9	.....
Federally sponsored credit agencies.....	20	30.7	44.5	36.6	.....
Other <sup>3</sup> .....	21	29.2	32.1	33.5	.....
Adjustment for mutual savings banks and savings and loan associations.....	22	11.0	12.4	18.3	.....
Other <sup>4</sup> .....	23	13.8	16.7	15.0	.....
<b>Equals: Monetary interest received by corporations, NIPAs</b> .....	24	<b>1,456.1</b>	<b>1,756.0</b>	<b>1,673.8</b>	<b>1,498.1</b>

1. Consists of interest paid by nonprofit organizations serving business and by credit unions.  
 2. Consists of construction interest capitalized on tax returns, interest reported on tax returns in cost of goods sold, and interest passed through to shareholders by small business corporations.  
 3. Consists of nonprofit organizations serving business, of credit unions, and of other tax-exempt interest received by commercial banks and nonlife insurance carriers.  
 4. Consists of interest received by credit agencies and finance companies reported as business receipts on tax returns and of interest passed through to shareholders by small business corporations.  
 NOTE: Total interest received by financial proprietorships and partnerships is not separately identified by the IRS.  
 IRS Internal Revenue Service  
 NIPAs National income and product accounts

## Errata

### Sources of the Revisions to Selected Income Components

In “Improved Estimates of the National Income and Product Accounts for 1929–2002” in the February 2004 *SURVEY OF CURRENT BUSINESS*, table 9 incorrectly reported the sources of the revisions to taxes on production and imports and to business current transfer payments for 1959, 1987, 1992, and 1997. The correct sources are provided in the table below.

**Table 9. Revisions to Other Income Components**

[Billions of dollars]

	1959	1987	1992	1997	2000	2001	2002
<b>Taxes on production and imports <sup>1</sup></b> .....	<b>-0.8</b>	<b>-21.4</b>	<b>-26.8</b>	<b>-34.2</b>	<b>-44.7</b>	<b>-45.0</b>	<b>-40.3</b>
Definitional .....	-0.4	-13.6	-24.5	-29.7	-43.7	-47.3	-46.8
Reclassification of nontaxes as transfers .....	-0.4	-13.6	-24.5	-29.7	-43.7	-47.3	-46.8
Statistical.....	-0.4	-7.8	-2.3	-4.5	-1.0	2.3	6.5
<b>Less: Subsidies</b> .....	<b>0.0</b>	<b>-1.1</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.2</b>	<b>0.0</b>	<b>-8.0</b>
Definitional .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statistical.....	0.0	-1.1	0.0	-0.1	0.2	0.0	-8.0
<b>Business current transfer payments</b> .....	<b>0.4</b>	<b>9.6</b>	<b>14.3</b>	<b>13.1</b>	<b>43.4</b>	<b>50.0</b>	<b>45.7</b>
Definitional .....	0.3	9.3	14.7	13.1	43.9	47.1	40.3
Reclassification of nontaxes as transfers .....	0.4	13.6	24.5	29.7	43.7	47.3	46.8
New treatment of insurance services.....	0.0	-0.9	-4.3	-7.7	10.4	9.0	2.7
Reclassification of nonresident taxes paid by domestic corporations .....	-0.1	-3.4	-5.5	-8.9	-10.2	-9.2	-9.2
Statistical.....	0.1	0.3	-0.4	0.0	-0.5	2.9	5.4
<b>Current surplus of government enterprises</b> .....	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>-1.3</b>	<b>-4.8</b>	<b>-6.8</b>	<b>-10.9</b>
Definitional .....	0.0	0.0	0.1	0.4	0.6	0.7	0.8
Reclassification of Indian tribal governments.....	0.0	0.0	0.1	0.4	0.6	0.7	0.8
Statistical.....	0.0	0.0	0.0	-1.7	-5.4	-7.5	-11.7

1. Revisions are calculated by comparing the new series “taxes on production and imports” with the previously published series “indirect business tax and nontax liabilities.”

# Preview of the Comprehensive Revision of the Annual Industry Accounts

## Integrating the Annual Input-Output Accounts and Gross-Domestic-Product-by-Industry Accounts

By Brian C. Moyer, Mark A. Planting, Mahnaz Fahim-Nader, and Sherlene K. S. Lum

**I**N JUNE, the Bureau of Economic Analysis (BEA) will release the initial results of its comprehensive revision of the annual industry accounts. The centerpiece of this revision is the integration of the annual input-output (I-O) accounts and the gross-domestic-product-(GDP)-by-industry accounts for 1998–2002. For the first time, the annual I-O accounts and the GDP-by-industry accounts will be released concurrently and will present consistent measures of gross output, intermediate inputs, and value added by industry.

Integration can be achieved through a variety of methods. For example, many countries produce integrated annual I-O accounts and GDP-by-industry accounts by assuming that the industry ratios of intermediate inputs to gross output do not change from the most recent set of benchmark I-O accounts; these ratios are then used to estimate a time series of value added by industry from annual source data on gross output by industry. BEA has taken a different approach in developing an integration methodology because of the richness of the source data that are available in the United States; for example, the Bureau of the Census, the Bureau of Labor Statistics, and the Internal Revenue Service provide data that can be used to estimate value added by industry. However, the quality of these source data varies by data series and by industry; as a result, BEA has developed an integration methodology that ranks the available source data by quality and estimates a balanced set of annual I-O accounts and GDP-by-industry accounts that incorporate a weighted average of these source data on the basis of their relative quality. In this manner, BEA's integrated annual I-O accounts and GDP-by-industry accounts will provide a more consistent and a more accurate set of estimates.

This integration is the most recent improvement in a series of improvements to the industry accounts. As outlined in its strategic plan, BEA continues to make

significant improvements to its industry accounts. These improvements include the following: Resuming the publication of the annual I-O accounts; accelerating the release of the annual I-O accounts to within 3 years after the end of the reference year; expanding the GDP-by-industry accounts to include gross output and intermediate inputs for all industries; developing an accelerated set of GDP-by-industry accounts that are available with a lag of just 4 months after the end of the reference year; and continuing to work closely with the Bureau of the Census on new initiatives to improve the quality and the timeliness of the source data used to prepare the industry accounts. With these improvements, general improvements to the quality of industry source data, and improvements to data-processing systems, BEA is now ready to integrate the annual I-O accounts and the GDP-by-industry accounts.<sup>1</sup>

This comprehensive revision undertakes the integration of the annual I-O accounts and the GDP-by-industry accounts, but BEA's long-run goal is the "full" integration of all the industry accounts, including the benchmark I-O accounts, and the integration of the industry accounts with the national income and product accounts (NIPAs).<sup>2</sup> Integration with the NIPAs will allow the industry accounts to provide annual feedback to the NIPAs that could potentially improve the commodity composition of GDP. Full integration is expected in the 2008–2010 timeframe when the neces-

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1. For a discussion on integrating the industry accounts, see Robert E. Yuskavage, "Priorities for Industry Accounts at BEA" (paper presented at the meeting of the BEA Advisory Committee, Washington, DC, November 17, 2000). The paper is available at BEA's Web site <[www.bea.gov](http://www.bea.gov)>.

2. In addition, it is BEA's long-run goal to integrate the industry accounts and NIPAs with related regional accounts, namely gross state product (GSP) by industry and regional I-O multiplier estimates. Consistency between the annual I-O accounts and the GDP-by-industry accounts will improve the quality of the GSP accounts, and any increase in timeliness of the GDP-by-industry estimates will be reflected in more speedy delivery of the GSP estimates. Consistent and better measures of value added would also potentially strengthen the links between the GSP accounts and the regional I-O multiplier estimates.

sary data on intermediate inputs by industry will be available from the 2002 Economic Census and from the annual surveys that are currently being collected and tabulated by the Bureau of the Census.

This article presents the integration methodology that is being used for 1998–2002 and for future updates. An article in the June issue of the *SURVEY OF CURRENT BUSINESS* will describe the results of the comprehensive revision to the annual industry accounts, including the conversion to the 1997 North American Industry Classification System (NAICS) back to 1998 and the release of the accelerated GDP-by-industry estimates for 2003.<sup>3</sup>

Highlights of the integration methodology are as follows.

- It allows BEA to incorporate the most timely and highest quality source data into both the annual I-O accounts and the GDP-by-industry accounts.
- The annual I-O accounts and the GDP-by-industry accounts will be released concurrently for 1998–2002, and for the first time, both sets of accounts will present fully consistent measures of gross output, intermediate inputs, and value added by industry.
- The quality of the annual industry accounts will be improved because the accounts will be prepared within a balanced I-O framework; that is, all the components of the accounts will be in agreement within a balanced row-and-column framework.
- The release of the annual I-O accounts will be accelerated by 2 years in a sequence of two steps that will be completed by the fall of 2004, when they will be released 1 year after the end of the reference year.
- For the first time, the 1998–2002 annual I-O accounts will be a consistent time series; they will be more useful for analyses of trends over time.

This article is presented in two parts. The first part presents the rationale for integration. The second part describes the integration methodology.

### The Rationale for Integration

BEA prepares two sets of industry accounts: The I-O accounts, which consists of the benchmark I-O accounts and the annual I-O accounts, and the GDP-by-industry accounts. Both the I-O accounts and the GDP-by-industry accounts present measures of gross output, intermediate inputs, and value added by industry; however, these measures have not been consistent across the two sets of accounts, because of the use of different methodologies and different source data.

3. The June release of the comprehensive revision will not include accelerated annual I-O accounts for 2003.

The goal of the integration is to eliminate these inconsistencies and to improve the accuracy of both sets of accounts.

In this part, the methodologies used to prepare each set of accounts are reviewed, the relative strengths of each methodology are discussed, and the benefits of integrating the annual I-O accounts and the GDP-by-industry accounts are described.

### I-O accounts methodology

The benchmark I-O accounts are prepared every 5 years and are based on data from the quinquennial economic censuses. These accounts present a detailed picture of how industries interact to provide inputs to, and use output from, each other to produce the Nation's GDP.<sup>4</sup> The annual I-O accounts update the most recent benchmark I-O accounts. The annual I-O accounts are more timely than the benchmark I-O accounts, but they are generally less detailed because they rely on annual survey data.<sup>5</sup> At present, the I-O accounts are prepared only in current dollars.<sup>6</sup>

Both the benchmark and the annual I-O accounts are prepared within a balanced row-and-column framework that is presented in two tables: A "make" table and a "use" table. The make table shows the commodities that are produced by each industry, and the use table shows the commodities that are used in industry production and that are consumed by final users. In the use table, the columns consist of industries and final uses (chart 1). The column total for an industry is its gross output (consisting of sales or receipts, other operating income, commodity taxes, and inventory change). The rows in the use table consist of commodities and value added. The commodities are the goods and services that are produced by industries or imported and that are consumed either by industries in the production process or by final users. The commodities consumed by industries in the production process are referred to as intermediate inputs (consisting of energy, materials, and purchased services). Value added in the I-O accounts is computed as a residual—that is, as gross output less intermediate inputs by industry. In concept, this residual, which represents the sum of the costs incurred and the incomes earned in production, consists of compensation

4. For more information, see Ann M. Lawson, Kurt S. Bersani, Mahnaz Fahim-Nader, and Jiemin Guo, "Benchmark Input-Output Accounts of the United States, 1997," *SURVEY OF CURRENT BUSINESS* 82 (December 2002): 19–109.

5. For more information, see Mark A. Planting and Peter D. Kuhbach, "Annual Input-Output Accounts of the U.S. Economy, 1998," *SURVEY* 81 (December 2001): 41–70.

6. BEA is beginning research to explore the feasibility of preparing real (inflation-adjusted) I-O accounts.

Chart 1. Use Table: Commodities Used by Industries and Final Uses

	Industries											Final Uses					Total Commodity Output																	
	Agriculture, forestry, fishing, and hunting	Mining	Utilities	Construction	Manufacturing	Wholesale trade	Retail trade	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 waste management services	Educational services	Health care and social assistance		Arts, entertainment, and recreation	Accommodation and food services	Other services, except government	Government	Total intermediate inputs	Personal consumption expenditures	Private fixed investment	Change in business inventories	Exports of goods and services	Imports of goods and services	Government consumption expenditures and gross investment	Total GDP					
Agriculture, forestry, fishing, and hunting																																		
Mining																																		
Utilities																																		
Construction																																		
Manufactured products																																		
Wholesale trade																																		
Retail trade																																		
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 waste management services																																		
Educational services																																		
Health care and social assistance																																		
Arts, entertainment, and recreation																																		
Accommodation and food services																																		
Other services, except government																																		
Government																																		
Other inputs /1/																																		
Total intermediate inputs																																		
Compensation of employees																																		
Taxes on production and imports, less subsidies																																		
Gross operating surplus																																		
Total																																		
Total Industry Output																																		

Total commodity output  
Total industry output

1. Includes noncomparable imports, scrap, used goods, inventory valuation adjustment, and rest-of-the-world adjustment.  
GDP Gross domestic product

of employees, gross operating surplus, and taxes on production and imports, less subsidies.<sup>7</sup> GDP equals value added summed over all industries, and it also equals final uses summed over all commodities.

At BEA, the I-O accounts have traditionally served two major purposes, both of which have focused on information about the use of commodities. First, the accounts provide the NIPAs with best-level estimates for the commodities that compose GDP in a benchmark year. Second, they provide the NIPAs with information on the split between intermediate inputs and final uses of commodities for the years after a benchmark year, which is critical for GDP determination. GDP measures final uses, while most source data combine intermediate-use and final-use information. Because of their importance in determining the levels of GDP in the NIPAs, the I-O accounts have traditionally focused more on the commodity composition of the economy and less on the measures of value added by industry.

### **GDP-by-industry accounts methodology**

In contrast to the I-O accounts, the GDP-by-industry accounts have traditionally focused on the industry composition of the economy and the measures of value added by industry; therefore, the GDP-by-industry accounts are ideally suited for analysis of industry shares of GDP and contributions to GDP growth. The GDP-by-industry accounts provide time series estimates of gross output, of intermediate inputs, and of value added by industry and the corresponding price and quantity indexes.<sup>8</sup> Gross output by industry in these accounts is computed by taking best-level estimates from the most recent set of benchmark I-O accounts and by using the annual survey data as extrapolators.

The measures of value added by industry are derived from the industry distributions of the components of gross domestic income (GDI) from the NIPAs. The GDI-based measures of value added by industry represent the sum of the costs incurred and the in-

comes earned in production and are estimated as the sum of the industry distributions of compensation of employees, gross operating surplus, and taxes on production and imports, less subsidies. These industry distributions incorporate additional annual survey data and source data from annual tax returns and administrative records. In the GDP-by-industry accounts, intermediate inputs by industry are measured as a residual—that is, gross output less value added by industry. Finally, gross output and intermediate inputs by industry are deflated using detailed price indexes to produce price indexes and quantity indexes of gross output, of intermediate inputs, and of value added by industry.

### **Relative strengths of each methodology**

The primary strength of the I-O accounts methodology is the balanced row-and-column framework in which the detailed estimates of gross output and intermediate inputs by industry are prepared; this framework allows for a simultaneous look at both the industry composition and the commodity composition of the economy. The primary strength of the GDP-by-industry accounts methodology is the direct approach to estimating a time series of value added by industry from high quality source data.

The strength of a balanced framework is demonstrated in chart 1. A balanced use table ensures that the industry estimates of the I-O accounts (the column totals) are in balance with the commodity estimates of the I-O accounts (the row totals). This framework tracks all of the detailed input and output flows in the economy and guarantees that each commodity that is produced is either consumed by industries as an intermediate input or is consumed by final users. An imbalance in the use table—for example, too little, or too much, supply of a commodity after intermediate inputs by industry and final uses have been accounted for—may indicate a problem with the measures of gross output or intermediate inputs by industry, so a balanced framework provides a “consistency check” for the data in the use table. The I-O accounts are prepared within a balanced framework, but currently, there is no comparable procedure to balance industries and commodities in the GDP-by-industry accounts.

The strength of the GDP-by-industry methodology is that the estimates of value added by industry are derived directly from high quality source data, so these measures generally provide better estimates of value added for industries for which the I-O estimates of value added are considered weak. Several factors affect the quality of the GDP-by-industry estimates on an industry-by-industry basis. For example, gross operating

7. Previously, these costs and incomes were classified as either compensation of employees, property-type income, or indirect business tax and nontax liability. These new classifications are consistent with the aggregations introduced as part of the comprehensive NIPA revision; see Brent R. Moulton and Eugene P. Seskin, “Preview of the 2003 Comprehensive Revision of the National Income and Product Accounts: Changes in Definitions and Classifications,” *SURVEY* 83 (June 2003): 17–34. Specifically, all the nontax liabilities except special assessments are removed from indirect business tax and nontax liability, and the remainder of this category is renamed taxes on production and imports; the nontax liabilities except special assessments are added to property-type income; subsidies are removed from property-type income, and the remainder of this category is renamed gross operating surplus; and subsidies are netted against the value of taxes on production and imports.

8. For more information, see Sherlene K.S. Lum, Brian C. Moyer, and Robert E. Yuskavage, “Improved Estimates of Gross Product by Industry for 1947–98,” *SURVEY* 80 (June 2000): 24–54.

surplus, one component of value added by industry, includes several items—such as corporate profits before tax, corporate net interest, and corporate capital consumption allowances—that are based on corporate tax return data from the Internal Revenue Service (IRS). Because the consolidated tax return data of an enterprise may account for activities in several industries, BEA must convert these enterprise-based, or company-based, data to an establishment, or plant, basis. The conversion can introduce errors because it is based on the employment of establishments that is cross-classified by enterprises and because it is based on relationships from an economic census year that are likely to change over time.

In addition, proprietors' income, another component of gross operating surplus, can introduce errors because the industry distributions of proprietors' income are based on incomplete source data. Industries with large shares of value added that are accounted for by proprietors' income are regarded as having estimates of value-added that are of lower quality.<sup>9</sup>

The GDP-by-industry value-added measures may be of a higher or lower quality than the value-added measure in the benchmark I-O accounts, depending on industry-specific information. For an industry with high quality data on gross output and intermediate inputs, the measure of value added in the benchmark I-O accounts may be better than the GDP-by-industry measure, particularly when the amount of enterprise-establishment adjustment for the industry is significant or when the share of proprietors' income in the industry is significant. Alternatively, for an industry with little enterprise-establishment adjustment and a small share of proprietors' income, the GDP-by-industry measure may be considerably better than the benchmark I-O measure, particularly if the coverage of gross output and intermediate inputs in the quinquennial economic census is low. For the 1997 benchmark I-O accounts, less than half of the economy-wide intermediate inputs were covered by the economic census; for many industries, this low coverage results in a lower quality measure of value added in the benchmark I-O accounts.

In contrast to the benchmark I-O measures, the GDP-by-industry value-added measures are always preferred to the annual I-O measures. The annual I-O estimates of intermediate inputs by industry are currently sparse and unable to yield high quality measures

of value added by industry.<sup>10</sup>

### Benefits of the integration methodology

The integration methodology incorporates the relative strengths from both the I-O accounts and the GDP-by-industry accounts. It yields a set of annual I-O accounts and GDP-by-industry accounts that are prepared within a balanced framework and that incorporate the most timely and best source data, including the GDI-based measures of value added from the GDP-by-industry accounts. It ensures the consistency of the estimates of gross output, of intermediate inputs, and of value added by industry in both the annual I-O accounts and the GDP-by-industry accounts.

The benefits of integration, however, go beyond consistency and the use of the best available source data. Because the annual I-O accounts will be estimated concurrently with the GDP-by-industry accounts, they will be released on an accelerated schedule. The 2002 annual I-O table, scheduled for release in June 2004, will be released 18 months rather than 36 months after the end of the reference year. In addition, beginning in the fall of 2004, the annual I-O accounts will adopt the revision schedule of the NIPAs; the revised tables for 2001 and 2002 and new tables for 2003 will be released. The revised I-O estimates that are consistent with the annually revised NIPA estimates provide users with yet another level of consistency. Finally, the integration methodology will impose a time series consistency on the annual I-O tables, making the tables more useful for analyses of trends over time.

A further benefit of the integration methodology is a "feedback loop" to the NIPAs that is demonstrated by examining the relationships among the national accounts (chart 2). Before the integration of the annual I-O accounts and the GDP-by-industry accounts, the benchmark I-O accounts provided the following: A starting point for updating the annual I-O accounts (arrow 1), the best-level estimates of gross output to the GDP-by-industry accounts (arrow 2), and the best-level estimates and commodity splits of GDP to the NIPAs (arrow 3). The NIPAs provided estimates of GDI by industry to the GDP-by-industry accounts (arrow 4) and information on the annual composition of GDP to the annual I-O accounts (arrow 5). The integration results in an exchange of information between the annual I-O accounts and the GDP-by-industry accounts (arrow 6), and it also provides a feedback loop to the NIPAs (arrow 7). Because the integrated indus-

9. Proprietors' income is defined here to equal the sum of NIPA estimates for proprietors' income without inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj), proprietors' net interest, proprietors' capital consumption allowance, and proprietors' IVA. The NIPA adjustment to nonfarm proprietors' income without IVA and CCAdj for misreporting on income tax returns will be shown in NIPA table 7.14 "Relation of Nonfarm Proprietors' Income in the National Income and Product Accounts to Corresponding Measures as Published by the Internal Revenue Service."

10. The Bureau of the Census has recently undertaken initiatives to improve the coverage of intermediate inputs by industry in several of its annual surveys. For example, the Annual Survey of Manufactures has expanded its coverage to include purchased services by industry and the Service Annual Survey has initiated the collection of information on expenses by industry.



try accounts will be prepared within a balanced framework, they will provide annual estimates of the commodity composition of GDP that could potentially be used to improve the NIPA measures of GDP.

Finally, integration of the annual I-O accounts and the GDP-by-industry accounts is the first step towards BEA's long-run goal of the full integration across all of the industry accounts, including the benchmark I-O accounts, and integration of the industry accounts with the NIPAs. The framework used to integrate the annual I-O accounts and the GDP-by-industry accounts could be extended to accommodate the integration of the benchmark I-O accounts and the NIPAs. Under full integration, the benchmark I-O accounts would provide the best measures of value added by industry because they would incorporate the most comprehensive and highest quality information on gross output and intermediate inputs by industry. In addition, the annual I-O accounts and the GDP-by-industry accounts would incorporate annual data on intermediate inputs by industry, so that the annual measures of value added by industry would be independent of the NIPA measures of GDI and would therefore enhance the feedback loop to the NIPAs. Full integration is expected in the 2008–2010 timeframe when the necessary data on intermediate inputs by industry will be available from the 2002 Economic Census and from the annual surveys that are currently being collected and tabulated by the Bureau of the Census. As part of additional data-sharing initiatives, the sources of the differences in data from other Federal statistical agencies will become more apparent, and BEA will be able to further enhance the consistency and quality of its fully integrated accounts.

ency and quality of its fully integrated accounts.

### Integration Methodology

The methodology, including the source data and the estimating procedures that will be used to integrate the annual I-O accounts and the GDP-by-industry accounts is discussed in this section. The methodology is described in a sequence of five steps: (1) Establishing a level of detail for both industries and commodities; (2) revising the previously published 1997 benchmark I-O accounts that will serve as a reference point for the integrated accounts; (3) developing a time series for the annual estimates of value added by industry for 1998–2002; (4) updating and balancing the annual I-O accounts for 1998–2002 on the basis of the revised 1997 benchmark I-O accounts and on the 1998–2002 estimates of value added by industry; and (5) preparing price and quantity indexes for the GDP-by-industry accounts for 1998–2002.

### Level of industry and commodity detail

The first step in integrating the annual I-O accounts and the GDP-by-industry accounts is to establish the level of detail that can be used for both sets of accounts. Table A shows this detail and the corresponding 1997 NAICS industry codes.<sup>11</sup> For the annual I-O accounts, the level of detail applies to both industries

11. Table A omits the statistical discrepancy that has traditionally appeared as an industry in the GDP-by-industry accounts. This omission in the integrated accounts reflects the use of a balanced framework in which the statistical discrepancy is implicitly spread among industries. In addition, table A does not include an industry for the IVA, which has traditionally been shown in the I-O accounts. The IVA is included as a secondary product in industry gross output and as a separate commodity in final uses.

Chart 2. Relationships Among National Economic Accounts

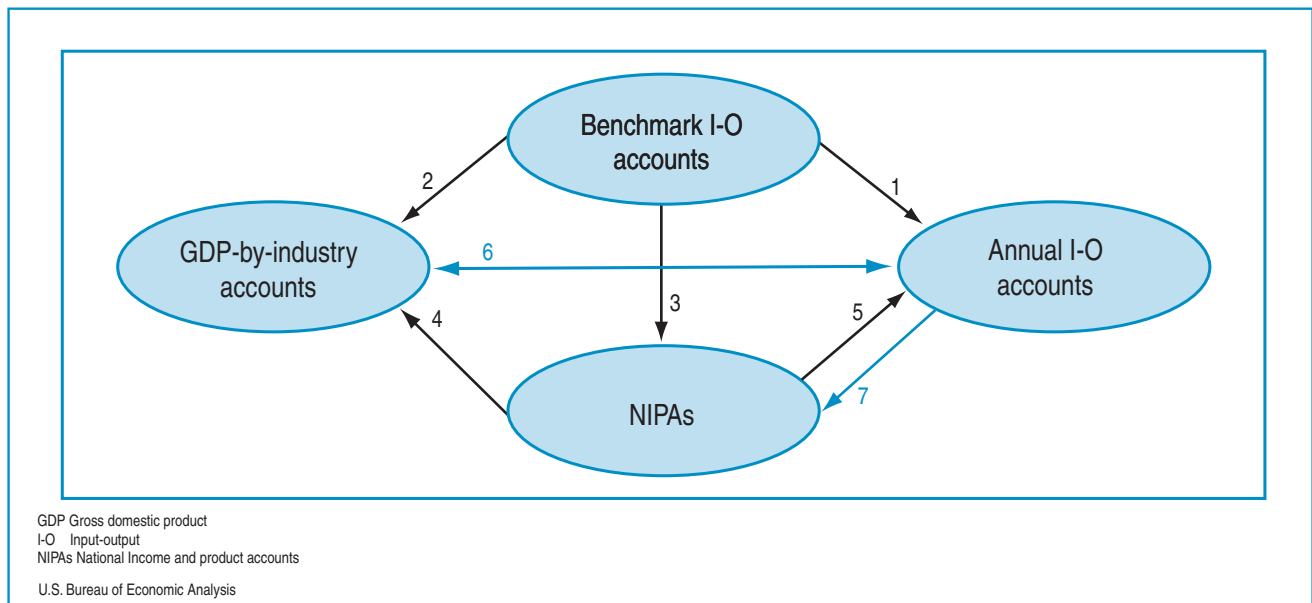


Table A. Industries and Commodities in the Integrated Accounts

1997 NAICS industries	1997 NAICS codes
<b>All industries</b>	
<b>Private industries</b>	
<b>Agriculture, forestry, fishing, and hunting</b> .....	11
Farms.....	111, 112
Forestry, fishing, and related activities.....	113, 114, 115
<b>Mining</b> .....	21
Oil and gas extraction.....	211
Mining, except oil and gas.....	212
Support activities for mining.....	213
<b>Utilities</b> .....	22
<b>Construction</b> .....	23
<b>Manufacturing</b> .....	31, 32, 33
Durable goods.....	33, 321, 327
Wood products.....	321
Nonmetallic mineral products.....	327
Primary metals.....	331
Fabricated metal products.....	332
Machinery.....	333
Computer and electronic products.....	334
Electrical equipment, appliances, and components.....	335
Motor vehicles, bodies and trailers, and parts.....	3361, 3362, 3363
Other transportation equipment.....	3364, 3365, 3366, 3369
Furniture and related products.....	337
Miscellaneous manufacturing.....	339
Nondurable goods.....	31, 32 (except 321 and 327)
Food and beverage and tobacco products.....	311, 312
Textile mills and textile product mills.....	313, 314
Apparel and leather and allied products.....	315, 316
Paper products.....	322
Printing and related support activities.....	323
Petroleum and coal products.....	324
Chemical products.....	325
Plastics and rubber products.....	326
<b>Wholesale trade</b> .....	42
<b>Retail trade</b> .....	44, 45
<b>Transportation and warehousing</b> .....	48, 49
Air transportation.....	481
Rail transportation.....	482
Water transportation.....	483
Truck transportation.....	484
Transit and ground passenger transportation.....	485
Pipeline transportation.....	486
Other transportation and support activities.....	487, 488, 492
Warehousing and storage.....	493
<b>Information</b> .....	51
Publishing industries (includes software).....	511
Motion picture and sound recording industries.....	512
Broadcasting and telecommunications.....	513
Information and data processing services.....	514
<b>Finance and insurance</b> .....	52
Federal Reserve banks, credit intermediation, and related activities.....	521, 522
Securities, commodity contracts, and investments.....	523
Insurance carriers and related activities.....	524
Funds, trusts, and other financial vehicles.....	525
<b>Real estate and rental and leasing</b> .....	53
Real estate.....	531
Rental and leasing services and lessors of intangible assets.....	532, 533
<b>Professional, scientific, and technical services</b> .....	54
Legal services.....	5411
Computer systems design and related services.....	5415
Miscellaneous professional, scientific, and technical services.....	5412-5414, 5416-5419
<b>Management of companies and enterprises</b> .....	55
<b>Administrative and waste management services</b> .....	56
Administrative and support services.....	561
Waste management and remediation services.....	562
<b>Educational services</b> .....	61
<b>Health care and social assistance</b> .....	62
Ambulatory health care services.....	621
Hospitals and nursing and residential care facilities.....	622, 623
Social assistance.....	624
<b>Arts, entertainment, and recreation</b> .....	71
Performing arts, spectator sports, museums, and related activities.....	711, 712
Amusements, gambling, and recreation industries.....	713
<b>Accommodation and food services</b> .....	72
Accommodation.....	721
Food services and drinking places.....	722
<b>Other services, except government</b> .....	81
<b>Government</b> .....	92
<b>Federal</b> .....	n.a.
General government.....	n.a.
Government enterprises.....	n.a.
<b>State and local</b> .....	n.a.
General government.....	n.a.
Government enterprises.....	n.a.

n.a. Not applicable.

and commodities. The integrated industry accounts will be published at the level shown in table A; but the estimation procedures for most of the other steps are applied at a finer level of industry and commodity detail in order to ensure the best aggregate estimates.

### Revised 1997 benchmark I-O accounts

The second step in the integration process is to revise the previously published 1997 benchmark I-O accounts, because the integrated annual I-O accounts and GDP-by-industry accounts will be based on the relationships and levels set by the revised accounts. The revisions are from two sources.

First, the 1997 benchmark I-O accounts are modified to incorporate the definitional, methodological, and statistical changes from the 2003 comprehensive NIPA revision. Incorporating these changes ensures that the integrated accounts for 1998-2002 are consistent with the levels of GDP in the NIPAs. The major NIPA changes and their effects on the 1997 benchmark I-O accounts are summarized in table B.

Second, after the NIPA revisions are incorporated, the level and the composition of value added for each industry are further modified on the basis of information from both the I-O accounts and the GDP-by-industry accounts.<sup>12</sup> As discussed above, value added by industry in the I-O accounts is computed as the difference between gross output and intermediate inputs by industry, and value added by industry in the GDP-by-

12. The GDP-by-industry value added that is based on the NIPA GDI estimates will also incorporate the results from the 2003 comprehensive NIPA revision.

Table B. NIPA Changes Incorporated into the 1997 Benchmark Input-Output (I-O) Accounts

NIPA changes <sup>1</sup>	I-O components affected
Recognize the implicit services provided by property and casualty insurance companies and provide a more appropriate treatment of insured losses.	Industry and commodity gross output for insurance carriers and related activities; intermediate inputs and gross operating surplus for all industries; final uses.
Allocate a portion of the implicit services of commercial banks to borrowers.	Industry and commodity gross output for Federal Reserve banks, credit intermediation and related activities; intermediate inputs and gross operating surplus for all industries; final uses.
Redefine change in private farm inventories to include farm materials and supplies.	Intermediate inputs and gross operating surplus for the farms industry; change in private inventories.
Reclassify Indian tribal government activities from the private sector to the state and local government sector.	Gross output, intermediate inputs, and value added for the amusements, gambling, and recreation; accommodation; and state and local government enterprises industries; state and local general government.
Reclassify military grants-in-kind as exports.	Federal general government; exports.
Recognize explicitly the services produced by general government and treat government purchases of goods and services as intermediate inputs.	Gross output and intermediate inputs for the state and local general government and Federal general government industries.
Reclassify business nontax liability as current transfer payments to government and as rent and royalties to government.	Taxes on production and imports, less subsidies and gross operating surplus for all industries; gross output for the rental and leasing services and lessors of intangible assets industry; purchases of the rental and leasing services and lessors of intangible assets commodity by selected industries.

1. For details, see Brent R. Moulton and Eugene P. Seskin, "Preview of the 2003 Comprehensive Revision of the National Income and Product Accounts: Changes in Definitions and Classifications," SURVEY OF CURRENT BUSINESS 83 (June 2003): 20.

NIPA National income and product account

industry accounts is computed from the industry distributions of GDI from the NIPAs. In general, these two measures of value added for an industry will differ. Because a major benefit of integrating the two sets of accounts is to incorporate the best available information from each, a “combined” value added by industry is computed and incorporated into the 1997 benchmark I-O accounts.<sup>13</sup>

The combined value added by industry is an average with weights determined by criteria that indicate the relative quality of the benchmark I-O measure of value added and the GDP-by-industry measure of value added. In general, these criteria are based on the quality of the source data used for each set of accounts. The criteria for the benchmark I-O accounts include the following:

- The percent of intermediate inputs by industry that are covered by source data from the quinquennial economic census, and
- The percent of an industry’s total gross output that is accounted for by the quinquennial economic census.

The criteria for the GDP-by-industry accounts include the following:

- The quality and the percent of adjustments that are made to convert the enterprise-based, profit-type income data to an establishment basis, and
- The percent of an industry’s value added that is accounted for by proprietors’ income.

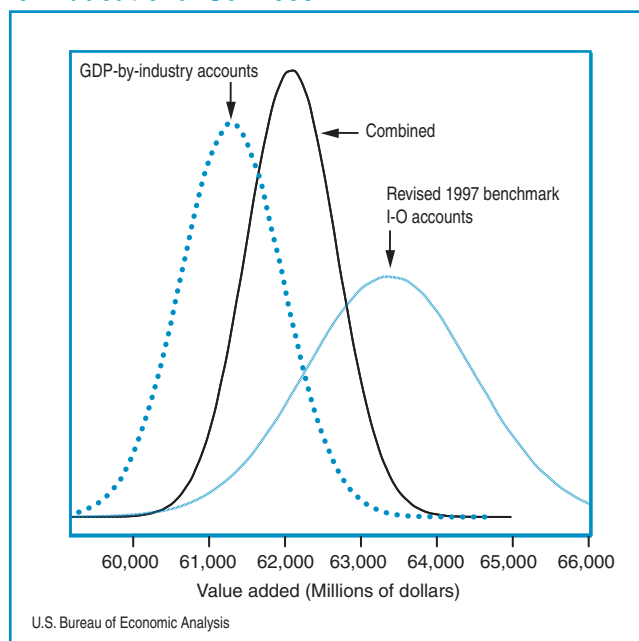
For both the benchmark I-O accounts and the GDP-by-industry accounts, these criteria, along with expert analyst judgment, are applied at the industry level shown in table A in order to identify point estimates and estimates of variance for each industry’s measure of value added.<sup>14</sup> For each industry, these point estimates and estimates of variance are used to develop probability distributions of value added by industry for each set of accounts. Each probability distribution represents a measure of the likelihood that the “true” value added takes on a particular value, given the available source data. The distributions are then combined to produce a combined measure of value added by industry. Essentially, the combined measure is an average of the two point estimates; the weights are determined by the relative variances—a point estimate with a

smaller variance receives a larger weight.

Chart 3 provides an example of the process used for the educational services industry. The point estimate of value added is \$63.4 billion from the revised 1997 benchmark I-O accounts and \$61.3 billion from the GDP-by-industry accounts. The related probability distribution for each point estimate is shown in chart 3. Note that the GDP-by-industry distribution is more peaked—that is, it has a smaller variance—than the distribution from the I-O accounts. The smaller variance indicates a relatively better GDP-by-industry estimate, which is the result of the small amount of enterprise-establishment adjustments made to the GDI data for this industry. In contrast, the larger variance of the probability distribution of the point estimate for the benchmark I-O accounts is the result of the limited coverage of this industry’s gross output and intermediate inputs in the quinquennial economic census. As expected, the combined estimate of \$62.1 billion is closer to the GDP-by-industry estimate than to the I-O estimate. Because more information is used to make this combined estimate, its overall quality is higher than that for either of the individual estimates, as shown by their distributions in chart 3.

After the two sets of revisions have been made to the 1997 benchmark I-O accounts, it is then balanced. For this balancing, each industry’s new measure of value added is fixed, and total intermediate inputs is estimated. Balancing ensures that the use of commodities equals the supply of commodities, the sum of value added and intermediate inputs by industry equals gross output by industry, and the sum of final uses equals published GDP for 1997. The revised 1997

**Chart 3. Probability Distributions of Value Added for Educational Services**



13. The estimates of “compensation of employees” and “taxes on production and imports, less subsidies” in the revised 1997 benchmark I-O accounts are consistent with those published in the NIPAs. For census-covered industries, the compensation in the previously published 1997 benchmark I-O accounts was based on the 1997 Economic Census. See Lawson, et al., 31.

14. The estimates are prepared at this level of detail because the industry distributions of GDI are available at this level. These estimates are allocated to more detailed industries when the revised benchmark I-O table is balanced. Source data for 1997 were not available on a 1997 NAICS basis for all of the components of GDI. For selected components, BEA converted data from the 1987 Standard Industrial Classification basis to the 1997 NAICS basis.

benchmark I-O accounts then provide a starting point for preparing the annual I-O accounts for 1998–2002.

### A time series of value added for 1998–2002

A time series of value added by industry is prepared by extrapolating the revised 1997 benchmark I-O estimates of value added by industry forward to 1998–2002 using the GDI-based measure of value added by industry. The components of GDI that compose value added by industry and information on the

major source data and on the industrial distribution for each component are shown in table C.

As discussed above, the quality of the GDI-based value-added measures depends on a number of factors, including the adjustments to convert enterprise-based, profit-type GDI data to an establishment basis. Nevertheless, these measures provide preferred indicators of value-added growth when compared with the annual I-O residual methodology primarily because the annual I-O source data on intermediate inputs by indus-

**Table C. Principal Source Data for Value-Added Extrapolators**

Component of gross domestic income	Major source data	Industrial distribution	
		Distribution available in source data	Data or assumption used if distribution by establishment is not available in source data
<b>Compensation of employees, paid</b>			
Wage and salary accruals <sup>1</sup> .....	BLS tabulations of wages and salaries of employees covered by state UI programs and OPM data on wages and salaries of Federal Government employees.	Establishment.	
Supplements to wages and salaries			
Employer contributions for employee pension and insurance funds .....	DOL tabulations of IRS data (Form 5500) on pension plans, HHS data from the Medical Expenditure Panel Survey on health insurance, and trade association data for other types.	None. <sup>2</sup>	BLS employer cost index and UI tabulations.
Employer contributions for government social insurance .....	Federal budget data.	None.	Social Security Administration and BLS tabulations.
<b>Taxes on production and imports, less subsidies</b>			
Taxes on production and imports .....	Federal budget data and Census Bureau data on state and local governments.	None.	Property taxes are based on BEA capital stock distribution.
Subsidies .....	Federal budget data and Census Bureau data on state and local governments.	None.	Payments are assigned to the industries being supported.
<b>Gross operating surplus</b>			
Private enterprises			
Net interest and miscellaneous payments, domestic industries			
Corporate .....	IRS tabulations of data from corporate tax returns (Form 1120 series), FFIEC Call Report data on commercial banks, trade association data on life insurance companies.	Company.	Census Bureau company-establishment employment matrix.
Noncorporate .....	IRS tabulations of tax return data from sole proprietorships (Form 1040 Schedule C) and partnerships (Form 1065), FRB flow-of-funds-account data on residential mortgages.	Company.	Assumed to be equivalent to an establishment distribution.
Business current transfer payments (net) .....	IRS tabulations of data from corporate tax returns (Form 1120 series), trade association data for property-casualty insurance net settlements and for other types.	Company.	Industry-specific payments are assigned to those industries; others are based on IRS company industry distribution.
Proprietors' income with IVA and without CCAAdj			
Farm .....	USDA farm income statistics.	Establishment.	
Nonfarm			
Proprietors' income without IVA and CCAAdj	IRS tabulations of tax return data from sole proprietorships (Form 1040 Schedule C) and partnerships (Form 1065).	Company.	Assumed to be equivalent to an establishment distribution.
IVA .....	BLS prices and IRS inventory data.	Establishment.	
Rental income of persons without CCAAdj .....	Census Bureau data on housing units and rents from the American Housing Survey, HMDA data on residential mortgages, and IRS tabulations of data from individual tax returns (Form 1040).	Establishment.	
Corporate profits before tax with IVA and without CCAAdj, domestic industries			
Corporate profits before tax without IVA and CCAAdj .....	IRS tabulations of data from corporate tax returns (Form 1120 series) and regulatory agencies and public financial reports data.	Company.	Census Bureau company-establishment employment matrix.
IVA .....	BLS prices and IRS inventory data.	Establishment.	
Capital consumption allowances			
Corporate .....	IRS tabulations of data from corporate tax returns (Form 1120 series).	Company.	Census Bureau company-establishment employment matrix.
Noncorporate .....	IRS tabulations of tax return data from sole proprietorships (Form 1040 Schedule C) and partnerships (Form 1065).	Company.	Assumed to be equivalent to an establishment distribution.
Current surplus of government enterprises .....	Federal budget data and Census Bureau data on state and local governments.	Establishment.	
Consumption of fixed capital			
Households and institutions <sup>3</sup> .....	BEA capital stock estimates.	Establishment.	
Government .....	BEA capital stock estimates.	Type of agency.	

1. Includes wage and salary disbursements to the rest of the world and excludes wages and salaries received from the rest of the world.

2. A company-based industrial distribution for pension plans is available in the source data.

3. Consists of owner-occupied housing and nonprofit institutions primarily serving households.

BEA Bureau of Economic Analysis

BLS Bureau of Labor Statistics

CCAAdj Capital consumption adjustment

DOL Department of Labor

FFIEC Federal Financial Institutions Examination Council

FRB Federal Reserve Board of Governors

HCFA Health Care Financing Administration

HHS Department of Health and Human Services

HMDA Home Mortgage Disclosure Act

IRS Internal Revenue Service

IVA Inventory valuation adjustment

OPM Office of Personnel Management

UI Unemployment insurance

USDA U.S. Department of Agriculture

try are currently too sparse to yield high quality measures of value added by industry.

### Updated and balanced annual I-O accounts for 1998–2002

Updating and balancing the annual I-O accounts requires completing five tasks for each annual I-O table for 1998–2002. Each task provides essential inputs for the next task. These tasks include (1) calculating industry and commodity gross output; (2) estimating the commodity composition of intermediate inputs for each industry; (3) estimating the domestic supply of each commodity; (4) incorporating the commodity compositions of the GDP expenditure components for personal consumption expenditures (PCE), gross private fixed investment, and government consumption and investment expenditures; and (5) balancing the use table.

**Industry and commodity gross output.** For most industries and commodities, annual source data are available to estimate current-year industry and commodity gross output. For manufacturing, trade, and most service industries, the annual source data are based on surveys from the Bureau of the Census. For agriculture, insurance, and government enterprises and for major parts of transportation, utilities, finance, and real estate, the annual source data are based on other government sources or private sources. For the industries and commodities for which annual source data at the 1997 benchmark I-O level of detail are not available, aggregated source data are used to extrapolate the industry and commodity gross-output estimates. Table D shows the data sources used to update industry and commodity gross output.

**Commodity composition of intermediate inputs.** The estimates of the composition of intermediate inputs by industry are based on the revised 1997 benchmark I-O relationships and are adjusted for changes in relative prices and other factors.

First, each industry's current-year output is valued in the prices for the previous year and is estimated using an industry price index that is calculated by weighting together—in a Fisher index-number formula—the commodity price indexes that compose the industry's output. Generally, the number of price indexes available for commodities is fewer than the number of commodities; for commodities for which a price index is unavailable, an aggregate price index is applied to multiple commodities. The data sources used to prepare the commodity price indexes are shown in table D.

Second, each industry's output for the current year that is valued in the prices for the previous year is multiplied by the previous year's direct requirements coefficient for the industry to yield current-year intermediate inputs valued in the prices of the previous year.<sup>15</sup> This procedure assumes that in the current year, the composition of an industry's intermediate inputs per dollar of output (valued in the prices of the previous year) is unchanged from the previous year. The results are then reflat to current-year prices using the commodity price indexes.

Finally, commodity taxes, transportation costs, and trade margins for each intermediate input are estimated. Commodity taxes are added to raise the intermediate inputs from a basic price valuation to a producers' price valuation. Transportation costs and trade margins are estimated to provide a purchasers' price valuation of intermediate inputs.<sup>16</sup>

**Domestic supply.** Domestic supply is the total value of goods and services available for consumption as intermediate inputs by industries or as PCE, private fixed investment, and government consumption and investment expenditures; it is calculated as domestic commodity gross output, plus imports, less exports, less the change in private inventories. The estimates of imports and exports are based on foreign trade statistics from the Bureau of the Census and on BEA's international transactions accounts. For the current year, the change in private inventories by industry are from the NIPAs, and the commodity composition of inventories held by industries are based on the revised 1997 benchmark I-O relationships.

**Commodity composition of final uses excluding trade and change in private inventories.** The annual estimates of the major expenditure components of final uses for PCE, private fixed investment, and government consumption and investment are obtained from the NIPAs. Initial commodity compositions for these expenditure components are estimated using commodity-flow relationships from the revised 1997 benchmark I-O accounts.

**Balancing the use table.** The use table is balanced with a biproportional adjustment procedure—that is, with a procedure that sequentially adjusts rows and columns to equal a set of predetermined control totals. In a series of iterations, the adjustments are made (1)

15. The direct requirements coefficient is the amount of a commodity required by the industry to produce a dollar of the industry's output.

16. The basic price is the price received by the producer for goods that are sold; it excludes the taxes collected by the producer from purchasers as well as transportation costs and trade margins.

until the use of commodities by industries, PCE, private fixed investment, and government consumption and investment equals the domestic supply of commodities, (2) until the sum of value added by industry

and intermediate inputs by industry equals gross output by industry, and (3) until the sum of the commodity composition of PCE, private fixed investment, and government consumption and investment equals the

**Table D. Principal Sources of Data for Industry and Commodity Output and Prices**

Industry and commodity	Source data for extrapolator	Source data for price index
<b>Agriculture, forestry, fishing and hunting</b> Farms ..... Forestry, fishing, and related activities .....	USDA cash receipts from marketing and inventory change..... For forestry, Census Bureau shipments; for fishing, NOAA value of fish landings; for related activities, NIPA estimates.....	USDA prices received by farmers; PPI. PPI; NOAA; NIPA deflator.
<b>Mining</b> Oil and gas extraction ..... Mining, except oil and gas..... Support activities for mining.....	DOE quantity produced and prices..... DOE quantity produced and average price for uranium and coal; USGS quantity and price data for all others..... DOE, USGS, and trade sources for quantity produced and prices.....	For crude petroleum and natural gas, IPD from DOE; for natural gas liquids, PPI. IPD from DOE and USGS. IPD from DOE, USGS and trade sources; for exploration, PPI.
<b>Utilities</b> Electric utilities ..... Natural gas..... Water, sewage, and other systems .....	EIA ..... EIA quantity and price data..... PCE.....	PPI. PPI. CPI.
<b>Construction</b> For the Department of Defense (DOD) ..... For state and local highways..... For private electric and gas utilities..... For farms, excluding residential ..... For other nonresidential ..... For other residential .....	DOD expenditures data..... Census Bureau data from the ASGF ..... Federal regulatory agencies and trade sources expenditures data ..... USDA expenditures data..... Census Bureau data on value of construction put in place..... Census Bureau data on value of construction put in place.....	DOD prices for military construction; cost indexes from trade sources and government agencies for other construction. Cost indexes from government agencies. Cost indexes from trade sources and government agencies. Trade sources cost index; Census Bureau price deflator for new single-family houses under construction. Trade sources and government agency cost indexes; Census Bureau price index for new single-family houses under construction; BEA quality-adjusted price indexes for factories, office buildings, warehouses, and schools. Census Bureau price index for new single-family houses under construction; BEA price index for multifamily construction.
<b>Manufacturing</b> .....	Census Bureau data on shipments and inventory change .....	PPI; quality adjusted price indexes for computers, photocopying equipment, digital telephone switching equipment, and LAN equipment; BEA price indexes based on DOD prices paid for military equipment.
<b>Wholesale trade</b> .....	Census Bureau ATS data.....	Sales price by kind-of-business computed from PPI.
<b>Retail trade</b> .....	Census Bureau ARTS data.....	Sales price by kind-of-business computed from CPI.
<b>Transportation and warehousing</b> Air transportation..... Rail transportation..... Water transportation ..... Truck transportation ..... Transit and ground passenger transportation..... Pipeline transportation ..... Other transportation and support activities ..... Warehousing and storage.....	BTS Air Carrier Financial Statistics..... Amtrak and trade sources..... Army Corps of Engineers; trade sources..... Census Bureau SAS..... PCE; BTS..... Trade sources..... PCE..... Census Bureau SAS.....	IPD for total passenger-related revenues and passenger miles from DOT; IPD for total freight-, mail-, and express-related revenues and ton miles from DOT; wages and salaries per employee from BLS. PPI. PPI for freight; for passengers, CPI. PPI. For taxicabs, intercity buses, and other local transit, PCE price index; for school buses, BLS data on wages and salaries per employee. PPI. For sightseeing, PCE price index; for other transportation and support activities, PCE price indexes and PPI. PPI.
<b>Information</b> Publishing industries (includes software) ..... Motion picture and sound recording industries ..... Broadcasting and telecommunications ..... Information and data processing services.....	Census Bureau SAS..... Census Bureau SAS..... Census Bureau SAS..... Census Bureau SAS.....	BEA price indexes for prepackaged and custom software for software publishers; for all other publishing industries, PPI. PCE price indexes. For cable networks, programming, and telecommunications, PPI; for radio and television broadcasting, network receipts, and all other telecommunications, composite price index of PPIs. For information services, PCE price indexes; for data processing services, PPI.

levels for expenditure components in the NIPAs. The measures of gross output, intermediate inputs, and value added by industry are then incorporated into the GDP-by-industry accounts.

After the results have been reviewed and verified, the annual I-O accounts for 1998–2002 are finalized.

Table D. Principal Sources of Data for Industry and Commodity Output and Prices—Continued

Industry and commodity	Source data for extrapolator	Source data for price index
<b>Finance and insurance</b>		
Federal Reserve banks, credit intermediation, and related activities.....	FDIC; FRB; NIPA imputed service charges; NCUA; and other private agencies.....	PCE price indexes; other government data.
Securities, commodity contracts, and investments.....	SEC FOCUS Report.....	PCE price indexes.
Insurance carriers and related activities.....	Trade sources for insurance carriers; BEA estimates for property and casualty insurance; for all other insurance, PCE; for insurance agents, brokers, and services, IRS tabulations of business tax returns.....	For health and life insurance, PCE price indexes; for property and casualty insurance, PPI; for agents, brokers, and services, composite price index based on trade sources data and PCE price indexes.
Funds, trusts, and other financial vehicles.....	NIPA imputed service charges for other financial institutions; EBSA data on pension funds.....	IPD from NIPA imputed service charges; composite price index based on PCE price indexes; PPI data; BLS data on wages and salaries per full-time employee.
<b>Real estate and rental and leasing</b>		
Real estate.....	For residential dwellings and real estate agents and managers, NIPA housing data; for nonresidential dwellings, IRS tabulations of business tax returns; NIPA rental value of buildings owned by nonprofits.....	For nonfarm residential dwellings, NIPA price index; for nonresidential dwellings, PPI; for real estate managers and agents, PPI and trade sources; IPD for nonprofit and farm residential dwellings.
Rental and leasing services and lessors of intangible assets.....	For rental and leasing services, Census Bureau SAS; for royalties, IRS tabulations of business tax returns.....	For automotive equipment rental, PPI; for other rental services, PCE price indexes; for royalties, PCE price index and IPD from DOE and PPI.
<b>Professional, scientific, and technical services</b>		
Legal services.....	Census Bureau SAS.....	PPI.
Computer systems design and related services.....	Census Bureau SAS.....	BEA price indexes for prepackaged and custom software.
Miscellaneous professional, scientific, and technical services.....	Census Bureau SAS.....	PPI; BLS wages and salaries per full-time employee.
<b>Management of companies and enterprises.....</b>	BLS wages and salaries.....	BLS wages and salaries per full-time employee.
<b>Administrative and waste management services</b>		
Administrative and support services.....	Census Bureau SAS.....	BLS wages and salaries per full-time employee; PCE price indexes; PPI.
Waste management and remediation services.....	Census Bureau SAS.....	CPI.
<b>Educational services.....</b>	PCE.....	PCE price index based on trade sources.
<b>Health care and social assistance</b>		
Ambulatory health care services.....	Census Bureau SAS.....	PPI; PCE price indexes.
Hospitals and nursing and residential care facilities.....	Census Bureau SAS.....	PCE price indexes.
Social assistance.....	Census Bureau SAS.....	PCE price indexes.
<b>Arts, entertainment, and recreation</b>		
Performing arts, spectator sports, museums, and related activities.....	Census Bureau SAS.....	PCE price indexes.
Amusements, gambling, and recreation industries.....	Census Bureau SAS.....	PCE price indexes.
<b>Accommodation and food services</b>		
Accommodation.....	Census Bureau ARTS.....	For hotels and motels, PPI; PCE price index.
Food services and drinking places.....	Census Bureau ARTS.....	CPI.
<b>Other services, except government.....</b>	For religious, labor, and political organizations, PCE; for other services, Census Bureau SAS; for private households, BEA compensation of employees.....	CPI; BLS data on wages and salaries per full-time employee; PCE price indexes.
<b>Government</b>		
Federal		
General government.....	NIPA estimates.....	NIPA price indexes.
Government enterprises.....	USPS receipts; for electric utilities, DOE; other government data.....	For USPS and electric utilities, PPI; for all others, PCE price index and NIPA price indexes.
State and local		
General government.....	NIPA estimates.....	NIPA price indexes.
Government enterprises.....	For electric utilities, DOE data; for other enterprises, BEA data on revenue by type.....	PPI.

ARTS Annual Retail Trade Survey, Census Bureau  
 ASGF Annual Survey of Government Finances, Census Bureau  
 ATS Annual Trade Survey, Census Bureau  
 BEA Bureau of Economic Analysis  
 BLS Bureau of Labor Statistics  
 BTS Bureau of Transportation Statistics  
 CPI Consumer Price Index, BLS  
 DOC Department of Commerce  
 DOD Department of Defense  
 DOE Department of Energy  
 DOT Department of Transportation  
 EBSA Employee Benefits Security Administration  
 EIA Energy Information Administration  
 FDIC Federal Deposit Insurance Corporation

FOCUS Financial and Operational Combined Uniform Single Report, SEC  
 FRB Federal Reserve Board of Governors  
 IPD Implicit price deflator  
 IRS Internal Revenue Service  
 NCUA National Credit Union Association  
 NIPA National income and product accounts, BEA  
 NOAA National Oceanic and Atmospheric Administration  
 PCE Personal consumption expenditures, BEA  
 PPI Producer Price Index, BLS  
 SAS Service Annual Survey  
 SEC Securities and Exchange Commission  
 USDA U.S. Department of Agriculture  
 USGS U.S. Geological Survey, Office of Minerals  
 USPS U.S. Postal Service

### Price and quantity indexes for the GDP-by-industry accounts

Preparing price and quantity indexes for the GDP-by-industry accounts for 1998–2002 requires completing two tasks. First, price and quantity indexes for gross output and intermediate inputs by industry are prepared. Second, information on gross output and intermediate inputs by industry are combined using the double-deflation procedure to derive price and quantity indexes for value added by industry.

**Indexes for gross output and intermediate inputs by industry.** Price and quantity indexes for gross output by industry are derived by separately deflating each commodity produced by an industry and included as part of its gross output. This information is obtained from annual I-O make tables. Price and quantity indexes for intermediate inputs are derived by deflating the commodities that compose an industry's intermediate inputs in the annual I-O use tables. The data sources used to prepare the commodity price indexes for deflation are shown in table D. When a commodity price index is based on more than one detailed price index, a Fisher index-number formula is used to prepare the composite index. The technical note "Computing Chain-Type Price and Quantity Indexes in the GDP-by-Industry Accounts" shows the Fisher index-number formulas that are used to prepare the price and quantity indexes for gross output and intermediate inputs by industry.

**Indexes for value added by industry.** Price and quantity indexes for value added by industry are calculated using the double-deflation method. In the double-deflation method, the separate estimates of gross output and intermediate inputs by industry are combined in a Fisher index-number formula in order to generate price and quantity indexes for value added by industry. This method is preferred for computing price and quantity indexes for value added by industry because it requires the fewest assumptions about the relationships among gross output by industry and intermediate inputs by industry.

#### Technical Note

### Computing Chain-Type Price and Quantity Indexes in the GDP-by-Industry Accounts

The computation of the chain-type Fisher price and quantity indexes for gross output, intermediate inputs, and value added for an industry or an aggregate is summarized below.

**Chain-type price indexes.** In the notation,  $LP_{t-1,t}$  refers to the Laspeyres price relative for the years  $t-1$  and  $t$ ,  $PP_{t-1,t}$  refers to the Paasche price relative,  $FP_{t-1,t}$

refers to the Fisher price relative, and  $CP_t$  refers to the Fisher chain-type price index. The superscript GO refers to gross output, II refers to intermediate inputs, and VA refers to value added;  $p$  refers to detailed prices, and  $q$  refers to quantities.

Laspeyres price relatives for gross output, intermediate inputs, and value added, respectively, are

$$LP_{t-1,t}^{GO} = \frac{\sum_t^p q_{t-1}^{GO}}{\sum_{t-1}^p q_{t-1}^{GO}},$$

$$LP_{t-1,t}^{II} = \frac{\sum_t^p q_{t-1}^{II}}{\sum_{t-1}^p q_{t-1}^{II}}, \text{ and}$$

$$LP_{t-1,t}^{VA} = \frac{\left( \sum_t^p q_{t-1}^{GO} \right) - \left( \sum_t^p q_{t-1}^{II} \right)}{\left( \sum_{t-1}^p q_{t-1}^{GO} \right) - \left( \sum_{t-1}^p q_{t-1}^{II} \right)}.$$

Paasche price relatives for gross output, intermediate inputs, and value added are

$$PP_{t-1,t}^{GO} = \frac{\sum_t^p q_t^{GO}}{\sum_{t-1}^p q_t^{GO}},$$

$$PP_{t-1,t}^{II} = \frac{\sum_t^p q_t^{II}}{\sum_{t-1}^p q_t^{II}}, \text{ and}$$

$$PP_{t-1,t}^{VA} = \frac{\left( \sum_t^p q_t^{GO} \right) - \left( \sum_t^p q_t^{II} \right)}{\left( \sum_{t-1}^p q_t^{GO} \right) - \left( \sum_{t-1}^p q_t^{II} \right)}.$$

Fisher price relatives for gross output, intermediate inputs, and value added are

$$FP_{t-1,t}^{GO} = \sqrt{LP_{t-1,t}^{GO} \times PP_{t-1,t}^{GO}},$$

$$FP_{t-1,t}^{II} = \sqrt{LP_{t-1,t}^{II} \times PP_{t-1,t}^{II}}, \text{ and}$$



$$FP_{t-1,t}^{VA} = \sqrt{LP_{t-1,t}^{VA} \times PP_{t-1,t}^{VA}} .$$

Fisher chain-type price indexes for gross output, intermediate inputs, and value added for years after the reference year are

$$CP_t^{GO} = CP_{t-1}^{GO} \times FP_{t-1,t}^{GO},$$

$$CP_t^{II} = CP_{t-1}^{II} \times FP_{t-1,t}^{II}, \text{ and}$$

$$CP_t^{VA} = CP_{t-1}^{VA} \times FP_{t-1,t}^{VA}.$$

In the reference year (2000 for this comprehensive revision),

$$CP_t^{GO} = CP_t^{II} = CP_t^{VA} = 100.$$

**Chain-type quantity indexes.** In the notation,  $LQ_{t-1,t}$  refers to the Laspeyres quantity relative for the years  $t-1$  and  $t$ ,  $PQ_{t-1,t}$  refers to the Paasche quantity relative,  $FQ_{t-1,t}$  refers to the Fisher quantity relative, and  $CQ_t$  refers to the Fisher chain-type quantity index. The superscript GO refers to gross output, II refers to intermediate inputs, and VA refers to value added;  $p$  refers to detailed prices, and  $q$  refers to quantities.

Laspeyres quantity relatives for gross output, intermediate inputs, and value added, respectively, are

$$LQ_{t-1,t}^{GO} = \frac{\sum p_{t-1}^{GO} q_t^{GO}}{\sum p_{t-1}^{GO} q_{t-1}^{GO}},$$

$$LQ_{t-1,t}^{II} = \frac{\sum p_{t-1}^{II} q_t^{II}}{\sum p_{t-1}^{II} q_{t-1}^{II}}, \text{ and}$$

$$LQ_{t-1,t}^{VA} = \frac{\left( \sum p_{t-1}^{GO} q_t^{GO} \right) - \left( \sum p_{t-1}^{II} q_t^{II} \right)}{\left( \sum p_{t-1}^{GO} q_{t-1}^{GO} \right) - \left( \sum p_{t-1}^{II} q_{t-1}^{II} \right)}.$$

Paasche quantity relatives for gross output, intermediate inputs, and value added are

$$PQ_{t-1,t}^{GO} = \frac{\sum p_t^{GO} q_t^{GO}}{\sum p_t^{GO} q_{t-1}^{GO}},$$

$$PQ_{t-1,t}^{II} = \frac{\sum p_t^{II} q_t^{II}}{\sum p_t^{II} q_{t-1}^{II}}, \text{ and}$$

$$PQ_{t-1,t}^{VA} = \frac{\left( \sum p_t^{GO} q_t^{GO} \right) - \left( \sum p_t^{II} q_t^{II} \right)}{\left( \sum p_t^{GO} q_{t-1}^{GO} \right) - \left( \sum p_t^{II} q_{t-1}^{II} \right)}.$$

Fisher quantity relatives for gross output, intermediate inputs, and value added are

$$FQ_{t-1,t}^{GO} = \sqrt{LQ_{t-1,t}^{GO} \times PQ_{t-1,t}^{GO}},$$

$$FQ_{t-1,t}^{II} = \sqrt{LQ_{t-1,t}^{II} \times PQ_{t-1,t}^{II}}, \text{ and}$$

$$FQ_{t-1,t}^{VA} = \sqrt{LQ_{t-1,t}^{VA} \times PQ_{t-1,t}^{VA}} .$$

Fisher chain-type quantity indexes for gross output, intermediate inputs, and value added for years after the reference year are

$$CQ_t^{GO} = CQ_{t-1}^{GO} \times FQ_{t-1,t}^{GO},$$

$$CQ_t^{II} = CQ_{t-1}^{II} \times FQ_{t-1,t}^{II}, \text{ and}$$

$$CQ_t^{VA} = CQ_{t-1}^{VA} \times FQ_{t-1,t}^{VA}.$$

In the reference year (2000 for this comprehensive revision),

$$CQ_t^{GO} = CQ_t^{II} = CQ_t^{VA} = 100.$$

## A Note on Patterns of Production and Employment by U.S. Multinational Companies

*The “outsourcing” of production to foreign locations and its effect on domestic employment and wages has been a much discussed topic. While BEA does not collect direct measures of the gains and losses that are associated with international trade and investment, it does collect a variety of data on the operations of U.S. multinational companies that are relevant to the investigation of these issues. For example, using these data, it is possible to track the changes in the share of these companies’ operations carried out in the United States as compared with the share of their operations carried out by branches and subsidiaries located overseas. This note examines recent patterns and trends in the worldwide operations of U.S. multinationals with a focus on production and employment. It concludes with a discussion of several data and analytical considerations.*

**U.S.** MULTINATIONAL companies (MNCs) account for a large share of the U.S. economy. In 2001, the value added in production (gross product) originating in nonbank U.S. parent companies totaled more than \$2.5 trillion, which amounted to nearly a quarter of current-dollar gross domestic product originating in the private sector. These companies had 23.4 million employees, or more than a fifth of the total U.S. nonbank work force.

U.S. MNCs play an even greater role in U.S. international trade in goods. In 2001, the U.S. exports of goods that involved U.S. parents or their foreign affiliates totaled \$425.4 billion, or 58 percent of total U.S. exports of goods. U.S. imports of goods that were associated with U.S. MNCs totaled \$432.9 billion, or 38 percent of total U.S. imports of goods.<sup>1</sup>

The following are some patterns in U.S.-MNC operations:

- Worldwide operations of U.S. MNCs are concentrated in the United States: Over an extended

1. Further details and analysis of U.S.-MNC operations are published in a series of annual articles that present the results from BEA’s benchmark and annual surveys of U.S. direct investment abroad. For the most recent article, see Raymond J. Mataloni, Jr., “U.S. Multinational Companies: Operations in 2001,” *SURVEY OF CURRENT BUSINESS* 83 (November 2003): 85–105. For additional information on MNC operations, go to BEA’s Web site at <www.bea.gov>.

*Raymond J. Mataloni Jr. prepared this note.*

period, U.S. parents have consistently accounted for about three-fourths of the total gross product, capital expenditures, and employment of MNCs, and their majority-owned foreign affiliates (henceforth, “foreign affiliates”) accounted for about a fourth (table 1 and chart 1). In 2001, U.S. parents accounted for 77 percent of the total production of MNCs, 79 percent of total capital expenditures, and 74 percent of total employment.

- The foreign operations of U.S. MNCs are centered in high-wage countries, which suggests that access to markets has been a key consideration in their decisions to locate operations abroad. In 2001, high-wage countries accounted for 62 percent of total employment by foreign affiliates (chart 2).<sup>2</sup>
- The role of market access in the location choices of MNCs is also suggested by the patterns in the destination of sales by foreign affiliates. In 2001, 65 percent of sales by foreign affiliates were to local customers—that is, customers who resided in the same country as the foreign affiliate. An additional

2. In this note, high-wage foreign countries are defined as all the non-U.S. members of the Organisation for Economic Co-operation and Development except for the Czech Republic, Hungary, Mexico, Poland, the Slovak Republic, and the Republic of Korea.

**Table 1. U.S.-Parent Share of Selected Measures of U.S.-MNC Operations**  
[Percent]

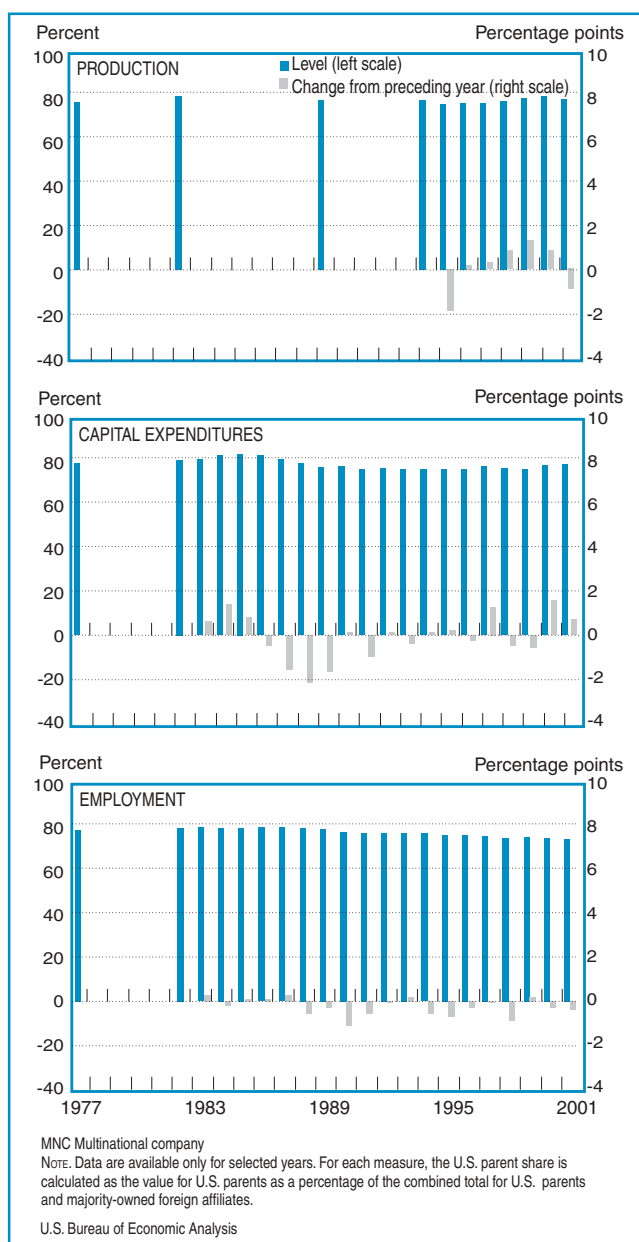
	Production	Capital expenditures	Employment
1977.....	75.3	79.8	77.9
1978.....	n.a.	n.a.	n.a.
1979.....	n.a.	n.a.	n.a.
1980.....	n.a.	n.a.	n.a.
1981.....	n.a.	n.a.	n.a.
1982.....	78.1	80.8	78.8
1983.....	n.a.	81.3	79.1
1984.....	n.a.	82.8	78.9
1985.....	n.a.	83.5	79.0
1986.....	n.a.	83.0	79.1
1987.....	n.a.	81.4	79.4
1988.....	n.a.	79.2	78.8
1989.....	76.6	77.5	78.6
1990.....	n.a.	77.6	77.5
1991.....	n.a.	76.6	76.9
1992.....	n.a.	76.8	76.8
1993.....	n.a.	76.4	77.1
1994.....	76.5	76.4	76.5
1995.....	74.6	76.6	75.8
1996.....	74.8	76.4	75.6
1997.....	75.1	77.7	75.4
1998.....	75.9	77.1	74.5
1999.....	77.2	76.5	74.8
2000.....	77.9	78.2	74.5
2001.....	77.0	78.9	74.1

MNC Multinational company  
n.a. Not available.

24 percent of sales by these affiliates were to customers in other foreign countries; other data suggest that a significant fraction of these sales were to customers who were “local” in the sense that they were located in the same economic area as the affiliate.<sup>3</sup> Only 11 percent of their sales were to customers in the United States.

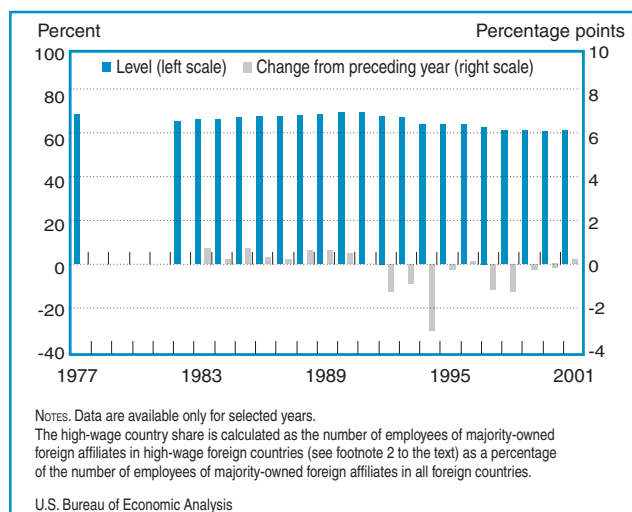
3. Information on the destination of sales to nonlocal foreign countries is not available annually, but for the benchmark year of 1999, information was collected on sales by foreign affiliates in the European Union (EU) to other EU countries; including these sales in local sales raises the share of local sales for 1999 from 67 percent to 78 percent. Information on sales within other economic areas was not collected, but including them in local sales would also raise the share of local sales.

**Chart 1. U.S.-Parent Share of Selected Measures of U.S.-MNC Operations, 1977–2001**



- The key measures of MNC operations have consistently shown that their operations are concentrated in the United States, but among the measures, the distributions of the operations have changed over time. For production and capital expenditures, the U.S.-parent shares of the worldwide MNC totals were similar in 2001 and in 1977: U.S. parents accounted for 77 percent of MNC production in 2001 and for 75 percent in 1977, and they accounted for 79 percent of capital expenditures in 2001 and for 80 percent in 1977. In contrast, for employment, the U.S.-parent share has decreased, from 78 percent in 1977 to 74 percent in 2001.
- Employment by foreign affiliates remains concentrated in high-wage countries, but in recent years, it has grown faster in low-wage countries. In 1991–2001, their employment grew at an average annual rate of 7 percent in low-wage countries, and it grew at a rate of 3 percent in high-wage countries. These patterns reflect a variety of factors, such as cost considerations and the development of new markets and liberalization of policies toward foreign direct investment in a number of major developing countries.
- The forces of globalization that have resulted in increased foreign employment by U.S. MNCs have also resulted in growth in employment in the United States by foreign MNCs. During 1977–2001, employment by majority-owned U.S. affiliates of foreign companies (henceforth, “U.S. affiliates”) grew by 4.7 million; this growth surpassed that in employment by foreign affiliates of U.S. companies

**Chart 2. High-Wage-Country Share of Employment by Foreign Affiliates, 1977–2001**



at 2.8 million.<sup>4</sup> (However, in 1991–2001, the employment growth of foreign affiliates—at 2.8 million—exceeded that of U.S. affiliates—1.7 million.)

One of the key questions raised in discussions about MNC production patterns is the degree to which U.S. companies rely on purchased goods and services rather than on value added in production by labor and capital employed within these firms. During 1977–2001, purchases from outside suppliers as a percentage of total sales for U.S. parent companies in all industries except wholesale and retail trade increased from 63 percent to 69 percent (chart 3).<sup>5</sup> Some of these outside purchases were obtained from domestic suppliers, and some were obtained from both affiliated and unaffiliated foreign suppliers. The share of purchases that were imported directly from foreign suppliers has essentially been unchanged, at 9 percent in 1977 and in 1999.<sup>6</sup> However, it

must be recognized that in many cases, the goods and services purchased domestically have some imported content, which may be considered “indirect imports.”

Data on the imported content of domestic purchases by U.S. parent companies are not available, but data for the entire U.S. economy indicate a general increase in the reliance on imports. The share of U.S. gross domestic purchases accounted for by U.S. imports of goods and services increased from 9 percent in 1977 to 13 percent in 2003 (chart 4).<sup>7</sup> Based on these figures, it seems probable that the share of U.S. parents’ purchases that are accounted for by indirect imports of goods and services also increased over the period even though the share accounted for by their direct imports did not. However, even with the increase, the reliance on imports by the United States remains lower than in most other large developed countries.<sup>8</sup>

4. Employment accounted for by U.S. affiliates that are majority-owned by foreign direct investors cannot be separately identified for 1977, but in recent years, these affiliates have consistently accounted for about 80 percent of employment by all U.S. affiliates. The estimate of the change in employment by majority-owned affiliates was based on the assumption that these affiliates accounted for the same share—81 percent—of total U.S. affiliate employment in 1977 as in 1987.

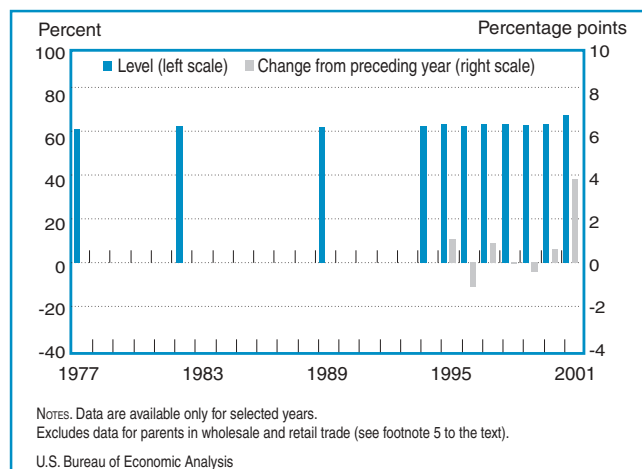
5. Wholesale and retail trade are excluded here because their purchases, unlike those in most other industries, consist mainly of goods for resale rather than intermediate inputs used in production. The exclusion of these industries does not, however, materially affect the results: Purchases from outside suppliers as a percentage of total sales for U.S. parent companies in all industries increased 7 percentage points (from 65 percent to 72 percent), compared with 6 percentage points in the selected industries.

6. The data needed to compute this share are available only for years covered by a benchmark survey, and the most recent survey was conducted for 1999.

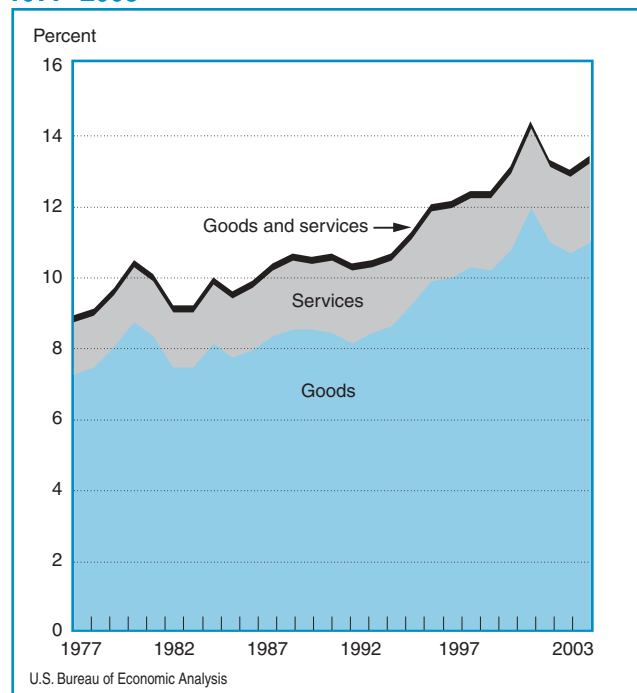
7. These imports include purchases for final use as well as for intermediate consumption.

8. For example, in 2002 the share of gross domestic purchases accounted for by imports of goods and services was 28 percent in the United Kingdom, 38 percent in Canada, and 26 percent in France.

**Chart 3. Ratio of Purchased Goods and Services to Sales for U.S. Parents, 1977–2001**



**Chart 4. U.S. Imports of Goods and Services as a Share of U.S. Gross Domestic Purchases, 1977–2003**



**Data and analytical considerations**

BEA’s data on the operations of U.S. MNCs indicate a relatively stable mix of domestic and foreign operations, but the inferences that can be drawn from these data about the production strategies of MNCs and about the ultimate effects of U.S.-MNC activity on the U.S. economy and on foreign economies are limited. The U.S.-parent share of U.S.-MNC activity can change for a number of reasons, and these changes do not uniformly correspond to either additions to, or subtractions from, production and employment in the United States. Additional factors that might be associated with a change in the parent and affiliate shares of MNC activity are given in chart 5.

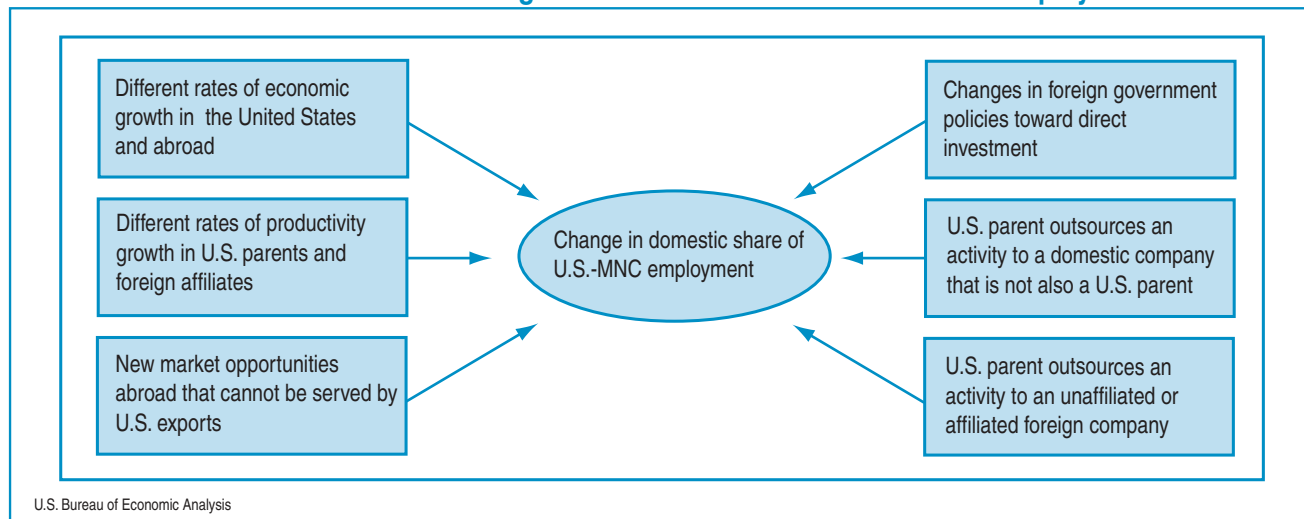
It might be expected that new direct investment abroad by U.S. MNCs would cause the employment share of U.S. parents to fall and that of foreign affiliates to rise, but its impact on employment in the United States and abroad could vary, depending on the form of the investment and the reasons why it was undertaken. To illustrate the significance of the *form* of the investment, a new investment might represent the establishment of a new company (or “greenfield investment”), the acquisition of a successful existing company, or the acquisition of a failing company. In each case, the employment by affiliates would rise, but the impact on host-country employment would likely differ. Furthermore, this impact cannot be discerned from information on MNC operations alone. Instead,

the impact will be determined by a wide range of factors, including the overall level of employment in the economy and the types of jobs involved.

To illustrate the significance of the *reasons* for the investment, affiliate employment shares might rise either because of the shifting of production from parents to affiliates or because of the opening of new overseas markets—such as those for meals or lodging—that can be served only through a locally established enterprise. In the case of production shifting, the rise in employment by affiliates might be expected to come partly or wholly at the expense of employment by the parents. In contrast, in the example of new overseas markets, the rise in employment by foreign affiliates would not affect employment in the United States by parent companies, or it could cause U.S. employment to rise, because of the need to provide headquarters services to the newly established affiliates. While the examples given here and in chart 5 have been constructed with reference to U.S. investments abroad, the economic mechanisms that they illustrate are equally applicable to foreign investments in the United States.

A data limitation is the scarcity of information on the types of jobs held by the domestic and foreign employees of U.S. MNCs. Except for the data collected in benchmark survey years on the number of production workers of foreign affiliates in manufacturing, BEA does not collect data on the types of jobs held by

**Chart 5. Some Possible Causes of a Change in the Domestic Share of U.S.-MNC Employment**



employees of either U.S. parents or foreign affiliates.<sup>9</sup> Thus, it is not possible to determine the relative changes in the types of jobs offered by parents and affiliates, either in terms of the occupation or the skill re-

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9. A related limitation is the absence of information on the use of "leased" employees, a practice that has become increasingly common in recent years. Because these employees are carried on the payrolls of employee-leasing firms rather than on the payrolls of the firms where the employees perform their duties, the changes in their use may result in changes in the observed patterns of MNC employment. For example, if a U.S. parent in manufacturing leases production workers from an employee-leasing firm that is also a U.S. parent, then the employment total for U.S. parents would not change, but the industry composition of the employment would change. Specifically, employment in manufacturing would decrease and employment in the employee-leasing industry would increase. Thus, the industry composition of employment would shift away from manufacturing and toward services. However, if the leasing firm is not a U.S. parent, then the employment totals for U.S. parents, both overall and in manufacturing, would decrease.

quired for the job.

Finally, the major patterns in U.S.-MNC operations have been relatively stable over an extended period, but the most recent data cover 2001, and the patterns of operations may have changed since then.

In recognition of the current public interest in these data and the need for more timely information, this year, BEA is accelerating the release of the summary estimates of a few key items. A news release providing estimates of total employment, sales, and capital expenditures by U.S. parent companies, by their foreign affiliates, and by U.S. affiliates of foreign companies for 2002 has been scheduled for April 16, 2004.







**Table 1.1.7. Percent Change From Preceding Period in Prices for Gross Domestic Product**  
[Percent]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product ....</b>	<b>1</b>	<b>1.5</b>	<b>1.7</b>	<b>1.7</b>	<b>2.3</b>	<b>1.1</b>	<b>1.6</b>	<b>1.2</b>
<b>Personal consumption expenditures .....</b>	<b>2</b>	<b>1.4</b>	<b>1.8</b>	<b>1.7</b>	<b>2.8</b>	<b>0.5</b>	<b>1.8</b>	<b>0.7</b>
Durable goods .....	3	-2.9	-3.7	-3.0	-4.4	-3.9	-4.0	-3.9
Nondurable goods .....	4	0.5	2.1	1.0	5.1	-2.1	3.8	0.5
Services .....	5	2.7	2.9	3.1	3.2	2.7	2.0	1.7
<b>Gross private domestic investment .....</b>	<b>6</b>	<b>0.0</b>	<b>0.9</b>	<b>1.6</b>	<b>1.3</b>	<b>0.0</b>	<b>2.0</b>	<b>3.5</b>
Fixed investment .....	7	0.1	1.1	1.7	1.9	0.0	2.1	3.7
Nonresidential .....	8	-0.9	-0.2	0.4	-0.3	-1.2	1.6	1.7
Structures .....	9	1.4	2.0	1.1	3.8	1.1	2.7	4.7
Equipment and software... ..	10	-1.7	-0.9	0.2	-1.6	-1.8	1.2	0.9
Residential .....	11	2.4	3.9	4.5	6.4	2.2	3.1	7.5
Change in private inventories... ..	12							
<b>Net exports of goods and services .....</b>	<b>13</b>							
Exports .....	14	-0.4	2.1	0.6	3.6	0.8	1.6	2.4
Goods .....	15	-0.7	2.0	0.6	3.5	1.7	-0.2	3.7
Services .....	16	0.3	2.2	0.6	3.8	-1.3	5.7	-0.3
Imports .....	17	-1.0	3.6	0.8	11.7	-4.1	2.7	0.9
Goods .....	18	-1.7	2.9	0.5	11.8	-6.8	2.6	0.3
Services .....	19	2.5	7.4	2.0	11.3	10.4	3.3	3.8
<b>Government consumption expenditures and gross investment .....</b>	<b>20</b>	<b>2.6</b>	<b>2.9</b>	<b>1.8</b>	<b>7.3</b>	<b>0.1</b>	<b>1.7</b>	<b>0.5</b>
Federal .....	21	2.7	2.5	-0.5	7.7	1.4	1.3	0.2
National defense .....	22	2.5	2.6	-0.6	8.0	1.2	1.3	0.4
Nondefense .....	23	3.2	2.3	-0.4	7.2	1.6	1.3	0.0
State and local .....	24	2.5	3.1	3.0	7.1	-0.7	2.0	0.6
<b>Addendum:</b>								
Gross national product .....	25	1.5	.....	1.7	2.3	1.1	1.7	.....

**Table 1.1.8. Contributions to Percent Change in the Gross Domestic Product Price Index**

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Percent change at annual rate:</b>								
<b>Gross domestic product ....</b>	<b>1</b>	<b>1.5</b>	<b>1.7</b>	<b>1.7</b>	<b>2.3</b>	<b>1.1</b>	<b>1.6</b>	<b>1.2</b>
<b>Percentage points at annual rates:</b>								
<b>Personal consumption expenditures .....</b>	<b>2</b>	<b>0.96</b>	<b>1.32</b>	<b>1.21</b>	<b>1.95</b>	<b>0.35</b>	<b>1.24</b>	<b>0.47</b>
Durable goods .....	3	-0.26	-0.23	-0.26	-0.39	-0.34	-0.36	-0.35
Nondurable goods .....	4	0.11	0.27	0.20	1.00	-0.43	0.74	0.10
Services .....	5	1.11	1.29	1.27	1.33	1.12	0.85	0.71
<b>Gross private domestic investment .....</b>	<b>6</b>	<b>0.01</b>	<b>0.17</b>	<b>0.25</b>	<b>0.25</b>	<b>0.08</b>	<b>0.30</b>	<b>0.54</b>
Fixed investment .....	7	0.01	0.17	0.26	0.27	-0.01	0.31	0.56
Nonresidential .....	8	-0.10	-0.03	0.05	-0.03	-0.12	0.16	0.18
Structures .....	9	0.04	0.05	0.03	0.09	0.03	0.06	0.11
Equipment and software... ..	10	-0.14	-0.08	0.02	-0.12	-0.14	0.09	0.07
Residential .....	11	0.11	0.20	0.22	0.31	0.11	0.15	0.38
Change in private inventories... ..	12	0.00	-0.01	-0.01	-0.03	0.09	-0.01	-0.02
<b>Net exports of goods and services .....</b>	<b>13</b>	<b>0.11</b>	<b>-0.38</b>	<b>-0.05</b>	<b>-1.24</b>	<b>0.62</b>	<b>-0.22</b>	<b>0.11</b>
Exports .....	14	-0.04	0.22	0.06	0.33	0.07	0.15	0.23
Goods .....	15	-0.05	0.15	0.04	0.22	0.11	-0.02	0.24
Services .....	16	0.01	0.07	0.02	0.11	-0.04	0.16	-0.01
Imports .....	17	0.15	-0.60	-0.11	-1.57	0.55	-0.37	-0.12
Goods .....	18	0.20	-0.41	-0.06	-1.31	0.80	-0.29	-0.03
Services .....	19	-0.06	-0.20	-0.05	-0.26	-0.24	-0.08	-0.09
<b>Government consumption expenditures and gross investment .....</b>	<b>20</b>	<b>0.46</b>	<b>0.55</b>	<b>0.33</b>	<b>1.32</b>	<b>0.01</b>	<b>0.33</b>	<b>0.09</b>
Federal .....	21	0.17	0.16	-0.03	0.49	0.09	0.09	0.02
National defense .....	22	0.10	0.11	-0.02	0.33	0.06	0.06	0.02
Nondefense .....	23	0.07	0.05	-0.01	0.17	0.04	0.03	0.00
State and local .....	24	0.29	0.39	0.36	0.83	-0.08	0.23	0.07

**Table 1.1.9. Implicit Price Deflators for Gross Domestic Product**  
[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product ....</b>	<b>1</b>	<b>103.945</b>	<b>105.652</b>	<b>104.556</b>	<b>105.146</b>	<b>105.427</b>	<b>105.851</b>	<b>106.162</b>
<b>Personal consumption expenditures .....</b>	<b>2</b>	<b>103.429</b>	<b>105.302</b>	<b>104.199</b>	<b>104.923</b>	<b>105.060</b>	<b>105.517</b>	<b>105.691</b>
Durable goods .....	3	95.209	91.640	94.137	93.075	92.148	91.208	90.299
Nondurable goods .....	4	102.075	104.181	102.785	104.075	103.525	104.485	104.619
Services .....	5	105.946	108.963	107.167	108.021	108.751	109.299	109.764
<b>Gross private domestic investment .....</b>	<b>6</b>	<b>101.097</b>	<b>101.984</b>	<b>101.186</b>	<b>101.495</b>	<b>101.530</b>	<b>101.995</b>	<b>102.847</b>
Fixed investment .....	7	101.155	102.306	101.340	101.806	101.795	102.318	103.240
Nonresidential .....	8	98.859	98.670	98.658	98.579	98.293	98.678	99.106
Structures .....	9	106.974	109.155	107.269	108.264	108.553	109.283	110.541
Equipment and software... ..	10	96.121	95.279	95.788	95.411	94.968	95.258	95.470
Residential .....	11	107.106	111.288	108.173	109.871	110.475	111.311	113.332
Change in private inventories... ..	12							
<b>Net exports of goods and services .....</b>	<b>13</b>							
Exports .....	14	99.274	101.354	99.962	100.841	101.042	101.432	102.047
Goods .....	15	98.668	100.694	99.313	100.161	100.590	100.531	101.444
Services .....	16	100.740	102.949	101.535	102.484	102.157	103.579	103.512
Imports .....	17	96.520	99.999	97.662	100.403	99.349	100.011	100.230
Goods .....	18	95.345	98.072	96.332	99.053	97.321	97.939	98.009
Services .....	19	102.666	110.250	104.671	107.514	110.201	111.098	112.137
<b>Government consumption expenditures and gross investment .....</b>	<b>20</b>	<b>105.206</b>	<b>108.221</b>	<b>106.046</b>	<b>107.941</b>	<b>107.957</b>	<b>108.423</b>	<b>108.555</b>
Federal .....	21	104.858	107.501	105.059	107.025	107.392	107.748	107.811
National defense .....	22	104.666	107.419	104.933	106.960	107.291	107.644	107.740
Nondefense .....	23	105.208	107.649	105.289	107.143	107.577	107.938	107.936
State and local .....	24	105.381	108.599	106.576	108.431	108.242	108.774	108.948
<b>Addendum:</b>								
Gross national product .....	25	103.932	.....	104.541	105.138	105.425	105.853	.....

**Table 1.1.10. Percentage Shares of Gross Domestic Product**  
[Percent]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product ....</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Personal consumption expenditures .....</b>	<b>2</b>	<b>70.5</b>	<b>70.6</b>	<b>70.6</b>	<b>70.8</b>	<b>70.7</b>	<b>70.6</b>	<b>70.2</b>
Durable goods .....	3	8.7	8.6	8.5	8.4	8.5	8.8	8.6
Nondurable goods .....	4	19.9	20.1	19.9	20.3	20.0	20.1	20.1
Services .....	5	41.9	41.9	42.1	42.2	42.2	41.7	41.6
<b>Gross private domestic investment .....</b>	<b>6</b>	<b>15.2</b>	<b>15.2</b>	<b>15.2</b>	<b>15.0</b>	<b>15.0</b>	<b>15.2</b>	<b>15.7</b>
Fixed investment .....	7	15.1	15.2	15.0	15.0	15.0	15.3	15.6
Nonresidential .....	8	10.3	10.1	10.1	10.0	10.0	10.1	10.3
Structures .....	9	2.5	2.4	2.4	2.4	2.4	2.3	2.3
Equipment and software... ..	10	7.8	7.8	7.7	7.6	7.6	7.8	8.0
Residential .....	11	4.8	5.1	4.9	5.0	5.0	5.2	5.3
Change in private inventories... ..	12	0.1	0.0	0.2	0.0	-0.1	-0.1	0.1
<b>Net exports of goods and services .....</b>	<b>13</b>	<b>-4.1</b>	<b>-4.5</b>	<b>-4.5</b>	<b>-4.5</b>	<b>-4.7</b>	<b>-4.4</b>	<b>-4.4</b>
Exports .....	14	9.6	9.5	9.6	9.5	9.4	9.4	9.8
Goods .....	15	6.7	6.6	6.6	6.6	6.5	6.5	6.8
Services .....	16	2.9	2.9	3.0	2.9	2.9	2.9	3.0
Imports .....	17	13.7	14.1	14.1	14.1	14.1	13.9	14.2
Goods .....	18	11.4	11.7	11.7	11.7	11.7	11.5	11.8
Services .....	19	2.3	2.4	2.4	2.4	2.3	2.4	2.4
<b>Government consumption expenditures and gross investment .....</b>	<b>20</b>	<b>18.4</b>	<b>18.7</b>	<b>18.7</b>	<b>18.8</b>	<b>18.9</b>	<b>18.7</b>	<b>18.5</b>
Federal .....	21	6.5	6.9	6.7	6.7	7.0	6.9	6.9
National defense .....	22	4.2	4.5	4.3	4.3	4.7	4.6	4.6
Nondefense .....	23	2.3	2.4	2.3	2.4	2.4	2.4	2.3
State and local .....	24	12.0	11.8	12.0	12.1	11.9	11.7	11.6

**Table 1.2.1. Percent Change From Preceding Period in Real Gross Domestic Product by Major Type of Product**  
[Percent]

	Line	2002	2003	Seasonally adjusted at annual rates						
				2002		2003				
						IV	I	II	III	IV
				IV	I	II	III	IV		
<b>Gross domestic product</b> ....	1	2.2	3.1	1.3	2.0	3.1	8.2	4.1		
Final sales of domestic product .....	2	1.8	3.1	1.7	2.7	3.3	8.3	3.2		
Change in private inventories .....	3									
<b>Goods</b> .....	4	2.1	4.4	-2.8	4.3	2.2	18.3	7.8		
Final sales .....	5	0.9	4.4	-1.6	6.6	2.9	18.7	4.9		
Change in private inventories .....	6									
Durable goods .....	7	2.0	6.0	-3.2	-1.3	8.3	26.3	11.0		
Final sales .....	8	-1.1	6.2	-6.3	4.3	11.7	30.7	2.5		
Change in private inventories <sup>1</sup> .....	9									
Nondurable goods .....	10	2.2	3.0	-2.4	9.2	-2.6	11.9	5.2		
Final sales .....	11	2.7	3.0	2.5	8.6	-3.8	9.4	7.0		
Change in private inventories <sup>1</sup> .....	12									
<b>Services</b> <sup>2</sup> .....	13	3.1	2.6	3.5	1.0	3.6	2.1	2.3		
<b>Structures</b> .....	14	-3.0	2.4	2.1	-0.3	2.8	13.9	2.6		
<b>Addenda:</b>										
Motor vehicle output .....	15	11.4	2.6	-4.9	-6.4	2.1	26.6	2.9		
Gross domestic product excluding motor vehicle output .....	16	1.9	3.1	1.5	2.3	3.1	7.6	4.2		
Final sales of computers <sup>3</sup> .....	17	11.1	40.9	34.8	34.6	32.8	93.4	31.5		
Gross domestic product excluding final sales of computers .....	18	2.1	2.8	1.0	1.7	2.8	7.6	3.9		
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	19	2.6	3.0	2.5	0.9	3.9	6.5	3.9		

**Table 1.2.2. Contributions to Percent Change in Real Gross Domestic Product by Major Type of Product**

	Line	2002	2003	Seasonally adjusted at annual rates						
				2002		2003				
						IV	I	II	III	IV
				IV	I	II	III	IV		
<b>Percent change at annual rate:</b>										
<b>Gross domestic product</b> ....	1	2.2	3.1	1.3	2.0	3.1	8.2	4.1		
<b>Percentage points at annual rates:</b>										
Final sales of domestic product .....	2	1.78	3.14	1.69	2.71	3.25	8.34	3.19		
Change in private inventories .....	3	0.41	-0.01	-0.40	-0.74	-0.17	-0.13	0.92		
<b>Goods</b> <sup>2</sup> .....	4	0.71	1.42	-0.92	1.37	0.75	5.67	2.54		
Final sales .....	5	0.30	1.43	-0.52	2.11	0.92	5.80	1.62		
Change in private inventories .....	6	0.41	-0.01	-0.40	-0.74	-0.17	-0.13	0.92		
Durable goods .....	7	0.31	0.88	-0.50	-0.18	1.17	3.62	1.61		
Final sales .....	8	-0.18	0.90	-0.97	0.62	1.62	4.15	0.39		
Change in private inventories <sup>1</sup> .....	9	0.49	-0.02	0.47	-0.80	-0.44	-0.53	1.22		
Nondurable goods .....	10	0.40	0.54	-0.42	1.55	-0.43	2.05	0.93		
Final sales .....	11	0.48	0.53	0.45	1.49	-0.70	1.65	1.23		
Change in private inventories <sup>1</sup> .....	12	-0.08	0.01	-0.87	0.06	0.27	0.40	-0.30		
<b>Services</b> <sup>2</sup> .....	13	1.77	1.48	2.02	0.62	2.08	1.27	1.32		
<b>Structures</b> .....	14	-0.29	0.23	0.19	-0.02	0.26	1.27	0.25		
<b>Addenda:</b>										
Motor vehicle output .....	15	0.38	0.09	-0.18	-0.23	0.07	0.82	0.10		
Gross domestic product excluding motor vehicle output .....	16	1.81	3.03	1.46	2.20	3.01	7.39	4.01		
Final sales of computers <sup>3</sup> .....	17	0.10	0.31	0.26	0.26	0.25	0.65	0.28		
Gross domestic product excluding final sales of computers .....	18	2.09	2.81	1.03	1.71	2.83	7.56	3.82		

1. Estimates for durable goods and nondurable goods for 1996 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).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

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

1. Estimates for durable goods and nondurable goods for 1996 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).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

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

**Table 1.2.3. Real Gross Domestic Product by Major Type of Product, Quantity Indexes**  
[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted						
				2002		2003				
						IV	I	II	III	IV
				IV	I	II	III	IV		
<b>Gross domestic product</b> ....	1	102.710	105.916	103.502	104.008	104.801	106.887	107.968		
Final sales of domestic product .....	2	103.242	106.484	103.877	104.569	105.420	107.553	108.396		
Change in private inventories .....	3									
<b>Goods</b> .....	4	100.034	104.391	100.222	101.286	101.844	106.204	108.229		
Final sales .....	5	101.511	106.003	101.226	102.859	103.590	108.127	109.435		
Change in private inventories .....	6									
Durable goods .....	7	96.965	102.742	97.888	97.573	99.541	105.529	108.323		
Final sales .....	8	98.685	104.779	97.976	99.006	101.775	108.828	109.506		
Change in private inventories <sup>1</sup> .....	9									
Nondurable goods .....	10	102.917	106.043	102.440	104.728	104.050	107.011	108.383		
Final sales .....	11	104.078	107.203	104.161	106.323	105.287	107.681	109.522		
Change in private inventories <sup>1</sup> .....	12									
<b>Services</b> <sup>2</sup> .....	13	105.450	108.144	106.718	106.995	107.947	108.510	109.123		
<b>Structures</b> .....	14	96.680	99.028	96.813	96.748	97.421	100.650	101.295		
<b>Addenda:</b>										
Motor vehicle output .....	15	106.114	108.876	106.813	105.066	105.603	112.016	112.818		
Gross domestic product excluding motor vehicle output .....	16	102.593	105.817	103.389	103.975	104.776	106.713	107.804		
Final sales of computers <sup>3</sup> .....	17	126.217	177.830	140.659	151.506	162.631	191.792	205.392		
Gross domestic product excluding final sales of computers .....	18	102.493	105.396	103.189	103.631	104.361	106.291	107.302		
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	19	103.168	106.293	104.223	104.444	105.448	107.129	108.151		

1. Estimates for durable goods and nondurable goods for 1996 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).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

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

**Table 1.2.4. Price Indexes for Gross Domestic Product by Major Type of Product**  
[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted						
				2002		2003				
						IV	I	II	III	IV
				IV	I	II	III	IV		
<b>Gross domestic product</b> ....	1	103.949	105.665	104.571	105.163	105.440	105.870	106.187		
Final sales of domestic product .....	2	103.955	105.702	104.585	105.198	105.474	105.906	106.228		
Change in private inventories .....	3									
<b>Goods</b> .....	4	100.176	99.507	99.961	99.436	99.451	99.572	99.569		
Final sales .....	5	100.196	99.608	99.999	99.534	99.542	99.671	99.683		
Change in private inventories .....	6									
Durable goods .....	7	96.624	94.153	95.931	95.170	94.402	93.802	93.236		
Final sales .....	8	96.642	94.178	95.958	95.183	94.418	93.831	93.280		
Change in private inventories <sup>1</sup> .....	9									
Nondurable goods .....	10	103.449	104.432	103.670	103.358	104.083	104.875	105.411		
Final sales .....	11	103.513	104.635	103.756	103.566	104.274	105.075	105.624		
Change in private inventories <sup>1</sup> .....	12									
<b>Services</b> <sup>2</sup> .....	13	105.741	108.629	106.845	107.974	108.356	108.934	109.253		
<b>Structures</b> .....	14	107.032	110.440	107.819	109.252	109.864	110.543	112.099		
<b>Addenda:</b>										
Motor vehicle output .....	15	96.777	95.018	96.199	95.813	94.680	94.640	94.939		
Gross domestic product excluding motor vehicle output .....	16	104.220	106.073	104.890	105.520	105.853	106.300	106.619		
Final sales of computers <sup>3</sup> .....	17	63.635	53.518	58.739	56.177	54.287	52.165	51.444		
Gross domestic product excluding final sales of computers .....	18	104.462	106.364	105.164	105.806	106.120	106.597	106.935		

1. Estimates for durable goods and nondurable goods for 1996 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).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

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

**Table 1.2.5. Gross Domestic Product  
by Major Type of Product**  
[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Gross domestic product</b> ....	1	<b>10,480.8</b>	<b>10,985.5</b>	<b>10,623.7</b>	<b>10,735.8</b>	<b>10,846.7</b>	<b>11,107.0</b>	<b>11,252.3</b>
Final sales of domestic product .....	2	10,475.5	10,986.3	10,603.6	10,736.7	10,852.4	11,117.4	11,238.7
Change in private inventories .....	3	5.4	-0.9	20.2	-0.9	-5.8	-10.5	13.7
<b>Goods</b> .....	4	<b>3,456.2</b>	<b>3,581.6</b>	<b>3,454.5</b>	<b>3,472.6</b>	<b>3,492.8</b>	<b>3,646.0</b>	<b>3,714.8</b>
Final sales .....	5	3,450.9	3,582.4	3,434.4	3,473.5	3,498.5	3,656.5	3,701.2
Change in private inventories .....	6	5.4	-0.9	20.2	-0.9	-5.8	-10.5	13.7
Durable goods .....	7	1,582.8	1,633.9	1,586.7	1,568.9	1,587.6	1,672.5	1,706.5
Final sales .....	8	1,576.8	1,631.0	1,554.4	1,558.0	1,588.7	1,688.3	1,688.8
Change in private inventories <sup>1</sup> .....	9	6.1	2.9	32.3	10.9	-1.1	-15.8	17.6
Nondurable goods .....	10	1,873.4	1,947.7	1,867.8	1,903.7	1,905.1	1,973.6	2,008.4
Final sales .....	11	1,874.1	1,951.5	1,880.0	1,915.5	1,909.8	1,968.2	2,012.3
Change in private inventories <sup>1</sup> .....	12	-0.7	-3.8	-12.1	-11.8	-4.7	5.4	-4.0
<b>Services</b> <sup>2</sup> .....	13	<b>6,049.8</b>	<b>6,373.5</b>	<b>6,185.9</b>	<b>6,267.5</b>	<b>6,345.6</b>	<b>6,412.8</b>	<b>6,467.8</b>
<b>Structures</b> .....	14	<b>974.8</b>	<b>1,030.4</b>	<b>983.3</b>	<b>995.7</b>	<b>1,008.3</b>	<b>1,048.1</b>	<b>1,069.7</b>
<b>Addenda:</b>								
Motor vehicle output .....	15	374.8	377.6	375.1	367.5	365.0	387.0	391.0
Gross domestic product excluding motor vehicle output .....	16	10,106.0	10,607.8	10,248.6	10,368.3	10,481.7	10,719.9	10,861.3
Final sales of computers <sup>3</sup> .....	17	88.3	104.8	91.4	94.1	97.6	110.6	116.8
Gross domestic product excluding final sales of computers .....	18	10,392.5	10,880.6	10,532.3	10,641.7	10,749.0	10,996.3	11,135.5

1. Estimates for durable goods and nondurable goods for 1996 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).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

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

**Table 1.2.6. Real Gross Domestic Product  
by Major Type of Product, Chained Dollars**  
[Billions of chained (2000) dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Gross domestic product</b> ....	1	<b>10,083.0</b>	<b>10,397.7</b>	<b>10,160.8</b>	<b>10,210.4</b>	<b>10,288.3</b>	<b>10,493.1</b>	<b>10,599.2</b>
Final sales of domestic product .....	2	10,076.9	10,393.4	10,138.9	10,206.4	10,289.5	10,497.7	10,580.0
Change in private inventories .....	3	5.7	0.7	21.5	1.6	-4.5	-9.1	14.9
Residual .....	4	0.4	3.6	0.4	2.4	3.3	4.5	4.3
<b>Goods</b> .....	5	<b>3,450.5</b>	<b>3,600.8</b>	<b>3,457.0</b>	<b>3,493.7</b>	<b>3,512.9</b>	<b>3,663.3</b>	<b>3,733.2</b>
Final sales .....	6	3,444.1	3,596.5	3,434.4	3,489.8	3,514.7	3,668.6	3,713.0
Change in private inventories .....	7	5.7	0.7	21.5	1.6	-4.5	-9.1	14.9
Durable goods .....	8	1,638.1	1,735.7	1,653.7	1,648.4	1,681.6	1,782.8	1,830.0
Final sales .....	9	1,631.6	1,732.3	1,619.9	1,636.9	1,682.7	1,799.3	1,810.5
Change in private inventories <sup>1</sup> .....	10	6.2	3.0	32.8	11.1	-1.0	-16.0	17.8
Nondurable goods .....	11	1,811.3	1,866.3	1,802.9	1,843.2	1,831.2	1,883.4	1,907.5
Final sales .....	12	1,810.5	1,864.8	1,811.9	1,849.5	1,831.5	1,873.1	1,905.2
Change in private inventories <sup>1</sup> .....	13	-0.4	-2.1	-10.6	-8.9	-3.4	6.1	-2.1
<b>Services</b> <sup>2</sup> .....	14	<b>5,721.3</b>	<b>5,867.4</b>	<b>5,790.1</b>	<b>5,805.1</b>	<b>5,856.8</b>	<b>5,887.3</b>	<b>5,920.6</b>
<b>Structures</b> .....	15	<b>910.8</b>	<b>932.9</b>	<b>912.0</b>	<b>911.4</b>	<b>917.8</b>	<b>948.2</b>	<b>954.3</b>
Residual .....	16	3.0	-0.6	4.7	5.3	3.9	-4.9	-7.1
<b>Addenda:</b>								
Motor vehicle output .....	17	387.3	397.4	389.8	383.5	385.4	408.8	411.7
Gross domestic product excluding motor vehicle output .....	18	9,697.1	10,001.8	9,772.3	9,827.7	9,903.4	10,086.5	10,189.6
Final sales of computers <sup>3</sup> .....	19	138.8	195.5	154.6	166.6	178.8	210.8	225.8
Gross domestic product excluding final sales of computers .....	20	9,949.0	10,230.8	10,016.6	10,059.5	10,130.4	10,317.7	10,415.8

1. Estimates for durable goods and nondurable goods for 1996 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).

2. Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

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

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 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.

**Table 1.3.1. Percent Change From Preceding Period in Real Gross Value Added by Sector**  
[Percent]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Gross domestic product</b> ....	1	<b>2.2</b>	<b>3.1</b>	<b>1.3</b>	<b>2.0</b>	<b>3.1</b>	<b>8.2</b>	<b>4.1</b>
<b>Business</b> <sup>1</sup> .....	2	<b>2.3</b>	<b>3.7</b>	<b>1.6</b>	<b>1.9</b>	<b>4.2</b>	<b>10.3</b>	<b>3.9</b>
Nonfarm <sup>2</sup> .....	3	2.3	3.7	1.6	2.4	3.8	10.4	4.1
Farm .....	4	1.9	3.2	-1.5	-39.5	59.0	-3.2	-16.6
<b>Households and institutions</b> .....	5	<b>2.2</b>	<b>1.1</b>	<b>-1.6</b>	<b>2.5</b>	<b>-1.9</b>	<b>2.9</b>	<b>9.5</b>
Households .....	6	2.4	0.9	-3.8	3.5	-4.0	4.1	15.7
Nonprofit institutions serving households <sup>3</sup> .....	7	1.8	1.4	1.5	1.1	1.0	1.3	1.9
<b>General government</b> <sup>4</sup> .....	8	<b>1.6</b>	<b>1.4</b>	<b>2.4</b>	<b>1.7</b>	<b>1.1</b>	<b>0.1</b>	<b>0.5</b>
Federal .....	9	1.7	3.3	4.9	4.3	5.0	0.0	-0.3
State and local .....	10	1.6	0.6	1.4	0.6	-0.5	0.1	0.9
<b>Addendum:</b>								
Gross housing value added .....	11	2.4	0.7	-3.6	3.5	-4.3	3.3	14.8

1. Equals gross domestic product excluding gross value added of households and institutions and of general government.

2. Equals gross domestic business value added excluding gross farm value added.

3. Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.

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

**Table 1.3.3. Real Gross Value Added by Sector,  
Quantity Indexes**  
[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002		2003		
				IV	I	II	III	IV
<b>Gross domestic product</b> ....	1	<b>102.710</b>	<b>105.916</b>	<b>103.502</b>	<b>104.008</b>	<b>104.801</b>	<b>106.887</b>	<b>107.968</b>
<b>Business</b> <sup>1</sup> .....	2	<b>102.374</b>	<b>106.149</b>	<b>103.301</b>	<b>103.799</b>	<b>104.861</b>	<b>107.457</b>	<b>108.479</b>
Nonfarm <sup>2</sup> .....	3	102.421	106.203	103.276	103.895	104.856	107.487	108.574
Farm .....	4	97.569	100.661	106.144	93.608	105.113	104.270	99.651
<b>Households and institutions</b> .....	5	<b>104.450</b>	<b>105.602</b>	<b>104.365</b>	<b>105.002</b>	<b>104.501</b>	<b>105.243</b>	<b>107.661</b>
Households .....	6	105.568	106.528	104.914	105.828	104.743	105.801	109.741
Nonprofit institutions serving households <sup>3</sup> .....	7	102.973	104.391	103.637	103.911	104.166	104.502	104.986
<b>General government</b> <sup>4</sup> .....	8	<b>103.345</b>	<b>104.789</b>	<b>104.106</b>	<b>104.534</b>	<b>104.816</b>	<b>104.836</b>	<b>104.971</b>
Federal .....	9	101.930	105.296	103.255	104.342	105.632	105.643	105.566
State and local .....	10	103.935	104.580	104.462	104.617	104.477	104.501	104.724
<b>Addendum:</b>								
Gross housing value added .....	11	105.160	105.908	104.510	105.421	104.269	105.121	108.819

1. Equals gross domestic product excluding gross value added of households and institutions and of general government.

2. Equals gross domestic business value added excluding gross farm value added.

3. Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.

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

Table 1.3.4. Price Indexes for Gross Value Added by Sector

[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product</b> ....	1	103.949	105.665	104.571	105.163	105.440	105.870	106.187
<b>Business</b> <sup>1</sup> .....	2	102.768	104.170	103.321	103.746	103.972	104.321	104.642
Nonfarm <sup>2</sup> .....	3	102.779	104.051	103.355	103.739	103.925	104.207	104.335
Farm .....	4	101.347	116.232	98.584	103.534	108.260	115.663	137.470
<b>Households and institutions</b> .....	5	108.650	110.724	109.316	110.057	110.281	111.080	111.476
Households .....	6	108.361	109.177	108.739	109.241	108.815	109.116	109.536
Nonprofit institutions serving households <sup>3</sup> .....	7	109.039	112.800	110.092	111.156	112.251	113.716	114.078
<b>General government</b> <sup>4</sup> .....	8	107.547	111.140	108.623	110.245	110.941	111.582	111.793
Federal .....	9	107.425	110.807	107.193	110.358	110.844	111.011	111.016
State and local .....	10	107.599	111.276	109.212	110.193	110.978	111.818	112.116
<b>Addendum:</b>								
Gross housing value added.....	11	108.227	109.321	108.677	109.222	108.989	109.319	109.755

1. Equals gross domestic product excluding gross value added of households and institutions and of general government.
2. Equals gross domestic business value added excluding gross farm value added.
3. Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.
4. Equals compensation of general government employees plus general government consumption of fixed capital.

Table 1.3.5. Gross Value Added by Sector

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product</b> ....	1	10,480.8	10,985.5	10,623.7	10,735.8	10,846.7	11,107.0	11,252.3
<b>Business</b> <sup>1</sup> .....	2	8,065.6	8,476.1	8,181.3	8,254.3	8,357.5	8,592.4	8,700.2
Nonfarm <sup>2</sup> .....	3	7,994.9	8,392.7	8,106.7	8,185.4	8,275.8	8,506.5	8,603.0
Farm .....	4	70.7	83.5	74.6	69.0	81.7	85.9	97.2
<b>Households and institutions</b> .....	5	1,226.4	1,263.7	1,233.0	1,248.9	1,245.5	1,263.4	1,297.0
Households .....	6	704.3	716.1	702.4	711.8	701.7	710.8	740.1
Nonprofit institutions serving households <sup>3</sup> .....	7	522.2	547.6	530.6	537.1	543.8	552.6	557.0
<b>General government</b> <sup>4</sup> .....	8	1,188.8	1,245.6	1,209.5	1,232.6	1,243.7	1,251.1	1,255.1
Federal .....	9	345.3	368.0	349.1	363.1	369.2	369.8	369.6
State and local .....	10	843.5	877.7	860.4	869.4	874.5	881.3	885.5
<b>Addendum:</b>								
Gross housing value added.....	11	904.0	919.7	902.2	914.6	902.7	912.8	948.7

1. Equals gross domestic product excluding gross value added of households and institutions and of general government.
2. Equals gross domestic business value added excluding gross farm value added.
3. Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.
4. Equals compensation of general government employees plus general government consumption of fixed capital.

Table 1.3.6. Real Gross Value Added by Sector, Chained Dollars

[Billions of chained (2000) dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product</b> ....	1	10,083.0	10,397.7	10,160.8	10,210.4	10,288.3	10,493.1	10,599.2
<b>Business</b> <sup>1</sup> .....	2	7,848.7	8,138.1	7,919.7	7,957.9	8,039.3	8,238.4	8,316.7
Nonfarm <sup>2</sup> .....	3	7,779.0	8,066.3	7,844.0	7,891.0	7,964.0	8,163.8	8,246.4
Farm .....	4	69.8	72.0	75.9	67.0	75.2	74.6	71.3
<b>Households and institutions</b> .....	5	1,128.8	1,141.3	1,127.9	1,134.8	1,129.4	1,137.4	1,163.5
Households .....	6	649.9	655.8	645.9	651.5	644.8	651.4	675.6
Nonprofit institutions serving households <sup>3</sup> .....	7	478.9	485.5	482.0	483.3	484.4	486.0	488.3
<b>General government</b> <sup>4</sup> .....	8	1,105.4	1,120.8	1,113.5	1,118.1	1,121.1	1,121.3	1,122.8
Federal .....	9	321.4	332.1	325.6	329.1	333.1	333.2	332.9
State and local .....	10	783.9	788.8	787.9	789.0	788.0	788.2	789.9
Residual .....	11	0.1	-2.8	-0.5	-0.5	-1.2	-4.1	-5.2
<b>Addendum:</b>								
Gross housing value added.....	12	835.3	841.2	830.1	837.3	828.2	835.0	864.3

1. Equals gross domestic product excluding gross value added of households and institutions and of general government.
  2. Equals gross domestic business value added excluding gross farm value added.
  3. Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.
  4. Equals compensation of general government employees plus general government consumption of fixed capital.
- NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 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 1.4.1. Percent Change From Preceding Period in Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers

[Percent]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product</b> .....	1	2.2	3.1	1.3	2.0	3.1	8.2	4.1
Less: Exports of goods and services .....	2	-2.4	2.1	-3.7	-2.0	-1.1	9.9	21.0
Plus: Imports of goods and services .....	3	3.3	4.0	8.2	-6.8	9.1	0.8	16.4
<b>Equals: Gross domestic purchases</b> .....	4	2.8	3.3	2.7	1.1	4.3	7.0	4.2
Less: Change in private inventories .....	5							
<b>Equals: Final sales to domestic purchasers</b> .....	6	2.4	3.4	3.1	1.8	4.5	7.2	3.3
<b>Addendum:</b>								
Final sales of domestic product .....	7	1.8	3.1	1.7	2.7	3.3	8.3	3.2

**Table 1.4.3. Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers, Quantity Indexes**

[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product</b> .....	1	102.710	105.916	103.502	104.008	104.801	106.887	107.968
Less: Exports of goods and services .....	2	92.512	94.409	92.818	92.353	92.097	94.290	98.893
Plus: Imports of goods and services .....	3	100.609	104.617	103.610	101.810	104.059	104.277	108.322
<b>Equals: Gross domestic purchases</b> .....	4	103.482	106.932	104.625	104.915	106.016	107.836	108.959
Less: Change in private inventories .....	5							
<b>Equals: Final sales to domestic purchasers</b> .....	6	103.998	107.484	104.992	105.459	106.619	108.483	109.376
<b>Addendum:</b> Final sales of domestic product	7	103.242	106.484	103.877	104.569	105.420	107.553	108.396

**Table 1.4.4. Price Indexes for Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers**

[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product</b> .....	1	103.949	105.665	104.571	105.163	105.440	105.870	106.187
Less: Exports of goods and services .....	2	99.273	101.342	99.964	100.842	101.044	101.434	102.049
Plus: Imports of goods and services .....	3	96.519	100.030	97.694	100.435	99.381	100.042	100.261
<b>Equals: Gross domestic purchases</b> .....	4	103.374	105.308	104.065	104.934	105.031	105.496	105.772
Less: Change in private inventories .....	5							
<b>Equals: Final sales to domestic purchasers</b> .....	6	103.379	105.343	104.077	104.968	105.062	105.531	105.811
<b>Addendum:</b> Final sales of domestic product	7	103.955	105.702	104.585	105.198	105.474	105.906	106.228

**Table 1.4.5. Relation of Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers**

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product</b> .....	1	10,480.8	10,985.5	10,623.7	10,735.8	10,846.7	11,107.0	11,252.3
Less: Exports of goods and services .....	2	1,006.8	1,049.0	1,017.2	1,021.0	1,020.2	1,048.5	1,106.3
Plus: Imports of goods and services .....	3	1,433.1	1,543.9	1,493.3	1,508.5	1,525.7	1,539.0	1,602.2
<b>Equals: Gross domestic purchases</b> .....	4	10,907.1	11,480.3	11,099.9	11,223.4	11,352.2	11,597.5	11,748.3
Less: Change in private inventories .....	5	5.4	-0.9	20.2	-0.9	-5.8	-10.5	13.7
<b>Equals: Final sales to domestic purchasers</b> .....	6	10,901.7	11,481.2	11,079.7	11,224.3	11,357.9	11,608.0	11,734.6
<b>Addendum:</b> Final sales of domestic product	7	10,475.5	10,986.3	10,603.6	10,736.7	10,852.4	11,117.4	11,238.7

**Table 1.4.6. Relation of Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers, Chained Dollars**

[Billions of chained (2000) dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product</b> .....	1	10,083.0	10,397.7	10,160.8	10,210.4	10,288.3	10,493.1	10,599.2
Less: Exports of goods and services .....	2	1,014.2	1,035.0	1,017.5	1,012.4	1,009.6	1,033.7	1,084.1
Plus: Imports of goods and services .....	3	1,484.7	1,543.9	1,529.0	1,502.5	1,535.7	1,538.9	1,598.6
<b>Equals: Gross domestic purchases</b> .....	4	10,551.5	10,903.2	10,668.0	10,697.6	10,809.9	10,995.4	11,109.9
Less: Change in private inventories .....	5	5.7	0.7	21.5	1.6	-4.5	-9.1	14.9
<b>Equals: Final sales to domestic purchasers</b> .....	6	10,545.4	10,898.9	10,646.1	10,693.5	10,811.1	11,000.1	11,090.7
<b>Addendum:</b> Final sales of domestic product	7	10,076.9	10,393.4	10,138.9	10,206.4	10,289.5	10,497.7	10,580.0

Note. Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 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 1.5.1 Percent Change From Preceding Period in Real  
Gross Domestic Product, Expanded Detail**  
[Percent]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Gross domestic product ....</b>	1	2.2	3.1	1.3	2.0	3.1	8.2	4.1
<b>Personal consumption expenditures</b>	2	3.4	3.1	2.2	2.5	3.3	6.9	2.7
Durable goods .....	3	6.5	7.3	0.3	0.5	17.7	28.0	-0.1
Motor vehicles and parts .....	4	4.4	4.3	-8.0	-4.2	15.3	39.7	-9.7
Furniture and household equipment.....	5	10.0	9.7	8.2	1.3	19.4	22.9	9.8
Other .....	6	4.8	10.0	7.0	11.0	20.0	12.5	6.2
Nondurable goods .....	7	3.0	3.8	4.6	5.7	1.2	7.3	5.2
Food .....	8	2.3	3.8	2.3	6.7	2.4	7.3	3.8
Clothing and shoes.....	9	5.1	4.8	7.5	3.0	7.8	9.4	0.9
Gasoline, fuel oil, and other energy goods.....	10	2.3	-0.5	12.7	4.2	-18.6	3.7	17.6
Other .....	11	3.5	4.6	4.5	5.9	3.6	7.6	6.0
Services .....	12	3.0	2.0	1.5	1.5	1.7	2.8	2.2
Housing .....	13	2.7	2.2	2.3	2.3	1.8	2.2	1.6
Household operation .....	14	1.1	0.4	0.9	1.0	-3.3	3.5	0.5
Electricity and gas .....	15	2.9	-0.2	6.1	0.4	-12.7	4.1	-1.2
Other household operation .....	16	0.0	0.8	-2.0	1.4	3.2	3.2	1.5
Transportation .....	17	-1.7	-2.3	-3.1	0.5	-4.0	-2.2	-2.4
Medical care .....	18	5.7	5.1	6.1	5.1	4.6	5.0	5.0
Recreation .....	19	3.8	2.2	3.2	0.0	3.6	2.6	4.0
Other .....	20	2.1	-0.1	-3.3	-2.8	1.3	1.9	0.8
<b>Gross private domestic investment</b> .....	21	-1.2	4.3	-0.6	-3.5	4.7	14.8	15.8
Fixed investment.....	22	-3.7	4.4	2.1	1.1	6.1	15.8	9.3
Nonresidential.....	23	-7.2	2.9	-0.1	-0.6	7.0	12.8	9.6
Structures.....	24	-18.4	-5.0	-5.6	-4.0	3.9	-1.8	-7.1
Equipment and software... ..	25	-2.8	5.5	1.7	0.5	8.0	17.6	15.1
Information processing equipment and software .....	26	0.4	13.8	-1.5	17.3	16.8	27.1	17.1
Computers and peripheral equipment .....	27	13.8	32.6	12.0	29.2	48.6	53.4	30.6
Software .....	28	-2.5	9.0	-3.4	11.6	9.9	15.2	15.7
Other .....	29	-2.9	10.0	-5.9	17.4	9.7	26.8	11.7
Industrial equipment.....	30	-6.2	-3.5	-3.1	-7.4	-1.3	1.5	-0.9
Transportation equipment .....	31	-10.1	-9.1	18.1	-27.4	-7.6	-4.8	23.7
Other equipment .....	32	-1.7	3.4	3.1	-10.5	4.3	25.2	17.2
Residential.....	33	4.9	7.5	6.8	4.5	4.5	21.9	8.6
Change in private inventories... ..	34							
Farm .....	35							
Nonfarm.....	36							
<b>Net exports of goods and services</b> .....	37							
Exports .....	38	-2.4	2.1	-3.7	-2.0	-1.1	9.9	21.0
Goods .....	39	-4.0	1.9	-9.1	1.9	-1.7	8.6	21.2
Services .....	40	1.4	2.4	9.4	-10.1	0.2	12.7	20.7
Imports .....	41	3.3	4.0	8.2	-6.8	9.1	0.8	16.4
Goods .....	42	3.7	4.8	7.4	-6.6	13.7	-1.5	18.1
Services .....	43	1.4	0.0	12.2	-7.5	-10.9	13.4	8.6
<b>Government consumption expenditures and gross investment</b> .....	44	3.8	3.4	7.1	-0.4	7.4	1.8	0.8
Federal .....	45	7.9	8.8	18.2	-0.2	23.5	1.2	1.6
National defense.....	46	8.9	10.6	22.1	-5.6	41.9	-1.3	4.2
Consumption expenditures .....	47	8.4	10.9	28.2	-4.8	41.9	-4.7	4.3
Gross investment.....	48	11.7	8.7	-12.6	-11.2	42.1	26.4	3.8
Nondefense .....	49	6.2	5.3	11.4	10.5	-5.0	6.5	-3.3
Consumption expenditures .....	50	6.1	5.4	13.7	12.8	-11.7	11.9	-7.4
Gross investment.....	51	7.0	4.9	-2.6	-4.1	53.7	-22.8	28.7
State and local .....	52	1.8	0.5	1.5	-0.5	-0.8	2.1	0.4
Consumption expenditures... ..	53	1.4	0.7	1.9	0.6	-0.5	-0.3	0.3
Gross investment.....	54	3.4	0.0	-0.3	-4.9	-2.2	12.2	0.7

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

**Table 1.5.2 Contributions to Percent Change in Real Gross Domestic Product,  
Expanded Detail**

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Percent change at annual rate:</b>								
<b>Gross domestic product ....</b>	1	2.2	3.1	1.3	2.0	3.1	8.2	4.1
<b>Percentage points at annual rates:</b>								
<b>Personal consumption expenditures</b>	2	2.38	2.20	1.57	1.80	2.34	4.89	1.93
Durable goods .....	3	0.55	0.61	0.02	0.04	1.38	2.23	-0.01
Motor vehicles and parts .....	4	0.18	0.17	-0.33	-0.16	0.54	1.36	-0.40
Furniture and household equipment.....	5	0.30	0.28	0.24	0.04	0.54	0.65	0.29
Other .....	6	0.08	0.16	0.11	0.17	0.30	0.21	0.10
Nondurable goods .....	7	0.60	0.76	0.90	1.13	0.25	1.48	1.04
Food .....	8	0.22	0.37	0.22	0.63	0.23	0.71	0.37
Clothing and shoes.....	9	0.15	0.13	0.21	0.09	0.21	0.27	0.02
Gasoline, fuel oil, and other energy goods.....	10	0.04	-0.01	0.21	0.08	-0.40	0.07	0.31
Other .....	11	0.20	0.26	0.25	0.33	0.20	0.43	0.33
Services .....	12	1.23	0.84	0.65	0.63	0.71	1.19	0.91
Housing .....	13	0.29	0.24	0.25	0.26	0.20	0.25	0.18
Household operation .....	14	0.04	0.02	0.04	0.04	-0.13	0.14	0.02
Electricity and gas .....	15	0.04	0.00	0.09	0.01	-0.21	0.06	-0.02
Other household operation .....	16	0.00	0.02	-0.05	0.03	0.08	0.08	0.04
Transportation .....	17	-0.05	-0.06	-0.09	0.01	-0.11	-0.06	-0.06
Medical care .....	18	0.63	0.59	0.69	0.59	0.53	0.60	0.59
Recreation .....	19	0.11	0.06	0.09	0.00	0.10	0.08	0.12
Other .....	20	0.20	-0.01	-0.33	-0.28	0.13	0.19	0.08
<b>Gross private domestic investment</b> .....	21	-0.18	0.64	-0.09	-0.57	0.73	2.17	2.31
Fixed investment.....	22	-0.60	0.66	0.31	0.16	0.90	2.30	1.39
Nonresidential.....	23	-0.82	0.29	-0.01	-0.06	0.68	1.25	0.95
Structures.....	24	-0.59	-0.13	-0.14	-0.10	0.09	-0.04	-0.17
Equipment and software... ..	25	-0.23	0.42	0.13	0.04	0.59	1.30	1.12
Information processing equipment and software .....	26	0.02	0.54	-0.06	0.64	0.64	1.05	0.69
Computers and peripheral equipment .....	27	0.11	0.24	0.09	0.21	0.33	0.39	0.25
Software .....	28	-0.04	0.14	-0.06	0.18	0.15	0.24	0.25
Other .....	29	-0.05	0.16	-0.10	0.26	0.15	0.41	0.19
Industrial equipment.....	30	-0.09	-0.05	-0.04	-0.20	-0.02	0.02	-0.01
Transportation equipment.....	31	-0.14	-0.11	0.20	-0.37	-0.09	-0.05	0.24
Other equipment.....	32	-0.02	0.04	0.04	-0.13	0.05	0.28	0.20
Residential.....	33	0.23	0.36	0.32	0.22	0.22	1.05	0.44
Change in private inventories... ..	34	0.41	-0.01	-0.40	-0.74	-0.17	-0.13	0.92
Farm .....	35	-0.03	0.02	-0.02	0.15	-0.09	-0.03	0.10
Nonfarm.....	36	0.44	-0.04	-0.38	-0.88	-0.08	-0.10	0.82
<b>Net exports of goods and services</b> .....	37	-0.70	-0.35	-1.47	0.81	-1.34	0.80	-0.30
Exports .....	38	-0.24	0.20	-0.37	-0.19	-0.11	0.92	1.85
Goods .....	39	-0.29	0.13	-0.64	0.13	-0.11	0.56	1.28
Services.....	40	0.04	0.07	0.27	-0.31	0.01	0.36	0.57
Imports .....	41	-0.45	-0.55	-1.10	1.00	-1.24	-0.12	-2.15
Goods .....	42	-0.42	-0.55	-0.83	0.81	-1.51	0.18	-1.95
Services.....	43	-0.03	0.00	-0.27	0.19	0.27	-0.30	-0.20
<b>Government consumption expenditures and gross investment</b> .....	44	0.69	0.63	1.29	-0.07	1.36	0.34	0.16
Federal .....	45	0.48	0.56	1.11	-0.01	1.46	0.09	0.11
National defense.....	46	0.35	0.44	0.85	-0.25	1.58	-0.06	0.19
Consumption expenditures .....	47	0.29	0.40	0.93	-0.19	1.39	-0.20	0.17
Gross investment.....	48	0.06	0.05	-0.07	-0.06	0.19	0.13	0.02
Nondefense .....	49	0.14	0.12	0.26	0.24	-0.12	0.15	-0.08
Consumption expenditures .....	50	0.12	0.11	0.26	0.25	-0.26	0.23	-0.16
Gross investment.....	51	0.02	0.02	0.00	-0.01	0.14	-0.08	0.08
State and local .....	52	0.21	0.06	0.18	-0.06	-0.10	0.25	0.05
Consumption expenditures... ..	53	0.13	0.06	0.19	0.06	-0.05	-0.02	0.03
Gross investment.....	54	0.08	0.00	-0.01	-0.12	-0.05	0.27	0.02

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

Table 1.5.3 Real Gross Domestic Product, Expanded Detail, Quantity Indexes

[[Index numbers, 2000=100]]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product ...</b>	<b>1</b>	<b>102.710</b>	<b>105.916</b>	<b>103.502</b>	<b>104.008</b>	<b>104.801</b>	<b>106.887</b>	<b>107.968</b>
<b>Personal consumption expenditures</b>	<b>2</b>	<b>105.951</b>	<b>109.251</b>	<b>106.819</b>	<b>107.489</b>	<b>108.378</b>	<b>110.197</b>	<b>110.943</b>
Durable goods	3	110.868	118.957	111.638	111.779	116.420	123.834	123.793
Motor vehicles and parts	4	109.522	114.224	108.395	107.228	111.116	120.794	117.756
Furniture and household equipment	5	116.544	127.905	119.356	119.740	125.172	131.794	134.915
Other	6	103.870	114.284	105.576	108.357	113.405	116.799	118.576
Nonurable goods	7	104.949	108.913	105.885	107.358	107.685	109.607	111.003
Food	8	103.573	107.545	104.188	105.885	106.508	108.390	109.397
Clothing and shoes	9	107.183	112.307	108.622	109.416	111.495	114.037	114.281
Gasoline, fuel oil, and other energy goods	10	104.060	103.583	104.974	106.047	100.743	101.664	105.880
Other	11	106.466	111.415	107.690	109.252	110.227	112.274	113.909
Services	12	105.420	107.515	106.276	106.664	107.115	107.849	108.430
Housing	13	105.508	107.866	106.487	107.106	107.581	108.173	108.605
Household operation	14	101.117	101.515	101.418	101.675	100.838	101.717	101.832
Electricity and gas	15	101.352	101.138	103.198	103.302	99.842	100.859	100.549
Other household operation	16	100.959	101.773	100.329	100.678	101.483	102.274	102.658
Transportation	17	97.774	95.551	96.582	96.697	95.714	95.188	94.603
Medical care	18	110.250	115.898	112.462	113.880	115.157	116.563	117.991
Recreation	19	106.169	108.502	107.184	107.180	108.124	108.812	109.890
Other	20	103.935	103.782	103.968	103.237	103.570	104.058	104.265
<b>Gross private domestic investment</b>	<b>21</b>	<b>90.580</b>	<b>94.435</b>	<b>91.953</b>	<b>91.135</b>	<b>92.186</b>	<b>95.424</b>	<b>98.996</b>
Fixed investment	22	93.258	97.357	93.718	93.968	95.378	98.932	101.149
Nonresidential	23	88.683	91.278	88.378	88.248	89.751	92.485	94.630
Structures	24	79.492	75.547	76.304	75.523	76.244	75.906	74.514
Equipment and software	25	92.144	97.246	92.927	93.047	94.851	98.779	102.309
Information processing equipment and software	26	98.211	111.777	100.115	104.182	108.297	114.996	119.632
Computers and peripheral equipment	27	116.477	154.434	124.706	132.950	146.791	163.361	174.634
Software <sup>1</sup>	28	95.068	103.602	96.336	99.021	101.393	105.045	108.949
Other	29	93.181	102.472	93.191	96.996	99.259	105.335	108.297
Industrial equipment	30	85.452	82.419	84.117	82.516	82.247	82.554	82.360
Transportation equipment	31	79.729	72.460	79.073	73.002	71.581	70.701	74.556
Other equipment	32	94.721	97.945	96.101	93.460	94.445	99.913	103.964
Residential	33	105.228	113.124	107.629	108.828	110.021	115.616	118.031
Change in private inventories	34							
Farm	35							
Nonfarm	36							
<b>Net exports of goods and services</b>	<b>37</b>							
Exports	38	92.512	94.409	92.818	92.353	92.097	94.290	98.893
Goods	39	90.163	91.853	89.651	90.076	89.693	91.572	96.072
Services	40	98.348	100.751	100.660	98.010	98.068	101.033	105.893
Imports	41	100.609	104.617	103.610	101.810	104.059	104.277	108.322
Goods	42	100.400	105.226	103.586	101.829	105.144	104.739	109.192
Services	43	101.787	101.774	103.842	101.828	98.938	102.100	104.230
<b>Government consumption expenditures and gross investment</b>	<b>44</b>	<b>106.697</b>	<b>110.334</b>	<b>108.666</b>	<b>108.563</b>	<b>110.527</b>	<b>111.008</b>	<b>111.240</b>
Federal	45	111.958	121.761	116.764	116.713	123.025	123.406	123.900
National defense	46	113.086	125.114	118.672	116.972	127.675	127.247	128.565
Consumption expenditures	47	112.664	124.977	118.810	117.355	128.087	126.569	127.899
Gross investment	48	116.016	126.099	117.620	114.165	124.649	132.174	133.407
Nondefense	49	109.956	115.814	113.381	116.252	114.781	116.596	115.629
Consumption expenditures	50	110.398	116.379	114.500	118.011	114.406	117.676	115.423
Gross investment	51	107.396	112.623	106.644	105.540	117.511	110.132	117.308
State and local	52	104.047	104.592	104.593	104.463	104.248	104.779	104.880
Consumption expenditures	53	103.568	104.250	104.207	104.361	104.231	104.165	104.243
Gross investment	54	106.021	105.998	106.184	104.857	104.288	107.326	107.522

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

Table 1.5.4 Price Indexes for Gross Domestic Product, Expanded Detail

[[Index numbers, 2000=100]]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product ...</b>	<b>1</b>	<b>103.949</b>	<b>105.665</b>	<b>104.571</b>	<b>105.163</b>	<b>105.440</b>	<b>105.870</b>	<b>106.187</b>
<b>Personal consumption expenditures</b>	<b>2</b>	<b>103.429</b>	<b>105.302</b>	<b>104.203</b>	<b>104.927</b>	<b>105.065</b>	<b>105.522</b>	<b>105.695</b>
Durable goods	3	95.208	91.682	94.136	93.074	92.147	91.207	90.298
Motor vehicles and parts	4	98.766	95.991	97.959	97.029	96.514	95.785	94.636
Furniture and household equipment	5	88.778	83.539	87.082	85.873	84.212	82.409	81.660
Other	6	99.531	97.905	99.168	98.115	97.790	98.195	97.521
Nonurable goods	7	102.075	104.180	102.789	104.079	103.529	104.488	104.623
Food	8	104.942	106.966	105.449	105.898	106.527	107.197	108.241
Clothing and shoes	9	95.405	93.047	94.734	93.555	92.642	92.816	93.174
Gasoline, fuel oil, and other energy goods	10	90.530	105.692	95.987	109.497	102.030	107.390	103.853
Other	11	104.986	105.136	105.159	104.975	104.993	105.439	105.137
Services	12	105.946	108.966	107.174	108.028	108.758	109.306	109.771
Housing	13	107.786	110.411	108.958	109.612	110.043	110.676	111.312
Household operation	14	103.490	107.497	104.355	106.555	107.827	107.998	107.608
Electricity and gas	15	104.857	113.154	105.478	110.177	114.549	114.730	113.161
Other household operation	16	102.715	104.193	103.733	104.443	103.906	104.070	104.353
Transportation	17	102.826	105.558	103.628	103.781	105.014	106.523	106.915
Medical care	18	106.241	109.445	107.375	108.033	109.041	109.887	110.818
Recreation	19	106.476	109.658	107.726	108.714	109.358	110.066	110.492
Other	20	105.419	108.278	107.077	108.002	108.392	108.317	108.402
<b>Gross private domestic investment</b>	<b>21</b>	<b>101.119</b>	<b>102.062</b>	<b>101.259</b>	<b>101.586</b>	<b>101.589</b>	<b>102.093</b>	<b>102.981</b>
Fixed investment	22	101.155	102.291	101.341	101.808	101.796	102.319	103.241
Nonresidential	23	98.859	98.664	98.658	98.579	98.293	98.678	99.106
Structures	24	106.974	109.165	107.274	108.268	108.559	109.288	110.547
Equipment and software	25	96.121	95.270	95.781	95.404	94.961	95.251	95.464
Information processing equipment and software	26	91.736	88.744	90.553	89.512	89.077	88.684	87.704
Computers and peripheral equipment	27	70.466	62.065	66.951	64.232	62.648	61.254	60.125
Software <sup>1</sup>	28	100.279	99.274	100.067	99.417	99.439	100.013	98.226
Other	29	96.068	95.232	95.613	95.451	95.479	95.016	94.983
Industrial equipment	30	101.049	101.875	101.279	101.552	101.683	102.058	102.205
Transportation equipment	31	99.792	103.920	101.286	102.079	100.133	103.593	109.877
Other equipment	32	102.272	103.295	102.653	102.996	103.344	103.488	103.351
Residential	33	107.105	111.257	108.184	109.881	110.485	111.321	113.343
Change in private inventories	34							
Farm	35							
Nonfarm	36							
<b>Net exports of goods and services</b>	<b>37</b>							
Exports	38	99.273	101.342	99.964	100.842	101.044	101.434	102.049
Goods	39	98.668	100.680	99.311	100.159	100.589	100.529	101.443
Services	40	100.740	102.941	101.543	102.491	102.166	103.587	103.521
Imports	41	96.519	100.030	97.694	100.435	99.381	100.042	100.261
Goods	42	95.345	98.113	96.364	99.086	97.353	97.972	98.042
Services	43	102.665	110.248	104.681	107.525	110.212	111.108	112.148
<b>Government consumption expenditures and gross investment</b>	<b>44</b>	<b>105.207</b>	<b>108.229</b>	<b>106.055</b>	<b>107.951</b>	<b>107.966</b>	<b>108.433</b>	<b>108.564</b>
Federal	45	104.858	107.501	105.066	107.032	107.399	107.755	107.818
National defense	46	104.666	107.418	104.941	106.968	107.300	107.654	107.749
Consumption expenditures	47	105.643	108.802	105.926	108.295	108.677	109.057	109.180
Gross investment	48	98.279	98.310	98.512	98.249	98.237	98.417	98.336
Nondefense	49	105.208	107.653	105.293	107.148	107.581	107.942	107.941
Consumption expenditures	50	106.021	108.919	106.153	108.329	108.838	109.218	109.292
Gross investment	51	100.356	99.995	100.176	100.000	99.973	100.226	99.

Table 1.5.5 Gross Domestic Product, Expanded Detail

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Gross domestic product ...</b>	<b>1</b>	<b>10,480.8</b>	<b>10,985.5</b>	<b>10,623.7</b>	<b>10,735.8</b>	<b>10,846.7</b>	<b>11,107.0</b>	<b>11,252.3</b>
<b>Personal consumption expenditures</b> .....	<b>2</b>	<b>7,385.3</b>	<b>7,753.2</b>	<b>7,501.2</b>	<b>7,600.7</b>	<b>7,673.6</b>	<b>7,836.3</b>	<b>7,902.3</b>
Durable goods .....	3	911.3	941.1	907.3	898.2	926.2	975.1	965.1
Motor vehicles and parts .....	4	418.1	423.6	410.4	402.1	414.5	447.2	430.7
Furniture and household equipment .....	5	323.7	334.1	325.3	321.8	329.9	339.9	344.8
Other .....	6	169.4	183.4	171.6	174.3	181.8	188.0	189.5
Nondurable goods .....	7	2,086.0	2,209.4	2,119.2	2,175.7	2,170.8	2,230.0	2,261.3
Food .....	8	1,005.6	1,064.4	1,016.4	1,037.4	1,049.7	1,074.9	1,095.5
Clothing and shoes .....	9	304.4	311.1	306.4	304.8	307.5	315.1	317.0
Gasoline, fuel oil, and other energy goods .....	10	180.4	209.8	193.0	222.4	196.9	209.2	210.6
Other .....	11	595.6	624.2	603.4	611.1	616.7	630.8	638.1
Services .....	12	4,388.0	4,602.7	4,474.7	4,526.8	4,576.6	4,631.2	4,676.0
Housing .....	13	1,144.6	1,198.6	1,167.7	1,181.5	1,191.4	1,204.9	1,216.6
Household operation .....	14	408.2	425.7	412.9	422.6	424.2	428.5	427.5
Electricity and gas .....	15	152.3	164.0	156.0	163.1	163.9	165.8	163.1
Other household operation .....	16	255.9	261.7	256.9	259.5	260.3	262.7	264.4
Transportation .....	17	292.8	293.8	291.5	292.3	292.8	295.3	294.6
Medical care .....	18	1,202.7	1,302.5	1,239.8	1,263.1	1,289.2	1,315.1	1,342.5
Recreation .....	19	303.3	312.9	309.7	312.6	317.2	321.3	325.7
Other .....	20	1,036.4	1,063.0	1,053.0	1,054.7	1,061.9	1,066.2	1,069.1
<b>Gross private domestic investment</b> .....	<b>21</b>	<b>1,589.2</b>	<b>1,671.4</b>	<b>1,614.7</b>	<b>1,605.3</b>	<b>1,624.3</b>	<b>1,689.1</b>	<b>1,767.0</b>
Fixed investment .....	22	1,583.9	1,672.3	1,594.6	1,606.2	1,630.1	1,699.5	1,753.3
Nonresidential .....	23	1,080.2	1,109.7	1,074.3	1,071.8	1,086.9	1,124.4	1,155.5
Structures .....	24	266.3	258.3	256.3	256.1	259.2	259.8	258.0
Equipment and software... Information processing equipment and software .....	25	813.9	851.4	817.9	815.8	827.7	864.6	897.5
Computers and peripheral equipment .....	26	421.3	463.8	424.1	436.2	451.2	477.0	490.8
Software <sup>1</sup> .....	27	83.3	97.2	84.9	86.8	93.5	101.8	106.8
Other .....	28	167.9	181.2	169.8	173.4	177.6	185.1	188.5
Industrial equipment .....	29	170.1	185.4	169.3	175.9	180.1	190.2	195.5
Transportation .....	30	137.5	133.7	135.6	133.4	133.2	134.1	134.0
Other equipment .....	31	128.0	121.1	128.8	119.8	115.3	117.8	131.7
Residential .....	32	127.1	132.7	129.4	126.3	128.1	135.7	141.0
Change in private inventories... Farm .....	33	503.7	562.6	520.3	534.4	543.2	575.1	597.8
Nonfarm .....	34	5.4	-0.9	20.2	-0.9	-5.8	-10.5	13.7
Farmland .....	35	-3.4	-2.3	-4.8	0.2	-2.7	-4.3	-2.3
Other .....	36	8.7	1.4	25.0	-1.2	-3.0	-6.2	16.0
<b>Net exports of goods and services</b> .....	<b>37</b>	<b>-426.3</b>	<b>-494.9</b>	<b>-476.1</b>	<b>-487.6</b>	<b>-505.5</b>	<b>-490.6</b>	<b>-495.9</b>
Exports .....	38	1,006.8	1,049.0	1,017.2	1,021.0	1,020.2	1,048.5	1,066.3
Goods .....	39	697.8	725.4	698.3	707.6	707.7	722.1	764.4
Services .....	40	309.1	323.6	318.8	313.3	312.5	326.4	341.9
Imports .....	41	1,433.1	1,543.9	1,493.3	1,508.5	1,525.7	1,539.0	1,602.2
Goods .....	42	1,190.3	1,283.2	1,240.8	1,254.2	1,272.4	1,275.6	1,330.7
Services .....	43	242.7	260.6	252.5	254.3	253.3	263.5	271.5
<b>Government consumption expenditures and gross investment</b> .....	<b>44</b>	<b>1,932.5</b>	<b>2,055.7</b>	<b>1,983.9</b>	<b>2,017.4</b>	<b>2,054.2</b>	<b>2,072.1</b>	<b>2,079.0</b>
Federal .....	45	679.5	757.6	710.0	723.0	764.7	769.6	773.1
National defense .....	46	438.3	497.7	461.1	463.3	507.3	507.2	512.9
Consumption expenditures .....	47	382.7	437.2	404.6	408.6	447.5	443.7	448.9
Gross investment .....	48	55.7	60.5	56.6	54.7	59.8	63.5	64.0
Nondefense .....	49	241.2	259.9	248.9	259.7	257.4	262.4	260.2
Consumption expenditures .....	50	208.1	225.4	216.1	227.3	221.4	228.5	224.3
Gross investment .....	51	33.0	34.5	32.7	32.4	36.0	33.8	35.9
State and local .....	52	1,253.1	1,298.1	1,273.9	1,294.5	1,289.6	1,302.5	1,305.8
Consumption expenditures... ..	53	1,004.6	1,045.3	1,024.2	1,045.8	1,040.9	1,046.3	1,048.2
Gross investment .....	54	248.4	252.8	249.7	248.7	248.7	256.2	257.6

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

Table 1.5.6 Real Gross Domestic Product, Expanded Detail, Chained Dollars

[Billions of chained (2000) dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Gross domestic product ...</b>	<b>1</b>	<b>10,083.0</b>	<b>10,397.7</b>	<b>10,160.8</b>	<b>10,210.4</b>	<b>10,288.3</b>	<b>10,493.1</b>	<b>10,599.2</b>
<b>Personal consumption expenditures</b> .....	<b>2</b>	<b>7,140.4</b>	<b>7,362.9</b>	<b>7,198.9</b>	<b>7,244.1</b>	<b>7,304.0</b>	<b>7,426.6</b>	<b>7,476.9</b>
Durable goods .....	3	957.2	1,027.0	963.8	965.0	1,005.1	1,069.1	1,068.7
Motor vehicles and parts .....	4	423.3	441.5	419.0	414.5	429.5	466.9	455.1
Furniture and household equipment .....	5	364.7	400.2	373.5	374.7	391.7	412.4	422.2
Other .....	6	170.2	187.3	173.0	177.6	185.9	191.4	194.3
Nondurable goods .....	7	2,043.6	2,120.8	2,061.8	2,090.5	2,096.9	2,134.3	2,161.5
Food .....	8	958.2	995.0	963.9	979.6	985.4	1,002.8	1,012.1
Clothing and shoes .....	9	319.1	334.4	323.4	325.7	331.9	339.5	340.2
Gasoline, fuel oil, and other energy goods .....	10	199.3	198.3	201.0	203.1	192.9	194.7	202.7
Other .....	11	567.3	593.7	573.8	582.2	587.4	598.3	607.0
Services .....	12	4,141.8	4,224.1	4,175.4	4,190.7	4,208.4	4,237.2	4,260.0
Housing .....	13	1,061.9	1,085.6	1,071.7	1,078.0	1,082.8	1,088.7	1,093.1
Household operation .....	14	394.5	396.0	395.6	396.6	393.4	396.8	397.3
Electricity and gas .....	15	145.2	144.9	147.9	148.0	143.1	144.5	144.1
Other household operation .....	16	249.2	251.2	247.6	248.5	250.5	252.4	253.4
Transportation .....	17	284.8	278.3	281.3	281.6	278.8	277.2	275.5
Medical care .....	18	1,132.1	1,190.1	1,154.8	1,169.3	1,182.4	1,196.9	1,211.5
Recreation .....	19	284.8	291.1	287.5	290.1	291.9	291.9	294.8
Other .....	20	983.2	981.7	983.5	976.6	979.7	984.3	986.3
<b>Gross private domestic investment</b> .....	<b>21</b>	<b>1,572.0</b>	<b>1,638.9</b>	<b>1,595.8</b>	<b>1,581.6</b>	<b>1,599.9</b>	<b>1,656.1</b>	<b>1,718.0</b>
Fixed investment .....	22	1,565.8	1,634.6	1,573.5	1,577.7	1,601.4	1,661.0	1,698.3
Nonresidential .....	23	1,092.6	1,124.6	1,088.9	1,087.3	1,105.8	1,139.5	1,165.9
Structures .....	24	249.0	236.6	239.0	236.5	238.8	237.7	233.4
Equipment and software... Information processing equipment and software .....	25	846.7	893.6	853.9	855.0	871.6	907.7	940.1
Computers and peripheral equipment <sup>1</sup> .....	26	459.3	522.7	468.2	487.2	506.4	537.7	559.4
Software <sup>2</sup> .....	27	167.5	182.5	169.7	174.4	178.6	185.0	191.9
Other .....	28	177.1	194.7	177.1	184.3	188.6	200.2	205.8
Industrial equipment .....	29	136.1	131.2	133.9	131.4	131.0	131.4	131.1
Transportation .....	30	128.2	116.5	127.2	117.4	115.1	113.7	119.9
Other equipment .....	31	124.3	128.5	126.1	122.6	123.9	131.1	136.4
Residential .....	32	470.3	505.6	481.0	486.4	491.7	516.7	527.5
Change in private inventories... Farm .....	33	5.7	0.7	21.5	1.6	-4.5	-9.1	14.9
Nonfarm .....	34	-3.3	-1.0	-3.5	1.2	-2.0	-2.8	-0.6
Other .....	35	9.3	2.0	25.4	0.3	-2.4	-5.9	15.9
<b>Net exports of goods and services</b> .....	<b>37</b>	<b>-470.6</b>	<b>-508.9</b>	<b>-511.5</b>	<b>-490.0</b>	<b>-526.0</b>	<b>-505.2</b>	<b>-514.4</b>
Exports .....	38	1,014.2	1,035.0	1,017.5	1,012.4	1,009.6	1,033.7	1,084.1
Goods .....	39	707.2	720.4	703.2	706.5	703.5	718.2	753.5
Services .....	40	306.8	314.6	314.0	305.7	305.9	315.2	330.3
Imports .....	41	1,484.7	1,543.9	1,529.0	1,502.5	1,535.7	1,538.9	1,598.6
Goods .....	42	1,248.4	1,308.5	1,288.1	1,266.2	1,307.4	1,302.4	1,357.8
Services .....	43	236.4	236.4	241.2	236.5	229.8	237.2	242.1
<b>Government consumption expenditures and gross investment</b> .....	<b>44</b>	<b>1,836.9</b>	<b>1,899.5</b>	<b>1,870.8</b>	<b>1,869.0</b>	<b>1,902.8</b>	<b>1,911.1</b>	<b>1,915.1</b>
Federal .....	45	648.0	704.7	675.8	675.5	712.0	714.3	717.1
National defense .....	46	418.8	463.3	439.5	433.2	472.8	471.2	476.1
Consumption expenditures .....	47	362.2	401.8	382.0	377.3	411.8	406.9	411.2
Gross investment .....	48	56.6	61.6	57.4	55.7	60.8	64.5	65.1
Nondefense .....	49	229.2	241.4	236.4	242.4	239.3	243.1	241.1
Consumption expenditures .....	50	196.3	206.9	203.6	209.9	203.4	209.3	205.2
Gross investment .....	51	32.9	34.5	32.7	32.4	36.0	33.8	36.0
State and local .....	52	1,189.1	1,195.3	1,195.3	1,193.8	1,191.4	1,197.4	1,198.6
Consumption expenditures... ..	53	950.5	956.8	956.4	957.8	956.6	956.0	956.7
Gross investment .....	54	238.6	238.5	239.0	236.0	234.7	241.5	242.0
Residual .....	55	-3.3	-18.8	-2.5	-4.5	-11.5	-27.4	-31.7</



**Table 1.6.4. Price Indexes for Gross Domestic Purchases**  
[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002		2003		
				IV	I	II	III	IV
<b>Gross domestic purchases ...</b>	<b>1</b>	<b>103.374</b>	<b>105.308</b>	<b>104.065</b>	<b>104.934</b>	<b>105.031</b>	<b>105.496</b>	<b>105.772</b>
<b>Personal consumption expenditures</b>	<b>2</b>	<b>103.429</b>	<b>105.302</b>	<b>104.203</b>	<b>104.927</b>	<b>105.065</b>	<b>105.522</b>	<b>105.695</b>
Durable goods .....	3	95.208	91.682	94.136	93.074	92.147	91.207	90.298
Motor vehicles and parts .....	4	98.766	95.991	97.959	97.029	96.514	95.785	94.636
Furniture and household equipment .....	5	88.778	83.539	87.082	85.873	84.212	82.409	81.660
Other .....	6	99.531	97.905	99.168	98.115	97.790	98.195	97.521
Nondurable goods .....	7	102.075	104.180	102.789	104.079	103.529	104.488	104.623
Food .....	8	104.942	106.966	105.449	105.898	106.527	107.197	108.241
Clothing and shoes .....	9	95.405	93.047	94.734	93.555	92.642	92.816	93.174
Gasoline, fuel oil, and other energy goods .....	10	90.530	105.692	95.987	109.497	102.030	107.390	103.853
Other .....	11	104.986	105.136	105.159	104.975	104.993	105.439	105.137
Services .....	12	105.946	108.966	107.174	108.028	108.758	109.306	109.771
Housing .....	13	107.786	110.411	108.958	109.612	110.043	110.676	111.312
Household operation .....	14	103.490	107.497	104.355	106.555	107.827	107.998	107.608
Electricity and gas .....	15	104.857	113.154	105.478	110.177	114.549	114.730	113.161
Other household operation .....	16	102.715	104.193	103.733	104.443	103.906	104.070	104.353
Transportation .....	17	102.826	105.558	103.628	103.781	105.014	106.523	106.915
Medical care .....	18	106.241	109.445	107.375	108.033	109.041	109.887	110.818
Recreation .....	19	106.476	109.658	107.726	108.714	109.358	110.066	110.492
Other .....	20	105.419	108.278	107.077	108.002	108.392	108.317	108.402
<b>Gross private domestic investment</b>	<b>21</b>	<b>101.119</b>	<b>102.062</b>	<b>101.259</b>	<b>101.586</b>	<b>101.589</b>	<b>102.093</b>	<b>102.981</b>
Fixed investment .....	22	101.155	102.291	101.341	101.808	101.796	102.319	103.241
Nonresidential .....	23	98.859	98.664	98.658	98.579	98.293	98.678	99.106
Structures .....	24	106.974	109.165	107.274	108.268	108.559	109.288	110.547
Equipment and software .....	25	96.121	95.270	95.781	95.404	94.961	95.251	95.464
Information processing equipment and software .....	26	91.736	88.744	90.553	89.512	89.077	88.684	87.704
Computers and peripheral equipment .....	27	70.466	62.065	66.951	64.232	62.648	61.254	60.125
Software .....	28	100.279	99.274	100.067	99.417	99.439	100.013	98.226
Other .....	29	98.068	95.232	95.613	95.451	95.479	95.016	94.983
Industrial equipment .....	30	101.049	101.875	101.279	101.552	101.683	102.058	102.205
Transportation equipment .....	31	99.792	103.920	101.286	102.079	100.133	103.593	109.877
Other equipment .....	32	102.272	103.295	102.653	102.996	103.344	103.488	103.351
Residential .....	33	107.105	111.257	108.184	109.881	110.485	111.321	113.343
Change in private inventories .....	34	.....	.....	.....	.....	.....	.....	.....
Farm .....	35	.....	.....	.....	.....	.....	.....	.....
Nonfarm .....	36	.....	.....	.....	.....	.....	.....	.....
<b>Government consumption expenditures and gross investment</b>	<b>37</b>	<b>105.207</b>	<b>108.229</b>	<b>106.055</b>	<b>107.951</b>	<b>107.966</b>	<b>108.433</b>	<b>108.564</b>
Federal .....	38	104.858	107.501	105.066	107.032	107.399	107.755	107.818
National defense .....	39	104.666	107.418	104.941	106.968	107.300	107.654	107.749
Consumption expenditures .....	40	105.643	108.802	105.926	108.295	108.677	109.057	109.180
Gross investment .....	41	98.279	98.310	98.512	98.249	98.237	98.417	98.336
Nondefense .....	42	105.208	107.653	105.293	107.148	107.581	107.942	107.941
Consumption expenditures .....	43	106.021	108.919	106.153	108.329	108.838	109.218	109.292
Gross investment .....	44	100.356	99.995	100.176	100.000	99.973	100.226	99.779
State and local .....	45	105.382	108.603	106.580	108.435	108.246	108.778	108.951
Consumption expenditures .....	46	105.694	109.258	107.095	109.195	108.813	109.456	109.569
Gross investment .....	47	104.116	105.966	104.502	105.372	105.971	106.056	106.464
<b>Addenda:</b>								
Final sales of computers to domestic purchasers <sup>2</sup> .....	48	65.658	56.183	61.613	58.959	56.985	54.951	53.836
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	49	103.971	106.136	104.752	105.691	105.832	106.355	106.665
Food .....	50	104.841	106.816	105.274	105.751	106.384	107.042	108.085
Energy goods and services .....	51	96.072	108.748	99.863	110.972	106.843	109.714	107.461
Gross domestic purchases excluding food and energy .....	52	103.557	105.000	104.132	104.585	104.811	105.151	105.454
Gross domestic product .....	53	103.949	105.665	104.571	105.163	105.440	105.870	106.187
Gross domestic product excluding final sales of computers .....	54	104.462	106.364	105.164	105.806	106.120	106.597	106.935
Food .....	55	105.072	107.296	105.570	105.993	106.771	107.501	108.919
Energy goods and services .....	56	101.024	109.847	102.436	107.947	109.705	112.103	109.633
Gross domestic product excluding food and energy .....	57	103.928	105.356	104.537	104.987	105.162	105.498	105.779
Final sales of domestic product .....	58	103.955	105.702	104.585	105.198	105.474	105.906	106.228
Final sales of domestic purchasers .....	59	103.379	105.343	104.077	104.968	105.062	105.531	105.811

1. Excludes software "embedded" or bundled, in computers and other equipment.  
2. For some components of final sales of computers, includes computer parts.

**Table 1.6.7. Percent Change From Preceding Period in Prices for Gross Domestic Purchases**  
[Percent]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Gross domestic purchases ....</b>	<b>1</b>	<b>1.4</b>	<b>1.9</b>	<b>1.7</b>	<b>3.4</b>	<b>0.4</b>	<b>1.8</b>	<b>1.1</b>
<b>Personal consumption expenditures</b>	<b>2</b>	<b>1.4</b>	<b>1.8</b>	<b>1.7</b>	<b>2.8</b>	<b>0.5</b>	<b>1.8</b>	<b>0.7</b>
Durable goods .....	3	-2.9	-3.7	-3.0	-4.4	-3.9	-4.0	-3.9
Motor vehicles and parts .....	4	-1.6	-2.8	-2.0	-3.7	-2.1	-3.0	-4.7
Furniture and household equipment .....	5	-5.7	-5.9	-5.3	-5.4	-7.5	-8.3	-3.6
Other .....	6	-0.8	-1.6	-1.0	-4.2	-1.3	1.7	-2.7
Nondurable goods .....	7	0.5	2.1	1.0	5.1	-2.1	3.8	0.5
Food .....	8	1.9	1.9	1.7	1.7	2.4	2.5	4.0
Clothing and shoes .....	9	-2.7	-2.5	-1.4	-4.9	-3.8	0.8	1.6
Gasoline, fuel oil, and other energy goods .....	10	-6.4	16.7	9.4	69.3	-24.6	22.7	-12.5
Other .....	11	2.2	0.1	-1.5	-0.7	0.1	1.7	-1.1
Services .....	12	2.7	2.9	3.1	3.2	2.7	2.0	1.7
Housing .....	13	3.8	2.4	2.9	2.4	1.6	2.3	2.3
Household operation .....	14	-0.9	3.9	1.9	8.7	4.9	0.6	-1.4
Electricity and gas .....	15	-5.2	7.9	2.3	19.0	16.8	0.6	-5.4
Other household operation .....	16	1.9	1.4	1.7	2.8	-2.0	0.6	1.1
Transportation .....	17	1.3	2.7	3.0	0.6	4.8	5.9	1.5
Medical care .....	18	2.5	3.0	3.1	2.5	3.8	3.1	3.4
Recreation .....	19	3.0	3.0	2.8	3.7	2.4	2.6	1.6
Other .....	20	3.5	2.7	3.8	3.5	1.5	-0.3	0.3
<b>Gross private domestic investment</b>	<b>21</b>	<b>0.0</b>	<b>0.9</b>	<b>1.6</b>	<b>1.3</b>	<b>0.0</b>	<b>2.0</b>	<b>3.5</b>
Fixed investment .....	22	0.1	1.1	1.7	1.9	0.0	2.1	3.7
Nonresidential .....	23	-0.9	-0.2	0.4	-0.3	-1.2	1.6	1.7
Structures .....	24	1.4	2.0	1.1	3.8	1.1	2.7	4.7
Equipment and software .....	25	-1.7	-0.9	0.2	-1.6	-1.8	1.2	0.9
Information processing equipment and software .....	26	-3.8	-3.3	-3.4	-4.5	-1.9	-1.8	-4.3
Computers and peripheral equipment .....	27	-14.2	0.0	-12.8	-15.3	-9.5	-8.6	0.0
Software .....	28	-0.7	0.0	-0.6	-2.6	0.1	2.3	0.0
Other .....	29	-1.5	-0.9	-1.1	-0.7	0.1	-1.9	-0.1
Industrial equipment .....	30	0.3	0.8	0.2	0.5	1.1	0.5	0.6
Transportation equipment .....	31	0.7	4.1	12.6	3.2	-7.4	14.6	26.6
Other equipment .....	32	0.8	1.0	1.0	1.3	1.4	0.6	-0.5
Residential .....	33	2.4	3.9	4.5	6.4	2.2	3.1	7.5
Change in private inventories .....	34	.....	.....	.....	.....	.....	.....	.....
Farm .....	35	.....	.....	.....	.....	.....	.....	.....
Nonfarm .....	36	.....	.....	.....	.....	.....	.....	.....
<b>Government consumption expenditures and gross investment</b>	<b>37</b>	<b>2.6</b>	<b>2.9</b>	<b>1.8</b>	<b>7.3</b>	<b>0.1</b>	<b>1.7</b>	<b>0.5</b>
Federal .....	38	2.7	2.5	-0.5	7.7	1.4	1.3	0.2
National defense .....	39	2.5	2.6	-0.6	8.0	1.2	1.3	0.4
Consumption expenditures .....	40	2.9	3.0	-0.7	9.3	1.4	1.4	0.5
Gross investment .....	41	-0.7	0.0	0.6	-1.1	0.0	0.7	-0.3
Nondefense .....	42	3.2	2.3	-0.4	7.2	1.6	1.3	0.0
Consumption expenditures .....	43	3.9	2.7	-0.5	8.5	1.9	1.4	0.3
Gross investment .....	44	-0.5	-0.4	0.0	-0.7	-0.1	1.0	-1.8
State and local .....	45	2.5	3.1	3.0	7.1	-0.7	2.0	0.6
Consumption expenditures .....	46	2.6	3.4	3.7	8.1	-1.4	2.4	0.4
Gross investment .....	47	1.9	1.8	0.4	3.4	2.3	0.3	1.5
<b>Addenda:</b>								
Final sales of computers to domestic purchasers <sup>2</sup> .....	48	-17.2	-14.4	-17.1	-16.1	-12.7	-13.5	-7.9
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	49	1.6	2.1	2.0	3.6	0.5	2.0	1.2
Food .....	50	1.9	1.9	1.7	1.8	2.4	2.5	4.0
Energy goods and services .....	51	-6.0	13.2	7.7	52.5	-14.1	11.2	-8.0
Gross domestic purchases excluding food and energy .....	52	1.7	1.4	1.5	1.8	0.9	1.3	1.2
Gross domestic product .....	53	1.5	1.7	1.7	2.3	1.1	1.6	1.2
Gross domestic product excluding final sales of computers .....	5							

**Table 1.6.8. Contributions to Percent Change in the Gross Domestic Purchases Price Index**

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Percent change at annual rate:</b>								
Gross domestic purchases ...	1	1.4	1.9	1.7	3.4	0.4	1.8	1.1
<b>Percentage points at annual rates:</b>								
<b>Personal consumption expenditures</b> .....	2	0.92	1.21	1.16	1.87	0.29	1.18	0.45
Durable goods .....	3	-0.25	-0.23	-0.25	-0.37	-0.33	-0.34	-0.33
Motor vehicles and parts .....	4	-0.06	-0.08	-0.07	-0.14	-0.08	-0.11	-0.18
Furniture and household equipment.....	5	-0.18	-0.13	-0.16	-0.16	-0.23	-0.25	-0.11
Other .....	6	-0.01	-0.02	-0.01	-0.07	-0.02	0.03	-0.04
Nondurable goods .....	7	0.10	0.25	0.19	0.96	-0.42	0.71	0.10
Food .....	8	0.18	0.13	0.15	0.16	0.22	0.23	0.36
Clothing and shoes.....	9	-0.08	-0.05	-0.04	-0.14	-0.11	0.02	0.04
Gasoline, fuel oil, and other energy goods.....	10	-0.12	0.17	0.15	0.98	-0.53	0.36	-0.24
Other .....	11	0.12	0.00	-0.08	-0.04	0.00	0.09	-0.06
Services .....	12	1.07	1.19	1.22	1.28	1.05	0.81	0.68
Housing .....	13	0.39	0.27	0.30	0.25	0.16	0.24	0.24
Household operation .....	14	-0.03	0.14	0.07	0.31	0.17	0.02	-0.05
Electricity and gas .....	15	-0.08	0.11	0.03	0.25	0.22	0.01	-0.08
Other household operation .....	16	0.04	0.04	0.04	0.06	-0.05	0.01	0.02
Transportation.....	17	0.03	0.07	0.08	0.02	0.12	0.15	0.04
Medical care .....	18	0.27	0.35	0.34	0.27	0.41	0.35	0.38
Recreation.....	19	0.08	0.09	0.08	0.10	0.06	0.07	0.04
Other .....	20	0.33	0.28	0.35	0.33	0.13	-0.03	0.03
<b>Gross private domestic investment</b> .....	21	0.01	0.15	0.24	0.24	0.07	0.29	0.52
Fixed investment.....	22	0.01	0.16	0.25	0.26	-0.01	0.30	0.53
Nonresidential .....	23	-0.10	-0.03	0.04	-0.03	-0.11	0.15	0.17
Structures.....	24	0.04	0.05	0.03	0.09	0.02	0.06	0.10
Equipment and software... Information processing equipment and software.....	25	-0.13	-0.08	0.02	-0.12	-0.14	0.09	0.07
Computers and peripheral equipment .....	26	-0.16	-0.15	-0.13	-0.18	-0.08	-0.07	-0.18
Software <sup>1</sup> .....	27	-0.12	-0.12	-0.11	-0.13	-0.08	-0.08	-0.07
Other .....	28	-0.01	-0.02	-0.01	-0.04	0.00	0.04	-0.12
Industrial equipment.....	29	-0.02	-0.02	-0.02	-0.01	0.00	-0.03	0.00
Transportation equipment .....	30	0.00	0.01	0.00	0.01	0.01	0.02	0.01
Other equipment .....	31	0.01	0.05	0.13	0.03	-0.08	0.14	0.25
Residential.....	32	0.01	0.01	0.01	0.02	0.02	0.01	-0.01
Change in private inventories... Farm .....	33	0.11	0.19	0.21	0.29	0.10	0.15	0.36
Nonfarm.....	34	0.00	-0.01	-0.01	-0.02	0.07	-0.01	-0.02
.....	35	0.00	0.02	0.00	0.05	0.06	0.00	-0.01
.....	36	0.00	-0.03	-0.01	-0.08	0.01	-0.01	-0.01
<b>Government consumption expenditures and gross investment</b> .....	37	0.44	0.51	0.31	1.27	0.01	0.31	0.09
Federal .....	38	0.16	0.15	-0.03	0.48	0.09	0.09	0.02
National defense.....	39	0.09	0.10	-0.02	0.32	0.05	0.06	0.02
Consumption expenditures .....	40	0.10	0.10	-0.03	0.32	0.05	0.05	0.02
Gross investment.....	41	0.00	0.00	0.00	-0.01	0.00	0.00	0.00
Nondefense .....	42	0.07	0.05	-0.01	0.16	0.04	0.03	0.00
Consumption expenditures .....	43	0.07	0.05	-0.01	0.16	0.04	0.03	0.01
Gross investment.....	44	0.00	0.00	0.00	0.00	0.00	0.00	-0.01
State and local.....	45	0.28	0.36	0.35	0.79	-0.08	0.22	0.07
Consumption expenditures .....	46	0.24	0.32	0.34	0.72	-0.13	0.22	0.04
Gross investment.....	47	0.04	0.04	0.01	0.07	0.05	0.01	0.03
<b>Addenda:</b>								
Final sales of computers to domestic purchasers <sup>2</sup> .....	48	-0.22	-0.17	-0.22	-0.20	-0.16	-0.18	-0.11
Gross domestic purchases excluding final sales of computers to domestic purchasers.....	49	1.60	2.05	1.93	3.59	0.53	1.96	1.15
Food .....	50	0.17	0.12	0.15	0.17	0.22	0.23	0.37
Energy goods and services .....	51	-0.24	0.38	0.28	1.66	-0.62	0.42	-0.32
Gross domestic purchases excluding food and energy....	52	1.44	1.37	1.28	1.56	0.77	1.13	1.00

1. Excludes software "embedded," or bundled, in computers and other equipment.  
 2. For some components of final sales of computers, includes computer parts.

**Table 1.7.1. Percent Change from Preceding Period in Real Gross Domestic Product, Real Gross National Product, and Real Net National Product**  
 [Percent]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product</b> .....	1	2.2	3.1	1.3	2.0	3.1	8.2	4.1
Plus: Income receipts from the rest of the world.....	2	-7.3	.....	-6.2	-13.3	3.2	15.4	.....
Less: Income payments to the rest of the world .....	3	-3.6	.....	-29.4	0.5	-3.9	11.3	.....
<b>Equals: Gross national product</b> .....	4	2.1	.....	2.0	1.5	3.3	8.3	.....
Less: Consumption of fixed capital .....	5	2.1	1.9	3.1	1.4	-0.9	1.6	1.1
Private .....	6	2.2	1.8	3.2	1.2	-1.6	1.4	0.8
Government.....	7	1.5	2.5	2.4	2.5	2.5	2.6	2.7
General government.....	8	2.3	2.5	2.4	2.5	2.6	2.6	2.8
Government enterprises .....	9	-2.6	2.1	2.0	2.2	2.2	2.1	2.3
<b>Equals: Net national product</b> .....	10	2.0	.....	1.9	1.6	3.9	9.3	.....
<b>Addenda:</b>								
Gross domestic income <sup>1</sup> .....	11	1.8	.....	0.0	0.5	4.3	5.8	.....
Gross national income <sup>2</sup> .....	12	1.7	.....	0.7	0.1	4.5	5.9	.....
Net domestic product.....	13	2.2	3.3	1.0	2.0	3.6	9.1	4.5
Net domestic income <sup>3</sup> .....	14	1.8	.....	-0.5	0.4	5.0	6.4	.....

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.  
 3. Net domestic income deflated by the implicit price deflator for net domestic product.

**Table 1.7.3. Real Gross Domestic Product, Real Gross National Product, and Real Net National Product, Quantity Indexes**

[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product</b> .....	1	<b>102.710</b>	<b>105.916</b>	<b>103.502</b>	<b>104.008</b>	<b>104.801</b>	<b>106.887</b>	<b>107.968</b>
Plus: Income receipts from the rest of the world.....	2	75.802	.....	76.753	74.059	74.640	77.366	.....
Less: Income payments to the rest of the world.....	3	78.053	.....	74.505	74.593	73.848	75.847	.....
<b>Equals: Gross national product</b>	4	<b>102.527</b>	<b>103.476</b>	<b>103.873</b>	<b>104.711</b>	<b>106.825</b>	.....	.....
Less: Consumption of fixed capital	5	108.180	110.206	109.708	110.102	109.846	110.288	110.586
Private .....	6	108.842	110.749	110.495	110.835	110.388	110.782	110.992
Government.....	7	104.868	107.452	105.777	106.432	107.099	107.778	108.501
General government.	8	104.883	107.532	105.815	106.482	107.167	107.867	108.612
Government enterprises .....	9	104.827	107.070	105.615	106.201	106.778	107.347	107.953
<b>Equals: Net national product</b> .....	10	<b>101.759</b>	<b>102.631</b>	<b>103.028</b>	<b>104.007</b>	<b>106.335</b>	.....	.....
<b>Addendum:</b>								
Net domestic product .....	11	101.963	.....	102.657	103.178	104.106	106.404	.....

**Table 1.7.4. Price Indexes for Gross Domestic Product, Gross National Product, and Net National Product**

[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Gross domestic product</b> .....	1	<b>103.949</b>	<b>105.665</b>	<b>104.571</b>	<b>105.163</b>	<b>105.440</b>	<b>105.870</b>	<b>106.187</b>
Plus: Income receipts from the rest of the world.....	2	103.131	.....	103.800	104.754	104.895	105.442	.....
Less: Income payments to the rest of the world.....	3	103.486	.....	104.242	104.913	104.869	105.231	.....
<b>Equals: Gross national product</b>	4	<b>103.936</b>	<b>104.556</b>	<b>105.156</b>	<b>105.438</b>	<b>105.872</b>	.....	.....
Less: Consumption of fixed capital	5	100.284	99.892	99.780	99.828	99.884	99.918	99.940
Private .....	6	99.939	99.277	99.277	99.277	99.277	99.277	99.277
Government.....	7	102.071	103.092	102.395	102.695	103.040	103.248	103.385
General government.	8	101.777	102.657	102.081	102.291	102.622	102.827	102.890
Government enterprises .....	9	103.630	105.418	104.069	104.856	105.276	105.501	106.039
<b>Equals: Net national product</b> .....	10	<b>104.461</b>	<b>105.245</b>	<b>105.926</b>	<b>106.240</b>	<b>106.732</b>	.....	.....
<b>Addendum:</b>								
Net domestic product.....	11	104.478	.....	105.265	105.936	106.246	106.732	.....

**Table 1.7.5. Relation of Gross Domestic Product, Gross National Product, Net National Product, National Income, and Personal Income**

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
				IV	I	II	III	IV
<b>Gross domestic product</b> .....	1	<b>10,480.8</b>	<b>10,985.5</b>	<b>10,623.7</b>	<b>10,735.8</b>	<b>10,846.7</b>	<b>11,107.0</b>	<b>11,252.3</b>
Plus: Income receipts from the rest of the world .....	2	299.1	.....	304.8	296.8	299.5	312.1	.....
Less: Income payments to the rest of the world .....	3	277.6	.....	266.9	269.0	266.2	274.3	.....
<b>Equals: Gross national product</b> .....	4	<b>10,502.3</b>	<b>10,661.6</b>	<b>10,763.7</b>	<b>10,880.0</b>	<b>11,144.8</b>	<b>11,144.8</b>	<b>11,144.8</b>
Less: Consumption of fixed capital .....	5	1,288.6	1,307.8	1,300.4	1,305.7	1,303.4	1,309.1	1,312.9
Private .....	6	1,077.8	1,089.6	1,087.1	1,090.4	1,086.0	1,089.9	1,092.0
Domestic business .....	7	902.6	905.9	908.4	908.0	902.8	905.1	907.7
Capital consumption allowances .....	8	1,176.6	1,272.0	1,176.4	1,175.0	1,268.9	1,309.9	1,334.1
Less: Capital consumption adjustment .....	9	274.1	366.1	268.0	266.9	366.1	404.8	426.4
Households and institutions .....	10	175.2	183.7	178.7	182.4	183.2	184.8	184.3
Government .....	11	210.8	218.2	213.3	215.3	217.4	219.2	221.0
General government .....	12	177.6	183.7	179.7	181.2	183.0	184.5	185.9
Government enterprises .....	13	33.2	34.5	33.6	34.1	34.4	34.7	35.0
<b>Equals: Net national product</b> .....	14	<b>9,213.7</b>	<b>9,361.2</b>	<b>9,457.9</b>	<b>9,576.6</b>	<b>9,835.7</b>	<b>9,835.7</b>	<b>9,835.7</b>
Less: Statistical discrepancy .....	15	-77.2	.....	-15.7	23.2	-8.3	54.0	.....
<b>Equals: National income</b> .....	16	<b>9,290.8</b>	<b>9,376.9</b>	<b>9,434.8</b>	<b>9,584.9</b>	<b>9,781.7</b>	<b>9,781.7</b>	<b>9,781.7</b>
Less: Corporate profits with inventory valuation and capital consumption adjustments .....	17	904.2	.....	934.9	927.1	1,022.8	1,124.2	.....
Taxes on production and imports less subsidies .....	18	721.8	740.7	732.8	729.4	725.2	745.2	763.1
Contributions for government social insurance .....	19	750.3	774.9	755.5	768.7	772.3	776.9	781.7
Net interest and miscellaneous payments on assets .....	20	582.4	580.7	589.7	589.3	581.7	579.9	571.7
Business current transfer payments (net) .....	21	89.8	95.2	86.2	90.1	92.5	97.1	101.2
Current surplus of government enterprises .....	22	2.8	5.0	4.1	6.3	5.8	3.7	4.2
Wage accruals less disbursements .....	23	0.0	0.0	0.0	1.4	-1.4	0.0	0.0
Plus: Personal income receipts on assets .....	24	1,378.5	1,390.5	1,392.0	1,388.6	1,390.2	1,389.2	1,394.2
Personal current transfer receipts .....	25	1,292.2	1,377.2	1,315.6	1,337.6	1,369.7	1,398.7	1,402.8
<b>Equals: Personal income</b> .....	26	<b>8,910.3</b>	<b>9,191.6</b>	<b>8,981.3</b>	<b>9,048.7</b>	<b>9,145.9</b>	<b>9,242.5</b>	<b>9,329.3</b>
<b>Addenda:</b>								
Gross domestic income .....	27	10,558.0	.....	10,639.4	10,712.7	10,855.0	11,053.0	.....
Gross national income .....	28	10,579.5	.....	10,677.3	10,740.5	10,888.3	11,090.8	.....
Gross national factor income <sup>1</sup> .....	29	9,765.0	.....	9,854.1	9,914.7	10,064.9	10,244.8	.....
Net domestic product .....	30	9,192.2	9,677.7	9,323.3	9,430.1	9,543.3	9,797.9	9,939.4
Net domestic income .....	31	9,269.3	.....	9,339.0	9,406.9	9,551.6	9,743.9	.....
Net national factor income <sup>2</sup> .....	32	8,476.4	.....	8,553.7	8,609.0	8,761.5	8,935.7	.....

1. Consists of compensation of employees, proprietors' income with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAAdj), rental income of persons with CCAAdj, corporate profits with IVA and CCAAdj, net interest and miscellaneous payments, and consumption of fixed capital.

2. Consists of gross national factor income less consumption of fixed capital.

**Table 1.7.6. Relation of Real Gross Domestic Product, Real Gross National Product, and Real Net National Product, Chained Dollars**

[Billions of chained (2000) dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
				IV	I	II	III	IV
<b>Gross domestic product</b> .....	1	<b>10,083.0</b>	<b>10,397.7</b>	<b>10,160.8</b>	<b>10,210.4</b>	<b>10,288.3</b>	<b>10,493.1</b>	<b>10,599.2</b>
Plus: Income receipts from the rest of the world .....	2	290.0	.....	293.7	283.4	285.6	296.1	.....
Less: Income payments to the rest of the world .....	3	268.3	.....	256.1	256.4	253.8	260.7	.....
<b>Equals: Gross national product</b> .....	4	<b>10,105.0</b>	<b>10,198.5</b>	<b>10,198.5</b>	<b>10,237.6</b>	<b>10,320.2</b>	<b>10,528.6</b>	<b>10,528.6</b>
Less: Consumption of fixed capital .....	5	1,285.0	1,309.1	1,303.1	1,307.8	1,304.8	1,310.0	1,313.6
Private .....	6	1,078.5	1,097.4	1,094.8	1,098.2	1,093.8	1,097.7	1,099.8
Government .....	7	206.6	211.7	208.4	209.7	211.0	212.3	213.7
General government .....	8	174.5	178.9	176.1	177.2	178.3	179.5	180.7
Government enterprises .....	9	32.1	32.8	32.3	32.5	32.7	32.8	33.0
<b>Equals: Net national product</b> .....	10	<b>8,820.5</b>	<b>8,896.1</b>	<b>8,896.1</b>	<b>8,930.5</b>	<b>9,015.4</b>	<b>9,217.2</b>	<b>9,217.2</b>
<b>Addenda:</b>								
Gross domestic income <sup>1</sup> .....	11	10,157.3	.....	10,175.8	10,188.4	10,296.2	10,442.0	.....
Gross national income <sup>2</sup> .....	12	10,179.2	.....	10,213.5	10,215.6	10,328.0	10,477.5	.....
Net domestic product .....	13	8,798.5	9,088.1	8,858.4	8,903.4	8,983.4	9,181.7	9,283.7
Net domestic income <sup>3</sup> .....	14	8,872.4	.....	8,873.3	8,881.5	8,991.3	9,131.2	.....

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.

3. Net domestic income deflated by the implicit price deflator for net domestic product.

NOTE: Except as noted in footnotes 1, 2 and 3, chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 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 1.8.3. Command-Basis Real Gross National Product, Quantity Indexes**

[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
				IV	I	II	III	IV
<b>Gross national product</b> .....	1	<b>102.527</b>	.....	<b>103.476</b>	<b>103.873</b>	<b>104.711</b>	<b>106.825</b>	.....
Less: Exports of goods and services and income receipts from the rest of the world .....	2	88.137	.....	88.613	87.555	87.521	89.858	.....
Plus: Command-basis exports of goods and services and income receipts from the rest of the world <sup>1</sup> .....	3	90.387	.....	90.480	88.015	88.944	91.137	.....
<b>Equals: Command-basis gross national product</b> .....	4	<b>102.865</b>	.....	<b>103.756</b>	<b>103.942</b>	<b>104.924</b>	<b>107.017</b>	.....
<b>Addendum:</b>								
Percent change from preceding period in command-basis real gross national product .....	5	2.1	.....	2.0	0.7	3.8	8.2	.....

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

**Table 1.8.6. Command-Basis Real Gross National Product, Chained Dollars**

[Billions of chained (2000) dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
				IV	I	II	III	IV
<b>Gross national product</b> .....	1	<b>10,105.0</b>	.....	<b>10,198.5</b>	<b>10,237.6</b>	<b>10,320.2</b>	<b>10,528.6</b>	.....
Less: Exports of goods and services and income receipts from the rest of the world .....	2	1,303.5	.....	1,310.5	1,294.9	1,294.4	1,328.9	.....
Plus: Command-basis exports of goods and services and income receipts from the rest of the world <sup>1</sup> .....	3	1,336.8	.....	1,338.2	1,301.7	1,315.5	1,347.9	.....
<b>Equals: Command-basis gross national product</b> .....	4	<b>10,138.2</b>	.....	<b>10,226.1</b>	<b>10,244.5</b>	<b>10,341.3</b>	<b>10,547.5</b>	.....
<b>Addendum:</b>								
Terms of trade <sup>2</sup> .....	5	102.553	.....	102.111	100.528	101.630	101.427	.....

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 (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 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 1.10. Gross Domestic Income by Type of Income**  
[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Gross domestic income</b> .....	1	<b>10,558.0</b>		<b>10,639.4</b>	<b>10,712.7</b>	<b>10,855.0</b>	<b>11,053.0</b>	
<b>Compensation of employees, paid</b> .....	2	<b>6,024.3</b>	<b>6,193.2</b>	<b>6,063.3</b>	<b>6,121.3</b>	<b>6,170.0</b>	<b>6,218.9</b>	<b>6,262.5</b>
Wage and salary accruals.....	3	4,979.8	5,091.9	5,004.5	5,040.2	5,076.1	5,109.4	5,142.1
Disbursements.....	4	4,979.8	5,091.9	5,004.5	5,038.8	5,077.4	5,109.4	5,142.1
To persons.....	5	4,971.4		4,996.0	5,030.0	5,069.0	5,100.8	
To the rest of the world.....	6	8.4		8.5	8.7	8.5	8.6	
Wage accruals less disbursements.....	7	0.0	0.0	0.0	1.4	-1.4	0.0	0.0
Supplements to wages and salaries.....	8	1,044.5	1,101.3	1,058.8	1,081.2	1,093.9	1,109.6	1,120.4
<b>Taxes on production and imports</b> .....	9	<b>760.1</b>	<b>789.0</b>	<b>769.5</b>	<b>774.2</b>	<b>782.1</b>	<b>791.5</b>	<b>808.1</b>
<b>Less: Subsidies</b> .....	10	<b>38.2</b>	<b>48.2</b>	<b>36.7</b>	<b>44.7</b>	<b>56.9</b>	<b>46.3</b>	<b>45.1</b>
<b>Net operating surplus</b> .....	11	<b>2,523.2</b>		<b>2,542.9</b>	<b>2,556.2</b>	<b>2,656.4</b>	<b>2,780.2</b>	
Private enterprises.....	12	2,520.3		2,538.7	2,549.9	2,650.6	2,776.5	
Net interest and miscellaneous payments, domestic industries.....	13	709.0		713.4	704.7	691.7	695.0	
Business current transfer payments (net).....	14	89.8	95.2	86.2	90.1	92.5	97.1	101.2
Proprietors' income with inventory valuation and capital consumption adjustments.....	15	797.7	847.3	812.2	813.5	838.8	860.9	875.9
Rental income of persons with capital consumption adjustment.....	16	173.0	163.7	159.0	163.2	153.4	157.0	181.0
Corporate profits with inventory valuation and capital consumption adjustments, domestic industries.....	17	750.8		767.9	778.4	874.3	966.5	
Taxes on corporate income.....	18	195.0		202.9	213.9	211.4	230.6	
Profits after tax with inventory valuation and capital consumption adjustments.....	19	555.8		565.0	564.5	662.8	735.9	
Net dividends.....	20	358.9		375.6	375.7	388.4	382.7	
Undistributed corporate profits with inventory valuation and capital consumption adjustments.....	21	196.8		189.5	188.8	274.5	353.2	
Current surplus of government enterprises.....	22	2.8	5.0	4.1	6.3	5.8	3.7	4.2
<b>Consumption of fixed capital</b> ....	23	<b>1,288.6</b>	<b>1,307.8</b>	<b>1,300.4</b>	<b>1,305.7</b>	<b>1,303.4</b>	<b>1,309.1</b>	<b>1,312.9</b>
Private.....	24	1,077.8	1,089.6	1,087.1	1,090.4	1,086.0	1,089.9	1,092.0
Government.....	25	210.8	218.2	213.3	215.3	217.4	219.2	221.0
<b>Addendum:</b>								
Statistical discrepancy.....	26	-77.2		-15.7	23.2	-8.3	54.0	

**Table 1.12. National Income by Type of Income**  
[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>National income</b> .....	1	<b>9,290.8</b>		<b>9,376.9</b>	<b>9,434.8</b>	<b>9,584.9</b>	<b>9,781.7</b>	
<b>Compensation of employees</b> .....	2	<b>6,019.1</b>	<b>6,187.9</b>	<b>6,058.0</b>	<b>6,115.8</b>	<b>6,164.8</b>	<b>6,213.6</b>	<b>6,257.2</b>
Wage and salary accruals.....	3	4,974.6	5,086.6	4,999.1	5,034.6	5,070.8	5,104.1	5,136.8
Government.....	4	859.9	897.7	873.8	891.4	898.1	900.0	901.1
Other.....	5	4,114.7	4,188.9	4,125.4	4,143.3	4,172.7	4,204.1	4,235.7
Supplements to wages and salaries.....	6	1,044.5	1,101.3	1,058.8	1,081.2	1,093.9	1,109.6	1,120.4
Employer contributions for employee pension and insurance funds.....	7	680.4	723.4	692.1	706.3	717.3	730.7	739.4
Employer contributions for government social insurance.....	8	364.1	377.8	366.7	374.9	376.6	378.8	381.0
<b>Proprietors' income with IVA and CCAAdj</b> .....	9	<b>797.7</b>	<b>847.3</b>	<b>812.2</b>	<b>813.5</b>	<b>838.8</b>	<b>860.9</b>	<b>875.9</b>
Farm.....	10	14.3	19.5	16.3	13.0	20.0	21.5	23.4
Nonfarm.....	11	783.4	827.8	795.9	800.5	818.8	839.4	852.4
<b>Rental income of persons with CCAAdj</b> .....	12	<b>173.0</b>	<b>163.7</b>	<b>159.0</b>	<b>163.2</b>	<b>153.4</b>	<b>157.0</b>	<b>181.0</b>
<b>Corporate profits with IVA and CCAAdj</b> .....	13	<b>904.2</b>		<b>934.9</b>	<b>927.1</b>	<b>1,022.8</b>	<b>1,124.2</b>	
Taxes on corporate income.....	14	195.0		202.9	213.9	211.4	230.6	
Profits after tax with IVA and CCAAdj.....	15	709.1		732.0	713.2	811.3	893.7	
Net dividends.....	16	398.3	430.9	413.1	420.3	427.5	434.3	441.5
Undistributed profits with IVA and CCAAdj.....	17	310.8		318.9	292.9	383.8	459.3	
<b>Net interest and miscellaneous payments</b> .....	18	<b>582.4</b>	<b>580.7</b>	<b>589.7</b>	<b>589.3</b>	<b>581.7</b>	<b>579.9</b>	<b>571.7</b>
<b>Taxes on production and imports</b> .....	19	<b>760.1</b>	<b>789.0</b>	<b>769.5</b>	<b>774.2</b>	<b>782.1</b>	<b>791.5</b>	<b>808.1</b>
<b>Less: Subsidies</b> .....	20	<b>38.2</b>	<b>48.2</b>	<b>36.7</b>	<b>44.7</b>	<b>56.9</b>	<b>46.3</b>	<b>45.1</b>
<b>Business current transfer payments (net)</b> .....	21	<b>89.8</b>	<b>95.2</b>	<b>86.2</b>	<b>90.1</b>	<b>92.5</b>	<b>97.1</b>	<b>101.2</b>
To persons (net).....	22	42.6	45.9	41.0	45.3	44.5	46.1	47.7
To government (net).....	23	46.8	46.8	47.1	45.4	46.2	47.3	48.1
To the rest of the world (net).....	24	0.4	2.6	-1.8	-0.6	1.8	3.7	5.3
<b>Current surplus of government enterprises</b> .....	25	<b>2.8</b>	<b>5.0</b>	<b>4.1</b>	<b>6.3</b>	<b>5.8</b>	<b>3.7</b>	<b>4.2</b>
<b>Cash flow:</b>								
Net cash flow with IVA and CCAAdj.....	26	1,058.2		1,070.8	1,043.3	1,129.4	1,206.6	
Undistributed profits with IVA and CCAAdj.....	27	310.8		318.9	292.9	383.8	459.3	
Consumption of fixed capital.....	28	747.3	748.1	751.9	750.4	745.6	747.2	749.1
Less: Inventory valuation adjustment.....	29	-2.2		-10.8	-28.1	1.2	-1.8	
Equals: Net cash flow.....	30	1,060.4		1,081.7	1,071.4	1,128.2	1,208.4	
<b>Addenda:</b>								
Proprietors' income with IVA and CCAAdj.....	31	797.7	847.3	812.2	813.5	838.8	860.9	875.9
Farm.....	32	14.3	19.5	16.3	13.0	20.0	21.5	23.4
Proprietors' income with IVA.....	33	20.1	25.2	22.0	18.8	25.8	27.2	29.1
Capital consumption adjustment.....	34	-5.8	-5.7	-5.8	-5.8	-5.7	-5.7	-5.7
Nonfarm.....	35	783.4	827.8	795.9	800.5	818.8	839.4	852.4
Proprietors' income (without IVA and CCAAdj).....	36	654.1	673.4	662.4	665.9	663.0	677.6	687.1
Inventory valuation adjustment.....	37	-0.5	-1.4	-1.3	-4.0	1.0	-0.8	-2.0
Capital consumption adjustment.....	38	129.9	155.9	134.8	138.6	154.8	162.6	167.3
Rental income of persons with CCAAdj.....	39	173.0	163.7	159.0	163.2	153.4	157.0	181.0
Rental income of persons (without CCAAdj).....	40	184.4	175.9	170.7	175.4	165.5	169.2	193.4
Capital consumption adjustment.....	41	-11.4	-12.2	-11.7	-12.1	-12.1	-12.2	-12.4
Corporate profits with IVA and CCAAdj.....	42	904.2		934.9	927.1	1,022.8	1,124.2	
Corporate profits with IVA.....	43	742.7		784.2	780.9	793.6	864.2	
Profits before tax (without IVA and CCAAdj).....	44	745.0		795.0	809.0	792.5	865.9	
Taxes on corporate income.....	45	195.0		202.9	213.9	211.4	230.6	
Profits after tax (without IVA and CCAAdj).....	46	549.9		592.1	595.0	581.0	635.4	
Net dividends.....	47	398.3	430.9	413.1	420.3	427.5	434.3	441.5
Undistributed profits (without IVA and CCAAdj).....	48	151.6		179.1	174.7	153.5	201.1	
Inventory valuation adjustment.....	49	-2.2		-10.8	-28.1	1.2	-1.8	
Capital consumption adjustment.....	50	161.5	228.2	150.7	146.3	229.2	260.1	277.1

IVA Inventory valuation adjustment  
CCAAdj Capital consumption adjustment

**Table 1.14. Gross Value Added of Domestic Corporate Business in Current Dollars and Gross Value Added of Nonfinancial Domestic Corporate Business in Current and Chained Dollars**

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Gross value added of corporate business<sup>1</sup></b> .....	1	<b>6,233.4</b>		<b>6,285.1</b>	<b>6,321.2</b>	<b>6,437.7</b>	<b>6,589.2</b>	
Consumption of fixed capital.....	2	747.3	748.1	751.9	750.4	745.6	747.2	749.1
Net value added.....	3	5,486.1		5,533.2	5,570.8	5,692.2	5,842.0	
Compensation of employees.....	4	3,989.9	4,086.4	4,019.6	4,037.2	4,068.4	4,103.2	4,136.6
Wage and salary accruals.....	5	3,326.4	3,386.4	3,337.8	3,349.7	3,373.2	3,398.6	3,424.1
Supplements to wages and salaries.....	6	663.6	700.0	681.8	687.6	695.2	704.6	712.5
Taxes on production and imports less subsidies.....	7	501.1	519.1	508.7	511.6	506.8	524.3	533.8
Net operating surplus.....	8	995.1		1,004.9	1,022.0	1,117.0	1,214.4	
Net interest and miscellaneous payments.....	9	168.1		167.6	165.6	163.4	164.6	
Business current transfer payments.....	10	76.2	81.6	69.4	78.0	79.4	83.3	85.8
Corporate profits with IVA and CCAAdj.....	11	750.8		767.9	778.4	874.3	966.5	
Taxes on corporate income.....	12	195.0		202.9	213.9	211.4	230.6	
Profits after tax with IVA and CCAAdj.....	13	555.8		565.0	564.5	662.8	735.9	
Net dividends.....	14	358.9		375.6	375.7	388.4	382.7	
Undistributed profits with IVA and CCAAdj.....	15	196.8		189.5	188.8	274.5	353.2	
<b>Gross value added of financial corporate business<sup>1</sup></b> .....	16	<b>822.9</b>		<b>805.8</b>	<b>842.0</b>	<b>856.1</b>	<b>880.4</b>	
<b>Gross value added of nonfinancial corporate business<sup>1</sup></b> .....	17	<b>5,410.6</b>		<b>5,479.3</b>	<b>5,479.2</b>	<b>5,581.7</b>	<b>5,708.8</b>	
Consumption of fixed capital.....	18	618.2	621.8	623.4	622.9	619.4	621.3	623.5
Net value added.....	19	4,792.4		4,856.0	4,856.3	4,962.3	5,087.4	
Compensation of employees.....	20	3,570.1	3,656.6	3,596.8	3,612.6	3,640.5	3,671.7	3,701.6
Wage and salary accruals.....	21	2,971.8	3,025.5	2,982.1	2,992.7	3,013.7	3,036.4	3,059.2
Supplements to wages and salaries.....	22	598.3	631.1	614.7	619.9	626.8	635.3	642.4
Taxes on production and imports less subsidies.....	23	464.5	480.9	471.5	474.1	469.0	486.0	494.6
Net operating surplus.....	24	757.7		787.6	769.6	852.8	929.7	
Net interest and miscellaneous payments.....	25	206.9		207.0	204.5	201.4	202.9	
Business current transfer payments.....	26	59.1	58.1	61.4	55.1	56.7	59.6	60.9
Corporate profits with IVA and CCAAdj.....	27	491.7		519.3	510.0	594.7	667.3	
Taxes on corporate income.....	28	101.6		114.5	119.8	117.7	133.6	
Profits after tax with IVA and CCAAdj.....	29	390.2		404.8	390.2	477.0	533.7	
Net dividends.....	30	257.2		265.7	265.8	274.8	270.8	
Undistributed profits with IVA and CCAAdj.....	31	133.0		139.1	124.4	202.2	262.9	
<b>Addenda:</b>								
<b>Corporate business:</b>								
Profits before tax (without IVA and CCAAdj).....	32	591.6		628.1	660.2	644.0	708.2	
Profits after tax (without IVA and CCAAdj).....	33	396.5		425.2	446.3	432.5	477.6	
Inventory valuation adjustment.....	34	-2.2		-10.8	-28.1	1.2	-1.8	
Capital consumption adjustment.....	35	161.5	228.2	150.7	146.3	229.2	260.1	277.1
<b>Nonfinancial corporate business:</b>								
Profits before tax (without IVA and CCAAdj).....	36	336.5		384.7	398.4	383.4	433.6	
Profits after tax (without IVA and CCAAdj).....	37	234.9		270.3	278.6	265.7	299.9	
Inventory valuation adjustment.....	38	-2.2		-10.8	-28.1	1.2	-1.8	
Capital consumption adjustment.....	39	157.5	208.5	145.4	139.7	210.1	235.5	248.8
				Value added, in billions of chained (2000) dollars				
<b>Gross value added of nonfinancial corporate business<sup>2</sup></b> .....	40	<b>5,339.0</b>		<b>5,405.7</b>	<b>5,412.1</b>	<b>5,505.2</b>	<b>5,618.3</b>	
Consumption of fixed capital <sup>3</sup> .....	41	624.1	636.6	635.0	634.5	630.9	639.4	641.6
Net value added <sup>4</sup> .....	42	4,714.9		4,770.8	4,777.6	4,874.2	4,979.0	

1. Estimates for financial corporate business and nonfinancial corporate business for 2000 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).

2. Effective December 10, 2003, the price index used to estimate chained-dollar gross value added of nonfinancial corporate business has been revised to reflect the 2000 reference year. Effective with the estimates scheduled for release in July 2004, the current-dollar value added will be deflated by a revised chain-type price index calculated using the gross value added chain-type price index for nonfinancial industries from the comprehensive revision to the GDP-by-industry accounts.

3. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 2000 current-dollar value of the corresponding series, divided by 100.

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

IVA Inventory valuation adjustment  
CCAAdj Capital consumption adjustment

**Table 1.15. Price, Costs, and Profit Per Unit of Real Gross Value Added of Nonfinancial Domestic Corporate Business**

[Dollars]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Price per unit of real gross value added of nonfinancial corporate business<sup>1</sup></b> .....	1	<b>1.013</b>		<b>1.014</b>	<b>1.012</b>	<b>1.014</b>	<b>1.016</b>	
<b>Compensation of employees (unit labor cost)</b> .....	2	<b>0.669</b>		<b>0.665</b>	<b>0.668</b>	<b>0.661</b>	<b>0.654</b>	
<b>Unit nonlabor cost</b> .....	3	<b>0.253</b>		<b>0.252</b>	<b>0.251</b>	<b>0.245</b>	<b>0.244</b>	
Consumption of fixed capital.....	4	0.116		0.115	0.115	0.113	0.111	
Taxes on production and imports less subsidies plus business current transfer payments.....	5	0.098		0.099	0.098	0.095	0.097	
Net interest and miscellaneous payments.....	6	0.039		0.038	0.038	0.037	0.036	
<b>Corporate profits with IVA and CCAAdj (unit profits from current production)</b> .....	7	<b>0.092</b>		<b>0.096</b>	<b>0.094</b>	<b>0.108</b>	<b>0.119</b>	
Taxes on corporate income.....	8	0.019		0.021	0.022	0.021	0.024	
Profits after tax with IVA and CCAAdj.....	9	0.073		0.075	0.072	0.087	0.095	

1. The implicit price deflator for gross value added of nonfinancial corporate business divided by 100. Estimates for nonfinancial corporate business for 2000 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: Effective December 10, 2003, the price index used to estimate chained-dollar gross value added of nonfinancial corporate business has been revised to reflect the 2000 reference year. Effective with the estimates scheduled for release in July 2004, the current-dollar value added will be deflated by a revised chain-type price index calculated using the gross value added chain-type price index for nonfinancial industries from the comprehensive revision to the GDP-by-industry accounts.

IVA Inventory valuation adjustment  
CCAAdj Capital consumption adjustment

## 2. Personal Income and Outlays

Table 2.1. Personal Income and Its Disposition

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Personal income</b> .....	1	<b>8,910.3</b>	<b>9,191.6</b>	<b>8,981.3</b>	<b>9,048.7</b>	<b>9,145.9</b>	<b>9,242.5</b>	<b>9,329.3</b>
Compensation of employees, received.....	2	6,019.1	6,187.9	6,058.0	6,114.4	6,166.2	6,213.6	6,257.2
Wage and salary disbursements.....	3	4,974.6	5,086.6	4,999.1	5,033.2	5,072.2	5,104.1	5,136.8
Private industries.....	4	4,114.7	4,188.9	4,125.4	4,143.3	4,172.7	4,204.1	4,235.7
Government.....	5	859.9	897.7	873.8	890.0	899.5	900.0	901.1
Supplements to wages and salaries.....	6	1,044.5	1,101.3	1,058.8	1,081.2	1,093.9	1,109.6	1,120.4
Employer contributions for employee pension and insurance funds.....	7	680.4	723.4	692.1	706.3	717.3	730.7	739.4
Employer contributions for government social insurance.....	8	364.1	377.8	366.7	374.9	376.6	378.8	381.0
Proprietors' income with inventory valuation and capital consumption adjustments.....	9	797.7	847.3	812.2	813.5	838.8	860.9	875.9
Farm.....	10	14.3	19.5	16.3	13.0	20.0	21.5	23.4
Nonfarm.....	11	783.4	827.8	795.9	800.5	818.8	839.4	852.4
Rental income of persons with capital consumption adjustment.....	12	173.0	163.7	159.0	163.2	153.4	157.0	181.0
Personal income receipts on assets.....	13	1,378.5	1,390.5	1,392.0	1,388.6	1,390.2	1,389.2	1,394.2
Personal interest income.....	14	982.4	961.8	981.2	970.6	964.9	957.0	954.7
Personal dividend income.....	15	396.2	428.7	410.8	418.0	425.3	432.2	439.5
Personal current transfer receipts.....	16	1,292.2	1,377.2	1,315.6	1,337.6	1,369.7	1,398.7	1,402.8
Government social benefits to persons.....	17	1,249.5	1,331.3	1,274.6	1,292.4	1,325.3	1,352.6	1,355.1
Old-age, survivors, disability, and health insurance benefits.....	18	710.3	743.7	721.1	732.3	741.8	745.6	754.9
Government unemployment insurance benefits.....	19	53.4	55.6	53.8	51.9	56.3	58.6	55.5
Veterans benefits.....	20	29.9	32.4	30.9	31.8	32.4	33.0	32.5
Family assistance <sup>1</sup> .....	21	19.7	20.3	20.1	20.2	20.3	20.3	20.4
Other.....	22	436.2	479.4	448.8	456.3	474.5	495.1	491.7
Other current transfer receipts, from business (net).....	23	42.6	45.9	41.0	45.3	44.5	46.1	47.7
Less: Contributions for government social insurance.....	24	750.3	774.9	755.5	768.7	772.3	776.9	781.7
<b>Less: Personal current taxes</b> .....	25	<b>1,053.1</b>	<b>988.7</b>	<b>1,045.6</b>	<b>1,009.4</b>	<b>1,000.2</b>	<b>936.0</b>	<b>1,009.4</b>
<b>Equals: Disposable personal income</b> .....	26	<b>7,857.2</b>	<b>8,202.9</b>	<b>7,935.6</b>	<b>8,039.2</b>	<b>8,145.8</b>	<b>8,306.6</b>	<b>8,320.0</b>
<b>Less: Personal outlays</b> .....	27	<b>7,674.0</b>	<b>8,037.3</b>	<b>7,789.2</b>	<b>7,888.3</b>	<b>7,956.7</b>	<b>8,118.5</b>	<b>8,185.5</b>
Personal consumption expenditures.....	28	7,385.3	7,753.2	7,501.2	7,600.7	7,673.6	7,836.3	7,902.3
Personal interest payments <sup>2</sup> .....	29	194.7	184.9	187.7	186.2	183.2	184.6	185.6
Personal current transfer payments.....	30	94.0	99.1	100.3	101.3	100.0	97.6	97.6
To government.....	31	58.6	63.1	60.1	61.3	62.5	63.7	64.9
To the rest of the world (net).....	32	35.4	36.0	40.2	40.1	37.5	33.9	32.7
<b>Equals: Personal saving</b> .....	33	<b>183.2</b>	<b>165.6</b>	<b>146.4</b>	<b>151.0</b>	<b>189.0</b>	<b>188.1</b>	<b>134.4</b>
<b>Personal saving as a percentage of disposable personal income</b> .....	34	<b>2.3</b>	<b>2.0</b>	<b>1.8</b>	<b>1.9</b>	<b>2.3</b>	<b>2.3</b>	<b>1.6</b>
<b>Addenda:</b>								
Disposable personal income:								
Total, billions of chained (2000) dollars <sup>3</sup> .....	35	7,596.7	7,789.9	7,615.8	7,662.0	7,753.5	7,872.3	7,872.0
Per capita:								
Current dollars.....	36	27,259	28,180	27,425	27,720	28,022	28,501	28,474
Chained (2000) dollars.....	37	26,355	26,761	26,320	26,419	26,673	27,011	26,941
Population (midperiod, thousands).....	38	288,240	291,086	289,360	290,016	290,689	291,445	292,194
Percent change from preceding period:								
Disposable personal income, current dollars.....	39	5.2	4.4	2.3	5.3	5.4	8.1	0.6
Disposable personal income, chained (2000) dollars.....	40	3.8	2.5	0.6	2.4	4.9	6.3	0.0

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. Consists of nonmortgage interest paid by households.
3. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

Table 2.2B. Wage and Salary Disbursements by Industry

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Wage and salary disbursements</b> .....	1	<b>4,974.6</b>	<b>5,086.6</b>	<b>4,999.1</b>	<b>5,033.2</b>	<b>5,072.2</b>	<b>5,104.1</b>	<b>5,136.8</b>
Private industries.....	2	4,114.7	4,188.9	4,125.4	4,143.3	4,172.7	4,204.1	4,235.7
Goods-producing industries.....	3	1,010.9	1,007.6	1,007.1	1,005.8	1,003.4	1,006.0	1,015.2
Manufacturing.....	4	675.7	669.0	672.6	670.5	666.5	666.9	672.0
Services-producing industries.....	5	3,103.7	3,181.3	3,118.3	3,137.5	3,169.3	3,198.1	3,220.5
Trade, transportation, and utilities.....	6	844.7	863.2	847.6	855.0	859.5	866.1	872.4
Other services-producing industries <sup>1</sup> .....	7	2,259.0	2,318.1	2,270.7	2,282.6	2,309.8	2,332.0	2,348.1
Government.....	8	859.9	897.7	873.8	890.0	899.5	900.0	901.1

1. Other services-producing industries consists of information; finance and insurance; real estate and rental and leasing; professional, scientific, and technical services; management of companies and enterprises, administrative and support and waste management and remediation services; educational services; health care and social assistance; arts, entertainment, and recreation; accommodation and food services; and other services.

NOTE: Estimates in this table are based on the 1997 North American Industry Classification System (NAICS).

**Table 2.3.1. Percent Change From Preceding Period in Real Personal Consumption Expenditures by Major Type of Product**  
[Percent]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	1	3.4	3.1	2.2	2.5	3.3	6.9	2.7
<b>Durable goods</b> .....	2	6.5	7.3	0.3	0.5	17.7	28.0	-0.1
Motor vehicles and parts.....	3	4.4	4.3	-8.0	-4.2	15.3	39.7	-9.7
Furniture and household equipment.....	4	10.0	9.7	8.2	1.3	19.4	22.9	9.8
Other.....	5	4.8	10.0	7.0	11.0	20.0	12.5	6.2
<b>Nondurable goods</b> .....	6	3.0	3.8	4.6	5.7	1.2	7.3	5.2
Food.....	7	2.3	3.8	2.3	6.7	2.4	7.3	3.8
Clothing and shoes.....	8	5.1	4.8	7.5	3.0	7.8	9.4	0.9
Gasoline, fuel oil, and other energy goods.....	9	2.3	-0.5	12.7	4.2	-18.6	3.7	17.6
Gasoline and oil.....	10	2.1	-0.6	10.5	7.0	-17.8	1.5	16.5
Fuel oil and coal.....	11	5.1	1.8	40.2	-21.7	-26.8	31.1	30.6
Other.....	12	3.5	4.6	4.5	5.9	3.6	7.6	6.0
<b>Services</b> .....	13	3.0	2.0	1.5	1.5	1.7	2.8	2.2
Housing.....	14	2.7	2.2	2.3	2.3	1.8	2.2	1.6
Household operation.....	15	1.1	0.4	0.9	1.0	-3.3	3.5	0.5
Electricity and gas.....	16	2.9	-0.2	6.1	0.4	-12.7	4.1	-1.2
Other household operation.....	17	0.0	0.8	-2.0	1.4	3.2	3.2	1.5
Transportation.....	18	-1.7	-2.3	-3.1	0.5	-4.0	-2.2	-2.4
Medical care.....	19	5.7	5.1	6.1	5.1	4.6	5.0	5.0
Recreation.....	20	3.8	2.2	3.2	0.0	3.6	2.6	4.0
Other.....	21	2.1	-0.1	-3.3	-2.8	1.3	1.9	0.8
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> .....	22	2.6	-0.3	9.6	2.5	-16.1	3.9	9.0
Personal consumption expenditures excluding food and energy.....	23	3.7	3.2	1.8	1.9	4.8	7.0	2.2

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

**Table 2.3.2. Contributions to Percent Change in Real Personal Consumption Expenditures by Major Type of Product**

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Percent change at annual rate:</b>								
<b>Personal consumption expenditures</b> .....	1	3.4	3.1	2.2	2.5	3.3	6.9	2.7
<b>Percentage points at annual rates:</b>								
<b>Durable goods</b> .....	2	0.79	0.86	0.03	0.06	1.98	3.13	-0.02
Motor vehicles and parts.....	3	0.25	0.24	-0.46	-0.23	0.77	1.92	-0.57
Furniture and household equipment.....	4	0.43	0.40	0.34	0.06	0.77	0.92	0.41
Other.....	5	0.11	0.22	0.15	0.24	0.43	0.29	0.15
<b>Nondurable goods</b> .....	6	0.87	1.07	1.28	1.59	0.35	2.08	1.46
Food.....	7	0.31	0.52	0.32	0.89	0.32	0.99	0.52
Clothing and shoes.....	8	0.21	0.19	0.30	0.12	0.30	0.37	0.03
Gasoline, fuel oil, and other energy goods.....	9	0.06	-0.01	0.30	0.11	-0.56	0.10	0.44
Gasoline and oil.....	10	0.05	-0.01	0.23	0.17	-0.49	0.04	0.38
Fuel oil and coal.....	11	0.01	0.00	0.07	-0.06	-0.07	0.06	0.06
Other.....	12	0.28	0.37	0.36	0.47	0.29	0.61	0.47
<b>Services</b> .....	13	1.76	1.18	0.92	0.88	1.02	1.68	1.29
Housing.....	14	0.42	0.35	0.35	0.36	0.28	0.35	0.25
Household operation.....	15	0.06	0.02	0.05	0.06	-0.18	0.20	0.02
Electricity and gas.....	16	0.06	-0.01	0.12	0.01	-0.29	0.09	-0.03
Other household operation.....	17	0.00	0.03	-0.07	0.05	0.11	0.11	0.05
Transportation.....	18	-0.07	-0.09	-0.13	0.02	-0.16	-0.08	-0.09
Medical care.....	19	0.90	0.83	0.98	0.84	0.75	0.84	0.83
Recreation.....	20	0.15	0.09	0.13	0.00	0.15	0.11	0.16
Other.....	21	0.29	-0.02	-0.47	-0.39	0.18	0.27	0.11
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> .....	22	0.12	-0.02	0.43	0.12	-0.86	0.19	0.41
Personal consumption expenditures excluding food and energy.....	23	2.98	2.61	1.49	1.52	3.88	5.71	1.80

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

**Table 2.3.3. Real Personal Consumption Expenditures by Major Type of Product, Quantity Indexes**  
[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002		2003		
				IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	1	105.951	109.251	106.819	107.489	108.378	110.197	110.943
<b>Durable goods</b> .....	2	110.868	118.957	111.638	111.779	116.420	123.834	123.793
Motor vehicles and parts.....	3	109.522	114.224	108.395	107.228	111.116	120.794	117.756
Furniture and household equipment.....	4	116.544	127.905	119.356	119.740	125.172	131.794	134.915
Other.....	5	103.870	114.284	105.576	108.357	113.405	116.799	118.576
<b>Nondurable goods</b> .....	6	104.949	108.913	105.885	107.358	107.685	109.607	111.003
Food.....	7	103.573	107.545	104.188	105.885	106.508	108.390	109.397
Clothing and shoes.....	8	107.183	112.307	108.622	109.416	111.495	114.037	114.281
Gasoline, fuel oil, and other energy goods.....	9	104.060	103.583	104.974	106.047	100.743	101.664	105.880
Gasoline and oil.....	10	104.375	103.704	104.549	106.327	101.257	101.638	105.595
Fuel oil and coal.....	11	100.648	102.457	109.656	103.146	95.420	102.112	109.150
Other.....	12	106.466	111.415	107.690	109.252	110.227	112.274	113.909
<b>Services</b> .....	13	105.420	107.515	106.276	106.664	107.115	107.849	108.430
Housing.....	14	105.508	107.866	106.487	107.106	107.581	108.173	108.605
Household operation.....	15	101.117	101.515	101.418	101.675	100.838	101.717	101.832
Electricity and gas.....	16	101.352	101.138	103.198	103.302	99.842	100.859	100.549
Other household operation.....	17	100.959	101.773	100.329	100.678	101.483	102.274	102.658
Transportation.....	18	97.774	95.551	96.582	96.697	95.714	95.188	94.603
Medical care.....	19	110.250	115.898	112.462	113.880	115.157	116.563	117.991
Recreation.....	20	106.169	108.502	107.184	107.180	108.124	108.812	109.890
Other.....	21	103.935	103.782	103.968	103.237	103.570	104.058	104.265
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> .....	22	102.868	102.537	104.225	104.872	100.383	101.348	103.544
Personal consumption expenditures excluding food and energy.....	23	106.544	109.959	107.423	107.919	109.195	111.057	111.666

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

**Table 2.3.4. Price Indexes for Personal Consumption Expenditures by Major Type of Product**  
[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002		2003		
				IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	1	103.429	105.302	104.203	104.927	105.065	105.522	105.695
<b>Durable goods</b> .....	2	95.208	91.682	94.136	93.074	92.147	91.207	90.298
Motor vehicles and parts.....	3	98.766	95.991	97.959	97.029	96.514	95.785	94.636
Furniture and household equipment.....	4	88.778	83.539	87.082	85.873	84.212	82.409	81.660
Other.....	5	99.531	97.905	99.168	98.115	97.790	98.195	97.521
<b>Nondurable goods</b> .....	6	102.075	104.180	102.789	104.079	103.529	104.488	104.623
Food.....	7	104.942	106.966	105.449	105.898	106.527	107.197	108.241
Clothing and shoes.....	8	95.405	93.047	94.734	93.555	92.642	92.816	93.174
Gasoline, fuel oil, and other energy goods.....	9	90.530	105.692	95.987	109.497	102.030	107.390	103.853
Gasoline and oil.....	10	90.415	105.264	95.923	108.891	101.339	107.304	103.522
Fuel oil and coal.....	11	91.778	110.164	96.529	115.989	109.557	107.978	107.132
Other.....	12	104.986	105.136	105.159	104.975	104.993	105.439	105.137
<b>Services</b> .....	13	105.946	108.966	107.174	108.028	108.758	109.306	109.771
Housing.....	14	107.786	110.411	108.958	109.612	110.043	110.676	111.312
Household operation.....	15	103.490	107.497	104.355	106.555	107.827	107.998	107.608
Electricity and gas.....	16	104.857	113.154	105.478	110.177	114.549	114.730	113.161
Other household operation.....	17	102.715	104.193	103.733	104.443	103.906	104.070	104.353
Transportation.....	18	102.826	105.558	103.628	103.781	105.014	106.523	106.915
Medical care.....	19	106.241	109.445	107.375	108.033	109.041	109.887	110.818
Recreation.....	20	106.476	109.658	107.726	108.714	109.358	110.066	110.492
Other.....	21	105.419	108.278	107.077	108.002	108.392	108.317	108.402
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> .....	22	96.601	108.891	100.040	109.830	107.378	110.533	107.823
Personal consumption expenditures excluding food and energy.....	23	103.581	104.812	104.243	104.474	104.680	104.951	105.143

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



**Table 2.3.5. Personal Consumption Expenditures by Major Type of Product**  
[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	1	7,385.3	7,753.2	7,501.2	7,600.7	7,673.6	7,836.3	7,902.3
<b>Durable goods</b> .....	2	911.3	941.1	907.3	898.2	926.2	975.1	965.1
Motor vehicles and parts.....	3	418.1	423.6	410.4	402.1	414.5	447.2	430.7
Furniture and household equipment.....	4	323.7	334.1	325.3	321.8	329.9	339.9	344.8
Other.....	5	169.4	183.4	171.6	174.3	181.8	188.0	189.5
<b>Nondurable goods</b> .....	6	2,086.0	2,209.4	2,119.2	2,175.7	2,170.8	2,230.0	2,261.3
Food.....	7	1,005.6	1,064.4	1,016.4	1,037.4	1,049.7	1,074.9	1,095.5
Clothing and shoes.....	8	304.4	311.1	306.4	304.8	307.5	315.1	317.0
Gasoline, fuel oil, and other energy goods.....	9	180.4	209.8	193.0	222.4	196.9	209.2	210.6
Gasoline and oil.....	10	165.8	192.0	176.3	203.6	180.4	191.7	192.2
Fuel oil and coal.....	11	14.6	17.8	16.7	18.9	16.5	17.4	18.5
Other.....	12	595.6	624.2	603.4	611.1	616.7	630.8	638.1
<b>Services</b> .....	13	4,388.0	4,602.7	4,474.7	4,526.8	4,576.6	4,631.2	4,676.0
Housing.....	14	1,144.6	1,198.6	1,167.7	1,181.5	1,191.4	1,204.9	1,216.6
Household operation.....	15	408.2	425.7	412.9	422.6	424.2	428.5	427.5
Electricity and gas.....	16	152.3	164.0	156.0	163.1	163.9	165.8	163.1
Other household operation.....	17	255.9	261.7	256.9	259.5	260.3	262.7	264.4
Transportation.....	18	292.8	293.8	291.5	292.3	292.8	295.3	294.6
Medical care.....	19	1,202.7	1,302.5	1,239.8	1,263.1	1,289.2	1,315.1	1,342.5
Recreation.....	20	303.3	319.2	309.7	312.6	317.2	321.3	325.7
Other.....	21	1,036.4	1,063.0	1,053.0	1,054.7	1,061.9	1,066.2	1,069.1
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> .....	22	332.7	373.8	349.0	385.6	360.8	375.0	373.7
Personal consumption expenditures excluding food and energy.....	23	6,047.1	6,315.1	6,135.8	6,177.8	6,263.1	6,386.4	6,433.1

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

**Table 2.3.6. Real Personal Consumption Expenditures by Major Type of Product, Chained Dollars**  
[Billions of chained (2000) dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	1	7,140.4	7,362.9	7,198.9	7,244.1	7,304.0	7,426.6	7,476.9
<b>Durable goods</b> .....	2	957.2	1,027.0	963.8	965.0	1,005.1	1,069.1	1,068.7
Motor vehicles and parts.....	3	423.3	441.5	419.0	414.5	429.5	466.9	455.1
Furniture and household equipment.....	4	364.7	400.2	373.5	374.7	391.7	412.4	422.2
Other.....	5	170.2	187.3	173.0	177.6	185.9	191.4	194.3
<b>Nondurable goods</b> .....	6	2,043.6	2,120.8	2,061.8	2,090.5	2,096.9	2,134.3	2,161.5
Food.....	7	958.2	995.0	963.9	979.6	985.4	1,002.8	1,012.1
Clothing and shoes.....	8	319.1	334.4	323.4	325.7	331.9	339.5	340.2
Gasoline, fuel oil, and other energy goods.....	9	199.3	198.3	201.0	203.1	192.9	194.7	202.7
Gasoline and oil.....	10	183.3	182.2	183.6	186.8	177.9	178.5	185.5
Fuel oil and coal.....	11	15.9	16.2	17.4	16.3	15.1	16.2	17.3
Other.....	12	567.3	593.7	573.8	582.2	587.4	598.3	607.0
<b>Services</b> .....	13	4,141.8	4,224.1	4,175.4	4,190.7	4,208.4	4,237.2	4,260.0
Housing.....	14	1,061.9	1,085.6	1,071.7	1,078.0	1,082.8	1,088.7	1,093.1
Household operation.....	15	394.5	396.0	395.6	396.6	393.4	396.8	397.3
Electricity and gas.....	16	145.2	144.9	147.9	148.0	143.1	144.5	144.1
Other household operation.....	17	249.2	251.2	247.6	248.5	250.5	252.4	253.4
Transportation.....	18	284.8	278.3	281.3	281.6	278.8	277.2	275.5
Medical care.....	19	1,132.1	1,190.1	1,154.8	1,169.3	1,182.4	1,196.9	1,211.5
Recreation.....	20	284.8	291.1	287.5	287.5	290.1	291.9	294.8
Other.....	21	983.2	981.7	983.5	976.6	979.7	984.3	986.3
Residual.....	22	-2.8	-10.5	-3.0	-2.8	-8.2	-15.3	-15.5
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> .....	23	344.4	343.3	348.9	351.1	336.1	339.3	346.6
Personal consumption expenditures excluding food and energy.....	24	5,838.0	6,025.1	5,886.2	5,913.3	5,983.3	6,085.3	6,118.7

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

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 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.

## 3. Government Current Receipts and Expenditures

Table 3.1. Government Current Receipts and Expenditures

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Current receipts</b> .....	1	<b>2,980.7</b>	.....	<b>2,999.9</b>	<b>2,993.9</b>	<b>2,996.3</b>	<b>2,966.0</b>	.....
Current tax receipts.....	2	2,006.2	.....	2,016.0	1,995.3	1,992.0	1,955.7	.....
Personal current taxes.....	3	1,053.1	988.7	1,045.6	1,009.4	1,000.2	936.0	1,009.4
Taxes on production and imports.....	4	760.1	789.0	769.5	774.2	782.1	791.5	808.1
Taxes on corporate income.....	5	185.9	.....	194.2	204.9	202.9	221.6	.....
Taxes from the rest of the world.....	6	7.2	6.8	6.7	6.8	6.9	6.7	6.9
Contributions for government social insurance.....	7	750.3	774.9	755.5	768.7	772.3	776.9	781.7
Income receipts on assets.....	8	116.1	117.9	117.1	116.9	117.5	118.7	118.5
Interest and miscellaneous receipts.....	9	114.0	115.8	114.8	114.6	115.3	116.6	116.6
Dividends.....	10	2.1	2.2	2.2	2.3	2.2	2.1	2.0
Current transfer receipts.....	11	105.3	109.8	107.2	106.7	108.7	111.0	113.0
From business (net).....	12	46.8	46.8	47.1	45.4	46.2	47.3	48.1
From persons.....	13	58.6	63.1	60.1	61.3	62.5	63.7	64.9
Current surplus of government enterprises.....	14	2.8	5.0	4.1	6.3	5.8	3.7	4.2
<b>Current expenditures</b> .....	15	<b>3,224.0</b>	<b>3,425.6</b>	<b>3,296.7</b>	<b>3,354.9</b>	<b>3,435.7</b>	<b>3,452.3</b>	<b>3,459.4</b>
Consumption expenditures.....	16	1,595.4	1,707.9	1,644.9	1,681.7	1,709.8	1,718.6	1,721.4
Current transfer payments.....	17	1,271.1	1,357.5	1,296.5	1,320.2	1,352.4	1,378.3	1,378.9
Government social benefits.....	18	1,252.3	1,334.2	1,277.4	1,295.1	1,328.1	1,355.4	1,358.0
To persons.....	19	1,249.5	1,331.3	1,274.6	1,292.4	1,325.3	1,352.6	1,355.1
To the rest of the world.....	20	2.7	2.8	2.8	2.8	2.8	2.8	2.9
Other current transfer payments to the rest of the world (net).....	21	18.8	23.3	19.1	25.1	24.3	22.9	20.9
Interest payments.....	22	319.3	312.0	318.6	309.7	315.3	309.1	314.0
To persons and business.....	23	245.4	.....	248.2	242.3	250.2	243.8	.....
To the rest of the world.....	24	73.9	.....	70.5	67.4	65.1	65.3	.....
Subsidies.....	25	38.2	48.2	36.7	44.7	56.9	46.3	45.1
Less: Wage accruals less disbursements.....	26	0.0	0.0	0.0	1.4	-1.4	0.0	0.0
<b>Net government saving</b> .....	27	<b>-243.3</b>	.....	<b>-296.8</b>	<b>-361.0</b>	<b>-439.3</b>	<b>-486.3</b>	.....
Social insurance funds.....	28	51.9	41.4	46.7	49.7	39.5	38.4	37.7
Other.....	29	-295.1	.....	-343.4	-410.8	-478.9	-524.8	.....
<b>Addenda:</b>								
<b>Total receipts</b> .....	30	<b>3,013.9</b>	.....	<b>3,030.4</b>	<b>3,024.8</b>	<b>3,022.3</b>	<b>2,994.8</b>	.....
Current receipts.....	31	2,980.7	.....	2,999.9	2,993.9	2,996.3	2,966.0	.....
Capital transfer receipts.....	32	33.1	29.3	30.5	30.9	26.0	28.8	31.7
<b>Total expenditures</b> .....	33	<b>3,359.3</b>	<b>3,563.8</b>	<b>3,431.5</b>	<b>3,481.7</b>	<b>3,570.6</b>	<b>3,598.7</b>	<b>3,604.3</b>
Current expenditures.....	34	3,224.0	3,425.6	3,296.7	3,354.9	3,435.7	3,452.3	3,459.4
Gross government investment.....	35	337.1	347.8	339.0	335.8	344.5	353.5	357.5
Capital transfer payments.....	36	0.2	0.3	0.4	0.4	0.1	0.1	0.4
Net purchases of nonproduced assets.....	37	8.8	8.4	8.7	5.9	7.7	12.0	7.9
Less: Consumption of fixed capital.....	38	210.8	218.2	213.3	215.3	217.4	219.2	221.0
<b>Net lending or net borrowing (-)</b> .....	39	<b>-345.4</b>	.....	<b>-401.1</b>	<b>-456.9</b>	<b>-548.3</b>	<b>-603.9</b>	.....

**Table 3.2. Federal Government Current Receipts and Expenditures**

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Current receipts</b> .....	1	<b>1,860.7</b>	.....	<b>1,859.7</b>	<b>1,863.5</b>	<b>1,863.9</b>	<b>1,784.3</b>	.....
Current tax receipts.....	2	1,080.7	.....	1,072.7	1,060.3	1,057.1	972.1	.....
Personal current taxes.....	3	831.1	762.7	815.4	794.3	794.6	696.3	765.7
Taxes on production and imports...	4	87.6	88.0	89.0	88.3	87.7	86.3	89.8
Excise taxes.....	5	67.7	66.8	68.4	67.4	66.8	64.6	68.5
Customs duties.....	6	19.9	21.2	20.6	20.9	20.9	21.7	21.4
Taxes on corporate income.....	7	154.8	.....	161.7	171.0	167.9	182.8	.....
Federal Reserve banks.....	8	24.5	.....	22.8	22.7	22.0	20.2	.....
Other.....	9	130.3	.....	138.9	148.3	145.9	162.6	.....
Taxes from the rest of the world.....	10	7.2	6.8	6.7	6.8	6.9	6.7	6.9
Contributions for government social insurance.....	11	736.7	761.1	741.9	755.1	758.5	763.1	767.7
Income receipts on assets.....	12	20.6	24.1	22.0	22.5	23.6	24.9	25.2
Interest receipts.....	13	15.9	19.4	18.3	18.9	19.2	19.8	19.9
Rents and royalties.....	14	4.7	4.6	3.8	3.6	4.5	5.1	5.3
Current transfer receipts.....	15	25.8	26.6	25.4	26.0	26.3	26.9	27.1
From business.....	16	14.1	14.7	13.6	14.2	14.4	14.9	15.2
From persons.....	17	11.7	11.9	11.7	11.8	11.9	11.9	11.9
Current surplus of government enterprises.....	18	-3.1	-1.5	-2.3	-0.4	-1.6	-2.5	-1.5
<b>Current expenditures</b> .....	19	<b>2,100.7</b>	<b>2,263.7</b>	<b>2,156.1</b>	<b>2,184.0</b>	<b>2,288.5</b>	<b>2,283.7</b>	<b>2,298.6</b>
Consumption expenditures.....	20	590.8	662.6	620.7	635.9	668.9	672.3	673.2
Current transfer payments.....	21	1,243.4	1,334.4	1,270.8	1,287.3	1,339.5	1,348.9	1,361.9
Government social benefits.....	22	920.0	972.1	935.4	951.5	969.7	979.7	987.6
To persons.....	23	917.3	969.3	932.6	948.7	966.8	976.9	984.7
To the rest of the world.....	24	2.7	2.8	2.8	2.8	2.8	2.8	2.9
Other current transfer payments.....	25	323.4	362.3	335.4	335.9	369.8	369.2	374.3
Grants-in-aid to state and local governments.....	26	304.6	339.0	316.4	310.8	345.5	346.3	353.3
To the rest of the world (net).....	27	18.8	23.3	19.1	25.1	24.3	22.9	20.9
Interest payments.....	28	229.3	218.8	227.6	217.7	222.5	215.6	219.6
To persons and business.....	29	155.4	.....	157.2	150.3	157.4	150.3	.....
To the rest of the world.....	30	73.9	.....	70.5	67.4	65.1	65.3	.....
Subsidies.....	31	37.2	47.9	37.0	44.5	56.3	47.0	43.9
Less: Wage accruals less disbursements.....	32	0.0	0.0	0.0	1.4	-1.4	0.0	0.0
<b>Net Federal Government saving</b> .....	33	<b>-240.0</b>	.....	<b>-296.3</b>	<b>-320.4</b>	<b>-424.7</b>	<b>-499.4</b>	.....
Social insurance funds.....	34	48.5	37.9	43.3	46.4	36.1	35.0	34.2
Other.....	35	-288.5	.....	-339.7	-366.8	-460.8	-534.4	.....
<b>Addenda:</b>								
<b>Total receipts</b> .....	36	<b>1,886.2</b>	.....	<b>1,882.8</b>	<b>1,887.1</b>	<b>1,882.6</b>	<b>1,806.0</b>	.....
Current receipts.....	37	1,860.7	.....	1,859.7	1,863.5	1,863.9	1,784.3	.....
Capital transfer receipts.....	38	25.6	22.1	23.0	23.5	18.7	21.7	24.6
<b>Total expenditures</b> .....	39	<b>2,144.8</b>	<b>2,312.5</b>	<b>2,198.5</b>	<b>2,215.7</b>	<b>2,339.9</b>	<b>2,344.5</b>	<b>2,350.1</b>
Current expenditures.....	40	2,100.7	2,263.7	2,156.1	2,184.0	2,288.5	2,283.7	2,298.6
Gross government investment.....	41	88.7	95.0	89.3	87.1	95.8	97.3	99.9
Capital transfer payments.....	42	44.3	44.9	42.9	37.3	47.1	51.3	44.1
Net purchases of nonproduced assets.....	43	0.2	-0.2	0.1	-2.7	-1.0	3.4	-0.7
Less: Consumption of fixed capital.....	44	89.1	90.9	89.8	90.0	90.5	91.3	91.8
<b>Net lending or net borrowing (-)</b> .....	45	<b>-258.6</b>	.....	<b>-315.8</b>	<b>-328.6</b>	<b>-457.3</b>	<b>-538.5</b>	.....

**Table 3.3. State and Local Government Current Receipts and Expenditures**

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Current receipts</b> .....	1	<b>1,424.7</b>	.....	<b>1,456.6</b>	<b>1,441.2</b>	<b>1,477.9</b>	<b>1,528.0</b>	.....
Current tax receipts.....	2	925.5	.....	943.3	935.0	934.9	983.6	.....
Personal current taxes.....	3	221.9	226.0	230.3	215.1	205.6	239.7	243.7
Income taxes.....	4	201.7	205.1	209.6	194.6	185.2	218.4	222.2
Other.....	5	20.2	20.9	20.7	20.5	20.4	21.3	21.5
Taxes on production and imports.....	6	672.5	700.9	680.5	685.9	694.4	705.1	718.3
Sales taxes.....	7	328.8	340.8	329.7	332.3	337.5	343.2	350.4
Property taxes.....	8	291.0	304.3	297.9	299.4	301.6	305.5	310.6
Other.....	9	52.6	55.8	52.9	54.3	55.2	56.5	57.4
Taxes on corporate income.....	10	31.1	.....	32.5	33.9	35.0	38.8	.....
Contributions for government social insurance.....	11	13.5	13.8	13.6	13.7	13.8	13.9	14.0
Income receipts on assets.....	12	95.5	93.9	95.0	94.4	93.9	93.9	93.3
Interest receipts.....	13	86.0	84.0	85.3	84.5	84.0	83.9	83.4
Dividends.....	14	2.1	2.2	2.2	2.3	2.2	2.1	2.0
Rents and royalties.....	15	7.4	7.8	7.5	7.6	7.7	7.8	7.9
Current transfer receipts.....	16	384.2	422.3	398.2	391.5	427.9	430.4	439.2
Federal grants-in-aid.....	17	304.6	339.0	316.4	310.8	345.5	346.3	353.3
From business (net).....	18	32.7	32.1	33.4	31.3	31.8	32.4	32.9
From persons.....	19	46.9	51.2	48.4	49.5	50.6	51.7	52.9
Current surplus of government enterprises.....	20	5.9	6.5	6.5	6.6	7.4	6.2	5.6
<b>Current expenditures</b> .....	21	<b>1,427.9</b>	<b>1,500.9</b>	<b>1,457.0</b>	<b>1,481.8</b>	<b>1,492.6</b>	<b>1,514.9</b>	<b>1,514.2</b>
Consumption expenditures.....	22	1,004.6	1,045.3	1,024.2	1,045.8	1,040.9	1,046.3	1,048.2
Government social benefit payments to persons.....	23	332.3	362.1	342.1	343.7	358.4	375.7	370.4
Interest payments.....	24	89.9	93.2	91.0	92.0	92.7	93.5	94.4
Subsidies.....	25	1.0	0.3	-0.3	0.3	0.6	-0.7	1.2
Less: Wage accruals less disbursements.....	26	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net state and local government saving</b> .....	27	<b>-3.2</b>	.....	<b>-0.4</b>	<b>-40.6</b>	<b>-14.7</b>	<b>13.1</b>	.....
Social insurance funds.....	28	3.4	3.4	3.4	3.4	3.4	3.5	3.5
Other.....	29	-6.6	.....	-3.8	-44.0	-18.1	9.6	.....
<b>Addenda:</b>								
<b>Total receipts</b> .....	30	<b>1,476.3</b>	.....	<b>1,506.5</b>	<b>1,485.4</b>	<b>1,532.1</b>	<b>1,586.3</b>	.....
Current receipts.....	31	1,424.7	.....	1,456.6	1,441.2	1,477.9	1,528.0	.....
Capital transfer receipts.....	32	51.7	51.9	50.0	44.2	54.2	58.3	50.7
<b>Total expenditures</b> .....	33	<b>1,563.2</b>	<b>1,634.9</b>	<b>1,591.8</b>	<b>1,613.7</b>	<b>1,623.1</b>	<b>1,651.7</b>	<b>1,651.2</b>
Current expenditures.....	34	1,427.9	1,500.9	1,457.0	1,481.8	1,492.6	1,514.9	1,514.2
Gross government investment.....	35	248.4	252.8	249.7	248.7	248.7	256.2	257.6
Capital transfer payments.....	36	.....	.....	.....	.....	.....	.....	.....
Net purchases of nonproduced assets.....	37	8.6	8.6	8.6	8.6	8.6	8.6	8.6
Less: Consumption of fixed capital.....	38	121.7	127.3	123.5	125.3	126.9	127.9	129.2
<b>Net lending or net borrowing (-)</b> .....	39	<b>-86.9</b>	.....	<b>-85.3</b>	<b>-128.3</b>	<b>-90.9</b>	<b>-65.4</b>	.....

**Table 3.9.1 Percent Change From Preceding Period in Real Government Consumption Expenditures and Gross Investment**  
[Percent]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Government consumption expenditures and gross investment</b> .....	1	3.8	3.4	7.1	-0.4	7.4	1.8	0.8
Consumption expenditures <sup>1</sup> .....	2	3.6	3.7	9.3	0.8	7.1	0.1	0.2
Gross investment <sup>2</sup> .....	3	5.0	1.9	-2.7	-5.9	9.0	10.4	3.7
Structures.....	4	3.8	-0.2	0.8	-6.8	-1.9	14.4	-0.6
Equipment and software.....	5	7.3	5.4	-8.4	-4.4	30.2	4.0	11.3
<b>Federal</b> .....	6	7.9	8.8	18.2	-0.2	23.5	1.2	1.6
Consumption expenditures.....	7	7.6	9.0	22.9	1.1	20.5	0.6	0.2
Gross investment.....	8	9.9	7.3	-9.1	-8.7	46.3	5.7	12.0
Structures.....	9	7.5	2.7	4.6	-10.9	19.3	13.9	-16.2
Equipment and software.....	10	10.4	8.2	-11.5	-8.2	52.2	4.3	18.2
<b>National defense</b> .....	11	8.9	10.6	22.1	-5.6	41.9	-1.3	4.2
Consumption expenditures.....	12	8.4	10.9	28.2	-4.8	41.9	-4.7	4.3
Gross investment.....	13	11.7	8.7	-12.6	-11.2	42.1	26.4	3.8
Structures.....	14	-5.1	6.5	-4.4	3.3	-8.8	67.0	6.7
Equipment and software.....	15	13.4	8.9	-13.3	-12.4	47.6	23.5	3.5
<b>Nondefense</b> .....	16	6.2	5.3	11.4	10.5	-5.0	6.5	-3.3
Consumption expenditures.....	17	6.1	5.4	13.7	12.8	-11.7	11.9	-7.4
Gross investment.....	18	7.0	4.9	-2.6	-4.1	53.7	-22.8	28.7
Structures.....	19	14.2	1.1	8.9	-16.7	34.4	-4.1	-25.9
Equipment and software.....	20	4.2	6.6	-7.3	2.1	62.8	-29.8	62.0
<b>State and local</b> .....	21	1.8	0.5	1.5	-0.5	-0.8	2.1	0.4
Consumption expenditures.....	22	1.4	0.7	1.9	0.6	-0.5	-0.3	0.3
Gross investment.....	23	3.4	0.0	-0.3	-4.9	-2.2	12.2	0.7
Structures.....	24	3.5	-0.4	0.5	-6.5	-3.3	14.4	0.7
Equipment and software.....	25	3.0	1.4	-3.5	1.5	2.5	3.6	0.9

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).  
2. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

**Table 3.9.2 Contributions to Percent Change in Real Government Consumption Expenditures and Gross Investment**

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Percent change at annual rate:</b>								
<b>Government consumption expenditures and gross investment</b> .....	1	3.8	3.4	7.1	-0.4	7.4	1.8	0.8
<b>Percentage points at annual rates:</b>								
Consumption expenditures <sup>1</sup> .....	2	2.96	3.08	7.59	0.64	5.95	0.07	0.21
Gross investment <sup>2</sup> .....	3	0.88	0.33	-0.47	-1.03	1.49	1.68	0.63
Structures.....	4	0.41	-0.01	0.09	-0.75	-0.19	1.43	-0.06
Equipment and software.....	5	0.46	0.34	-0.56	-0.28	1.68	0.25	0.69
<b>Federal</b> .....	6	2.68	3.07	6.13	-0.06	7.95	0.46	0.60
Consumption expenditures.....	7	2.24	2.73	6.56	0.34	6.20	0.20	0.06
Gross investment.....	8	0.44	0.33	-0.43	-0.40	1.75	0.26	0.54
Structures.....	9	0.05	0.03	0.03	-0.08	0.13	0.10	-0.13
Equipment and software.....	10	0.38	0.31	-0.47	-0.32	1.62	0.16	0.67
<b>National defense</b> .....	11	1.92	2.41	4.74	-1.33	8.59	-0.33	1.02
Consumption expenditures.....	12	1.60	2.16	5.13	-1.00	7.57	-1.03	0.90
Gross investment.....	13	0.32	0.25	-0.39	-0.33	1.02	0.70	0.11
Structures.....	14	-0.01	0.01	-0.01	0.01	-0.02	0.12	0.02
Equipment and software.....	15	0.33	0.23	-0.38	-0.34	1.04	0.58	0.10
<b>Nondefense</b> .....	16	0.76	0.66	1.39	1.27	-0.64	0.79	-0.42
Consumption expenditures.....	17	0.64	0.57	1.43	1.34	-1.37	1.23	-0.84
Gross investment.....	18	0.12	0.09	-0.04	-0.07	0.73	-0.44	0.42
Structures.....	19	0.07	0.01	0.04	-0.09	0.15	-0.02	-0.15
Equipment and software.....	20	0.05	0.08	-0.09	0.02	0.58	-0.42	0.57
<b>State and local</b> .....	21	1.16	0.34	0.99	-0.32	-0.52	1.29	0.24
Consumption expenditures.....	22	0.73	0.34	1.03	0.31	-0.25	-0.13	0.15
Gross investment.....	23	0.44	0.00	-0.04	-0.63	-0.26	1.42	0.09
Structures.....	24	0.36	-0.04	0.05	-0.66	-0.32	1.33	0.07
Equipment and software.....	25	0.08	0.04	-0.09	0.04	0.06	0.09	0.02

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).  
2. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

**Table 3.9.3 Real Government Consumption Expenditures and Gross Investment, Quantity Indexes**  
[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002		2003		
				IV	I	II	III	IV
<b>Government consumption expenditures and gross investment</b> .....	1	106.697	110.334	108.666	108.563	110.527	111.008	111.240
Consumption expenditures <sup>1</sup> .....	2	106.484	110.460	108.802	109.012	110.903	110.927	110.996
Gross investment <sup>2</sup> .....	3	107.708	109.727	108.004	106.373	108.695	111.406	112.432
Structures.....	4	105.335	105.156	105.633	103.797	103.309	106.838	106.682
Equipment and software.....	5	111.807	117.892	112.084	110.835	118.384	119.548	122.801
<b>Federal</b> .....	6	111.958	121.761	116.764	116.713	123.025	123.406	123.900
Consumption expenditures.....	7	111.858	121.914	117.274	117.589	123.212	123.401	123.453
Gross investment.....	8	112.661	120.846	113.343	110.805	121.869	123.581	127.129
Structures.....	9	101.285	104.066	103.055	100.118	104.634	108.099	103.413
Equipment and software.....	10	115.019	124.403	115.457	113.010	125.522	126.835	132.245
<b>National defense</b> .....	11	113.086	125.114	118.672	116.972	127.675	127.247	128.565
Consumption expenditures.....	12	112.664	124.977	118.810	117.355	128.087	126.569	127.899
Gross investment.....	13	116.016	126.099	117.620	114.165	124.649	132.174	133.407
Structures.....	14	83.881	89.310	84.027	84.714	82.781	94.099	95.647
Equipment and software.....	15	119.829	130.478	121.611	117.644	129.677	136.701	137.890
<b>Nondefense</b> .....	16	109.956	115.814	113.381	116.252	114.781	116.596	115.629
Consumption expenditures.....	17	110.398	116.379	114.500	118.011	114.406	117.676	115.423
Gross investment.....	18	107.396	112.623	106.644	105.540	117.511	110.132	117.308
Structures.....	19	111.891	112.884	114.431	109.325	117.704	116.644	108.042
Equipment and software.....	20	105.662	112.598	103.484	104.024	117.497	107.540	121.333
<b>State and local</b> .....	21	104.047	104.592	104.593	104.463	104.248	104.779	104.880
Consumption expenditures.....	22	103.568	104.250	104.207	104.361	104.231	104.165	104.243
Gross investment.....	23	106.021	105.998	106.184	104.857	104.288	107.326	107.522
Structures.....	24	105.641	105.241	105.830	104.076	103.212	106.746	106.931
Equipment and software.....	25	107.398	108.897	107.454	107.866	108.523	109.480	109.721

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).  
2. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

**Table 3.9.4 Price Indexes for Government Consumption Expenditures and Gross Investment**  
[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002		2003		
				IV	I	II	III	IV
<b>Government consumption expenditures and gross investment</b> .....	1	105.207	108.229	106.055	107.951	107.966	108.433	108.564
Consumption expenditures <sup>1</sup> .....	2	105.729	109.117	106.696	108.872	108.802	109.342	109.453
Gross investment <sup>2</sup> .....	3	102.783	104.091	103.085	103.655	104.080	104.201	104.429
Structures.....	4	106.492	109.308	107.148	108.360	109.302	109.487	110.084
Equipment and software.....	5	96.856	95.870	96.614	96.192	95.847	95.875	95.567
<b>Federal</b> .....	6	104.858	107.501	105.066	107.032	107.399	107.755	107.818
Consumption expenditures.....	7	105.775	108.843	106.006	108.306	108.733	109.113	109.219
Gross investment.....	8	99.068	98.956	99.150	98.918	98.901	99.107	98.899
Structures.....	9	106.114	109.062	106.901	108.022	108.710	109.261	110.255
Equipment and software.....	10	97.759	97.114	97.718	97.245	97.106	97.254	96.849
<b>National defense</b> .....	11	104.666	107.418	104.941	106.968	107.300	107.654	107.749
Consumption expenditures.....	12	105.643	108.802	105.926	108.295	108.677	109.057	109.180
Gross investment.....	13	98.279	98.310	98.512	98.249	98.237	98.417	98.336
Structures.....	14	106.402	109.393	107.140	108.363	109.045	109.536	110.626
Equipment and software.....	15	97.494	97.292	97.688	97.306	97.241	97.397	97.225
<b>Nondefense</b> .....	16	105.208	107.653	105.293	107.148	107.581	107.942	107.941
Consumption expenditures.....	17	106.021	108.919	106.153	108.329	108.838	109.218	109.292
Gross investment.....	18	100.356	99.995	100.176	100.000	99.973	100.226	99.779
Structures.....	19	105.966	108.893	106.774	107.849	108.539	109.118	110.064
Equipment and software.....	20	98.270	96.624	97.704	97.025	96.724	96.851	95.895
<b>State and local</b> .....	21	105.382	108.603	106.580	108.435	108.246	108.778	108.951
Consumption expenditures.....	22	105.694	109.258	107.095	109.195	108.813	109.456	109.569
Gross investment.....	23	104.116	105.966	104.502	105.372	105.971	106.056	106.644
Structures.....	24	106.518	109.324	107.164	108.383	109.344	109.501	110.068
Equipment and software.....	25	95.616	94.128	95.086	94.734	94.084	93.925	93.770

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).  
2. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

**Table 3.9.5 Government Consumption Expenditures and Gross Investment**  
[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Government consumption expenditures and gross investment</b> .....	<b>1</b>	<b>1,932.5</b>	<b>2,055.7</b>	<b>1,983.9</b>	<b>2,017.4</b>	<b>2,054.2</b>	<b>2,072.1</b>	<b>2,079.0</b>
Consumption expenditures <sup>1</sup> .....	2	1,595.4	1,707.9	1,644.9	1,681.7	1,709.8	1,718.6	1,721.4
Gross investment <sup>2</sup> .....	3	337.1	347.8	339.0	335.8	344.5	353.5	357.5
Structures .....	4	212.4	217.6	214.3	212.9	213.8	221.5	222.3
Equipment and software .....	5	124.7	130.2	124.7	122.8	130.7	132.0	135.2
<b>Federal</b> .....	<b>6</b>	<b>679.5</b>	<b>757.6</b>	<b>710.0</b>	<b>723.0</b>	<b>764.7</b>	<b>769.6</b>	<b>773.1</b>
Consumption expenditures .....	7	590.8	662.6	620.7	635.9	668.9	672.3	673.2
Gross investment .....	8	88.7	95.0	89.3	87.1	95.8	97.3	99.9
Structures .....	9	14.3	15.1	14.6	14.4	15.1	15.7	15.2
Equipment and software .....	10	74.4	79.9	74.7	72.7	80.7	81.6	84.8
<b>National defense</b> .....	<b>11</b>	<b>438.3</b>	<b>497.7</b>	<b>461.1</b>	<b>463.3</b>	<b>507.3</b>	<b>507.2</b>	<b>512.9</b>
Consumption expenditures .....	12	382.7	437.2	404.6	408.6	447.5	443.7	448.9
Gross investment .....	13	55.7	60.5	56.6	54.7	59.8	63.5	64.0
Structures .....	14	4.4	4.9	4.5	4.6	4.5	5.1	5.3
Equipment and software .....	15	51.2	55.7	52.1	50.2	55.3	58.4	58.8
<b>Nondefense</b> .....	<b>16</b>	<b>241.2</b>	<b>259.9</b>	<b>248.9</b>	<b>259.7</b>	<b>257.4</b>	<b>262.4</b>	<b>260.2</b>
Consumption expenditures .....	17	208.1	225.4	216.1	227.3	221.4	228.5	224.3
Gross investment .....	18	33.0	34.5	32.7	32.4	36.0	33.8	35.9
Structures .....	19	9.9	10.2	10.2	9.8	10.6	10.6	9.9
Equipment and software .....	20	23.2	24.3	22.6	22.5	25.4	23.3	26.0
<b>State and local</b> .....	<b>21</b>	<b>1,253.1</b>	<b>1,298.1</b>	<b>1,273.9</b>	<b>1,294.5</b>	<b>1,289.6</b>	<b>1,302.5</b>	<b>1,305.8</b>
Consumption expenditures .....	22	1,004.6	1,045.3	1,024.2	1,045.8	1,040.9	1,046.3	1,048.2
Gross investment .....	23	248.4	252.8	249.7	248.7	248.7	256.2	257.6
Structures .....	24	198.1	202.5	199.6	198.6	198.7	205.8	207.2
Equipment and software .....	25	50.3	50.2	50.1	50.1	50.0	50.4	50.4

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

**Table 3.9.6. Real Government Consumption Expenditures and Gross Investment, Chained Dollars**  
[Billions of chained (2000) dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Government consumption expenditures and gross investment</b> .....	<b>1</b>	<b>1,836.9</b>	<b>1,899.5</b>	<b>1,870.8</b>	<b>1,869.0</b>	<b>1,902.8</b>	<b>1,911.1</b>	<b>1,915.1</b>
Consumption expenditures <sup>1</sup> .....	2	1,509.0	1,565.3	1,541.8	1,544.8	1,571.6	1,571.9	1,572.9
Gross investment <sup>2</sup> .....	3	328.0	334.1	328.9	323.9	331.0	339.2	342.4
Structures .....	4	199.4	199.1	200.0	196.5	195.6	202.3	202.0
Equipment and software .....	5	128.8	135.8	129.1	127.7	136.4	137.7	141.5
<b>Federal</b> .....	<b>6</b>	<b>648.0</b>	<b>704.7</b>	<b>675.8</b>	<b>675.5</b>	<b>712.0</b>	<b>714.3</b>	<b>717.1</b>
Consumption expenditures .....	7	558.5	608.7	585.6	587.1	615.2	616.2	616.4
Gross investment .....	8	89.5	96.0	90.1	88.1	96.8	98.2	101.0
Structures .....	9	13.5	13.8	13.7	13.3	13.9	14.4	13.7
Equipment and software .....	10	76.1	82.3	76.4	74.8	83.1	83.9	87.5
<b>National defense</b> .....	<b>11</b>	<b>418.8</b>	<b>463.3</b>	<b>439.5</b>	<b>433.2</b>	<b>472.8</b>	<b>471.2</b>	<b>476.1</b>
Consumption expenditures .....	12	362.2	401.8	382.0	377.3	411.8	406.9	411.2
Gross investment .....	13	56.6	61.6	57.4	55.7	60.8	64.5	65.1
Structures .....	14	4.2	4.4	4.2	4.2	4.1	4.7	4.8
Equipment and software .....	15	52.5	57.2	53.3	51.6	56.9	59.9	60.5
<b>Nondefense</b> .....	<b>16</b>	<b>229.2</b>	<b>241.4</b>	<b>236.4</b>	<b>242.4</b>	<b>239.3</b>	<b>243.1</b>	<b>241.1</b>
Consumption expenditures .....	17	196.3	206.9	203.6	209.9	203.4	209.3	205.2
Gross investment .....	18	32.9	34.5	32.7	32.4	36.0	33.8	36.0
Structures .....	19	9.3	9.4	9.5	9.1	9.8	9.7	9.0
Equipment and software .....	20	23.6	25.1	23.1	23.2	26.2	24.0	27.1
<b>State and local</b> .....	<b>21</b>	<b>1,189.1</b>	<b>1,195.3</b>	<b>1,195.3</b>	<b>1,193.8</b>	<b>1,191.4</b>	<b>1,197.4</b>	<b>1,198.6</b>
Consumption expenditures .....	22	950.5	956.8	956.4	957.8	956.6	956.0	956.7
Gross investment .....	23	238.6	238.5	239.0	236.0	234.7	241.5	242.0
Structures .....	24	186.0	185.3	186.3	183.2	181.7	187.9	188.2
Equipment and software .....	25	52.6	53.4	52.7	52.9	53.2	53.7	53.8
Residual .....	26	-0.3	-0.8	-0.3	-0.2	-0.9	-1.0	-1.4

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 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 3.10.1. Percent Change From Preceding Period in Real Government Consumption Expenditures and General Government Gross Output**  
[Percent]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Government consumption expenditures<sup>1</sup></b> .....	1	<b>3.6</b>	<b>3.7</b>	<b>9.3</b>	<b>0.8</b>	<b>7.1</b>	<b>0.1</b>	<b>0.2</b>
Gross output of general government .....	2	3.6	3.6	7.6	1.1	7.0	0.4	0.8
Value added .....	3	1.6	1.4	2.4	1.7	1.1	0.1	0.5
Compensation of general government employees .....	4	1.5	1.2	2.4	1.5	0.8	-0.4	0.1
Consumption of general government fixed capital <sup>2</sup> .....	5	2.3	2.5	2.4	2.5	2.6	2.6	2.8
Intermediate goods and services purchased <sup>3</sup> .....	6	7.3	7.5	17.1	0.1	17.4	1.0	1.2
Durable goods .....	7	3.3	4.6	-9.9	-11.3	42.1	1.2	3.5
Nondurable goods .....	8	4.8	2.2	1.4	0.5	7.6	-0.8	3.4
Services .....	9	8.5	9.5	25.7	1.1	18.7	1.6	0.3
Less: Own-account investment <sup>4</sup> .....	10	1.0	2.4	-4.5	-3.8	3.4	2.4	44.3
Sales to other sectors .....	11	4.1	3.2	-1.1	3.4	6.4	2.4	1.0
<b>Federal consumption expenditures</b> .....	12	<b>7.6</b>	<b>9.0</b>	<b>22.9</b>	<b>1.1</b>	<b>20.5</b>	<b>0.6</b>	<b>0.2</b>
Gross output of general government .....	13	7.4	8.9	20.1	1.2	21.7	0.1	0.4
Value added .....	14	1.7	3.3	4.9	4.3	5.0	0.0	-0.3
Compensation of general government employees .....	15	2.0	3.8	6.0	5.1	6.0	-0.6	-1.2
Consumption of general government fixed capital .....	16	0.7	1.7	1.3	1.7	2.0	2.2	2.7
Intermediate goods and services purchased .....	17	16.1	16.4	43.5	-2.5	46.2	0.2	1.2
Durable goods .....	18	5.4	7.7	-18.2	-20.6	88.3	1.3	6.0
Nondurable goods .....	19	13.2	-0.9	-7.9	-10.9	45.8	-19.4	10.8
Services .....	20	17.9	19.4	60.9	0.6	42.2	2.1	-0.1
Less: Own-account investment .....	21	-0.9	9.6	-11.9	4.7	6.3	-24.2	360.0
Sales to other sectors .....	22	-10.7	-7.6	-92.0	28.8	467.0	-33.7	-77.6
<b>Defense consumption expenditures</b> .....	23	<b>8.4</b>	<b>10.9</b>	<b>28.2</b>	<b>-4.8</b>	<b>41.9</b>	<b>-4.7</b>	<b>4.3</b>
Gross output of general government .....	24	8.4	10.7	24.1	-4.6	42.5	-4.6	4.0
Value added .....	25	1.4	3.3	-0.3	6.2	8.0	1.1	-0.3
Compensation of general government employees .....	26	2.1	4.2	-0.7	8.2	10.6	0.9	-1.0
Consumption of general government fixed capital .....	27	-0.2	1.0	0.6	1.2	1.2	1.4	1.8
Intermediate goods and services purchased .....	28	18.8	20.2	62.1	-16.0	95.5	-10.4	8.8
Durable goods .....	29	4.3	8.8	-20.9	-18.2	100.3	-0.6	3.7
Nondurable goods .....	30	12.7	-4.5	-13.4	30.7	8.0	-48.1	19.0
Services .....	31	22.4	24.3	92.2	-18.5	103.7	-8.7	9.0
Less: Own-account investment .....	32	28.3	11.9	15.5	0.2	6.3	-18.9	306.6
Sales to other sectors .....	33	-8.5	-29.2	-99.7	104.3	680.6	17.0	-97.0
<b>Nondefense consumption expenditures</b> .....	34	<b>6.1</b>	<b>5.4</b>	<b>13.7</b>	<b>12.8</b>	<b>-11.7</b>	<b>11.9</b>	<b>-7.4</b>
Gross output of general government .....	35	5.5	5.5	13.2	12.7	-9.5	10.1	-6.2
Value added .....	36	2.1	3.3	14.2	1.1	0.2	-1.7	-0.3
Compensation of general government employees .....	37	1.9	3.3	16.8	0.7	-0.5	-2.8	-1.4
Consumption of general government fixed capital .....	38	3.0	3.4	3.1	2.9	4.0	4.1	5.0
Intermediate goods and services purchased .....	39	11.0	8.8	11.7	32.1	-22.1	29.8	-14.1
Durable goods .....	40	18.0	-4.8	17.0	-42.9	-13.4	31.8	39.2
Nondurable goods .....	41	.....	.....	.....	.....	.....	.....	.....
Commodity Credit Corporation inventory change .....	42	.....	.....	.....	.....	.....	.....	.....
Other nondurable goods .....	43	22.0	4.2	7.7	-36.8	63.3	39.2	3.6
Services .....	44	10.4	10.2	13.8	51.0	-32.0	31.4	-17.8
Less: Own-account investment .....	45	-17.5	7.5	-30.6	9.0	6.3	-28.9	415.3
Sales to other sectors .....	46	-12.3	8.0	23.5	6.5	386.8	-51.9	-45.3
<b>State and local consumption expenditures</b> .....	47	<b>1.4</b>	<b>0.7</b>	<b>1.9</b>	<b>0.6</b>	<b>-0.5</b>	<b>-0.3</b>	<b>0.3</b>
Gross output of general government .....	48	2.0	1.2	2.2	1.0	0.4	0.6	1.0
Value added .....	49	1.6	0.6	1.4	0.6	-0.5	0.1	0.9
Compensation of general government employees .....	50	1.3	0.3	1.1	0.3	-1.0	-0.3	0.6
Consumption of general government fixed capital .....	51	3.9	3.3	3.4	3.3	3.1	3.0	2.9
Intermediate goods and services purchased .....	52	2.7	2.4	3.7	1.8	2.1	1.6	1.2
Durable goods .....	53	1.0	1.0	1.6	1.1	0.7	1.0	0.3
Nondurable goods .....	54	3.5	2.7	3.0	2.4	2.5	2.5	2.3
Services .....	55	2.5	2.3	4.1	1.6	2.0	1.2	0.6
Less: Own-account investment .....	56	1.4	0.6	-2.5	-5.9	2.7	10.5	3.2
Sales to other sectors .....	57	4.4	3.4	3.4	3.1	3.6	3.3	3.3
Tuition and related educational charges .....	58	1.5	2.4	2.9	2.7	2.7	2.7	2.7
Health and hospital charges .....	59	5.0	2.9	2.2	2.7	2.7	2.7	2.7
Other sales .....	60	5.3	4.9	5.6	3.9	5.4	4.5	4.5

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.

4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software in table 3.9.5.

**Table 3.10.3. Real Government Consumption Expenditures and General Government Gross Output, Quantity Indexes**

[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Government consumption expenditures<sup>1</sup></b>	<b>1</b>	<b>106.484</b>	<b>110.460</b>	<b>108.802</b>	<b>109.012</b>	<b>110.903</b>	<b>110.927</b>	<b>110.996</b>
Gross output of general government	2	106.763	110.658	108.856	109.151	111.009	111.130	111.343
Value added	3	103.345	104.789	104.106	104.534	104.816	104.836	104.971
Compensation of general government employees	4	103.070	104.310	103.801	104.188	104.402	104.308	104.341
Consumption of general government fixed capital <sup>2</sup>	5	104.883	107.532	105.815	106.482	107.167	107.867	108.612
Intermediate goods and services purchased <sup>3</sup>	6	113.061	121.553	117.654	117.698	122.510	122.821	123.183
Durable goods	7	106.859	111.803	107.376	104.212	113.779	114.115	115.108
Nondurable goods	8	110.332	112.755	110.959	111.103	113.144	112.908	113.864
Services	9	114.648	125.592	121.002	121.343	126.647	127.144	127.235
Less: Own-account investment <sup>4</sup>	10	109.731	112.393	109.790	108.725	109.649	110.307	120.890
Sales to other sectors	11	108.262	111.757	109.137	110.053	111.783	112.454	112.739
<b>Federal consumption expenditures</b>	<b>12</b>	<b>111.858</b>	<b>121.914</b>	<b>117.274</b>	<b>117.589</b>	<b>123.212</b>	<b>123.401</b>	<b>123.453</b>
Gross output of general government	13	111.330	121.198	116.386	116.744	122.622	122.654	122.774
Value added	14	101.930	105.296	103.255	104.342	105.632	105.643	105.566
Compensation of general government employees	15	102.174	106.081	103.788	105.085	106.622	106.464	106.152
Consumption of general government fixed capital	16	101.177	102.854	101.608	102.034	102.530	103.088	103.765
Intermediate goods and services purchased	17	126.895	147.736	138.210	137.337	151.007	151.074	151.527
Durable goods	18	107.880	115.942	108.246	102.168	119.684	120.079	121.838
Nondurable goods	19	123.429	122.329	119.674	116.284	127.780	121.061	124.192
Services	20	130.280	155.595	144.969	145.178	158.544	159.353	159.305
Less: Own-account investment	21	121.298	132.909	120.830	122.213	124.097	115.774	169.553
Sales to other sectors	22	66.494	61.455	47.156	50.238	77.522	69.947	48.114
<b>Defense consumption expenditures</b>	<b>23</b>	<b>112.664</b>	<b>124.977</b>	<b>118.810</b>	<b>117.355</b>	<b>128.087</b>	<b>126.569</b>	<b>127.899</b>
Gross output of general government	24	112.715	124.810	118.511	117.121	127.970	126.457	127.693
Value added	25	101.657	105.034	101.852	103.407	105.418	105.696	105.615
Compensation of general government employees	26	102.711	107.032	102.922	104.972	107.647	107.895	107.614
Consumption of general government fixed capital	27	99.107	100.072	99.265	99.566	99.857	100.214	100.650
Intermediate goods and services purchased	28	130.598	157.020	145.547	139.332	164.759	160.295	163.695
Durable goods	29	105.743	115.042	105.731	100.561	119.628	119.441	120.537
Nondurable goods	30	115.417	110.249	108.868	116.402	118.676	100.722	105.195
Services	31	138.001	171.553	158.546	150.644	179.963	175.894	179.710
Less: Own-account investment	32	163.043	182.487	167.824	167.903	170.482	161.800	229.762
Sales to other sectors	33	91.911	65.071	42.436	50.733	84.799	88.187	36.563
<b>Nondefense consumption expenditures</b>	<b>34</b>	<b>110.398</b>	<b>116.379</b>	<b>114.500</b>	<b>118.011</b>	<b>114.406</b>	<b>117.676</b>	<b>115.423</b>
Gross output of general government	35	108.891	114.844	112.647	116.073	113.217	115.964	114.122
Value added	36	102.398	105.750	105.654	105.943	106.004	105.562	105.491
Compensation of general government employees	37	101.379	104.676	105.063	105.252	105.108	104.351	103.993
Consumption of general government fixed capital	38	106.978	110.663	108.180	108.955	110.033	111.154	112.510
Intermediate goods and services purchased	39	120.093	130.632	124.723	133.716	125.630	134.098	129.085
Durable goods	40	132.912	126.590	141.354	122.865	118.537	127.010	137.948
Nondurable goods	41	.....	.....	.....	.....	.....	.....	.....
Commodity Credit Corporation inventory change	42	.....	.....	.....	.....	.....	.....	.....
Other nondurable goods	43	144.492	150.592	146.971	131.028	148.114	160.890	162.335
Services	44	117.862	129.853	123.108	136.464	123.925	132.687	126.338
Less: Own-account investment	45	98.831	106.239	95.560	97.635	99.146	91.028	137.149
Sales to other sectors	46	55.699	60.170	49.502	50.291	74.700	62.195	53.492
<b>State and local consumption expenditures</b>	<b>47</b>	<b>103.568</b>	<b>104.250</b>	<b>104.207</b>	<b>104.361</b>	<b>104.231</b>	<b>104.165</b>	<b>104.243</b>
Gross output of general government	48	104.753	106.028	105.546	105.813	105.908	106.068	106.323
Value added	49	103.935	104.580	104.462	104.617	104.477	104.501	104.724
Compensation of general government employees	50	103.381	103.680	103.802	103.870	103.613	103.541	103.696
Consumption of general government fixed capital	51	108.421	111.992	109.829	110.726	111.587	112.422	113.232
Intermediate goods and services purchased	52	106.330	108.844	107.648	108.134	108.689	109.118	109.435
Durable goods	53	105.896	106.916	106.351	106.631	106.805	107.071	107.159
Nondurable goods	54	108.404	111.364	109.683	110.336	111.024	111.724	112.371
Services	55	105.359	107.768	106.760	107.180	107.699	108.010	108.184
Less: Own-account investment	56	107.211	107.864	107.386	105.775	106.484	109.166	110.033
Sales to other sectors	57	109.505	113.250	110.974	111.827	112.810	113.720	114.645
Tuition and related educational charges	58	103.924	106.465	104.683	105.391	106.104	106.822	107.544
Health and hospital charges	59	111.310	114.488	112.571	113.333	114.099	114.872	115.649
Other sales	60	110.414	115.868	112.684	113.779	115.289	116.551	117.854

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.

4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software in table 3.9.5.

**Table 3.10.4. Price Indexes for Government Consumption Expenditures and  
General Government Gross Output**

[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Government consumption expenditures<sup>1</sup></b> .....	1	<b>105.729</b>	<b>109.117</b>	<b>106.696</b>	<b>108.872</b>	<b>108.802</b>	<b>109.342</b>	<b>109.453</b>
Gross output of general government .....	2	105.865	109.512	106.955	109.015	109.129	109.801	110.103
Value added .....	3	107.547	111.140	108.623	110.245	110.941	111.582	111.793
Compensation of general government employees.....	4	108.621	112.724	109.842	111.729	112.494	113.217	113.456
Consumption of general government fixed capital <sup>2</sup> .....	5	101.777	102.657	102.081	102.291	102.622	102.827	102.890
Intermediate goods and services purchased <sup>3</sup> .....	6	102.969	106.714	104.090	106.846	106.044	106.762	107.203
Durable goods.....	7	100.610	100.934	100.660	100.799	100.877	100.958	101.103
Nondurable goods.....	8	97.277	105.005	99.999	108.649	102.773	103.878	104.718
Services.....	9	105.249	107.975	105.923	106.987	107.752	108.409	108.752
Less: Own-account investment <sup>4</sup> .....	10	105.847	109.036	106.984	108.477	108.701	109.348	109.618
Sales to other sectors.....	11	106.707	111.976	108.547	109.928	111.175	112.661	114.141
<b>Federal consumption expenditures</b> .....	12	<b>105.775</b>	<b>108.843</b>	<b>106.006</b>	<b>108.306</b>	<b>108.733</b>	<b>109.113</b>	<b>109.219</b>
Gross output of general government .....	13	105.783	108.861	106.022	108.317	108.749	109.133	109.245
Value added .....	14	107.425	110.807	107.193	110.358	110.844	111.011	111.016
Compensation of general government employees.....	15	109.651	114.013	109.166	113.508	114.109	114.209	114.226
Consumption of general government fixed capital.....	16	101.041	101.539	101.543	101.254	101.400	101.764	101.738
Intermediate goods and services purchased.....	17	103.414	106.142	104.274	105.495	105.859	106.491	106.722
Durable goods.....	18	99.998	100.315	100.037	100.187	100.268	100.382	100.422
Nondurable goods.....	19	95.552	101.011	97.989	103.847	99.818	100.571	99.807
Services.....	20	104.884	107.593	105.659	106.534	107.373	108.057	108.406
Less: Own-account investment.....	21	108.196	111.939	108.755	110.866	111.774	112.346	112.679
Sales to other sectors.....	22	104.870	108.469	105.791	107.354	108.057	108.880	109.583
<b>Defense consumption expenditures</b> .....	23	<b>105.643</b>	<b>108.802</b>	<b>105.926</b>	<b>108.295</b>	<b>108.677</b>	<b>109.057</b>	<b>109.180</b>
Gross output of general government .....	24	105.669	108.836	105.956	108.323	108.710	109.093	109.217
Value added .....	25	107.278	110.528	106.874	110.202	110.539	110.675	110.697
Compensation of general government employees.....	26	109.966	114.330	109.124	113.984	114.391	114.461	114.484
Consumption of general government fixed capital.....	27	100.978	101.537	101.619	101.258	101.423	101.723	101.745
Intermediate goods and services purchased.....	28	103.420	106.523	104.560	105.819	106.258	106.894	107.122
Durable goods.....	29	100.516	101.101	100.657	100.954	101.068	101.150	101.230
Nondurable goods.....	30	91.622	98.955	96.179	103.261	97.761	97.449	97.350
Services.....	31	105.268	108.400	106.263	107.203	108.177	108.971	109.247
Less: Own-account investment.....	32	107.631	111.028	108.022	109.862	110.889	111.608	111.752
Sales to other sectors.....	33	108.633	113.212	109.419	112.178	112.906	113.693	114.072
<b>Nondefense consumption expenditures</b> .....	34	<b>106.021</b>	<b>108.919</b>	<b>106.153</b>	<b>108.329</b>	<b>108.838</b>	<b>109.218</b>	<b>109.292</b>
Gross output of general government .....	35	105.995	108.915	106.148	108.313	108.828	109.217	109.303
Value added .....	36	107.673	111.280	107.729	110.623	111.361	111.580	111.557
Compensation of general government employees.....	37	109.190	113.558	109.226	112.818	113.706	113.852	113.858
Consumption of general government fixed capital.....	38	101.236	101.570	101.375	101.271	101.368	101.895	101.747
Intermediate goods and services purchased.....	39	103.411	105.383	103.712	104.859	105.062	105.686	105.925
Durable goods.....	40	94.229	91.868	93.224	91.931	91.652	92.145	91.744
Nondurable goods.....	41	.....	.....	.....	.....	.....	.....	.....
Commodity Credit Corporation inventory change.....	42	.....	.....	.....	.....	.....	.....	.....
Other nondurable goods.....	43	100.430	104.783	101.228	105.668	103.193	104.945	105.328
Services.....	44	104.262	106.153	104.627	105.372	105.947	106.391	106.902
Less: Own-account investment.....	45	108.607	112.646	109.298	111.661	112.458	113.066	113.399
Sales to other sectors.....	46	102.658	106.181	103.706	104.799	105.489	106.340	107.401
<b>State and local consumption expenditures</b> .....	47	<b>105.694</b>	<b>109.258</b>	<b>107.095</b>	<b>109.195</b>	<b>108.813</b>	<b>109.456</b>	<b>109.569</b>
Gross output of general government .....	48	105.897	109.808	107.388	109.333	109.289	110.107	110.506
Value added .....	49	107.599	111.276	109.212	110.193	110.978	111.818	112.116
Compensation of general government employees.....	50	108.267	112.273	110.077	111.102	111.926	112.873	113.192
Consumption of general government fixed capital.....	51	102.464	103.684	102.591	103.245	103.740	103.804	103.947
Intermediate goods and services purchased.....	52	102.721	107.065	103.990	107.698	106.143	106.919	107.501
Durable goods.....	53	101.335	101.671	101.401	101.524	101.599	101.637	101.923
Nondurable goods.....	54	97.541	105.623	100.305	109.402	103.221	104.385	105.485
Services.....	55	105.468	108.208	106.064	107.281	107.983	108.615	108.953
Less: Own-account investment.....	56	105.273	108.323	106.554	107.894	107.945	108.588	108.867
Sales to other sectors.....	57	106.751	112.052	108.608	109.986	111.244	112.743	114.235
Tuition and related educational charges.....	58	112.299	121.665	115.320	117.269	119.316	123.552	126.523
Health and hospital charges.....	59	106.631	111.980	108.860	110.217	111.499	112.485	113.720
Other sales.....	60	103.559	106.406	104.166	105.241	106.004	106.681	107.698

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.

4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software in table 3.9.5.



**Table 3.10.5. Government Consumption Expenditures and General Government Gross Output**  
[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Government consumption expenditures<sup>1</sup></b>	<b>1</b>	<b>1,595.4</b>	<b>1,707.9</b>	<b>1,644.9</b>	<b>1,681.7</b>	<b>1,709.8</b>	<b>1,718.6</b>	<b>1,721.4</b>
Gross output of general government	2	1,878.9	2,014.4	1,935.3	1,977.9	2,013.6	2,028.2	2,037.7
Value added	3	1,188.8	1,245.6	1,209.5	1,232.6	1,243.7	1,251.1	1,255.1
Compensation of general government employees	4	1,011.2	1,062.0	1,029.8	1,051.4	1,060.7	1,066.6	1,069.2
Consumption of general government fixed capital <sup>2</sup>	5	177.6	183.7	179.7	181.2	183.0	184.5	185.9
Intermediate goods and services purchased <sup>3</sup>	6	690.1	768.7	725.8	745.3	769.9	777.1	782.6
Durable goods	7	47.4	49.8	47.7	46.3	50.6	50.8	51.3
Nondurable goods	8	156.0	172.0	161.2	175.4	168.9	170.4	173.2
Services	9	486.8	547.0	516.9	523.6	550.4	555.9	558.1
Less: Own-account investment <sup>4</sup>	10	21.0	22.2	21.3	21.3	21.6	21.8	24.0
Sales to other sectors	11	262.5	284.3	269.1	274.8	282.3	287.8	292.3
<b>Federal consumption expenditures</b>	<b>12</b>	<b>590.8</b>	<b>662.6</b>	<b>620.7</b>	<b>635.9</b>	<b>668.9</b>	<b>672.3</b>	<b>673.2</b>
Gross output of general government	13	599.6	671.8	628.2	643.8	678.9	681.5	682.9
Value added	14	345.3	368.0	349.1	363.1	369.2	369.8	369.6
Compensation of general government employees	15	261.9	282.7	264.9	278.8	284.4	284.2	286.4
Consumption of general government fixed capital	16	83.4	85.2	84.2	84.3	84.8	85.6	86.1
Intermediate goods and services purchased	17	254.3	303.8	279.2	280.7	309.7	311.7	313.3
Durable goods	18	25.9	27.9	26.0	24.6	28.8	29.0	29.4
Nondurable goods	19	22.3	23.4	22.2	22.8	24.1	23.0	23.4
Services	20	206.1	252.5	231.0	233.2	256.7	259.7	260.4
Less: Own-account investment	21	4.2	4.8	4.2	4.4	4.5	4.2	6.2
Sales to other sectors	22	4.6	4.4	3.3	3.6	5.5	5.0	3.5
<b>Defense consumption expenditures</b>	<b>23</b>	<b>382.7</b>	<b>437.2</b>	<b>404.6</b>	<b>408.6</b>	<b>447.5</b>	<b>443.7</b>	<b>448.9</b>
Gross output of general government	24	386.6	440.9	407.5	411.8	451.5	447.7	452.6
Value added	25	217.2	231.2	216.8	227.0	232.1	233.0	232.9
Compensation of general government employees	26	156.9	170.0	156.1	166.2	171.1	171.6	171.2
Consumption of general government fixed capital	27	60.3	61.2	60.8	60.7	61.0	61.4	61.7
Intermediate goods and services purchased	28	169.4	209.7	190.7	184.8	219.4	214.7	219.8
Durable goods	29	23.7	25.9	23.7	22.6	26.9	26.9	27.2
Nondurable goods	30	11.0	11.4	10.9	12.5	12.1	10.2	10.7
Services	31	134.7	172.4	156.1	149.6	180.4	177.6	181.9
Less: Own-account investment	32	2.0	2.3	2.1	2.1	2.1	2.0	2.9
Sales to other sectors	33	1.9	1.4	0.9	1.1	1.9	2.0	0.8
<b>Nondefense consumption expenditures</b>	<b>34</b>	<b>208.1</b>	<b>225.4</b>	<b>216.1</b>	<b>227.3</b>	<b>221.4</b>	<b>228.5</b>	<b>224.3</b>
Gross output of general government	35	213.1	230.9	220.7	232.1	227.4	233.8	230.3
Value added	36	128.1	136.7	132.2	136.2	137.2	136.9	136.7
Compensation of general government employees	37	105.0	112.7	108.8	112.6	113.3	112.6	112.3
Consumption of general government fixed capital	38	23.1	24.0	23.4	23.6	23.8	24.2	24.5
Intermediate goods and services purchased	39	85.0	94.2	88.5	95.9	90.3	96.9	93.5
Durable goods	40	2.2	2.1	2.3	2.0	1.9	2.1	2.2
Nondurable goods	41	11.3	12.0	11.3	10.3	12.0	12.8	12.8
Commodity Credit Corporation inventory change	42	0.1	-0.1	-0.2	-0.3	0.3	-0.2	-0.4
Other nondurable goods	43	11.1	12.1	11.4	10.6	11.7	13.0	13.1
Services	44	71.5	80.1	74.9	83.6	76.3	82.1	78.5
Less: Own-account investment	45	2.3	2.5	2.2	2.3	2.3	2.2	3.3
Sales to other sectors	46	2.7	3.0	2.4	2.5	3.7	3.1	2.7
<b>State and local consumption expenditures</b>	<b>47</b>	<b>1,004.6</b>	<b>1,045.3</b>	<b>1,024.2</b>	<b>1,045.8</b>	<b>1,040.9</b>	<b>1,046.3</b>	<b>1,048.2</b>
Gross output of general government	48	1,279.3	1,342.6	1,307.0	1,334.0	1,334.7	1,346.7	1,354.8
Value added	49	843.5	877.7	860.4	869.4	874.5	881.3	885.5
Compensation of general government employees	50	749.3	779.2	764.9	772.5	776.3	782.4	785.7
Consumption of general government fixed capital	51	94.2	98.5	95.5	96.9	98.1	98.9	99.8
Intermediate goods and services purchased	52	435.8	464.9	446.6	464.6	460.2	465.4	469.3
Durable goods	53	21.5	21.8	21.6	21.7	21.8	21.8	21.9
Nondurable goods	54	133.6	148.6	139.0	152.5	144.8	147.4	149.8
Services	55	280.6	294.5	285.9	290.3	293.7	296.2	297.6
Less: Own-account investment	56	16.8	17.4	17.0	17.0	17.1	17.6	17.8
Sales to other sectors	57	257.8	279.9	265.8	271.2	276.8	282.8	288.8
Tuition and related educational charges	58	51.7	57.4	53.5	54.8	56.1	58.5	60.3
Health and hospital charges	59	125.2	135.3	129.3	131.8	134.2	136.3	138.8
Other sales	60	80.9	87.2	83.0	84.7	86.4	87.9	89.8

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.

4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software in table 3.9.5.

**Table 3.10.6. Real Government Consumption Expenditures and General Government Gross Output, Chained Dollars**  
[Billions of chained (2000) dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Government consumption expenditures<sup>1</sup></b> .....	1	<b>1,509.0</b>	<b>1,565.3</b>	<b>1,541.8</b>	<b>1,544.8</b>	<b>1,571.6</b>	<b>1,571.9</b>	<b>1,572.9</b>
Gross output of general government .....	2	1,774.8	1,839.6	1,809.6	1,814.5	1,845.4	1,847.4	1,850.9
Value added .....	3	1,105.4	1,120.8	1,113.5	1,118.1	1,121.1	1,121.3	1,122.8
Compensation of general government employees .....	4	930.9	942.1	937.5	941.0	943.0	942.1	942.4
Consumption of general government fixed capital <sup>2</sup> .....	5	174.5	178.9	176.1	177.2	178.3	179.5	180.7
Intermediate goods and services purchased <sup>3</sup> .....	6	670.2	720.5	697.4	697.7	726.2	728.1	730.2
Durable goods .....	7	47.1	49.3	47.3	45.9	50.2	50.3	50.8
Nondurable goods .....	8	160.3	163.8	161.2	161.4	164.4	164.1	165.4
Services .....	9	462.5	506.6	488.1	489.5	510.9	512.9	513.3
Less: Own-account investment <sup>4</sup> .....	10	19.9	20.3	19.9	19.7	19.8	20.0	21.9
Sales to other sectors .....	11	246.0	253.9	247.9	250.0	254.0	255.5	256.1
<b>Federal consumption expenditures</b> .....	12	<b>558.5</b>	<b>608.7</b>	<b>585.6</b>	<b>587.1</b>	<b>615.2</b>	<b>616.2</b>	<b>616.4</b>
Gross output of general government .....	13	566.9	617.1	592.6	594.4	624.4	624.5	625.1
Value added .....	14	321.4	332.1	325.6	329.1	333.1	333.2	332.9
Compensation of general government employees .....	15	238.8	248.0	242.6	245.6	249.2	248.9	248.1
Consumption of general government fixed capital .....	16	82.6	83.9	82.9	83.3	83.7	84.1	84.7
Intermediate goods and services purchased .....	17	245.9	286.3	267.9	266.2	292.7	292.8	293.7
Durable goods .....	18	25.9	27.9	26.0	24.5	28.8	28.9	29.3
Nondurable goods .....	19	23.3	23.1	22.6	22.0	24.2	22.9	23.5
Services .....	20	196.5	234.7	218.7	219.0	239.2	240.4	240.3
Less: Own-account investment .....	21	3.9	4.3	3.9	4.0	4.0	3.7	5.5
Sales to other sectors .....	22	4.4	4.1	3.1	3.3	5.1	4.6	3.2
<b>Defense consumption expenditures</b> .....	23	<b>362.2</b>	<b>401.8</b>	<b>382.0</b>	<b>377.3</b>	<b>411.8</b>	<b>406.9</b>	<b>411.2</b>
Gross output of general government .....	24	365.8	405.1	384.7	380.1	415.4	410.4	414.5
Value added .....	25	202.5	209.2	202.9	206.0	210.0	210.5	210.4
Compensation of general government employees .....	26	142.7	148.7	143.0	145.9	149.6	149.9	149.5
Consumption of general government fixed capital .....	27	59.7	60.3	59.8	60.0	60.1	60.4	60.6
Intermediate goods and services purchased .....	28	163.8	196.9	182.5	174.7	206.6	201.0	205.3
Durable goods .....	29	23.5	25.6	23.5	22.4	26.6	26.6	26.8
Nondurable goods .....	30	12.0	11.5	11.3	12.1	12.4	10.5	11.0
Services .....	31	128.0	159.1	147.0	139.7	166.9	163.1	166.6
Less: Own-account investment .....	32	1.8	2.1	1.9	1.9	1.9	1.8	2.6
Sales to other sectors .....	33	1.8	1.3	0.8	1.0	1.7	1.7	0.7
<b>Nondefense consumption expenditures</b> .....	34	<b>196.3</b>	<b>206.9</b>	<b>203.6</b>	<b>209.9</b>	<b>203.4</b>	<b>209.3</b>	<b>205.2</b>
Gross output of general government .....	35	201.0	212.0	207.9	214.3	209.0	214.1	210.7
Value added .....	36	119.0	122.9	122.8	123.1	123.2	122.7	122.6
Compensation of general government employees .....	37	96.1	99.3	99.6	99.8	99.7	98.9	98.6
Consumption of general government fixed capital .....	38	22.9	23.7	23.1	23.3	23.5	23.8	24.0
Intermediate goods and services purchased .....	39	82.1	89.4	85.3	91.5	85.9	91.7	88.3
Durable goods .....	40	2.3	2.2	2.5	2.2	2.1	2.2	2.4
Nondurable goods .....	41	11.2	11.4	11.1	9.7	11.6	12.2	12.2
Commodity Credit Corporation inventory change .....	42	0.1	-0.1	-0.2	-0.4	0.3	-0.2	-0.2
Other nondurable goods .....	43	11.1	11.6	11.3	10.1	11.4	12.4	12.5
Services .....	44	68.5	75.5	71.6	79.4	72.1	77.2	73.5
Less: Own-account investment .....	45	2.1	2.2	2.0	2.0	2.1	1.9	2.9
Sales to other sectors .....	46	2.6	2.8	2.3	2.4	3.5	2.9	2.5
<b>State and local consumption expenditures</b> .....	47	<b>950.5</b>	<b>956.8</b>	<b>956.4</b>	<b>957.8</b>	<b>956.6</b>	<b>956.0</b>	<b>956.7</b>
Gross output of general government .....	48	1,208.0	1,222.7	1,217.2	1,220.2	1,221.3	1,223.2	1,226.1
Value added .....	49	783.9	788.8	787.9	789.0	788.0	788.2	789.9
Compensation of general government employees .....	50	692.1	694.1	694.9	695.3	693.6	693.1	694.2
Consumption of general government fixed capital .....	51	91.9	95.0	93.1	93.9	94.6	95.3	96.0
Intermediate goods and services purchased .....	52	424.2	434.3	429.5	431.4	433.6	435.4	436.6
Durable goods .....	53	21.2	21.5	21.3	21.4	21.4	21.5	21.5
Nondurable goods .....	54	137.0	140.8	138.6	139.5	140.3	141.2	142.0
Services .....	55	266.1	272.1	269.6	270.7	272.0	272.8	273.2
Less: Own-account investment .....	56	15.9	16.0	16.0	15.7	15.8	16.2	16.4
Sales to other sectors .....	57	241.5	249.8	244.8	246.6	248.8	250.8	252.9
Tuition and related educational charges .....	58	46.1	47.2	46.4	46.7	47.0	47.3	47.7
Health and hospital charges .....	59	117.4	120.8	118.8	119.6	120.4	121.2	122.0
Other sales .....	60	78.1	82.0	79.7	80.5	81.6	82.4	83.4
Residual .....	61	-0.4	-1.2	-0.3	-0.7	-1.0	-1.4	-1.1

1. Government consumption expenditures are services (such as education and national defense) produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.

4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software in table 3.9.5.

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 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 3.11.1. Percent Change From Preceding Period in Real National Defense Consumption Expenditures and Gross Investment by Type**  
[Percent]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
				IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment</b> .....	1	<b>8.9</b>	<b>10.6</b>	<b>22.1</b>	<b>-5.6</b>	<b>41.9</b>	<b>-1.3</b>	<b>4.2</b>
<b>Consumption expenditures</b> <sup>1</sup> .....	2	<b>8.4</b>	<b>10.9</b>	<b>28.2</b>	<b>-4.8</b>	<b>41.9</b>	<b>-4.7</b>	<b>4.3</b>
<b>Gross output of general government</b> .....	3	<b>8.4</b>	<b>10.7</b>	<b>24.1</b>	<b>-4.6</b>	<b>42.5</b>	<b>-4.6</b>	<b>4.0</b>
Value added .....	4	1.4	3.3	-0.3	6.2	8.0	1.1	-0.3
Compensation of general government employees .....	5	2.1	4.2	-0.7	8.2	10.6	0.9	-1.0
Military .....	6	3.8	6.5	-0.4	15.0	19.1	-3.6	-3.7
Civilian .....	7	-1.2	-0.3	-1.3	-4.0	-5.3	11.3	4.6
Consumption of general government fixed capital <sup>2</sup> .....	8	-0.2	1.0	0.6	1.2	1.2	1.4	1.8
Intermediate goods and services purchased <sup>3</sup> .....	9	18.8	20.2	62.1	-16.0	95.5	-10.4	8.8
Durable goods .....	10	4.3	8.8	-20.9	-18.2	100.3	-0.6	3.7
Aircraft .....	11	0.5	6.9	-3.4	-26.2	110.2	-33.1	47.4
Missiles .....	12	-3.7	9.4	5.6	-57.7	115.9	-7.8	189.7
Ships .....	13	5.9	-0.5	-60.2	36.4	29.0	2.6	-28.6
Vehicles .....	14	-1.6	4.5	10.2	10.7	3.3	-1.6	-22.4
Electronics .....	15	8.7	16.2	-47.5	64.2	57.3	47.8	-36.5
Other durable goods .....	16	13.9	10.7	-33.2	-23.5	154.4	51.5	-45.8
Nondurable goods .....	17	12.7	-4.5	-13.4	30.7	8.0	-48.1	19.0
Petroleum products .....	18	10.8	-34.8	-34.8	84.4	-60.9	-90.8	12.9
Ammunition .....	19	22.6	-0.7	-31.4	-50.6	174.4	9.1	5.8
Other nondurable goods .....	20	9.3	25.2	27.6	50.6	64.9	-17.2	28.6
Services .....	21	22.4	24.3	92.2	-18.5	103.7	-8.7	9.0
Research and development .....	22	29.9	21.5	216.7	-57.4	261.8	-43.9	58.3
Installation support .....	23	9.0	5.4	30.5	-28.1	63.4	0.2	-11.8
Weapons support .....	24	24.5	30.2	75.6	-18.9	132.5	7.7	-15.6
Personnel support .....	25	30.4	33.4	84.5	-0.9	64.3	19.4	7.0
Transportation of material .....	26	15.5	74.5	7.6	1,029.0	-7.7	-5.2	-38.9
Travel of persons .....	27	6.6	22.3	10.1	53.4	3.0	77.7	11.1
Less: Own-account investment <sup>4</sup> .....	28	28.3	11.9	15.5	0.2	6.3	-18.9	306.6
Sales to other sectors .....	29	-8.5	-29.2	-99.7	104.3	680.6	17.0	-97.0
<b>Gross investment</b> <sup>5</sup> .....	30	<b>11.7</b>	<b>8.7</b>	<b>-12.6</b>	<b>-11.2</b>	<b>42.1</b>	<b>26.4</b>	<b>3.8</b>
Structures .....	31	-5.1	6.5	-4.4	3.3	-8.8	67.0	6.7
Equipment and software .....	32	13.4	8.9	-13.3	-12.4	47.6	23.5	3.5
Aircraft .....	33	14.3	2.0	10.8	-40.1	-4.2	-24.1	231.9
Missiles .....	34	-0.2	-1.2	60.6	-35.3	-0.6	44.6	80.4
Ships .....	35	19.6	9.4	4.3	-10.0	68.4	-1.4	-25.2
Vehicles .....	36	33.3	23.0	-73.4	431.4	-24.7	-25.1	-10.6
Electronics and software .....	37	3.1	10.3	-18.5	12.5	6.0	36.3	64.5
Other equipment .....	38	17.3	11.6	-24.4	-26.0	146.3	66.3	-49.4

1. National defense consumption expenditures are defense services produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.

4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software.

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

**Table 3.11.3. Real National Defense Consumption Expenditures and Gross Investment by Type, Quantity Indexes**  
[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002		2003		
				IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment</b> .....	1	113.086	125.114	118.672	116.972	127.675	127.247	128.565
<b>Consumption expenditures</b> <sup>1</sup> .....	2	112.664	124.977	118.810	117.355	128.087	126.569	127.899
Gross output of general government .....	3	112.715	124.810	118.511	117.121	127.970	126.457	127.693
Value added .....	4	101.657	105.034	101.852	103.407	105.418	105.696	105.615
Compensation of general government employees .....	5	102.711	107.032	102.922	104.972	107.647	107.895	107.614
Military .....	6	105.559	112.470	105.844	109.596	114.481	113.432	112.372
Civilian .....	7	97.525	97.191	97.605	96.605	95.297	97.873	98.991
Consumption of general government fixed capital <sup>2</sup> .....	8	99.107	100.072	99.265	99.566	99.857	100.214	100.650
Intermediate goods and services purchased <sup>3</sup> .....	9	130.598	157.020	145.547	139.332	164.759	160.295	163.695
Durable goods .....	10	105.743	115.042	105.731	100.561	119.628	119.441	120.537
Aircraft .....	11	99.084	105.880	101.694	94.260	113.493	102.660	113.108
Missiles .....	12	104.555	114.397	114.645	92.447	112.061	109.812	143.267
Ships .....	13	97.673	97.180	87.218	94.252	100.450	101.091	92.928
Vehicles .....	14	117.256	122.557	120.849	123.956	124.974	124.469	116.831
Electronics .....	15	113.412	131.817	104.505	118.306	132.487	146.082	130.392
Other durable goods .....	16	115.544	127.899	112.420	105.132	132.771	147.301	126.393
Nondurable goods .....	17	115.417	110.249	108.868	116.402	118.676	100.722	105.195
Petroleum products .....	18	126.032	82.147	105.415	122.835	97.118	53.495	55.138
Ammunition .....	19	144.610	143.655	138.879	116.409	149.819	153.106	155.287
Other nondurable goods .....	20	94.890	118.772	98.250	108.835	123.325	117.650	125.280
Services .....	21	138.001	171.553	158.546	150.644	179.963	175.894	179.710
Research and development .....	22	149.845	181.987	183.390	148.200	204.388	176.909	198.451
Installation support .....	23	117.306	123.677	123.275	113.521	128.343	128.400	124.445
Weapons support .....	24	150.385	195.745	175.579	166.638	205.778	209.626	200.938
Personnel support .....	25	150.890	201.324	178.602	178.196	201.734	210.877	214.489
Transportation of material .....	26	121.575	212.156	121.749	223.170	218.729	215.850	190.874
Travel of persons .....	27	108.722	132.933	109.455	121.817	122.727	141.706	145.481
Less: Own-account investment <sup>4</sup> .....	28	163.043	182.487	167.824	167.903	170.482	161.800	229.762
Sales to other sectors ..	29	91.911	65.071	42.436	50.733	84.799	88.187	36.563
<b>Gross investment</b> <sup>5</sup> .....	30	116.016	126.099	117.620	114.165	124.649	132.174	133.407
Structures .....	31	83.881	89.310	84.027	84.714	82.781	94.099	95.647
Equipment and software .....	32	119.829	130.478	121.611	117.644	129.677	136.701	137.890
Aircraft .....	33	132.957	135.572	148.189	130.372	128.995	120.403	162.519
Missiles .....	34	127.372	125.787	128.584	115.328	115.169	126.286	146.366
Ships .....	35	130.974	143.246	135.856	132.320	150.737	150.225	139.702
Vehicles .....	36	136.566	167.918	121.517	184.494	171.848	159.883	155.446
Electronics and software .....	37	100.852	111.209	99.237	102.201	103.700	112.048	126.888
Other equipment .....	38	117.451	131.102	115.989	107.564	134.754	153.023	129.066

1. National defense consumption expenditures are defense services produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).  
 2. Consumption of fixed capital, or depreciation, is included in government gross output as a partial measure of the services of general government fixed assets; the use of depreciation assumes a zero net return on these assets.  
 3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.  
 4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software.  
 5. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

**Table 3.11.4. Price Indexes for National Defense Consumption Expenditures and Gross Investment by Type**  
[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002		2003		
				IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment</b> .....	1	104.666	107.418	104.941	106.968	107.300	107.654	107.749
<b>Consumption expenditures</b> <sup>1</sup> .....	2	105.643	108.802	105.926	108.295	108.677	109.057	109.180
Gross output of general government .....	3	105.669	108.836	105.956	108.323	108.710	109.093	109.217
Value added .....	4	107.278	110.528	106.874	110.202	110.539	110.675	110.697
Compensation of general government employees .....	5	109.966	114.330	109.124	113.984	114.391	114.461	114.484
Military .....	6	109.978	114.171	108.533	114.014	114.193	114.228	114.250
Civilian .....	7	109.991	114.685	110.323	113.941	114.827	114.973	114.997
Consumption of general government fixed capital <sup>2</sup> .....	8	100.978	101.537	101.619	101.258	101.423	101.723	101.745
Intermediate goods and services purchased <sup>3</sup> .....	9	103.420	106.523	104.560	105.819	106.258	106.894	107.122
Durable goods .....	10	100.516	101.101	100.657	100.954	101.068	101.150	101.230
Aircraft .....	11	100.822	102.500	101.000	101.969	102.301	102.865	102.865
Missiles .....	12	101.843	102.649	102.761	102.725	103.092	101.934	102.846
Ships .....	13	100.673	99.775	100.901	98.844	98.787	100.562	100.905
Vehicles .....	14	107.953	110.143	110.198	111.601	110.278	108.237	110.454
Electronics .....	15	96.354	94.639	95.669	95.043	94.794	94.504	94.217
Other durable goods .....	16	100.403	100.429	100.257	100.396	100.523	100.547	100.249
Nondurable goods .....	17	91.622	98.955	96.179	103.261	97.761	97.449	97.350
Petroleum products .....	18	78.660	94.152	88.406	106.137	92.241	89.385	88.846
Ammunition .....	19	99.551	100.646	99.609	99.694	100.141	101.162	101.588
Other nondurable goods .....	20	101.616	102.077	102.668	102.685	101.654	102.080	101.890
Services .....	21	105.268	108.400	106.263	107.203	108.177	108.971	109.247
Research and development .....	22	103.472	105.625	104.272	104.923	105.434	105.818	106.324
Installation support .....	23	105.093	109.246	106.489	107.720	108.875	110.090	110.299
Weapons support .....	24	104.517	106.750	105.133	105.811	106.488	107.063	107.639
Personnel support .....	25	107.324	110.621	108.339	109.732	110.323	110.876	111.554
Transportation of material .....	26	108.587	115.869	111.316	111.410	115.756	119.110	117.201
Travel of persons .....	27	104.506	105.012	103.543	103.745	105.686	106.336	104.279
Less: Own-account investment <sup>4</sup> .....	28	107.631	111.028	108.022	109.862	110.889	111.608	111.752
Sales to other sectors ..	29	108.633	113.212	109.419	112.178	112.906	113.693	114.072
<b>Gross investment</b> <sup>5</sup> .....	30	98.279	98.310	98.512	98.249	98.237	98.417	98.336
Structures .....	31	106.402	109.393	107.140	108.363	109.045	109.536	110.626
Equipment and software .....	32	97.494	97.292	97.688	97.306	97.241	97.397	97.225
Aircraft .....	33	90.872	90.372	92.153	90.514	89.957	91.010	90.006
Missiles .....	34	96.547	98.025	96.119	96.979	97.759	97.985	99.378
Ships .....	35	100.533	100.930	101.151	100.868	100.519	100.659	101.672
Vehicles .....	36	97.633	97.601	97.534	97.130	97.928	97.337	98.010
Electronics and software .....	37	96.194	94.367	95.559	94.800	94.613	94.520	93.536
Other equipment .....	38	100.890	101.207	100.796	101.165	101.289	101.288	101.086

1. National defense consumption expenditures are defense services produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).  
 2. Consumption of fixed capital, or depreciation, is included in government gross output as a partial measure of the services of general government fixed assets; the use of depreciation assumes a zero net return on these assets.  
 3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.  
 4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software.  
 5. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

**Table 3.11.5. National Defense Consumption Expenditures and Gross Investment by Type**  
[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment</b> .....	1	438.3	497.7	461.1	463.3	507.3	507.2	512.9
<b>Consumption expenditures</b> <sup>1</sup> .....	2	382.7	437.2	404.6	408.6	447.5	443.7	448.9
Gross output of general government .....	3	386.6	440.9	407.5	411.8	451.5	447.7	452.6
Value added .....	4	217.2	231.2	216.8	227.0	232.1	233.0	232.9
Compensation of general government employees .....	5	156.9	170.0	156.1	166.2	171.1	171.6	171.2
Military .....	6	103.8	114.8	102.7	111.7	116.9	115.9	114.8
Civilian .....	7	53.1	55.2	53.3	54.5	54.2	55.7	56.4
Consumption of general government fixed capital <sup>2</sup> .....	8	60.3	61.2	60.8	60.7	61.0	61.4	61.7
Intermediate goods and services purchased <sup>3</sup> .....	9	169.4	209.7	190.7	184.8	219.4	214.7	219.8
Durable goods .....	10	23.7	25.9	23.7	22.6	26.9	26.9	27.2
Aircraft .....	11	9.8	10.7	10.1	9.4	11.4	10.4	11.4
Missiles .....	12	2.6	2.9	2.9	2.3	2.8	2.7	3.6
Ships .....	13	1.3	1.3	1.2	1.2	1.3	1.3	1.2
Vehicles .....	14	1.0	1.0	1.0	1.1	1.1	1.0	1.0
Electronics .....	15	3.2	3.6	2.9	3.3	3.7	4.0	3.6
Other durable goods .....	16	5.8	6.4	5.6	5.2	6.6	7.4	6.3
Nondurable goods .....	17	11.0	11.4	10.9	12.5	12.1	10.2	10.7
Petroleum products .....	18	4.0	3.2	3.8	5.3	3.7	2.0	2.0
Ammunition .....	19	2.6	2.6	2.5	2.1	2.7	2.8	2.9
Other nondurable goods .....	20	4.4	5.5	4.6	5.1	5.7	5.5	5.8
Services .....	21	134.7	172.4	156.1	149.6	180.4	177.6	181.9
Research and development .....	22	40.7	50.5	50.2	40.8	56.6	49.1	55.4
Installation support .....	23	30.7	33.7	32.7	30.5	34.8	35.2	34.2
Weapons support .....	24	15.1	20.0	17.7	16.9	21.0	21.5	20.7
Personnel support .....	25	37.2	51.1	44.4	44.8	51.0	53.6	54.9
Transportation of material .....	26	5.7	10.6	5.8	10.7	10.9	11.1	9.6
Travel of persons .....	27	5.3	6.5	5.3	5.9	6.1	7.1	7.1
Less: Own-account investment <sup>4</sup> .....	28	2.0	2.3	2.1	2.1	2.1	2.0	2.9
Sales to other sectors .....	29	1.9	1.4	0.9	1.1	1.9	2.0	0.8
<b>Gross investment</b> <sup>5</sup> .....	30	55.7	60.5	56.6	54.7	59.8	63.5	64.0
Structures .....	31	4.4	4.9	4.5	4.6	4.5	5.1	5.3
Equipment and software .....	32	51.2	55.7	52.1	50.2	55.3	58.4	58.8
Aircraft .....	33	9.4	9.5	10.6	9.1	9.0	8.5	11.3
Missiles .....	34	3.3	3.3	3.3	3.0	3.0	3.3	3.9
Ships .....	35	8.7	9.5	9.0	8.8	10.0	10.0	9.3
Vehicles .....	36	2.4	3.0	2.2	3.3	3.1	2.9	2.8
Electronics and software .....	37	9.8	10.6	9.6	9.8	9.9	10.7	12.0
Other equipment .....	38	17.6	19.7	17.4	16.2	20.3	23.1	19.4

**Table 3.11.6. Real National Defense Consumption Expenditures and Gross Investment by Type, Chained Dollars**  
[Billions of chained (2000) dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment</b> .....	1	418.8	463.3	439.5	433.2	472.8	471.2	476.1
<b>Consumption expenditures</b> <sup>1</sup> .....	2	362.2	401.8	382.0	377.3	411.8	406.9	411.2
Gross output of general government .....	3	365.8	405.1	384.7	380.1	415.4	410.4	414.5
Value added .....	4	202.5	209.2	202.9	206.0	210.0	210.5	210.4
Compensation of general government employees .....	5	142.7	148.7	143.0	145.9	149.6	149.9	149.5
Military .....	6	94.4	100.6	94.7	98.0	102.4	101.4	100.5
Civilian .....	7	48.3	48.1	48.3	47.8	47.2	48.5	49.0
Consumption of general government fixed capital <sup>2</sup> .....	8	59.7	60.3	59.8	60.0	60.1	60.4	60.6
Intermediate goods and services purchased <sup>3</sup> .....	9	163.8	196.9	182.5	174.7	206.6	201.0	205.3
Durable goods .....	10	23.5	25.6	23.5	22.4	26.6	26.6	26.8
Aircraft .....	11	9.7	10.4	10.0	9.3	11.2	10.1	11.1
Missiles .....	12	2.6	2.8	2.8	2.3	2.7	2.7	3.5
Ships .....	13	1.3	1.3	1.2	1.2	1.3	1.3	1.2
Vehicles .....	14	0.9	1.0	0.9	1.0	1.0	1.0	0.9
Electronics .....	15	3.3	3.9	3.1	3.5	3.9	4.3	3.8
Other durable goods .....	16	5.7	6.4	5.6	5.2	6.6	7.3	6.3
Nondurable goods .....	17	12.0	11.5	11.3	12.1	12.4	10.5	11.0
Petroleum products .....	18	5.1	3.3	4.3	5.0	3.9	2.2	2.2
Ammunition .....	19	2.6	2.6	2.5	2.1	2.7	2.8	2.8
Other nondurable goods .....	20	4.3	5.4	4.5	5.0	5.6	5.4	5.7
Services .....	21	128.0	159.1	147.0	139.7	166.9	163.1	166.6
Research and development .....	22	39.4	47.8	48.2	38.9	53.7	46.5	52.1
Installation support .....	23	29.2	30.8	30.7	28.3	32.0	32.0	31.0
Weapons support .....	24	14.4	18.8	16.8	16.0	19.7	20.1	19.3
Personnel support .....	25	34.6	46.2	41.0	40.9	46.3	48.4	49.2
Transportation of material .....	26	5.2	9.1	5.2	9.6	9.4	9.3	8.2
Travel of persons .....	27	5.1	6.2	5.1	5.7	5.8	6.6	6.8
Less: Own-account investment <sup>4</sup> .....	28	1.8	2.1	1.9	1.9	1.9	1.8	2.6
Sales to other sectors .....	29	1.8	1.3	0.8	1.0	1.7	1.7	0.7
<b>Gross investment</b> <sup>5</sup> .....	30	56.6	61.6	57.4	55.7	60.8	64.5	65.1
Structures .....	31	4.2	4.4	4.2	4.2	4.1	4.7	4.8
Equipment and software .....	32	52.5	57.2	53.3	51.6	56.9	59.9	60.5
Aircraft .....	33	10.3	10.5	11.5	10.1	10.0	9.3	12.6
Missiles .....	34	3.4	3.4	3.5	3.1	3.1	3.4	3.9
Ships .....	35	8.6	9.4	8.9	8.7	9.9	9.9	9.2
Vehicles .....	36	2.5	3.1	2.2	3.4	3.1	2.9	2.8
Electronics and software .....	37	10.2	11.2	10.0	10.3	10.5	11.3	12.8
Other equipment .....	38	17.5	19.5	17.3	16.0	20.0	22.8	19.2
Residual .....	39	-0.1	0.2	-0.1	0.5	0.2	0.1	-0.1

1. National defense consumption expenditures are defense services produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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

3. Includes general government intermediate inputs for goods and services sold to other sectors and for own-account investment.

4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software.

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

1. National defense consumption expenditures are defense services produced by government that are valued at their cost of production. Excludes government sales to other sectors and government own-account investment (construction and software).

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4. Own-account investment is measured in current dollars by compensation of general government employees and related expenditures for goods and services and is classified as investment in structures and in software.

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

NOTE: Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 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.

## 4. Foreign Transactions

Table 4.1. Foreign Transactions in the National Income and Product Accounts

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
Current receipts from the rest of the world .....	1	1,306.0		1,322.0	1,317.8	1,319.7	1,360.6	
<b>Exports of goods and services</b> .....	2	<b>1,006.8</b>	<b>1,049.0</b>	<b>1,017.2</b>	<b>1,021.0</b>	<b>1,020.2</b>	<b>1,048.5</b>	<b>1,106.3</b>
Goods <sup>1</sup> .....	3	697.8	725.4	698.3	707.6	707.7	722.1	764.4
Durable .....	4	489.8	499.2	484.8	484.5	485.9	497.1	529.2
Nondurable .....	5	208.0	226.3	213.5	223.1	221.7	224.9	235.2
Services <sup>1</sup> .....	6	309.1	323.6	318.8	313.3	312.5	326.4	341.9
<b>Income receipts</b> .....	7	<b>299.1</b>		<b>304.8</b>	<b>296.8</b>	<b>299.5</b>	<b>312.1</b>	
Wage and salary receipts .....	8	3.2		3.1	3.2	3.3	3.3	
Income receipts on assets .....	9	296.0		301.7	293.6	296.3	308.8	
Interest .....	10	93.5		87.7	78.2	75.5	72.7	
Dividends .....	11	81.5		74.5	79.1	83.8	82.7	
Reinvested earnings on U.S. direct investment abroad .....	12	121.0		139.5	136.2	137.0	153.5	
Current payments to the rest of the world .....	13	1,770.1		1,822.5	1,847.1	1,859.9	1,879.0	
<b>Imports of goods and services</b> .....	14	<b>1,433.1</b>	<b>1,543.9</b>	<b>1,493.3</b>	<b>1,508.5</b>	<b>1,525.7</b>	<b>1,539.0</b>	<b>1,602.2</b>
Goods <sup>1</sup> .....	15	1,190.3	1,283.2	1,240.8	1,254.2	1,272.4	1,275.6	1,330.7
Durable .....	16	770.4	799.0	788.0	770.9	789.7	788.9	846.5
Nondurable .....	17	419.9	484.2	452.8	483.3	482.7	486.7	484.2
Services <sup>1</sup> .....	18	242.7	260.6	252.5	254.3	253.3	263.5	271.5
<b>Income payments</b> .....	19	<b>277.6</b>		<b>266.9</b>	<b>269.0</b>	<b>266.2</b>	<b>274.3</b>	
Wage and salary payments .....	20	8.4		8.5	8.7	8.5	8.6	
Income payments on assets .....	21	269.2		258.4	260.2	257.7	266.1	
Interest .....	22	220.2		211.4	193.6	185.4	187.7	
Dividends .....	23	42.1		37.0	34.5	44.7	31.1	
Reinvested earnings on foreign direct investment in the United States .....	24	6.9		10.0	32.1	27.7	47.3	
<b>Current taxes and transfer payments to the rest of the world (net)</b> .....	25	<b>59.3</b>	<b>66.9</b>	<b>62.2</b>	<b>69.6</b>	<b>68.1</b>	<b>65.7</b>	<b>64.2</b>
From persons (net) .....	26	35.4	36.0	40.2	40.1	37.5	33.9	32.7
From government (net) .....	27	14.3	19.3	15.1	21.1	20.2	19.1	16.9
From business (net) .....	28	9.6	11.5	6.9	8.5	10.4	12.7	14.6
<b>Balance on current account, NIPAs</b> .....	29	<b>-464.1</b>		<b>-500.5</b>	<b>-529.3</b>	<b>-540.2</b>	<b>-518.4</b>	
<b>Addenda:</b>								
Net lending or net borrowing (-), NIPAs .....	30	-465.4		-501.9	-530.9	-541.5	-521.6	
Balance on current account, NIPAs .....	31	-464.1		-500.5	-529.3	-540.2	-518.4	
Less: Capital account transactions (net) <sup>2</sup> .....	32	1.3		1.4	1.6	1.3	3.2	

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. Consists of capital transfers and the acquisition and disposal of nonproduced nonfinancial assets.

**Table 4.2.1. Percent Change From Preceding Period in Real Exports and in Real Imports of Goods and Services by Type of Product**

[Percent]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Exports of goods and services</b> .....	1	-2.4	2.1	-3.7	-2.0	-1.1	9.9	21.0
<b>Exports of goods<sup>1</sup></b> .....	2	-4.0	1.9	-9.1	1.9	-1.7	8.6	21.2
Foods, feeds, and beverages....	3	-2.0	-0.2	-3.1	14.5	-12.1	7.6	8.5
Industrial supplies and materials.....	4	0.4	2.6	2.4	7.5	-3.6	1.1	10.7
Durable goods.....	5	-2.1	2.3	-1.7	10.1	1.5	-8.4	11.6
Nondurable goods.....	6	1.8	2.8	4.8	6.1	-6.3	6.7	10.2
Capital goods, except automotive.....	7	-8.7	2.2	-15.6	-2.5	-1.1	19.7	36.4
Civilian aircraft, engines, and parts.....	8	-6.6	-9.6	-45.5	-21.3	-17.6	34.2	39.8
Computers, peripherals, and parts.....	9	-13.6	5.9	14.6	-7.4	-11.2	48.7	25.8
Other.....	10	-8.1	4.5	-11.0	3.6	5.1	11.8	37.7
Automotive vehicles, engines, and parts.....	11	4.1	0.7	-14.5	5.9	-0.4	-6.2	18.5
Consumer goods, except automotive.....	12	-4.0	6.0	-0.9	5.4	7.4	12.2	14.1
Durable goods.....	13	-5.0	4.4	-6.4	-8.5	15.5	18.2	32.0
Nondurable goods.....	14	-2.9	7.8	5.5	21.6	-0.2	6.3	-2.7
Other.....	15	-1.0	-6.2	-14.8	-16.4	-4.9	-8.0	0.9
<b>Exports of services<sup>1</sup></b> .....	16	1.4	2.4	9.4	-10.1	0.2	12.7	20.7
Transfers under U.S. military agency sales contracts.....	17	-3.2	5.9	-44.1	-18.9	28.7	51.7	14.6
Travel.....	18	-6.3	-1.1	48.0	-36.1	-25.0	53.0	52.2
Passenger fares.....	19	-7.4	-12.9	14.6	-51.9	-8.1	44.2	39.6
Other transportation.....	20	2.4	3.4	16.5	-9.3	20.8	-13.7	27.9
Royalties and license fees.....	21	6.2	4.9	-9.5	14.0	0.1	5.4	5.9
Other private services.....	22	6.1	5.1	4.8	5.9	8.4	1.5	10.9
Other.....	23	1.1	1.6	1.4	2.9	2.4	0.8	0.6
<b>Imports of goods and services</b> .....	24	3.3	4.0	8.2	-6.8	9.1	0.8	16.4
<b>Imports of goods<sup>1</sup></b> .....	25	3.7	4.8	7.4	-6.6	13.7	-1.5	18.1
Foods, feeds, and beverages....	26	5.3	7.8	4.5	12.5	5.2	4.0	18.0
Industrial supplies and materials, except petroleum and products.....	27	2.9	3.0	9.3	-7.4	0.5	10.0	0.2
Durable goods.....	28	5.2	0.6	15.9	-10.5	-12.7	3.1	24.3
Nondurable goods.....	29	0.7	5.0	3.0	-4.4	13.6	16.4	-17.9
Petroleum and products.....	30	-2.8	7.4	18.9	-12.6	55.5	-3.0	-16.1
Capital goods, except automotive.....	31	-1.7	6.0	4.8	-2.0	12.6	5.0	27.3
Civilian aircraft, engines, and parts.....	32	-19.8	-5.5	118.1	-37.7	0.3	-17.0	73.6
Computers, peripherals, and parts.....	33	10.3	9.1	0.9	-0.4	18.9	15.8	36.4
Other.....	34	-3.1	6.3	-3.3	3.4	11.9	4.0	19.2
Automotive vehicles, engines, and parts.....	35	7.0	2.6	-0.3	-8.6	13.8	-14.0	35.0
Consumer goods, except automotive.....	36	9.4	8.4	11.6	6.4	1.0	-0.2	27.9
Durable goods.....	37	11.4	7.0	7.5	-2.2	4.8	6.1	43.2
Nondurable goods.....	38	7.3	10.0	16.2	16.0	-2.8	-6.4	13.1
Other.....	39	4.7	-8.6	4.5	-51.3	57.5	-19.3	13.8
<b>Imports of services<sup>1</sup></b> .....	40	1.4	0.0	12.2	-7.5	-10.9	13.4	8.6
Direct defense expenditures.....	41	23.6	2.9	9.3	4.0	13.3	-10.7	-9.5
Travel.....	42	-8.2	-11.5	18.5	-33.2	-41.5	60.9	11.2
Passenger fares.....	43	-15.7	3.8	74.9	-31.6	-10.5	56.8	35.0
Other transportation.....	44	2.9	2.9	12.6	10.6	-8.7	-14.8	4.1
Royalties and license fees.....	45	13.9	0.0	-32.1	5.8	11.8	13.3	4.1
Other private services.....	46	7.0	5.9	10.3	7.1	1.9	5.1	10.7
Other.....	47	-2.4	-3.4	0.1	-3.8	-6.4	0.7	-3.8
<b>Addenda:</b>								
Exports of durable goods.....	48	-5.5	1.8	-13.1	-0.9	0.5	10.1	28.4
Exports of nondurable goods.....	49	-0.3	2.2	0.9	8.5	-6.4	5.5	6.4
Exports of agricultural goods <sup>2</sup> .....	50	-2.5	-0.1	-1.2	11.5	-3.9	14.7	-5.2
Exports of nonagricultural goods.....	51	-4.1	2.0	-9.7	1.1	-1.5	8.1	23.9
Imports of durable goods.....	52	4.1	3.9	5.1	-8.1	10.1	-1.6	31.5
Imports of nondurable goods.....	53	2.9	6.4	11.8	-4.1	19.6	-1.4	-1.4
Imports of nonpetroleum goods	54	4.4	4.5	6.3	-5.9	9.5	-1.4	22.8

**Table 4.2.2. Contributions to Percent Change in Real Exports and in Real Imports of Goods and Services by Type of Product**

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Percent change at annual rate:</b>								
<b>Exports of goods and services</b> .....	1	-2.4	2.1	-3.7	-2.0	-1.1	9.9	21.0
<b>Percentage points at annual rates:</b>								
<b>Exports of goods<sup>1</sup></b> .....	2	-2.81	1.29	-6.52	1.31	-1.18	6.01	14.58
Foods, feeds, and beverages....	3	-0.10	0.00	-0.15	0.68	-0.65	0.39	0.47
Industrial supplies and materials.....	4	0.05	0.40	0.36	1.15	-0.59	0.18	1.77
Durable goods.....	5	-0.11	0.13	-0.09	0.54	0.09	-0.51	0.68
Nondurable goods.....	6	0.17	0.27	0.46	0.61	-0.68	0.68	1.09
Capital goods, except automotive.....	7	-2.69	0.59	-4.80	-0.70	-0.31	5.19	9.66
Civilian aircraft, engines, and parts.....	8	-0.34	-0.47	-3.03	-1.10	-0.85	1.35	1.72
Computers, peripherals, and parts.....	9	-0.61	0.17	0.51	-0.29	-0.44	1.56	0.98
Other.....	10	-1.74	0.89	-2.29	0.68	0.97	2.28	6.96
Automotive vehicles, engines, and parts.....	11	0.30	0.07	-1.21	0.45	-0.03	-0.48	1.40
Consumer goods, except automotive.....	12	-0.34	0.49	-0.07	0.44	0.61	1.04	1.25
Durable goods.....	13	-0.23	0.19	-0.29	-0.37	0.62	0.77	1.36
Nondurable goods.....	14	-0.12	0.30	0.22	0.81	-0.01	0.27	-0.11
Other.....	15	-0.04	-0.26	-0.65	-0.71	-0.19	-0.31	0.04
<b>Exports of services<sup>1</sup></b> .....	16	0.42	0.76	2.77	-3.29	0.07	3.86	6.42
Transfers under U.S. military agency sales contracts.....	17	-0.04	0.07	-0.69	-0.23	0.28	0.51	0.18
Travel.....	18	-0.44	-0.05	2.62	-2.98	-1.74	2.72	3.08
Passenger fares.....	19	-0.13	-0.22	0.23	-1.14	-0.12	0.60	0.62
Other transportation.....	20	0.07	0.10	0.45	-0.30	0.58	-0.44	0.81
Royalties and license fees.....	21	0.25	0.21	-0.44	0.59	0.01	0.25	0.28
Other private services.....	22	0.70	0.61	0.58	0.72	1.04	0.20	1.44
Other.....	23	0.02	0.02	0.02	0.05	0.04	0.01	0.01
<b>Percent change at annual rate:</b>								
<b>Imports of goods and services</b> .....	24	3.3	4.0	8.2	-6.8	9.1	0.8	16.4
<b>Percentage points at annual rates:</b>								
<b>Imports of goods<sup>1</sup></b> .....	25	3.09	3.94	6.21	-5.49	11.04	-1.28	14.92
Foods, feeds, and beverages....	26	0.18	0.28	0.16	0.42	0.19	0.14	0.64
Industrial supplies and materials, except petroleum and products.....	27	0.33	0.31	1.02	-0.85	0.09	1.10	0.07
Durable goods.....	28	0.29	0.02	0.86	-0.60	-0.72	0.16	1.23
Nondurable goods.....	29	0.04	0.28	0.16	-0.26	0.81	0.94	-1.16
Petroleum and products.....	30	-0.21	0.56	1.39	-1.11	3.99	-0.27	-1.49
Capital goods, except automotive.....	31	-0.35	1.09	0.94	-0.38	2.33	0.94	4.99
Civilian aircraft, engines, and parts.....	32	-0.45	-0.11	1.31	-0.77	0.00	-0.28	0.93
Computers, peripherals, and parts.....	33	0.52	0.41	0.05	-0.02	0.88	0.73	1.67
Other.....	34	-0.42	0.79	-0.42	0.41	1.45	0.50	2.39
Automotive vehicles, engines, and parts.....	35	0.96	0.41	-0.05	-1.21	1.83	-2.04	4.34
Consumer goods, except automotive.....	36	1.90	1.77	2.47	1.35	0.21	-0.04	5.67
Durable goods.....	37	1.19	0.74	0.84	-0.24	0.52	0.65	4.31
Nondurable goods.....	38	0.72	1.02	1.63	1.59	-0.31	-0.69	1.36
Other.....	39	0.27	-0.47	0.27	-3.71	2.39	-1.12	0.70
<b>Imports of services<sup>1</sup></b> .....	40	0.23	0.04	2.00	-1.28	-1.91	2.13	1.52
Direct defense expenditures.....	41	0.26	0.04	0.12	0.06	0.20	-0.17	-0.14
Travel.....	42	-0.36	-0.46	0.69	-1.54	-1.91	1.71	0.44
Passenger fares.....	43	-0.26	0.06	0.80	-0.51	-0.14	0.61	0.46
Other transportation.....	44	0.08	0.07	0.33	0.29	-0.27	-0.47	0.12
Royalties and license fees.....	45	0.17	0.00	-0.50	0.07	0.14	0.16	0.06
Other private services.....	46	0.37	0.33	0.55	0.38	0.11	0.28	0.61
Other.....	47	-0.01	-0.02	0.00	-0.02	-0.04	0.00	-0.02

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.

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 4.2.3. Real Exports and Imports of Goods and Services by Type of Product, Quantity Indexes**

[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002		2003		
				IV	I	II	III	IV
<b>Exports of goods and services</b> .....	1	<b>92.512</b>	<b>94.409</b>	<b>92.818</b>	<b>92.353</b>	<b>92.097</b>	<b>94.290</b>	<b>98.893</b>
<b>Exports of goods</b> <sup>1</sup> .....	2	<b>90.163</b>	<b>91.853</b>	<b>89.651</b>	<b>90.076</b>	<b>89.693</b>	<b>91.572</b>	<b>96.072</b>
Foods, feeds, and beverages....	3	100.813	100.618	98.225	101.612	98.394	100.205	102.259
Industrial supplies and materials.....	4	96.460	98.969	97.101	98.875	97.982	98.244	100.773
Durable goods.....	5	89.461	91.486	89.417	91.596	91.940	89.953	92.456
Nondurable goods.....	6	100.864	103.694	101.948	103.468	101.808	103.476	106.022
Capital goods, except automotive.....	7	82.346	84.125	81.264	80.752	80.523	84.217	91.007
Civilian aircraft, engines, and parts.....	8	96.861	87.554	90.851	85.564	81.511	87.735	95.407
Computers, peripherals, and parts.....	9	76.562	81.080	79.127	77.623	75.355	83.216	88.126
Other.....	10	80.700	84.302	79.935	80.639	81.648	83.962	90.960
Automotive vehicles, engines, and parts.....	11	97.411	98.140	96.537	97.942	97.842	96.299	100.477
Consumer goods, except automotive.....	12	95.209	100.910	96.036	97.299	99.042	101.941	105.357
Durable goods.....	13	94.194	98.300	94.002	91.949	95.317	99.391	106.542
Nondurable goods.....	14	96.334	103.801	98.292	103.224	103.167	104.766	104.047
Other.....	15	95.129	89.184	95.074	90.909	89.777	87.922	88.129
<b>Exports of services</b> <sup>1</sup> .....	16	<b>98.348</b>	<b>100.751</b>	<b>100.660</b>	<b>98.010</b>	<b>98.068</b>	<b>101.033</b>	<b>105.893</b>
Transfers under U.S. military agency sales contracts.....	17	90.568	95.920	90.447	85.827	91.412	101.457	104.982
Travel.....	18	81.359	80.432	87.425	78.177	72.757	80.917	89.876
Passenger fares.....	19	79.460	69.191	78.802	65.611	64.238	70.392	76.521
Other transportation.....	20	98.823	102.177	101.331	98.879	103.661	99.918	106.251
Royalties and license fees.....	21	98.987	103.869	99.468	102.785	102.817	104.187	105.686
Other private services.....	22	114.593	120.401	115.908	117.583	119.984	120.439	123.598
Other.....	23	103.615	105.306	103.936	104.693	105.324	105.529	105.680
<b>Imports of goods and services</b> .....	24	<b>100.609</b>	<b>104.617</b>	<b>103.610</b>	<b>101.810</b>	<b>104.059</b>	<b>104.277</b>	<b>108.322</b>
<b>Imports of goods</b> <sup>1</sup> .....	25	<b>100.400</b>	<b>105.226</b>	<b>103.586</b>	<b>101.829</b>	<b>105.144</b>	<b>104.739</b>	<b>109.192</b>
Foods, feeds, and beverages....	26	110.150	118.731	112.429	115.791	117.274	118.428	123.431
Industrial supplies and materials, except petroleum and products.....	27	99.102	102.030	102.638	100.689	100.827	103.270	103.332
Durable goods.....	28	98.696	99.276	102.846	100.045	96.710	97.452	102.899
Nondurable goods.....	29	99.512	104.492	102.459	101.320	104.594	108.636	103.419
Petroleum and products.....	30	100.595	108.069	104.309	100.868	112.633	111.781	106.993
Capital goods, except automotive.....	31	87.117	92.307	88.768	88.310	90.978	92.104	97.834
Civilian aircraft, engines, and parts.....	32	91.865	86.791	96.437	85.668	85.734	81.828	93.933
Computers, peripherals, and parts.....	33	100.666	109.837	102.304	102.212	106.740	110.731	119.664
Other.....	34	81.911	87.081	83.191	83.885	86.272	87.126	91.042
Automotive vehicles, engines, and parts.....	35	103.782	106.519	106.300	103.929	107.339	103.378	111.431
Consumer goods, except automotive.....	36	111.249	120.629	116.750	118.566	118.847	118.786	126.317
Durable goods.....	37	110.513	118.236	114.260	113.626	114.969	116.690	127.658
Nondurable goods.....	38	112.098	123.325	119.538	124.044	123.163	121.154	124.938
Other.....	39	106.584	97.404	109.006	91.065	102.013	96.677	99.859
<b>Imports of services</b> <sup>1</sup> .....	40	<b>101.787</b>	<b>101.774</b>	<b>103.842</b>	<b>101.828</b>	<b>98.938</b>	<b>102.100</b>	<b>104.230</b>
Direct defense expenditures.....	41	138.861	142.946	141.124	142.502	147.008	142.891	139.382
Travel.....	42	87.414	77.403	88.458	79.974	69.954	78.782	80.901
Passenger fares.....	43	71.767	74.524	77.403	70.393	68.473	76.626	82.603
Other transportation.....	44	97.525	100.312	101.234	103.822	101.477	97.484	98.644
Royalties and license fees.....	45	113.433	113.425	107.511	109.036	112.127	115.685	116.851
Other private services.....	46	120.550	127.658	123.480	125.606	126.193	127.769	131.064
Other.....	47	99.890	96.473	98.782	97.821	96.226	96.387	95.460
<b>Addenda:</b>								
Exports of durable goods.....	48	86.738	88.272	85.918	85.718	85.835	87.930	93.604
Exports of nondurable goods....	49	99.337	101.488	99.620	101.674	100.006	101.345	102.926
Exports of agricultural goods <sup>2</sup> ..	50	100.641	100.519	97.202	99.874	98.883	102.342	100.976
Exports of nonagricultural goods.....	51	89.398	91.225	89.100	89.349	89.014	90.767	95.770
Imports of durable goods.....	52	97.646	101.472	100.200	98.103	100.502	100.091	107.191
Imports of nondurable goods....	53	105.815	112.569	110.265	109.127	114.118	113.723	113.309
Imports of nonpetroleum goods	54	100.340	104.881	103.493	101.927	104.276	103.920	109.400

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 4.2.4. Price Indexes for Exports and Imports of Goods and Services by Type of Product**

[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002		2003		
				IV	I	II	III	IV
<b>Exports of goods and services</b> .....	1	<b>99.273</b>	<b>101.342</b>	<b>99.964</b>	<b>100.842</b>	<b>101.044</b>	<b>101.434</b>	<b>102.049</b>
<b>Exports of goods</b> <sup>1</sup> .....	2	<b>98.668</b>	<b>100.680</b>	<b>99.311</b>	<b>100.159</b>	<b>100.589</b>	<b>100.529</b>	<b>101.443</b>
Foods, feeds, and beverages....	3	102.806	112.261	106.681	107.186	110.039	111.676	120.142
Industrial supplies and materials.....	4	95.529	102.110	97.570	100.994	101.936	101.779	103.731
Durable goods.....	5	98.428	102.762	99.278	101.024	102.240	103.047	104.735
Nondurable goods.....	6	93.863	101.668	96.560	100.894	101.684	101.001	103.092
Capital goods, except automotive.....	7	98.816	97.763	98.354	98.171	98.084	97.642	97.154
Civilian aircraft, engines, and parts.....	8	108.378	112.505	109.616	110.862	111.643	113.260	114.257
Computers, peripherals, and parts.....	9	90.663	88.522	88.285	88.904	88.892	88.144	88.149
Other.....	10	98.529	96.609	98.074	97.422	97.150	96.375	95.487
Automotive vehicles, engines, and parts.....	11	100.853	101.593	101.233	101.416	101.483	101.685	101.789
Consumer goods, except automotive.....	12	99.134	99.723	99.292	99.441	99.571	99.732	100.150
Durable goods.....	13	99.831	100.265	99.871	99.907	100.205	100.285	100.666
Nondurable goods.....	14	98.375	99.130	98.660	98.922	98.886	99.129	99.586
Other.....	15	99.514	102.201	100.456	101.461	101.972	102.103	103.269
<b>Exports of services</b> <sup>1</sup> .....	16	<b>100.740</b>	<b>102.941</b>	<b>101.543</b>	<b>102.491</b>	<b>102.166</b>	<b>103.587</b>	<b>103.521</b>
Transfers under U.S. military agency sales contracts.....	17	97.141	98.774	98.027	98.105	98.218	99.558	99.215
Travel.....	18	99.265	100.775	99.975	99.904	99.425	101.554	102.217
Passenger fares.....	19	103.699	115.909	104.405	110.099	113.416	120.069	120.051
Other transportation.....	20	99.028	104.677	101.744	106.370	102.403	105.381	104.552
Royalties and license fees.....	21	103.145	105.066	103.781	104.690	104.774	105.270	105.528
Other private services.....	22	99.987	101.515	100.190	100.867	101.240	102.123	101.831
Other.....	23	110.248	105.971	113.357	109.738	106.404	104.244	103.496
<b>Imports of goods and services</b> .....	24	<b>96.519</b>	<b>100.030</b>	<b>97.694</b>	<b>100.435</b>	<b>99.381</b>	<b>100.042</b>	<b>100.261</b>
<b>Imports of goods</b> <sup>1</sup> .....	25	<b>95.345</b>	<b>98.113</b>	<b>96.364</b>	<b>99.086</b>	<b>97.353</b>	<b>97.972</b>	<b>98.042</b>
Foods, feeds, and beverages....	26	98.107	102.283	100.568	102.080	102.010	102.210	102.832
Industrial supplies and materials, except petroleum and products.....	27	92.485	100.192	94.376	100.913	99.524	99.681	100.652
Durable goods.....	28	92.681	94.948	92.924	92.923	92.903	95.986	98.067
Nondurable goods.....	29	92.297	105.849	95.886	109.251	106.486	103.936	103.723
Petroleum and products.....	30	85.601	102.908	93.762	112.132	96.417	102.073	101.012
Capital goods, except automotive.....	31	93.717	92.302	92.724	92.534	92.405	92.351	91.920
Civilian aircraft, engines, and parts.....	32	105.069	105.617	103.516	103.964	104.862	106.505	107.135
Computers, peripherals, and parts.....	33	83.168	77.694	81.045	79.706	78.399	77.062	75.608
Other.....	34	96.610	96.952	96.252	96.530	96.847	97.230	97.201
Automotive vehicles, engines, and parts.....	35	100.226	100.749	100.568	100.497	100.649	100.648	101.204
Consumer goods, except automotive.....	36	98.168	97.976	98.037	97.924	97.975	97.979	98.024
Durable goods.....	37	97.186	96.469	96.771	96.556	96.501	96.468	96.352
Nondurable goods.....	38	99.243	99.623	99.429	99.424	99.585	99.629	99.854
Other.....	39	98.689	100.862	99.204	100.397	100.681	100.957	101.414
<b>Imports of services</b> <sup>1</sup> .....	40	<b>102.665</b>	<b>110.248</b>	<b>104.681</b>	<b>107.525</b>	<b>110.212</b>	<b>111.108</b>	<b>112.148</b>
Direct defense expenditures.....	41	102.864	121.252	109.320	118.294	121.253	120.155	125.308
Travel.....	42	102.622	114.536	105.003	109.518	115.005	114.430	119.190
Passenger fares.....	43	114.628	116.994	114.742	116.064	118.351	118.980	114.579
Other								



Table 4.2.5. Exports and Imports of Goods and Services by Type of Product

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Exports of goods and services</b> .....	1	1,006.8	1,049.0	1,017.2	1,021.0	1,020.2	1,048.5	1,106.3
<b>Exports of goods</b> <sup>1</sup> .....	2	697.8	725.4	698.3	707.6	707.7	722.1	764.4
Foods, feeds, and beverages....	3	49.6	54.1	50.2	52.2	51.9	53.6	58.9
Industrial supplies and materials.....	4	153.5	168.4	157.8	166.4	166.4	166.6	174.2
Durable goods.....	5	56.0	59.8	56.5	58.9	59.8	59.0	61.6
Nondurable goods.....	6	97.5	108.6	101.4	107.5	106.6	107.6	112.6
Capital goods, except automotive.....	7	290.5	293.6	285.4	283.0	282.0	293.6	315.7
Civilian aircraft, engines, and parts.....	8	50.5	47.4	47.9	45.6	43.8	47.8	52.4
Computers, peripherals, and parts.....	9	38.6	39.9	38.8	38.4	37.2	40.8	43.2
Other.....	10	201.5	206.3	198.6	199.1	201.0	205.0	220.1
Automotive vehicles, engines, and parts.....	11	78.9	80.1	78.5	79.8	79.8	78.7	82.2
Consumer goods, except automotive.....	12	84.4	89.9	85.2	86.5	88.1	90.9	94.3
Durable goods.....	13	43.9	46.0	43.8	42.9	44.6	46.6	50.1
Nondurable goods.....	14	40.4	43.9	41.4	43.6	43.5	44.3	44.2
Other.....	15	40.8	39.3	41.2	39.8	39.5	38.7	39.2
<b>Exports of services</b> <sup>1</sup> .....	16	309.1	323.6	318.8	313.3	312.5	326.4	341.9
Transfers under U.S. military agency sales contracts.....	17	11.3	12.2	11.4	10.8	11.5	13.0	13.4
Travel.....	18	66.5	66.8	72.0	64.4	59.6	67.7	75.7
Passenger fares.....	19	17.0	16.6	17.0	14.9	15.1	17.5	19.0
Other transportation.....	20	29.2	31.9	30.7	31.3	31.6	31.4	33.1
Royalties and license fees.....	21	44.1	47.2	44.6	46.5	46.6	47.4	48.2
Other private services.....	22	125.3	133.6	126.9	129.6	132.8	134.4	137.6
Other.....	23	15.6	15.3	16.1	15.7	15.3	15.0	15.0
<b>Imports of goods and services</b> .....	24	1,433.1	1,543.9	1,493.3	1,508.5	1,525.7	1,539.0	1,602.2
<b>Imports of goods</b> <sup>1</sup> .....	25	1,190.3	1,283.2	1,240.8	1,254.2	1,272.4	1,275.6	1,330.7
Foods, feeds, and beverages....	26	49.7	55.8	52.0	54.3	55.0	55.6	58.3
Industrial supplies and materials, except petroleum and products.....	27	158.4	176.6	167.3	175.5	173.3	177.8	179.7
Durable goods.....	28	80.9	83.4	84.5	82.2	79.5	82.6	89.2
Nondurable goods.....	29	77.5	93.2	82.8	93.3	93.9	95.2	90.4
Petroleum and products.....	30	103.5	133.4	117.5	135.9	130.5	137.1	129.9
Capital goods, except automotive.....	31	283.3	295.7	285.7	283.7	291.8	295.3	312.2
Civilian aircraft, engines, and parts.....	32	25.5	24.2	26.4	23.5	23.7	23.0	26.6
Computers, peripherals, and parts.....	33	75.2	76.5	74.5	73.2	75.2	76.6	81.3
Other.....	34	182.7	195.0	184.9	187.0	192.9	195.6	204.4
Automotive vehicles, engines, and parts.....	35	203.7	210.2	209.4	204.6	211.6	203.8	220.9
Consumer goods, except automotive.....	36	308.0	333.3	322.8	327.5	328.4	328.2	349.2
Durable goods.....	37	160.6	170.6	165.4	164.1	165.9	168.4	184.0
Nondurable goods.....	38	147.4	162.7	157.4	163.4	162.5	159.9	165.3
Other.....	39	83.7	78.2	86.1	72.8	81.7	77.7	80.6
<b>Imports of services</b> <sup>1</sup> .....	40	242.7	260.6	252.5	254.3	253.3	263.5	271.5
Direct defense expenditures.....	41	19.2	23.3	20.8	22.7	24.0	23.1	23.5
Travel.....	42	58.0	57.4	60.1	56.7	52.1	58.3	62.4
Passenger fares.....	43	20.0	21.2	21.6	19.8	19.7	22.1	23.0
Other transportation.....	44	38.5	44.7	41.1	43.5	44.7	44.9	45.6
Royalties and license fees.....	45	19.3	19.6	18.4	18.8	19.3	20.0	20.3
Other private services.....	46	79.7	86.3	82.6	84.7	85.3	86.7	88.4
Other.....	47	8.0	8.2	8.0	8.1	8.2	8.2	8.3
<b>Addenda:</b>								
Exports of durable goods.....	48	489.8	499.2	484.8	484.5	485.9	497.1	529.2
Exports of nondurable goods....	49	208.0	226.3	213.5	223.1	221.7	224.9	235.2
Exports of agricultural goods <sup>2</sup> ..	50	54.5	60.1	54.9	56.9	57.5	60.6	65.5
Exports of nonagricultural goods.....	51	643.3	665.3	643.4	650.7	650.2	661.4	698.9
Imports of durable goods.....	52	770.4	799.0	788.0	770.9	789.7	788.9	846.5
Imports of nondurable goods....	53	419.9	484.2	452.8	483.3	482.7	486.7	484.2
Imports of nonpetroleum goods	54	1,086.8	1,149.9	1,123.3	1,118.3	1,141.9	1,138.4	1,200.9

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 4.2.6. Real Exports and Imports of Goods and Services by Type of Product, Chained Dollars

[Billions of chained (2000) dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Exports of goods and services</b> .....	1	1,014.2	1,035.0	1,017.5	1,012.4	1,009.6	1,033.7	1,084.1
<b>Exports of goods</b> <sup>1</sup> .....	2	707.2	720.4	703.2	706.5	703.5	718.2	753.5
Foods, feeds, and beverages....	3	48.3	48.2	47.0	48.6	47.1	48.0	49.0
Industrial supplies and materials.....	4	160.7	164.9	161.8	164.7	163.3	163.7	167.9
Durable goods.....	5	56.9	58.2	56.9	58.3	58.5	57.2	58.8
Nondurable goods.....	6	103.9	106.8	105.0	106.6	104.9	106.6	109.2
Capital goods, except automotive.....	7	294.0	300.3	290.1	288.3	287.5	300.7	324.9
Civilian aircraft, engines, and parts.....	8	46.6	42.1	43.7	41.1	39.2	42.2	45.9
Computers, peripherals, and parts <sup>2</sup> .....	9							
Other.....	10	204.5	213.6	202.5	204.3	206.9	212.7	230.5
Automotive vehicles, engines, and parts.....	11	78.3	78.9	77.6	78.7	78.6	77.4	80.7
Consumer goods, except automotive.....	12	85.1	90.2	85.8	87.0	88.5	91.1	94.2
Durable goods.....	13	44.0	45.9	43.9	42.9	44.5	46.4	49.8
Nondurable goods.....	14	41.1	44.3	41.9	44.0	44.0	44.7	44.4
Other.....	15	41.0	38.5	41.0	39.2	38.7	37.9	38.0
<b>Exports of services</b> <sup>1</sup> .....	16	306.8	314.3	314.0	305.7	305.9	315.2	330.3
Transfers under U.S. military agency sales contracts.....	17	11.6	12.3	11.6	11.0	11.7	13.0	13.5
Travel.....	18	67.0	66.3	72.0	64.0	60.0	66.7	74.1
Passenger fares.....	19	16.4	14.3	16.3	13.6	13.3	14.6	15.8
Other transportation.....	20	29.5	30.5	30.2	29.5	30.9	29.8	31.7
Royalties and license fees.....	21	42.8	44.9	43.0	44.4	44.5	45.0	45.7
Other private services.....	22	125.3	131.6	126.7	128.5	131.2	131.7	135.1
Other.....	23	14.2	14.4	14.2	14.3	14.4	14.4	14.4
Residual.....	24	0.3	-0.8	0.1	-0.1	-0.7	-0.8	-1.4
<b>Imports of goods and services</b> .....	25	1,484.7	1,543.9	1,529.0	1,502.5	1,535.7	1,538.9	1,598.6
<b>Imports of goods</b> <sup>1</sup> .....	26	1,248.4	1,308.5	1,288.1	1,266.2	1,307.4	1,302.4	1,357.8
Foods, feeds, and beverages....	27	50.6	54.6	51.7	53.2	53.9	54.5	56.8
Industrial supplies and materials, except petroleum and products.....	28	171.2	176.3	177.4	174.0	174.2	178.5	178.6
Durable goods.....	29	87.3	87.8	91.0	88.5	85.5	86.2	91.0
Nondurable goods.....	30	83.9	88.2	86.4	85.5	88.2	91.6	87.2
Petroleum and products.....	31	120.9	129.9	125.4	121.2	135.4	134.3	128.6
Capital goods, except automotive.....	32	302.3	320.3	308.0	306.5	315.7	319.6	339.5
Civilian aircraft, engines, and parts.....	33	24.2	22.9	25.4	22.6	22.6	21.6	24.8
Computers, peripherals, and parts <sup>2</sup> .....	34							
Other.....	35	189.1	201.1	192.1	193.7	199.2	201.2	210.2
Automotive vehicles, engines, and parts.....	36	203.3	208.6	208.2	203.6	210.3	202.5	218.3
Consumer goods, except automotive.....	37	313.7	340.2	329.2	334.4	335.2	335.0	356.2
Durable goods.....	38	165.3	176.8	170.9	169.9	171.9	174.5	190.9
Nondurable goods.....	39	148.5	163.4	158.4	164.3	163.2	160.5	165.5
Other.....	40	84.8	77.5	86.8	72.5	81.2	77.0	79.5
<b>Imports of services</b> <sup>1</sup> .....	41	236.4	236.4	241.2	236.5	229.8	237.2	242.1
Direct defense expenditures.....	42	18.7	19.3	19.0	19.2	19.8	19.3	18.8
Travel.....	43	56.6	50.1	57.2	51.7	45.3	51.0	52.3
Passenger fares.....	44	17.4	18.1	18.8	17.1	16.6	18.6	20.1
Other transportation.....	45	40.4	41.6	41.9	43.0	42.0	40.4	40.8
Royalties and license fees.....	46	18.7	18.7	17.7	18.0	18.5	19.1	19.2
Other private services.....	47	77.2	81.7	79.0	80.4	80.8	81.8	83.9
Other.....	48	7.9	7.6	7.8	7.7	7.6	7.6	7.6
Residual.....	49	-0.5	-2.6	-0.5	-1.3	-2.1	-2.2	-4.3
<b>Addenda:</b>								
Exports of durable goods.....	50	493.7	502.5	489.1	487.9	488.6	500.5	532.8
Exports of nondurable goods....	51	213.7	218.3	214.3	218.7	215.1	218.0	221.4
Exports of agricultural goods <sup>2</sup> ..	52	53.1	53.1	51.3	52.7	52.2	54.0	53.3
Exports of nonagricultural goods.....	53	654.0	667.3	651.8	653.6	651.2	664.0	700.6
Imports of durable goods.....	54	801.4	832.8	822.3	805.1	824.8	821.4	879.7
Imports of nondurable goods....	55	447.4	475.9	466.2	461.4	482.5	480.8	479.1
Imports of nonpetroleum goods	56	1,127.1	1,178.1	1,162.5	1,144.9	1,171.3	1,167.3	1,228.9

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. The quantity index for computers can be used to accurately measure the real growth of this component. However, because computers 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 4.2.2, and real growth rates are shown in table 4.2.1.

3. Includes parts of foods, feeds, and beverages, of nondurable industrial supplies and materials, and of nondurable nonautomotive consumer goods.

Note. Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 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.

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## 5. Saving and Investment

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

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Gross saving</b> .....	1	1,539.4	1,469.0	1,388.5	1,436.9	1,470.2	.....	
<b>Net saving</b> .....	2	250.8	168.5	82.8	133.5	161.1	.....	
Net private saving.....	3	494.0	465.3	443.9	572.9	647.4	.....	
Personal saving.....	4	183.2	165.6	146.4	151.0	189.0	134.4	
Undistributed corporate profits with inventory valuation and capital consumption adjustments.....	5	310.8	318.9	292.9	383.8	459.3	.....	
Undistributed profits.....	6	151.6	179.1	174.7	153.5	201.1	.....	
Inventory valuation adjustment.....	7	-2.2	-10.8	-28.1	1.2	-1.8	.....	
Capital consumption adjustment.....	8	161.5	228.2	150.7	146.3	229.2	277.1	
Wage accruals less disbursements.....	9	0.0	0.0	0.0	0.0	0.0	0.0	
Net government saving.....	10	-243.3	-296.8	-361.0	-439.3	-486.3	.....	
Federal.....	11	-240.0	-296.3	-320.4	-424.7	-499.4	.....	
State and local.....	12	-3.2	-0.4	-40.6	-14.7	13.1	.....	
<b>Consumption of fixed capital</b> .....	13	1,288.6	1,307.8	1,300.4	1,305.7	1,303.4	1,309.1	
Private.....	14	1,077.8	1,089.6	1,087.1	1,090.4	1,086.0	1,089.9	
Domestic business.....	15	902.6	905.9	908.4	908.0	902.8	905.1	
Households and institutions.....	16	175.2	183.7	178.7	182.4	183.2	184.8	
Government.....	17	210.8	218.2	213.3	215.3	217.4	219.2	
Federal.....	18	89.1	90.9	89.8	90.0	90.5	91.3	
State and local.....	19	121.7	127.3	123.5	125.3	126.9	127.9	
<b>Gross domestic investment, capital account transactions, and net lending, NIPAs</b> .....	20	1,462.2	1,453.3	1,411.7	1,428.6	1,524.1	.....	
Gross domestic investment.....	21	1,926.3	2,019.2	1,953.8	1,941.0	1,968.8	2,124.5	
Gross private domestic investment.....	22	1,589.2	1,671.4	1,614.7	1,605.3	1,624.3	1,689.1	
Gross government investment.....	23	337.1	347.8	339.0	335.8	344.5	357.5	
Capital account transactions (net) <sup>1</sup> .....	24	1.3	1.4	1.6	1.3	3.2	.....	
Net lending or net borrowing (-), NIPAs.....	25	-465.4	-501.9	-530.9	-541.5	-521.6	.....	
<b>Statistical discrepancy</b> .....	26	-77.2	-15.7	23.2	-8.3	54.0	.....	
<b>Addenda:</b>								
Gross private saving.....	27	1,571.8	1,552.4	1,534.3	1,658.9	1,737.3	.....	
Gross government saving.....	28	-32.4	-83.4	-145.7	-222.0	-267.1	.....	
Federal.....	29	-150.9	-206.5	-230.4	-334.1	-408.2	.....	
State and local.....	30	118.5	123.1	84.7	112.2	141.0	.....	
Net domestic investment.....	31	637.7	711.4	653.3	635.3	665.4	811.6	
<b>Gross saving as a percentage of gross national income</b> .....	32	14.6	13.8	12.9	13.2	13.3	.....	
<b>Net saving as a percentage of gross national income</b> .....	33	2.4	1.6	0.8	1.2	1.5	.....	

1. Consists of capital transfers and the acquisition and disposal of nonproduced nonfinancial assets.

**Table 5.3.1. Percent Change From Preceding Period in Real Private Fixed Investment by Type**  
[Percent]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Private fixed investment</b> .....	1	-3.7	4.4	2.1	1.1	6.1	15.8	9.3
<b>Nonresidential</b> .....	2	-7.2	2.9	-0.1	-0.6	7.0	12.8	9.6
<b>Structures</b> .....	3	-18.4	-5.0	-5.6	-4.0	3.9	-1.8	-7.1
Commercial and health care.....	4	-16.4	-8.2	-4.8	-16.6	-2.4	2.2	-7.3
Manufacturing.....	5	-46.1	-20.7	-26.7	-16.6	8.8	-2.8	-15.9
Power and communication.....	6	-1.9	-5.0	2.6	12.2	-24.0	-16.0	-5.8
Mining exploration, shafts, and wells.....	7	-28.3	16.1	-15.8	30.1	89.1	8.9	0.1
Other structures <sup>1</sup> .....	8	-17.1	-3.0	-3.2	-0.9	13.6	-1.4	-9.4
<b>Equipment and software</b> .....	9	-2.8	5.5	1.7	0.5	8.0	17.6	15.1
Information processing equipment and software... Computers and peripheral equipment.....	10	0.4	13.8	-1.5	17.3	16.8	27.1	17.1
Software <sup>2</sup> .....	11	13.8	32.6	12.0	29.2	48.6	53.4	30.6
Other <sup>3</sup> .....	12	-2.5	9.0	-3.4	11.6	9.9	15.2	15.7
Industrial equipment.....	13	-2.9	10.0	-5.9	17.4	9.7	26.8	11.7
Transportation equipment.....	14	-6.2	-3.5	-3.1	-7.4	-1.3	1.5	-0.9
Other equipment <sup>4</sup> .....	15	-10.1	-9.1	18.1	-27.4	-7.6	-4.8	23.7
<b>Residential</b> .....	16	-1.7	3.4	3.1	-10.5	4.3	25.2	17.2
<b>Structures</b> .....	17	4.9	7.5	6.8	4.5	4.5	21.9	8.6
Permanent site.....	18	4.9	7.5	6.8	4.5	4.2	22.0	8.6
Single family.....	19	4.1	8.2	6.2	8.2	-0.4	20.8	21.3
Multifamily.....	20	4.1	9.1	8.3	8.5	0.1	21.5	24.7
Other structures <sup>5</sup> .....	21	3.9	1.2	-9.1	5.7	-4.8	15.1	-5.5
<b>Equipment</b> .....	22	6.2	6.3	7.5	-1.0	11.8	23.8	-8.6
<b>Addenda:</b>	23	2.8	10.0	6.8	6.5	21.3	19.3	12.3
Private fixed investment in structures.....	24	-4.7	3.1	2.4	1.6	4.1	13.8	3.4
Private fixed investment in equipment and software.....	25	-2.8	5.6	1.7	0.6	8.1	17.6	15.0
Private fixed investment in new structures <sup>6</sup> .....	26	-5.4	2.3	1.6	2.6	0.7	9.4	7.1
Nonresidential structures.....	27	-17.6	-4.9	-5.6	-4.0	3.9	-1.8	-7.1
Residential structures.....	28	4.2	6.7	6.2	6.5	-1.0	16.2	15.3

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.

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

3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.

4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.

5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.

6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

**Table 5.3.2. Contributions to Percent Change in Real Private Fixed Investment by Type**

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Percent change at annual rate:</b>								
Private fixed investment ....	1	-3.7	4.4	2.1	1.1	6.1	15.8	9.3
<b>Percentage points at annual rates:</b>								
<b>Nonresidential</b> .....	2	-5.09	2.04	-0.08	-0.39	4.64	8.59	6.33
Structures .....	3	-3.64	-0.85	-0.94	-0.66	0.62	-0.27	-1.10
Commercial and health care .....	4	-1.35	-0.61	-0.35	-1.24	-0.16	0.15	-0.47
Manufacturing .....	5	-0.84	-0.22	-0.28	-0.15	0.07	-0.02	-0.13
Power and communication ... ..	6	-0.06	-0.16	0.08	0.37	-0.85	-0.50	-0.16
Mining exploration, shafts, and wells .....	7	-0.65	0.25	-0.27	0.41	1.10	0.16	0.00
Other structures <sup>1</sup> .....	8	-0.73	-0.11	-0.12	-0.03	0.46	-0.05	-0.33
<b>Equipment and software</b> .....	9	-1.45	2.89	0.86	0.26	4.02	8.85	7.43
Information processing equipment and software ... ..	10	0.10	3.67	-0.43	4.29	4.35	7.16	4.59
Computers and peripheral equipment .....	11	0.67	1.61	0.61	1.38	2.26	2.68	1.67
Software <sup>2</sup> .....	12	-0.27	0.97	-0.38	1.18	1.05	1.65	1.64
Other <sup>3</sup> .....	13	-0.31	1.09	-0.65	1.73	1.04	2.83	1.28
Industrial equipment .....	14	-0.55	-0.31	-0.28	-0.65	-0.11	0.13	-0.07
Transportation equipment .....	15	-0.87	-0.75	1.31	-2.48	-0.57	-0.34	1.59
Other equipment <sup>4</sup> .....	16	-0.13	0.28	0.25	-0.89	0.34	1.91	1.32
<b>Residential</b> .....	17	1.40	2.36	2.15	1.46	1.50	7.18	2.94
Structures .....	18	1.39	2.31	2.12	1.43	1.40	7.08	2.88
Permanent site .....	19	0.70	1.53	1.18	1.56	-0.08	4.04	4.05
Single family .....	20	0.63	1.50	1.38	1.45	0.02	3.73	4.16
Multifamily .....	21	0.07	0.03	-0.20	0.11	-0.10	0.31	-0.11
Other structures <sup>5</sup> .....	22	0.69	0.78	0.94	-0.13	1.49	3.04	-1.17
<b>Equipment</b> .....	23	0.01	0.04	0.03	0.03	0.10	0.09	0.06
<b>Addenda:</b>								
Private fixed investment in structures .....	24	-2.24	1.46	1.18	0.78	2.02	6.81	1.78
Private fixed investment in equipment and software .....	25	-1.44	2.94	0.89	0.29	4.11	8.95	7.49
Private fixed investment in new structures <sup>6</sup> .....	26	-2.38	0.94	0.75	1.12	0.34	4.29	3.12
Nonresidential structures .....	27	-3.42	-0.85	-0.94	-0.66	0.62	-0.27	-1.09
Residential structures .....	28	1.04	1.79	1.69	1.78	-0.28	4.56	4.22

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.

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

3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.

4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.

5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.

6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

**Table 5.3.3. Real Private Fixed Investment by Type, Quantity Indexes**  
 [Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002		2003		
				IV	I	II	III	IV
<b>Private fixed investment</b> .....	1	93.258	97.357	93.718	93.968	95.378	98.932	101.149
<b>Nonresidential</b> .....	2	88.683	91.278	88.378	88.248	89.751	92.485	94.630
Structures .....	3	79.492	75.547	76.304	75.523	76.244	75.906	74.514
Commercial and health care .....	4	78.414	71.997	75.818	72.464	72.032	72.430	71.064
Manufacturing .....	5	48.152	38.186	39.892	38.125	38.936	38.662	37.023
Power and communication ... ..	6	101.099	96.056	100.672	103.600	96.746	92.625	91.253
Mining exploration, shafts, and wells .....	7	84.947	98.644	80.863	86.362	101.267	103.455	103.491
Other structures <sup>1</sup> .....	8	79.462	77.056	76.014	75.833	78.285	78.007	76.100
<b>Equipment and software</b> .....	9	92.144	97.246	92.927	93.047	94.851	98.779	102.309
Information processing equipment and software ... ..	10	98.211	111.777	100.115	104.182	108.297	114.996	119.632
Computers and peripheral equipment .....	11	116.477	154.434	124.706	132.950	146.791	163.361	174.634
Software <sup>2</sup> .....	12	95.068	103.602	96.336	99.021	101.393	105.045	108.949
Other <sup>3</sup> .....	13	93.181	102.472	93.191	96.996	99.259	105.335	108.297
Industrial equipment .....	14	85.452	82.419	84.117	82.516	82.247	82.554	82.360
Transportation equipment .....	15	79.729	72.460	79.073	73.002	71.581	70.701	74.556
Other equipment <sup>4</sup> .....	16	94.721	97.945	96.101	93.460	94.445	99.913	103.964
<b>Residential</b> .....	17	105.228	113.124	107.629	108.828	110.021	115.616	118.031
Structures .....	18	105.263	113.124	107.680	108.872	110.006	115.609	118.009
Permanent site .....	19	104.698	113.313	107.205	109.347	109.229	114.509	120.168
Single family .....	20	104.256	113.740	107.149	109.368	109.394	114.842	121.354
Multifamily .....	21	108.435	109.695	107.671	109.162	107.826	111.682	110.109
Other structures <sup>5</sup> .....	22	106.126	112.827	108.405	108.134	111.196	117.296	114.683
<b>Equipment</b> .....	23	103.061	113.348	104.386	106.050	111.289	116.316	119.737
<b>Addenda:</b>								
Private fixed investment in structures .....	24	94.525	97.500	94.613	94.990	95.952	99.107	99.949
Private fixed investment in equipment and software .....	25	92.233	97.377	93.020	93.153	94.984	98.922	102.450
Private fixed investment in new structures <sup>6</sup> .....	26	93.263	95.397	93.192	93.784	93.952	96.097	97.756
Nonresidential structures .....	27	79.540	75.605	76.362	75.579	76.303	75.965	74.571
Residential structures .....	28	104.439	111.464	106.888	108.582	108.308	112.440	116.526

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.

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

3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.

4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.

5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.

6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

Table 5.3.4. Price Indexes for Private Fixed Investment by Type

[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
Private fixed investment ....	1	101.155	102.291	101.341	101.808	101.796	102.319	103.241
<b>Nonresidential</b> .....	2	<b>98.859</b>	<b>98.664</b>	<b>98.658</b>	<b>98.579</b>	<b>98.293</b>	<b>98.678</b>	<b>99.106</b>
<b>Structures</b> .....	3	<b>106.974</b>	<b>109.165</b>	<b>107.274</b>	<b>108.268</b>	<b>108.559</b>	<b>109.288</b>	<b>110.547</b>
Commercial and health care .....	4	106.613	108.969	107.163	108.256	108.503	108.894	110.221
Manufacturing .....	5	108.449	111.097	109.255	110.373	110.622	111.019	112.372
Power and communication ...	6	105.265	108.489	106.124	107.071	108.046	108.952	109.886
Mining exploration, shafts, and wells .....	7	111.934	110.208	108.705	109.203	108.379	110.830	112.418
Other structures <sup>1</sup> .....	8	106.419	108.823	107.065	108.092	108.401	108.801	109.997
<b>Equipment and software</b> .....	9	<b>96.121</b>	<b>95.270</b>	<b>95.781</b>	<b>95.404</b>	<b>94.961</b>	<b>95.251</b>	<b>95.464</b>
Information processing equipment and software ...	10	91.736	88.744	90.553	89.512	89.077	88.684	87.704
Computers and peripheral equipment .....	11	70.466	62.065	66.951	64.232	62.648	61.254	60.125
Software <sup>2</sup> .....	12	100.279	99.274	100.067	99.417	99.439	100.013	98.226
Other <sup>3</sup> .....	13	96.068	95.232	95.613	95.451	95.479	95.016	94.983
Industrial equipment .....	14	101.049	101.875	101.279	101.552	101.683	102.058	102.205
Transportation equipment .....	15	99.792	103.920	101.286	102.079	100.133	103.593	109.877
Other equipment <sup>4</sup> .....	16	102.272	103.295	102.653	102.996	103.344	103.488	103.351
<b>Residential</b> .....	17	<b>107.105</b>	<b>111.257</b>	<b>108.184</b>	<b>109.881</b>	<b>110.485</b>	<b>111.321</b>	<b>113.343</b>
<b>Structures</b> .....	18	<b>107.231</b>	<b>111.496</b>	<b>108.331</b>	<b>110.074</b>	<b>110.712</b>	<b>111.565</b>	<b>113.634</b>
Permanent site .....	19	107.550	112.083	108.707	110.780	111.212	111.932	114.408
Single family .....	20	107.706	112.199	108.820	110.895	111.327	112.047	114.526
Multifamily .....	21	106.260	111.018	107.674	109.727	110.155	110.868	113.320
Other structures <sup>5</sup> .....	22	106.747	110.604	107.764	109.006	109.955	111.006	112.450
<b>Equipment</b> .....	23	<b>99.571</b>	<b>96.848</b>	<b>99.291</b>	<b>98.224</b>	<b>96.764</b>	<b>96.593</b>	<b>95.811</b>
<b>Addenda:</b>								
Private fixed investment in structures .....	24	107.159	110.731	107.986	109.479	110.002	110.815	112.629
Private fixed investment in equipment and software .....	25	96.150	95.282	95.811	95.427	94.975	95.260	95.464
Private fixed investment in new structures <sup>6</sup> .....	26	107.033	110.531	107.809	109.360	109.789	110.535	112.437
Nonresidential structures .....	27	106.984	109.192	107.287	108.289	108.582	109.316	110.583
Residential structures .....	28	107.011	111.247	108.065	109.931	110.437	111.189	113.430

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.
2. Excludes software "embedded," or bundled, in computers and other equipment.
3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.
4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.
5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.
6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

Table 5.3.5. Private Fixed Investment by Type

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
Private fixed investment .....	1	1,583.9	1,672.3	1,594.6	1,606.2	1,630.1	1,699.5	1,753.3
<b>Nonresidential</b> .....	2	<b>1,080.2</b>	<b>1,109.7</b>	<b>1,074.3</b>	<b>1,071.8</b>	<b>1,086.9</b>	<b>1,124.4</b>	<b>1,155.5</b>
<b>Structures</b> .....	3	<b>266.3</b>	<b>258.3</b>	<b>256.3</b>	<b>256.1</b>	<b>259.2</b>	<b>259.8</b>	<b>258.0</b>
Commercial and health care .....	4	115.0	107.9	111.7	107.9	107.5	108.5	107.7
Manufacturing .....	5	16.6	13.5	13.9	13.4	13.7	13.6	13.2
Power and communication ...	6	49.8	48.8	50.0	51.9	48.9	47.2	46.9
Mining exploration, shafts, and wells .....	7	25.8	29.5	23.9	25.6	29.8	31.1	31.6
Other structures <sup>1</sup> .....	8	59.1	58.6	56.9	57.3	59.3	59.3	58.5
<b>Equipment and software</b> .....	9	<b>813.9</b>	<b>851.4</b>	<b>817.9</b>	<b>815.8</b>	<b>827.7</b>	<b>864.6</b>	<b>897.5</b>
Information processing equipment and software ...	10	421.3	463.8	424.1	436.2	451.2	477.0	490.8
Computers and peripheral equipment .....	11	83.3	97.2	84.9	86.8	93.5	101.8	106.8
Software <sup>2</sup> .....	12	167.9	181.2	169.8	173.4	177.6	185.1	188.5
Other <sup>3</sup> .....	13	170.1	185.4	169.3	175.9	180.1	190.2	195.5
Industrial equipment .....	14	137.5	133.7	135.6	133.4	133.2	134.1	134.0
Transportation equipment .....	15	128.0	121.1	128.8	119.8	115.3	117.8	131.7
Other equipment <sup>4</sup> .....	16	127.1	132.7	129.4	126.3	128.1	135.7	141.0
<b>Residential</b> .....	17	<b>503.7</b>	<b>562.6</b>	<b>520.3</b>	<b>534.4</b>	<b>543.2</b>	<b>575.1</b>	<b>597.8</b>
<b>Structures</b> .....	18	<b>496.1</b>	<b>554.5</b>	<b>512.7</b>	<b>526.7</b>	<b>535.3</b>	<b>566.9</b>	<b>589.4</b>
Permanent site .....	19	298.5	336.8	308.9	321.0	321.9	339.7	364.4
Single family .....	20	265.9	302.3	276.1	287.2	288.4	304.7	329.1
Multifamily .....	21	32.6	34.4	32.8	33.8	33.6	35.0	35.3
Other structures <sup>5</sup> .....	22	197.7	217.8	203.8	205.7	213.3	227.2	225.0
<b>Equipment</b> .....	23	<b>7.6</b>	<b>8.1</b>	<b>7.6</b>	<b>7.7</b>	<b>7.9</b>	<b>8.3</b>	<b>8.4</b>
<b>Addenda:</b>								
Private fixed investment in structures .....	24	762.4	812.8	769.0	782.8	794.5	826.7	847.3
Private fixed investment in equipment and software .....	25	821.4	859.5	825.6	823.4	835.6	872.9	906.0
Private fixed investment in new structures <sup>6</sup> .....	26	695.9	735.2	700.4	715.0	719.1	740.5	766.2
Nonresidential structures .....	27	265.6	257.7	255.7	255.5	258.6	259.2	257.4
Residential structures .....	28	430.3	477.5	444.7	459.5	460.5	481.3	508.8

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.
2. Excludes software "embedded," or bundled, in computers and other equipment.
3. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.
4. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.
5. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of structures.
6. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

Table 5.3.6. Real Private Fixed Investment by Type, Chained Dollars

[Billions of chained (2000) dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Private fixed investment ....</b>	<b>1</b>	<b>1,565.8</b>	<b>1,634.6</b>	<b>1,573.5</b>	<b>1,577.7</b>	<b>1,601.4</b>	<b>1,661.0</b>	<b>1,698.3</b>
<b>Nonresidential .....</b>	<b>2</b>	<b>1,092.6</b>	<b>1,124.6</b>	<b>1,088.9</b>	<b>1,087.3</b>	<b>1,105.8</b>	<b>1,139.5</b>	<b>1,165.9</b>
<b>Structures .....</b>	<b>3</b>	<b>249.0</b>	<b>236.6</b>	<b>239.0</b>	<b>236.5</b>	<b>238.8</b>	<b>237.7</b>	<b>233.4</b>
Commercial and health care .....	4	107.9	99.0	104.3	99.7	99.1	99.6	97.7
Manufacturing .....	5	15.3	12.1	12.7	12.1	12.4	12.3	11.8
Power and communication .....	6	47.3	45.0	47.1	48.5	45.3	43.4	42.7
Mining exploration, shafts, and wells .....	7	23.1	26.8	22.0	23.5	27.5	28.1	28.1
Other structures <sup>1</sup> .....	8	55.5	53.8	53.1	53.0	54.7	54.5	53.2
<b>Equipment and software .....</b>	<b>9</b>	<b>846.7</b>	<b>893.6</b>	<b>853.9</b>	<b>855.0</b>	<b>871.6</b>	<b>907.7</b>	<b>940.1</b>
Information processing equipment and software .....	10	459.3	522.7	468.2	487.2	506.4	537.7	559.4
Computers and peripheral equipment <sup>2</sup> .....	11							
Software <sup>3</sup> .....	12	167.5	182.5	169.7	174.4	178.6	185.0	191.9
Other <sup>4</sup> .....	13	177.1	194.7	177.1	184.3	188.6	200.2	205.8
Industrial equipment .....	14	136.1	131.2	133.9	131.4	131.0	131.4	131.1
Transportation equipment .....	15	128.2	116.5	127.2	117.4	115.1	113.7	119.9
Other equipment <sup>5</sup> .....	16	124.3	128.5	126.1	122.6	123.9	131.1	136.4
<b>Residential .....</b>	<b>17</b>	<b>470.3</b>	<b>505.6</b>	<b>481.0</b>	<b>486.4</b>	<b>491.7</b>	<b>516.7</b>	<b>527.5</b>
<b>Structures .....</b>	<b>18</b>	<b>462.7</b>	<b>497.2</b>	<b>473.3</b>	<b>478.5</b>	<b>483.5</b>	<b>508.2</b>	<b>518.7</b>
Permanent site .....	19	277.5	300.3	284.1	289.8	289.5	303.5	318.5
Single family .....	20	246.9	269.3	253.7	259.0	259.0	271.9	287.4
Multifamily .....	21	30.6	31.0	30.4	30.8	30.5	31.6	31.1
Other structures <sup>6</sup> .....	22	185.2	196.9	189.2	188.7	194.0	204.7	200.1
<b>Equipment .....</b>	<b>23</b>	<b>7.6</b>	<b>8.3</b>	<b>7.7</b>	<b>7.8</b>	<b>8.2</b>	<b>8.6</b>	<b>8.8</b>
Residual .....	24	-5.0	-17.7	-7.2	-10.4	-15.4	-20.8	-24.9
<b>Addenda:</b>								
Private fixed investment in structures .....	25	711.5	733.9	712.2	715.0	722.3	746.0	752.3
Private fixed investment in equipment and software .....	26	854.3	902.0	861.6	862.8	879.8	916.3	948.9
Private fixed investment in new structures <sup>7</sup> .....	27	650.2	665.1	649.7	653.8	655.0	669.9	681.5
Nonresidential structures .....	28	248.3	236.0	238.4	235.9	238.2	237.1	232.8
Residential structures .....	29	402.1	429.1	411.5	418.0	417.0	432.9	448.6

1. Consists primarily of religious, educational, vocational, lodging, railroads, farm, and amusement and recreational structures, net purchases of used structures, and brokers' commissions on the sale of structures.

2. The quantity index for computers can be used to accurately measure the real growth rate of this component. However, because computers 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 5.3.2 and real growth rates are shown in table 5.3.1.

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

4. Includes communication equipment, nonmedical instruments, medical equipment and instruments, photocopy and related equipment, and office and accounting equipment.

5. Consists primarily of furniture and fixtures, agricultural machinery, construction machinery, mining and oilfield machinery, service industry machinery, and electrical equipment not elsewhere classified.

6. Consists primarily of manufactured homes, improvements, dormitories, net purchases of used structures, and brokers' commissions on the sale of residential structures.

7. Excludes net purchases of used structures and brokers' commissions on the sale of structures.

NOTE. Chained (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 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 5.6.5B. Change in Private Inventories by Industry

[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
					IV	I	II	III
<b>Change in private inventories .....</b>	<b>1</b>	<b>5.4</b>	<b>-0.9</b>	<b>20.2</b>	<b>-0.9</b>	<b>-5.8</b>	<b>-10.5</b>	<b>13.7</b>
Farm .....	2	-3.4	-2.3	-4.8	0.2	-2.7	-4.3	-2.3
Mining, utilities, and construction ..	3	-2.2	-2.8	-3.6	-8.3	-2.5	-0.2	0.0
Manufacturing .....	4	-7.5	-12.5	-3.8	-12.4	-15.3	-16.1	-6.1
Durable goods industries .....	5	-9.5	-11.2	1.8	-13.3	-13.9	-15.9	-1.5
Nondurable goods industries .....	6	2.0	-1.3	-5.7	0.9	-1.3	-0.2	-4.7
Wholesale trade .....	7	-0.9	-1.4	6.5	-5.2	-5.1	-1.4	6.2
Durable goods industries .....	8	-1.5	-1.2	3.9	0.6	-5.1	-7.4	7.0
Nondurable goods industries .....	9	0.6	-0.1	2.5	-5.8	0.0	6.1	-0.8
Retail trade .....	10	19.1	17.1	26.6	26.9	15.2	11.0	15.3
Motor vehicle and parts dealers .....	11	12.7	9.9	20.1	18.7	15.1	1.1	4.7
Food and beverage stores .....	12	0.0	-0.3	-0.4	0.8	-0.9	1.4	-2.5
General merchandise stores .....	13	1.2	0.9	4.7	0.3	-0.5	-0.1	3.8
Other retail stores .....	14	5.2	6.6	2.2	7.0	1.5	8.5	9.4
Other industries .....	15	0.2	0.9	-0.8	-2.2	4.6	0.6	0.7
<b>Addenda:</b>								
Change in private inventories ...	16	5.4	-0.9	20.2	-0.9	-5.8	-10.5	13.7
Durable goods industries .....	17	6.1	2.9	32.3	10.9	-1.1	-15.8	17.6
Nondurable goods industries .....	18	-0.7	-3.8	-12.1	-11.8	-4.7	5.4	-4.0
Nonfarm industries .....	19	8.7	1.4	25.0	-1.2	-3.0	-6.2	16.0
Nonfarm change in book value <sup>1</sup> .....	20	14.4	16.8	44.8	48.9	-12.5	-7.2	38.1
Nonfarm inventory valuation adjustment <sup>2</sup> .....	21	-5.7	-15.4	-19.9	-50.1	9.4	1.0	-22.1
Wholesale trade .....	22	-0.9	-1.4	6.5	-5.2	-5.1	-1.4	6.2
Merchant wholesale trade .....	23	-1.8	-0.1	4.6	-0.7	-4.8	0.1	5.1
Durable goods industries ..	24	-2.1	0.1	3.0	3.9	-4.2	-5.6	6.4
Nondurable goods industries .....	25	0.2	-0.2	1.7	-4.6	-0.6	5.7	-1.3
Nonmerchant wholesale trade .....	26	0.9	-1.3	1.8	-4.5	-0.3	-1.5	1.1

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 5.6.6B. Real Change in Private Inventories by Industry, Chained Dollars**  
[Billions of chained (2000) dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2003				
				IV	I	II	III	IV
<b>Change in private inventories</b> .....	1	5.7	0.7	21.5	1.6	-4.5	-9.1	14.9
Farm .....	2	-3.3	-1.0	-3.5	1.2	-2.0	-2.8	-0.6
Mining, utilities, and construction..	3	-2.1	-2.3	-3.3	-6.9	-2.2	-0.2	-0.1
Manufacturing .....	4	-7.5	-12.3	-3.8	-12.2	-15.1	-15.8	-5.9
Durable goods industries .....	5	-9.6	-11.2	1.9	-13.4	-14.0	-15.9	-1.4
Nondurable goods industries.....	6	2.1	-1.2	-5.7	1.0	-1.3	-0.2	-4.4
Wholesale trade.....	7	-0.7	-1.1	6.5	-4.7	-4.6	-1.3	6.2
Durable goods industries.....	8	-1.5	-1.3	4.0	0.6	-5.2	-7.6	7.0
Nondurable goods industries.....	9	0.8	0.1	2.5	-5.1	0.4	5.8	-0.6
Retail trade .....	10	19.2	17.2	26.6	27.1	15.3	11.0	15.2
Motor vehicle and parts dealers	11	12.9	10.1	20.4	19.1	15.4	1.2	4.8
Food and beverage stores.....	12	0.0	-0.3	-0.4	0.8	-0.9	1.4	-2.3
General merchandise stores .....	13	1.2	0.9	4.7	0.3	-0.5	-0.1	3.7
Other retail stores.....	14	5.2	6.7	2.2	7.2	1.6	8.5	9.3
Other industries .....	15	0.3	1.0	-0.7	-2.1	4.7	0.6	0.7
Residual .....	16	-0.3	-0.8	-0.6	-1.1	-0.5	0.2	-1.2
<b>Addenda:</b>								
Change in private inventories....	17	5.7	0.7	21.5	1.6	-4.5	-9.1	14.9
Durable goods industries.....	18	6.2	3.0	32.8	11.1	-1.0	-16.0	17.8
Nondurable goods industries.....	19	-0.4	-2.1	-10.6	-8.9	-3.4	6.1	-2.1
Nonfarm industries .....	20	9.3	2.0	25.4	0.3	-2.4	-5.9	15.9
Wholesale trade .....	21	-0.7	-1.1	6.5	-4.7	-4.6	-1.3	6.2
Merchant wholesale trade.....	22	-1.6	0.2	4.7	-0.3	-4.3	0.1	5.1
Durable goods industries.....	23	-2.1	0.1	3.0	3.9	-4.3	-5.7	6.5
Nondurable goods industries.....	24	0.5	0.1	1.7	-4.0	-0.1	5.4	-1.1
Nonmerchant wholesale trade .....	25	0.9	-1.3	1.8	-4.4	-0.3	-1.5	1.1

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

Chained (2000) 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 5.7.5B. Private Inventories and Domestic Final Sales by Industry**  
[Billions of dollars]

	Line	Seasonally adjusted quarterly totals				
		2003				
		IV	I	II	III	IV
<b>Private inventories</b> <sup>1</sup> .....	1	1,500.2	1,525.8	1,516.9	1,530.8	1,546.7
Farm .....	2	134.9	136.8	138.2	151.4	153.4
Mining, utilities, and construction.....	3	51.7	55.6	54.3	53.3	52.1
Manufacturing .....	4	443.0	448.7	441.1	437.7	442.0
Durable goods industries .....	5	263.7	262.3	257.5	254.1	256.3
Nondurable goods industries.....	6	179.2	186.3	183.6	183.6	185.7
Wholesale trade.....	7	344.2	348.1	343.7	345.8	352.7
Durable goods industries.....	8	198.9	199.6	198.0	197.0	200.6
Nondurable goods industries.....	9	145.3	148.5	145.7	148.8	152.1
Retail trade .....	10	413.8	423.2	425.7	428.6	432.0
Motor vehicle and parts dealers .....	11	135.0	140.6	143.1	142.0	141.7
Food and beverage stores.....	12	33.5	34.1	34.2	35.1	34.9
General merchandise stores.....	13	65.3	65.6	65.6	65.8	66.9
Other retail stores.....	14	180.0	182.9	182.8	185.8	188.5
Other industries .....	15	112.6	113.4	113.9	114.1	114.6
<b>Addenda:</b>						
Private inventories .....	16	1,500.2	1,525.8	1,516.9	1,530.8	1,546.7
Durable goods industries.....	17	678.8	685.0	682.1	678.4	686.1
Nondurable goods industries.....	18	821.4	840.8	834.8	852.5	860.6
Nonfarm industries .....	19	1,365.3	1,389.0	1,378.7	1,379.4	1,393.3
Wholesale trade.....	20	344.2	348.1	343.7	345.8	352.7
Merchant wholesale trade.....	21	295.2	298.3	295.9	297.8	303.5
Durable goods industries.....	22	171.6	173.0	171.7	171.1	174.3
Nondurable goods industries.....	23	123.6	125.3	124.2	126.7	129.1
Nonmerchant wholesale trade.....	24	49.0	49.8	47.9	48.0	49.2
<b>Final sales of domestic business</b> <sup>2</sup> .....	25	680.1	687.9	696.9	716.9	723.9
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	26	368.1	372.4	375.6	392.1	397.6
<b>Ratios of private inventories to final sales of domestic business:</b>						
Private inventories to final sales .....	27	2.21	2.22	2.18	2.14	2.14
Nonfarm inventories to final sales.....	28	2.01	2.02	1.98	1.92	1.92
Nonfarm inventories to final sales of goods and structures.....	29	3.71	3.73	3.67	3.52	3.50

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 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 value added 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 5.7.6B. Real Private Inventories and Real Domestic Final Sales by Industry, Chained Dollars**  
[Billions of chained (2000) dollars]

	Line	Seasonally adjusted quarterly totals				
		2002	2003			
			IV	I	II	III
<b>Private inventories<sup>1</sup></b> .....	1	<b>1,490.4</b>	<b>1,490.8</b>	<b>1,489.6</b>	<b>1,487.4</b>	<b>1,491.1</b>
Farm .....	2	123.3	123.6	123.1	122.4	122.3
Mining, utilities, and construction.....	3	50.1	48.3	47.8	47.7	47.7
Manufacturing.....	4	443.2	440.2	436.4	432.4	431.0
Durable goods industries.....	5	266.2	262.8	259.3	255.4	255.0
Nondurable goods industries.....	6	177.0	177.3	176.9	176.9	175.8
Wholesale trade.....	7	344.8	343.6	342.5	342.1	343.7
Durable goods industries.....	8	203.9	204.1	202.8	200.9	202.7
Nondurable goods industries.....	9	140.6	139.4	139.5	140.9	140.8
Retail trade.....	10	415.2	422.0	425.8	428.6	432.4
Motor vehicle and parts dealers.....	11	138.3	143.1	146.9	147.2	148.4
Food and beverage stores.....	12	32.4	32.6	32.3	32.7	32.1
General merchandise stores.....	13	64.8	64.8	64.7	64.7	65.6
Other retail stores.....	14	179.9	181.7	182.1	184.2	186.6
Other industries.....	15	113.5	113.0	114.1	114.3	114.4
Residual.....	16	0.4	0.1	0.1	0.1	-0.3
<b>Addenda:</b>						
Private inventories.....	17	1,490.4	1,490.8	1,489.6	1,487.4	1,491.1
Durable goods industries.....	18	690.7	693.5	693.2	689.2	693.6
Nondurable goods industries.....	19	799.4	797.2	796.3	797.9	797.3
Nonfarm industries.....	20	1,367.2	1,367.3	1,366.7	1,365.2	1,369.2
Wholesale trade.....	21	344.8	343.6	342.5	342.1	343.7
Merchant wholesale trade.....	22	295.4	295.3	294.2	294.3	295.5
Durable goods industries.....	23	175.8	176.8	175.7	174.3	175.9
Nondurable goods industries.....	24	119.3	118.3	118.3	119.7	119.4
Nonmerchant wholesale trade.....	25	49.4	48.3	48.3	47.9	48.2
<b>Final sales of domestic business<sup>2</sup></b> .....	26	<b>589.2</b>	<b>594.0</b>	<b>597.8</b>	<b>614.8</b>	<b>620.9</b>
<b>Final sales of goods and structures of domestic business<sup>2</sup></b> .....	27	<b>360.4</b>	<b>364.9</b>	<b>367.5</b>	<b>382.8</b>	<b>386.8</b>
<b>Ratios of private inventories to final sales of domestic business:</b>						
Private inventories to final sales.....	28	2.53	2.51	2.49	2.42	2.40
Nonfarm inventories to final sales.....	29	2.32	2.30	2.29	2.22	2.21
Nonfarm inventories to final sales of goods and structures.....	30	3.79	3.75	3.72	3.57	3.54

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 value added 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 (2000) dollar inventory series are calculated to ensure that the chained (2000) dollar change in inventories for 2000 equals the current-dollar change in inventories for 2000 and that the average of the 1999 and 2000 end-of-year chain-weighted and fixed-weighted inventories are equal. The residual line is the difference between the first line and the sum of the most detailed lines for inventories.

**Table 5.7.9B. Implicit Price Deflators for Private Inventories by Industry**  
[Index numbers, 2000=100]

	Line	Seasonally adjusted				
		2002	2003			
			IV	I	II	III
<b>Private inventories<sup>1</sup></b> .....	1	<b>100.660</b>	<b>102.351</b>	<b>101.828</b>	<b>102.921</b>	<b>103.727</b>
Farm .....	2	109.398	110.661	112.251	123.698	125.436
Mining, utilities, and construction.....	3	103.308	115.114	113.545	111.649	109.185
Manufacturing.....	4	99.945	101.933	101.072	101.213	102.562
Durable goods industries.....	5	99.073	99.807	99.290	99.488	100.516
Nondurable goods industries.....	6	101.248	105.108	103.739	103.798	105.614
Wholesale trade.....	7	99.828	101.301	100.369	101.063	102.617
Durable goods industries.....	8	97.516	97.768	97.622	98.043	98.953
Nondurable goods industries.....	9	103.334	106.587	104.509	105.596	108.077
Retail trade.....	10	99.664	100.295	99.984	99.999	99.905
Motor vehicle and parts dealers.....	11	97.612	98.310	97.394	96.425	95.446
Food and beverage stores.....	12	103.358	104.579	105.646	107.264	108.830
General merchandise stores.....	13	100.869	101.160	101.415	101.613	101.859
Other retail stores.....	14	100.074	100.671	100.393	100.850	101.052
Other industries.....	15	99.237	100.419	99.794	99.849	100.119
<b>Addenda:</b>						
Private inventories.....	16	100.660	102.351	101.828	102.921	103.727
Durable goods industries.....	17	98.283	98.781	98.399	98.429	98.906
Nondurable goods industries.....	18	102.748	105.473	104.828	106.842	107.935
Nonfarm industries.....	19	99.860	101.589	100.876	101.037	101.760
Wholesale trade.....	20	99.828	101.301	100.369	101.063	102.617
Merchant wholesale trade.....	21	99.938	101.008	100.560	101.191	102.677
Durable goods industries.....	22	97.605	97.866	97.721	98.153	99.106
Nondurable goods industries.....	23	103.591	105.862	104.964	105.888	108.158
Nonmerchant wholesale trade.....	24	99.155	103.057	99.173	100.248	102.224

1. Implicit price deflators are as of the end of the quarter and are consistent with inventory stocks.

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

## 6. Income and Employment by Industry

**Table 6.16D. Corporate Profits by Industry**  
[Billions of dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002	2003			
				IV	I	II	III	IV
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	1	<b>904.2</b>	.....	<b>934.9</b>	<b>927.1</b>	<b>1,022.8</b>	<b>1,124.2</b>	.....
<b>Domestic industries</b> .....	2	<b>750.8</b>	.....	<b>767.9</b>	<b>778.4</b>	<b>874.3</b>	<b>966.5</b>	.....
Financial <sup>1</sup> .....	3	259.1	.....	248.6	268.4	279.6	299.2	.....
Nonfinancial .....	4	491.7	.....	519.3	510.0	594.7	667.3	.....
<b>Rest of the world</b> .....	5	<b>153.4</b>	.....	<b>166.9</b>	<b>148.7</b>	<b>148.5</b>	<b>157.7</b>	.....
Receipts from the rest of the world .....	6	202.4	.....	214.0	215.4	220.8	236.2	.....
Less: Payments to the rest of the world .....	7	49.1	.....	47.0	66.6	72.3	78.4	.....
<b>Corporate profits with inventory valuation adjustment</b> .....	8	<b>742.7</b>	.....	<b>784.2</b>	<b>780.9</b>	<b>793.6</b>	<b>864.2</b>	.....
<b>Domestic industries</b> .....	9	<b>589.4</b>	.....	<b>617.2</b>	<b>632.1</b>	<b>645.1</b>	<b>706.4</b>	.....
Financial .....	10	255.1	.....	243.4	261.8	260.6	274.6	.....
Federal Reserve banks .....	11	22.9	.....	21.2	21.2	20.5	18.9	.....
Other financial <sup>2</sup> .....	12	232.2	.....	222.1	240.7	240.1	255.7	.....
Nonfinancial .....	13	334.3	.....	373.9	370.3	384.5	431.8	.....
Utilities .....	14	22.0	.....	22.8	28.1	21.1	21.5	.....
Manufacturing .....	15	73.3	.....	95.1	87.1	80.3	97.7	.....
Durable goods .....	16	8.8	.....	25.2	17.1	13.9	19.4	.....
Fabricated metal products .....	17	9.7	.....	12.1	8.9	12.1	12.6	.....
Machinery .....	18	1.5	.....	-1.3	-2.8	-2.7	-2.4	.....
Computer and electronic products .....	19	-18.4	.....	-1.2	-5.6	-1.8	-1.5	.....
Electrical equipment, appliances, and components .....	20	1.7	.....	0.7	0.7	-0.9	-1.5	.....
Motor vehicles, bodies and trailers, and parts .....	21	-1.0	.....	-1.7	7.3	-1.9	-3.5	.....
Other durable goods <sup>3</sup> .....	22	15.3	.....	16.6	8.6	9.1	15.7	.....
Nondurable goods .....	23	64.6	.....	69.9	70.0	66.4	78.4	.....
Food and beverage and tobacco products .....	24	32.8	.....	32.4	32.4	30.6	31.8	.....
Petroleum and coal products .....	25	6.4	.....	8.7	20.2	20.6	19.5	.....
Chemical products .....	26	17.5	.....	19.4	18.9	15.8	23.7	.....
Other nondurable goods <sup>4</sup> .....	27	7.9	.....	9.4	-1.5	-0.5	3.4	.....
Wholesale trade .....	28	49.1	.....	47.9	39.8	42.6	51.0	.....
Retail trade .....	29	76.7	.....	73.9	72.9	85.0	84.3	.....
Transportation and warehousing .....	30	-2.3	.....	2.4	5.6	12.9	14.7	.....
Information .....	31	-20.2	.....	-12.6	-11.4	-8.0	2.3	.....
Other nonfinancial <sup>5</sup> .....	32	135.5	.....	144.4	148.1	150.7	160.2	.....
<b>Rest of the world</b> .....	33	<b>153.4</b>	.....	<b>166.9</b>	<b>148.7</b>	<b>148.5</b>	<b>157.7</b>	.....

1. Consists of finance and insurance and bank and other holding companies.

2. Consists of credit intermediation and related activities; securities, commodity contracts, and other financial investments and related activities; insurance carriers and related activities; funds, trusts, and other financial vehicles; and bank and other holding companies.

3. Consists of wood products; nonmetallic mineral products; primary metals; other transportation equipment; furniture and related products; and miscellaneous manufacturing.

4. Consists of textile mills and textile product mills; apparel; leather and allied products; paper products; printing and related support activities; and plastics and rubber products.

5. Consists of agriculture, forestry, fishing, and hunting; mining; construction; real estate and rental and leasing; professional, scientific, and technical services; administrative and waste management services; educational services; health care and social assistance; arts, entertainment, and recreation; accommodation and food services; and other services, except government.

NOTE: Estimates in this table are based on the 1997 North American Industry Classification System (NAICS).



## 7. Supplemental Tables

**Table 7.1. Selected Per Capita Product and Income Series in Current and Chained Dollars**  
[Dollars]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Current dollars:</b>								
Gross domestic product .....	1	36,361	37,740	36,715	37,018	37,314	38,110	38,510
Gross national product .....	2	36,436	.....	36,845	37,114	37,428	38,240	.....
Personal income .....	3	30,913	31,577	31,038	31,201	31,463	31,713	31,929
Disposable personal income ....	4	27,259	28,180	27,425	27,720	28,022	28,501	28,474
Personal consumption expenditures .....	5	25,622	26,636	25,923	26,208	26,398	26,888	27,045
Durable goods .....	6	3,162	3,233	3,136	3,097	3,186	3,346	3,303
Nondurable goods .....	7	7,237	7,590	7,324	7,502	7,468	7,652	7,739
Services .....	8	15,224	15,812	15,464	15,609	15,744	15,891	16,003
<b>Chained (2000) dollars:</b>								
Gross domestic product .....	9	34,981	35,721	35,115	35,206	35,393	36,004	36,274
Gross national product .....	10	35,057	.....	35,245	35,300	35,503	36,125	.....
Disposable personal income ....	11	26,355	26,761	26,320	26,419	26,673	27,011	26,941
Personal consumption expenditures .....	12	24,773	25,295	24,879	24,978	25,127	25,482	25,589
Durable goods .....	13	3,321	3,528	3,331	3,327	3,458	3,668	3,658
Nondurable goods .....	14	7,090	7,286	7,125	7,208	7,213	7,323	7,397
Services .....	15	14,369	14,511	14,430	14,450	14,477	14,539	14,579
Population (midperiod, thousands)	16	288,240	291,086	289,360	290,016	290,689	291,445	292,194

**Table 7.2.1B. Percent Change from Preceding Period in Real Motor Vehicle Output**  
[Percent]

	Line	2002	2003	Seasonally adjusted at annual rates				
				2002		2003		
				IV	I	II	III	IV
<b>Motor vehicle output .....</b>	<b>1</b>	<b>11.4</b>	<b>2.6</b>	<b>-4.9</b>	<b>-6.4</b>	<b>2.1</b>	<b>26.6</b>	<b>2.9</b>
Auto output .....	2	3.8	-9.3	-5.2	-23.1	9.3	4.8	-21.5
Truck output .....	3	16.8	9.8	-4.8	4.1	-1.5	39.4	16.6
<b>Final sales of domestic product</b>	<b>4</b>	<b>2.9</b>	<b>4.0</b>	<b>-11.7</b>	<b>-5.2</b>	<b>9.4</b>	<b>65.7</b>	<b>-17.2</b>
<b>Personal consumption expenditures .....</b>	<b>5</b>	<b>5.1</b>	<b>4.0</b>	<b>-9.5</b>	<b>-5.7</b>	<b>16.1</b>	<b>45.5</b>	<b>-12.2</b>
New motor vehicles .....	6	7.8	8.2	-29.0	-8.5	59.2	41.5	-33.9
Autos .....	7	-0.9	-1.9	-31.1	1.7	20.6	3.8	-24.4
Light trucks (including utility vehicles) .....	8	14.6	15.1	-27.7	-14.6	89.6	68.1	-38.5
Net purchases of used autos and used light trucks .....	9	-0.6	-5.4	74.9	1.7	-52.3	59.5	100.3
Used autos .....	10	-2.4	-5.1	134.3	4.6	-55.9	43.2	58.9
Used light trucks (including utility vehicles) .....	11	1.4	-5.9	27.1	-1.7	-47.7	79.5	152.4
<b>Private fixed investment .....</b>	<b>12</b>	<b>-3.4</b>	<b>-3.0</b>	<b>-9.7</b>	<b>-27.5</b>	<b>10.8</b>	<b>13.7</b>	<b>10.3</b>
New motor vehicles .....	13	-1.6	-2.2	6.0	-35.3	-5.7	30.7	36.3
Autos .....	14	-2.0	-6.3	-4.2	-27.3	-23.9	29.6	11.3
Trucks .....	15	-1.2	0.6	13.9	-40.3	8.9	31.3	54.1
Light trucks (including utility vehicles) .....	16	-1.5	2.2	29.3	-35.3	6.6	18.8	59.3
Other .....	17	-0.4	-4.5	-23.9	-55.4	18.1	85.4	37.9
Net purchases of used autos and used light trucks .....	18	1.0	-0.8	30.9	-44.5	-25.3	60.9	87.0
Used autos .....	19	-0.7	-8.9	-2.1	-38.2	-37.5	39.7	69.6
Used light trucks (including utility vehicles) .....	20	2.7	7.1	73.1	-49.6	-12.3	81.0	102.2
<b>Gross government investment .....</b>	<b>21</b>	<b>-3.0</b>	<b>-2.3</b>	<b>49.7</b>	<b>-33.0</b>	<b>-13.4</b>	<b>51.3</b>	<b>26.7</b>
Autos .....	22	-6.1	-3.2	98.4	3.0	-41.0	-33.9	78.7
Trucks .....	23	-1.9	-2.0	35.5	-43.4	0.6	97.6	14.4
<b>Net exports .....</b>	<b>24</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>
Exports .....	25	12.3	9.5	8.3	-0.3	24.6	-21.1	43.5
Autos .....	26	12.0	4.1	-13.0	-1.9	30.6	-27.8	33.4
Trucks .....	27	12.7	15.2	35.9	1.2	19.0	-14.1	53.4
Imports .....	28	5.3	-0.3	5.3	-24.2	29.8	-26.2	44.1
Autos .....	29	6.2	-3.6	-5.0	-30.2	25.7	-18.0	46.9
Trucks .....	30	4.1	3.7	18.8	-16.9	34.5	-34.2	41.1
<b>Change in private inventories .....</b>	<b>31</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>
Autos .....	32	.....	.....	.....	.....	.....	.....	.....
New .....	33	.....	.....	.....	.....	.....	.....	.....
Domestic .....	34	.....	.....	.....	.....	.....	.....	.....
Foreign .....	35	.....	.....	.....	.....	.....	.....	.....
Used .....	36	.....	.....	.....	.....	.....	.....	.....
Trucks .....	37	.....	.....	.....	.....	.....	.....	.....
New .....	38	.....	.....	.....	.....	.....	.....	.....
Domestic .....	39	.....	.....	.....	.....	.....	.....	.....
Foreign .....	40	.....	.....	.....	.....	.....	.....	.....
Used <sup>1</sup> .....	41	.....	.....	.....	.....	.....	.....	.....
<b>Addenda:</b>								
Final sales of motor vehicles to domestic purchasers .....	42	3.0	2.4	-8.3	-11.6	14.1	38.6	-6.9
Private fixed investment in new autos and new light trucks ....	43	-1.7	-1.8	12.0	-31.7	-8.7	23.6	36.0
Domestic output of new autos <sup>2</sup> ..	44	7.6	-7.5	-27.3	-13.2	21.3	-2.6	-8.2
Sales of imported new autos <sup>3</sup> ..	45	2.3	-3.5	-11.5	-17.3	0.3	9.4	-8.3

1. Consists of used light 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 7.2.3B. Real Motor Vehicle Output, Quantity Indexes

[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Motor vehicle output</b> .....	1	106.114	108.876	106.813	105.066	105.603	112.016	112.818
Auto output.....	2	97.520	88.452	93.731	87.782	89.751	90.801	85.473
Truck output.....	3	112.246	123.295	116.150	117.333	116.888	126.998	131.959
<b>Final sales of domestic product</b>	4	<b>104.935</b>	<b>109.107</b>	<b>103.103</b>	<b>101.727</b>	<b>104.045</b>	<b>118.043</b>	<b>112.613</b>
<b>Personal consumption expenditures</b> .....	5	<b>111.862</b>	<b>116.391</b>	<b>110.333</b>	<b>108.737</b>	<b>112.868</b>	<b>123.958</b>	<b>120.003</b>
New motor vehicles .....	6	118.775	128.547	118.064	115.467	129.705	141.455	127.559
Autos.....	7	99.265	97.360	94.762	95.168	99.732	100.675	93.864
Light trucks (including utility vehicles) .....	8	137.091	157.847	139.966	134.544	157.870	179.761	159.213
Net purchases of used autos and used light trucks .....	9	98.674	93.324	95.906	96.305	80.039	89.946	107.008
Used autos.....	10	94.282	89.500	95.489	96.566	78.695	86.084	96.656
Used light trucks (including utility vehicles) .....	11	103.938	97.837	96.438	96.030	81.662	94.521	119.137
<b>Private fixed investment</b> .....	12	<b>82.904</b>	<b>80.380</b>	<b>83.551</b>	<b>77.085</b>	<b>79.087</b>	<b>81.661</b>	<b>83.686</b>
New motor vehicles .....	13	88.124	86.187	92.017	82.525	81.327	86.950	93.948
Autos.....	14	91.113	85.415	93.567	86.412	80.697	86.105	88.444
Trucks.....	15	86.167	86.684	91.028	80.010	81.736	87.501	97.489
Light trucks (including utility vehicles) .....	16	91.285	93.282	97.468	87.418	88.821	92.722	104.168
Other.....	17	72.009	68.743	73.512	60.079	62.626	73.081	79.188
Net purchases of used autos and used light trucks .....	18	96.139	95.337	105.139	90.767	84.389	95.044	111.150
Used autos.....	19	90.087	82.113	93.567	82.965	73.766	80.200	91.521
Used light trucks (including utility vehicles) .....	20	102.982	110.275	118.220	99.596	96.385	111.801	133.319
<b>Gross government investment</b> .....	21	<b>102.799</b>	<b>100.417</b>	<b>106.499</b>	<b>96.340</b>	<b>92.927</b>	<b>103.058</b>	<b>109.343</b>
Autos.....	22	97.475	94.330	104.622	105.405	92.362	83.272	96.283
Trucks.....	23	104.807	102.668	107.202	92.986	93.115	110.396	114.174
<b>Net exports</b> .....	24	<b>108.501</b>	<b>118.809</b>	<b>114.830</b>	<b>114.733</b>	<b>121.218</b>	<b>114.249</b>	<b>125.037</b>
Exports.....	25	120.195	125.120	122.244	121.654	130.056	119.903	128.867
Autos.....	26	98.225	113.178	108.257	108.587	113.407	109.191	121.528
Trucks.....	27	103.027	102.739	106.349	99.235	105.929	98.196	107.596
Imports.....	28	103.627	99.921	104.705	95.721	101.353	96.441	106.168
Autos.....	29	102.320	106.081	108.292	103.390	111.336	100.289	109.310
Trucks.....	30	.....	.....	.....	.....	.....	.....	.....
<b>Change in private inventories</b> .....	31	.....	.....	.....	.....	.....	.....	.....
Autos.....	32	.....	.....	.....	.....	.....	.....	.....
New.....	33	.....	.....	.....	.....	.....	.....	.....
Domestic.....	34	.....	.....	.....	.....	.....	.....	.....
Foreign.....	35	.....	.....	.....	.....	.....	.....	.....
Used.....	36	.....	.....	.....	.....	.....	.....	.....
Trucks.....	37	.....	.....	.....	.....	.....	.....	.....
New.....	38	.....	.....	.....	.....	.....	.....	.....
Domestic.....	39	.....	.....	.....	.....	.....	.....	.....
Foreign.....	40	.....	.....	.....	.....	.....	.....	.....
Used <sup>1</sup> .....	41	.....	.....	.....	.....	.....	.....	.....
<b>Addenda:</b>								
Final sales of motor vehicles to domestic purchasers .....	42	104.192	106.654	103.365	100.228	103.588	112.402	110.400
Private fixed investment in new autos and new light trucks .....	43	91.202	89.538	95.584	86.910	84.950	89.566	96.727
Domestic output of new autos <sup>2</sup> .....	44	98.291	90.882	91.575	88.391	92.766	92.163	90.209
Sales of imported new autos <sup>3</sup> .....	45	101.050	97.475	101.539	96.842	96.922	99.132	97.005

1. Consists of used light 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 7.2.4B. Price Indexes for Motor Vehicle Output

[Index numbers, 2000=100]

	Line	2002	2003	Seasonally adjusted				
				2002	2003			
					IV	I	II	III
<b>Motor vehicle output</b> .....	1	96.777	95.018	96.199	95.813	94.680	94.640	94.939
Auto output.....	2	97.527	92.913	96.359	94.071	93.115	92.367	92.100
Truck output.....	3	96.264	96.072	96.031	96.686	95.457	95.788	96.358
<b>Final sales of domestic product</b>	4	<b>96.900</b>	<b>94.561</b>	<b>96.367</b>	<b>95.503</b>	<b>94.101</b>	<b>94.145</b>	<b>94.495</b>
<b>Personal consumption expenditures</b> .....	5	<b>97.943</b>	<b>94.620</b>	<b>96.952</b>	<b>95.763</b>	<b>95.211</b>	<b>94.399</b>	<b>93.106</b>
New motor vehicles .....	6	97.832	96.417	97.881	96.977	96.441	96.310	95.940
Autos.....	7	98.370	96.535	98.278	97.160	96.592	96.330	96.057
Light trucks (including utility vehicles) .....	8	97.429	96.290	97.576	96.811	96.295	96.237	95.816
Net purchases of used autos and used light trucks .....	9	98.078	89.731	94.408	92.558	91.960	89.048	85.357
Used autos.....	10	98.071	88.853	94.150	92.203	91.379	87.516	84.313
Used light trucks (including utility vehicles) .....	11	98.086	90.724	94.676	92.943	92.611	90.768	86.572
<b>Private fixed investment</b> .....	12	<b>97.482</b>	<b>101.579</b>	<b>99.043</b>	<b>100.167</b>	<b>97.352</b>	<b>100.720</b>	<b>108.078</b>
New motor vehicles .....	13	97.376	97.271	97.398	98.238	96.473	96.661	97.711
Autos.....	14	98.357	96.523	98.274	97.153	96.580	96.314	96.045
Trucks.....	15	96.704	97.757	96.788	98.977	96.408	96.889	98.752
Light trucks (including utility vehicles) .....	16	95.453	96.108	94.915	97.586	94.382	95.110	97.354
Other.....	17	101.000	103.431	103.225	103.532	103.531	103.085	103.576
Net purchases of used autos and used light trucks .....	18	97.438	91.855	95.477	95.952	95.652	91.359	84.455
Used autos.....	19	97.516	91.786	95.411	95.696	95.405	91.347	84.694
Used light trucks (including utility vehicles) .....	20	97.361	91.941	95.543	96.194	95.886	91.394	84.289
<b>Gross government investment</b> .....	21	<b>99.530</b>	<b>101.439</b>	<b>100.580</b>	<b>101.019</b>	<b>100.082</b>	<b>100.839</b>	<b>103.815</b>
Autos.....	22	100.153	99.542	99.715	98.296	98.030	99.921	101.922
Trucks.....	23	99.323	102.187	100.899	102.083	100.875	101.258	104.531
<b>Net exports</b> .....	24	<b>102.010</b>	<b>103.770</b>	<b>103.070</b>	<b>103.304</b>	<b>103.549</b>	<b>103.920</b>	<b>104.306</b>
Exports.....	25	101.293	102.618	102.300	102.296	102.518	102.628	103.028
Autos.....	26	102.757	104.884	103.806	104.276	104.542	105.172	105.545
Trucks.....	27	101.278	102.170	101.561	101.635	102.005	102.086	102.953
Imports.....	28	101.009	101.652	101.409	101.377	101.443	101.443	102.343
Autos.....	29	101.595	102.747	101.736	101.929	102.629	102.801	103.630
Trucks.....	30	.....	.....	.....	.....	.....	.....	.....
<b>Change in private inventories</b> .....	31	.....	.....	.....	.....	.....	.....	.....
Autos.....	32	.....	.....	.....	.....	.....	.....	.....
New.....	33	.....	.....	.....	.....	.....	.....	.....
Domestic.....	34	.....	.....	.....	.....	.....	.....	.....
Foreign.....	35	.....	.....	.....	.....	.....	.....	.....
Used.....	36	.....	.....	.....	.....	.....	.....	.....
Trucks.....	37	.....	.....	.....	.....	.....	.....	.....
New.....	38	.....	.....	.....	.....	.....	.....	.....
Domestic.....	39	.....	.....	.....	.....	.....	.....	.....
Foreign.....	40	.....	.....	.....	.....	.....	.....	.....
Used <sup>1</sup> .....	41	.....	.....	.....	.....	.....	.....	.....
<b>Addenda:</b>								
Final sales of motor vehicles to domestic purchasers .....	42	97.813	96.120	97.412	96.741	95.730	95.763	96.245
Private fixed investment in new autos and new light trucks .....	43	96.819	96.343	96.506	97.420	95.417	95.699	96.836
Domestic output of new autos <sup>2</sup> .....	44	98.761	97.382	98.803	97.821	97.373	97.214	97.120
Sales of imported new autos <sup>3</sup> .....	45	98.366	96.530	98.278	97.156	96.585	96.324	96.054

1. Consists of used light 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 7.2.5B. Motor Vehicle Output**  
[Billions of dollars]

	Line	Seasonally adjusted at annual rates						
		2002	2003	2003				
				IV	I	II	III	IV
Motor vehicle output .....	1	374.8	377.6	375.1	367.5	365.0	387.0	391.0
Auto output .....	2	143.7	124.1	136.5	124.7	126.2	126.7	118.9
Truck output .....	3	231.1	253.5	238.7	242.7	238.8	260.3	272.2
Final sales of domestic product	4	360.4	365.6	352.1	344.3	347.0	393.9	377.2
Personal consumption expenditures .....	5	356.6	358.3	348.1	338.9	349.8	380.8	363.6
New motor vehicles .....	6	249.0	265.5	247.6	239.9	268.0	291.9	262.2
Autos .....	7	101.1	97.4	96.5	95.8	99.8	100.5	93.4
Light trucks (including utility vehicles) .....	8	147.8	168.2	151.1	144.1	168.2	191.4	168.8
Net purchases of used autos and used light trucks .....	9	107.7	92.8	100.5	99.0	81.7	88.9	101.4
Used autos .....	10	56.1	48.1	54.4	53.9	43.5	45.6	49.4
Used light trucks (including utility vehicles) .....	11	51.6	44.7	46.1	45.1	38.2	43.3	52.1
Private fixed investment .....	12	95.6	96.7	97.9	91.3	91.1	97.3	107.1
New motor vehicles .....	13	165.9	162.2	173.4	156.8	151.8	162.6	177.6
Autos .....	14	68.5	63.0	70.3	64.1	59.5	63.4	64.9
Trucks .....	15	97.5	99.2	103.1	92.7	92.2	99.2	112.7
Light trucks (including utility vehicles) .....	16	75.0	77.2	79.7	73.5	72.2	75.9	87.3
Other .....	17	22.5	22.0	23.4	19.2	20.0	23.3	25.4
Net purchases of used autos and used light trucks .....	18	-70.4	-65.5	-75.5	-65.5	-60.7	-65.3	-70.6
Used autos .....	19	-35.0	-30.0	-35.6	-31.7	-28.1	-29.2	-30.9
Used light trucks (including utility vehicles) .....	20	-35.3	-35.5	-39.9	-33.8	-32.6	-36.1	-39.7
Gross government investment .....	21	12.7	12.6	13.3	12.1	11.5	12.9	14.1
Autos .....	22	3.3	3.2	3.6	3.5	3.1	2.8	3.3
Trucks .....	23	9.3	9.4	9.7	8.5	8.4	10.0	10.7
Net exports .....	24	-104.5	-102.0	-107.2	-98.0	-105.3	-97.1	-107.5
Exports .....	25	28.9	32.2	30.9	31.0	32.8	31.0	34.1
Autos .....	26	14.9	15.7	15.3	15.2	16.3	15.1	16.2
Trucks .....	27	14.0	16.5	15.6	15.7	16.5	16.0	17.8
Imports .....	28	133.4	134.2	138.1	128.9	138.1	128.1	141.6
Autos .....	29	72.7	70.5	73.7	67.4	71.4	67.9	75.4
Trucks .....	30	60.7	63.7	64.4	61.6	66.8	60.2	66.2
Change in private inventories .....	31	14.4	12.0	23.0	23.2	18.0	-6.8	13.8
Autos .....	32	7.5	-2.7	5.7	-8.8	3.4	-3.5	-2.0
New .....	33	7.0	-0.5	5.7	-3.9	3.5	-2.5	0.8
Domestic .....	34	5.8	-0.4	0.0	-3.0	2.3	-0.3	-0.7
Foreign .....	35	1.2	-0.1	5.7	-1.0	1.2	-2.2	1.5
Used .....	36	0.5	-2.2	0.1	-4.9	-0.1	-1.0	-2.8
Trucks .....	37	6.9	14.8	17.3	32.0	14.6	-3.4	15.8
New .....	38	5.8	8.9	7.6	28.2	6.0	-11.3	12.5
Domestic .....	39	4.5	8.8	2.1	25.8	4.8	-4.8	9.5
Foreign .....	40	1.4	0.0	5.5	2.4	1.2	-6.5	3.0
Used <sup>1</sup> .....	41	1.1	5.9	9.6	3.8	8.6	8.0	3.3
Addenda:								
Final sales of motor vehicles to domestic purchasers .....	42	464.9	467.6	459.3	442.3	452.3	491.0	484.8
Private fixed investment in new autos and new light trucks .....	43	143.5	140.2	149.9	137.6	131.7	139.3	152.2
Domestic output of new autos <sup>2</sup> .....	44	107.3	97.8	100.1	95.6	99.8	99.0	96.8
Sales of imported new autos <sup>3</sup> .....	45	83.4	78.9	83.7	78.9	78.5	80.1	78.2

1. Consists of used light 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 7.2.6B. Real Motor Vehicle Output, Chained Dollars**  
[Billions of chained (2000) dollars]

	Line	Seasonally adjusted at annual rates						
		2002	2003	2003				
				IV	I	II	III	IV
Motor vehicle output .....	1	387.3	397.4	389.8	383.5	385.4	408.8	411.7
Auto output .....	2	147.3	133.6	141.6	132.6	135.6	137.2	129.1
Truck output .....	3	240.1	263.7	248.4	251.0	250.0	271.6	282.2
Final sales of domestic product	4	371.9	386.7	365.4	360.6	368.8	418.4	399.1
Personal consumption expenditures .....	5	364.1	378.8	359.1	353.9	367.4	403.5	390.6
New motor vehicles .....	6	254.5	275.4	252.9	247.4	277.9	303.1	273.3
Autos .....	7	102.8	100.8	98.2	98.6	103.3	104.3	97.2
Light trucks (including utility vehicles) .....	8	151.7	174.7	154.9	148.9	174.7	198.9	176.2
Net purchases of used autos and used light trucks .....	9	109.8	103.8	106.7	107.1	89.0	100.1	119.0
Used autos .....	10	57.2	54.3	57.9	58.6	47.7	52.2	58.6
Used light trucks (including utility vehicles) .....	11	52.6	49.5	48.8	48.6	41.3	47.8	60.3
Private fixed investment .....	12	98.0	95.1	98.8	91.2	93.5	96.6	99.0
New motor vehicles .....	13	170.4	166.7	177.9	159.6	157.3	168.1	181.7
Autos .....	14	69.6	65.2	71.5	66.0	61.6	65.8	67.6
Trucks .....	15	100.8	101.4	106.5	93.6	95.6	102.4	114.0
Light trucks (including utility vehicles) .....	16	78.6	80.3	83.9	75.2	76.4	79.8	89.7
Other .....	17	22.3	21.3	22.7	18.6	19.4	22.6	24.5
Net purchases of used autos and used light trucks .....	18	-72.2	-71.6	-79.0	-68.2	-63.4	-71.4	-83.5
Used autos .....	19	-35.9	-32.7	-37.3	-33.1	-29.4	-32.0	-36.5
Used light trucks (including utility vehicles) .....	20	-36.3	-38.9	-41.7	-35.1	-34.0	-39.4	-47.0
Gross government investment .....	21	12.7	12.4	13.2	11.9	11.5	12.8	13.5
Autos .....	22	3.3	3.2	3.6	3.6	3.1	2.8	3.3
Trucks .....	23	9.4	9.2	9.6	8.3	8.4	9.9	10.2
Net exports .....	24	-103.4	-100.3	-106.0	-96.9	-103.8	-95.7	-104.9
Exports .....	25	28.3	31.0	30.0	30.0	31.7	29.8	32.7
Autos .....	26	14.7	15.3	15.0	14.9	15.9	14.7	15.8
Trucks .....	27	13.6	15.7	15.0	15.1	15.8	15.2	16.9
Imports .....	28	131.7	131.3	136.0	126.9	135.4	125.5	137.6
Autos .....	29	71.9	69.4	72.7	66.4	70.4	66.9	73.7
Trucks .....	30	59.8	62.0	63.3	60.4	65.0	58.6	63.9
Change in private inventories .....	31	14.2	9.5	22.7	19.9	17.0	-11.1	12.3
Autos .....	32	7.6	-2.9	5.9	-9.1	3.5	-3.7	-2.2
New .....	33	7.1	-0.6	5.7	-4.0	3.5	-2.6	0.8
Domestic .....	34	5.9	-0.4	-0.1	-3.1	2.3	-0.3	-0.7
Foreign .....	35	1.2	-0.1	5.6	-1.0	1.2	-2.2	1.4
Used .....	36	0.5	-2.4	0.1	-5.1	-0.1	-1.2	-3.3
Trucks .....	37	6.6	12.0	16.5	28.0	13.3	-7.3	14.0
New .....	38	5.3	5.9	7.0	23.7	4.9	-14.8	10.1
Domestic .....	39	4.0	5.9	1.9	21.4	3.9	-9.5	7.6
Foreign .....	40	1.4	0.1	5.6	2.3	1.1	-5.7	2.6
Used <sup>1</sup> .....	41	1.2	6.4	10.1	4.0	9.0	8.7	3.9
Residual .....	42	1.2	1.4	0.5	3.6	-0.8	1.9	1.0
Addenda:								
Final sales of motor vehicles to domestic purchasers .....	43	475.3	486.5	471.5	457.2	472.5	512.7	503.6
Private fixed investment in new autos and new light trucks .....	44	148.2	145.5	155.3	141.2	138.0	145.5	157.1
Domestic output of new autos <sup>2</sup> .....	45	108.6	100.4	101.2	97.7	102.5	101.8	99.7
Sales of imported new autos <sup>3</sup> .....	46	84.7	81.7	85.2	81.2	81.3	83.1	81.4

1. Consists of used light 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 (2000) dollar series are calculated as the product of the chain-type quantity index and the 2000 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.



## C. Historical Measures

This table is derived from the "GDP and Other Major NIPA Series" tables that were published in the February 2004 issue of the SURVEY OF CURRENT BUSINESS and from the "Selected NIPA Tables" that are published in this issue. (The changes in prices are calculated from indexes expressed to three decimal places.)

**Table C.1. GDP and Other Major NIPA Aggregates**

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (2000) dollars			Percent change from preceding period		Chain-type price indexes [2000=100]		Implicit price deflators [2000=100]		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price indexes		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1959 .....	2,441.3	2,442.7	2,457.4	7.1	6.2	20.754	20.365	20.751	20.727	1.2	1.2	1.2	1.2
1960 .....	2,501.8	2,506.8	2,519.4	2.5	2.6	21.044	20.646	21.041	21.018	1.4	1.4	1.4	1.4
1961 .....	2,560.0	2,566.8	2,579.3	2.3	2.4	21.281	20.865	21.278	21.255	1.1	1.1	1.1	1.1
1962 .....	2,715.2	2,708.5	2,736.9	6.1	5.5	21.572	21.139	21.569	21.547	1.4	1.3	1.4	1.4
1963 .....	2,834.0	2,830.3	2,857.2	4.4	4.5	21.801	21.385	21.798	21.777	1.1	1.2	1.1	1.1
1964 .....	2,998.6	2,999.9	3,023.6	5.8	6.0	22.134	21.725	22.131	22.111	1.5	1.6	1.5	1.5
1965 .....	3,191.1	3,173.8	3,217.3	6.4	5.8	22.538	22.102	22.535	22.516	1.8	1.7	1.8	1.8
1966 .....	3,399.1	3,364.8	3,423.7	6.5	6.0	23.180	22.724	23.176	23.158	2.8	2.8	2.8	2.9
1967 .....	3,484.6	3,467.6	3,510.1	2.5	3.1	23.897	23.389	23.893	23.874	3.1	2.9	3.1	3.1
1968 .....	3,652.7	3,640.3	3,680.0	4.8	5.0	24.916	24.380	24.913	24.893	4.3	4.2	4.3	4.3
1969 .....	3,765.4	3,753.7	3,792.0	3.1	3.1	26.153	25.580	26.149	26.127	5.0	4.9	5.0	5.0
1970 .....	3,771.9	3,787.7	3,798.2	0.2	0.9	27.538	26.964	27.534	27.512	5.3	5.4	5.3	5.3
1971 .....	3,898.6	3,893.4	3,927.8	3.4	2.8	28.916	28.351	28.911	28.889	5.0	5.1	5.0	5.0
1972 .....	4,105.0	4,098.6	4,136.2	5.3	5.3	30.171	29.619	30.166	30.145	4.3	4.5	4.3	4.3
1973 .....	4,341.5	4,315.9	4,383.6	5.8	5.3	31.854	31.343	31.849	31.830	5.6	5.8	5.6	5.6
1974 .....	4,319.6	4,305.5	4,367.5	-0.5	-0.2	34.721	34.546	34.725	34.699	9.0	10.2	9.0	9.0
1975 .....	4,311.2	4,352.5	4,348.4	-0.2	1.1	38.007	37.761	38.002	37.976	9.5	9.3	9.4	9.4
1976 .....	4,540.9	4,522.3	4,585.3	5.3	3.9	40.202	39.938	40.196	40.175	5.8	5.8	5.8	5.8
1977 .....	4,750.5	4,721.6	4,800.3	4.6	4.4	42.758	42.634	42.752	42.731	6.4	6.8	6.4	6.4
1978 .....	5,015.0	4,981.6	5,064.4	5.6	5.5	45.762	45.663	45.757	45.737	7.0	7.1	7.0	7.0
1979 .....	5,173.4	5,161.2	5,240.1	3.2	3.6	49.553	49.669	49.548	49.527	8.3	8.8	8.3	8.3
1980 .....	5,161.7	5,196.7	5,227.6	-0.2	0.7	54.062	54.876	54.043	54.015	9.1	10.5	9.1	9.1
1981 .....	5,291.7	5,265.1	5,349.7	2.5	1.3	59.128	59.896	59.119	59.095	9.4	9.1	9.4	9.4
1982 .....	5,189.3	5,233.4	5,249.7	-1.9	-0.6	62.738	63.296	62.726	62.699	6.1	5.7	6.1	6.1
1983 .....	5,423.8	5,454.0	5,482.5	4.5	4.2	65.214	65.515	65.207	65.184	3.9	3.5	4.0	4.0
1984 .....	5,813.6	5,739.2	5,869.3	7.2	5.2	67.664	67.822	67.655	67.631	3.8	3.5	3.8	3.8
1985 .....	6,053.7	6,042.1	6,093.4	4.1	5.3	69.724	69.760	69.713	69.695	3.0	2.9	3.0	3.1
1986 .....	6,263.6	6,271.8	6,290.6	3.5	3.8	71.269	71.338	71.250	71.227	2.2	2.3	2.2	2.2
1987 .....	6,475.1	6,457.2	6,500.9	3.4	3.0	73.204	73.527	73.196	73.181	2.7	3.1	2.7	2.7
1988 .....	6,742.7	6,734.5	6,775.2	4.1	4.3	75.706	76.043	75.694	75.679	3.4	3.4	3.4	3.4
1989 .....	6,981.4	6,962.2	7,015.4	3.5	3.4	78.569	78.934	78.556	78.549	3.8	3.8	3.8	3.8
1990 .....	7,112.5	7,108.5	7,155.2	1.9	2.1	81.614	82.144	81.590	81.589	3.9	4.1	3.9	3.9
1991 .....	7,100.5	7,115.0	7,136.8	-0.2	0.1	84.457	84.836	84.444	84.440	3.5	3.3	3.5	3.5
1992 .....	7,336.6	7,331.1	7,371.8	3.3	3.0	86.402	86.828	86.385	86.375	2.3	2.3	2.3	2.3
1993 .....	7,532.7	7,522.3	7,568.6	2.7	2.6	88.390	88.730	88.381	88.382	2.3	2.2	2.3	2.3
1994 .....	7,835.5	7,777.8	7,864.2	4.0	3.4	90.265	90.583	90.259	90.262	2.1	2.1	2.1	2.1
1995 .....	8,031.7	8,010.2	8,069.8	2.5	3.0	92.115	92.483	92.106	92.114	2.0	2.1	2.0	2.1
1996 .....	8,328.9	8,306.5	8,365.3	3.7	3.7	93.859	94.145	93.852	93.863	1.9	1.8	1.9	1.9
1997 .....	8,703.5	8,636.6	8,737.5	4.5	4.0	95.415	95.440	95.414	95.420	1.7	1.4	1.7	1.7
1998 .....	9,066.9	8,997.6	9,088.7	4.2	4.2	96.475	96.060	96.472	96.475	1.1	0.6	1.1	1.1
1999 .....	9,470.3	9,404.0	9,504.7	4.5	4.5	97.868	97.556	97.868	97.869	1.4	1.6	1.4	1.4
2000 .....	9,817.0	9,760.5	9,855.9	3.7	3.8	100.000	100.000	100.000	100.000	2.2	2.5	2.2	2.2
2001 .....	9,866.6	9,901.1	9,901.4	0.5	1.4	102.376	101.974	102.373	102.368	2.4	2.0	2.4	2.4
2002 .....	10,083.0	10,076.9	10,105.0	2.2	1.8	103.949	103.374	103.945	103.932	1.5	1.4	1.5	1.5
2003 .....	10,397.7	10,393.4	.....	3.1	3.1	105.665	105.308	105.652	.....	1.7	1.9	1.6	.....



Table C.1. GDP and Other Major NIPA Aggregates—Continued

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (2000) dollars			Percent change from preceding period		Chain-type price indexes [2000=100]		Implicit price deflators [2000=100]		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price indexes		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1975: I.....	4,237.6	4,287.8	4,271.5	-4.7	3.2	37.077	36.849	37.050	37.022	9.6	9.0	9.5	9.5
II.....	4,268.6	4,331.0	4,302.8	3.0	4.1	37.622	37.412	37.614	37.586	6.0	6.3	6.2	6.2
III.....	4,340.9	4,370.1	4,377.7	6.9	3.7	38.324	38.060	38.313	38.288	7.7	7.1	7.6	7.7
IV.....	4,397.8	4,421.1	4,441.7	5.4	4.8	39.005	38.724	38.987	38.961	7.3	7.2	7.2	7.2
1976: I.....	4,496.8	4,482.1	4,539.3	9.3	5.6	39.443	39.163	39.418	39.396	4.6	4.6	4.5	4.5
II.....	4,530.3	4,496.3	4,574.6	3.0	1.3	39.866	39.595	39.840	39.818	4.4	4.5	4.4	4.4
III.....	4,552.0	4,523.7	4,596.7	1.9	2.5	40.405	40.168	40.385	40.365	5.5	5.9	5.6	5.6
IV.....	4,584.6	4,587.1	4,630.4	2.9	5.7	41.096	40.828	41.122	41.101	7.0	6.7	7.5	7.5
1977: I.....	4,640.0	4,631.5	4,692.2	4.9	3.9	41.781	41.591	41.796	41.773	6.8	7.7	6.7	6.7
II.....	4,731.1	4,705.5	4,782.3	8.1	6.5	42.452	42.306	42.401	42.381	6.6	7.1	5.9	6.0
III.....	4,815.8	4,752.2	4,866.4	7.4	4.3	43.036	42.950	42.917	42.899	5.6	6.2	5.0	5.0
IV.....	4,815.3	4,794.1	4,860.4	0.0	3.3	43.762	43.688	43.852	43.831	6.9	7.1	9.0	9.0
1978: I.....	4,830.8	4,799.5	4,882.9	1.3	0.5	44.493	44.410	44.505	44.483	6.9	6.8	6.1	6.1
II.....	5,021.2	4,989.9	5,064.7	16.7	16.8	45.350	45.266	45.321	45.301	7.9	7.9	7.5	7.6
III.....	5,070.7	5,036.0	5,118.2	4.0	3.7	46.133	46.048	46.072	46.052	7.1	7.1	6.8	6.8
IV.....	5,137.4	5,100.6	5,191.9	5.4	5.2	47.074	46.928	47.047	47.027	8.4	7.9	8.7	8.7
1979: I.....	5,147.4	5,117.8	5,203.1	0.8	1.4	47.929	47.828	47.876	47.857	7.5	7.9	7.2	7.2
II.....	5,152.3	5,117.9	5,214.9	0.4	0.0	49.092	49.044	49.058	49.034	10.1	10.6	10.2	10.2
III.....	5,189.4	5,192.3	5,263.8	2.9	5.9	50.102	50.289	50.115	50.093	8.5	10.5	8.9	8.9
IV.....	5,204.7	5,216.9	5,278.6	1.2	1.9	51.088	51.515	51.117	51.093	8.1	10.1	8.2	8.2
1980: I.....	5,221.3	5,227.3	5,296.5	1.3	0.8	52.209	52.930	52.195	52.172	9.1	11.4	8.7	8.7
II.....	5,115.9	5,126.2	5,185.5	-7.8	-7.5	53.362	54.220	53.349	53.324	9.1	10.1	9.1	9.1
III.....	5,107.4	5,193.5	5,173.0	-0.7	5.4	54.572	55.446	54.560	54.534	9.4	9.4	9.4	9.4
IV.....	5,202.1	5,239.7	5,255.6	7.6	3.6	56.105	56.907	56.071	56.043	11.7	11.0	11.5	11.5
1981: I.....	5,307.5	5,261.7	5,364.5	8.4	1.7	57.566	58.397	57.517	57.492	10.8	10.9	10.7	10.8
II.....	5,266.1	5,272.8	5,319.8	-3.1	0.8	58.582	59.434	58.598	58.571	7.2	7.3	7.7	7.7
III.....	5,329.8	5,278.5	5,386.8	4.9	0.4	59.661	60.355	59.641	59.616	7.6	6.3	7.3	7.3
IV.....	5,263.4	5,247.4	5,327.3	-4.9	-2.3	60.704	61.400	60.729	60.706	7.2	7.1	7.5	7.5
1982: I.....	5,177.1	5,232.9	5,237.7	-6.4	-1.1	61.563	62.213	61.555	61.530	5.8	5.4	5.6	5.5
II.....	5,204.9	5,230.5	5,272.8	2.2	-0.2	62.330	62.883	62.302	62.276	5.1	4.4	4.9	4.9
III.....	5,185.2	5,196.6	5,242.9	-1.5	-2.6	63.193	63.717	63.182	63.155	5.7	5.4	5.8	5.8
IV.....	5,189.8	5,273.3	5,245.3	0.4	6.0	63.866	64.372	63.863	63.837	4.3	4.2	4.4	4.4
1983: I.....	5,253.8	5,329.2	5,308.8	5.0	4.3	64.413	64.768	64.388	64.363	3.5	2.5	3.3	3.3
II.....	5,372.3	5,404.6	5,430.9	9.3	5.8	64.881	65.213	64.853	64.831	2.9	2.8	2.9	2.9
III.....	5,478.4	5,505.1	5,538.0	8.1	7.7	65.542	65.849	65.517	65.495	4.1	4.0	4.2	4.2
IV.....	5,590.5	5,577.0	5,652.4	8.4	5.3	66.020	66.231	66.012	65.991	2.9	2.3	3.1	3.1
1984: I.....	5,699.8	5,614.4	5,757.1	8.1	2.7	66.838	67.052	66.837	66.815	5.0	5.1	5.1	5.1
II.....	5,797.9	5,717.5	5,855.5	7.1	7.5	67.439	67.647	67.414	67.392	3.6	3.6	3.5	3.5
III.....	5,854.3	5,770.2	5,911.3	3.9	3.7	67.989	68.114	67.953	67.930	3.3	2.8	3.2	3.2
IV.....	5,902.4	5,854.6	5,953.2	3.3	6.0	68.392	68.476	68.385	68.359	2.4	2.1	2.6	2.6
1985: I.....	5,956.9	5,953.0	5,997.4	3.8	6.9	69.180	69.137	69.155	69.127	4.7	3.9	4.6	4.6
II.....	6,007.8	5,998.5	6,050.8	3.5	3.1	69.542	69.537	69.550	69.529	2.1	2.3	2.3	2.3
III.....	6,101.7	6,095.8	6,137.4	6.4	6.6	69.876	69.907	69.838	69.827	1.9	2.1	1.7	1.7
IV.....	6,148.6	6,121.2	6,188.2	3.1	1.7	70.299	70.459	70.289	70.276	2.4	3.2	2.6	2.6
1986: I.....	6,207.4	6,184.1	6,242.5	3.9	4.2	70.660	70.851	70.652	70.635	2.1	2.2	2.1	2.1
II.....	6,232.0	6,230.5	6,257.3	1.6	3.0	71.001	70.985	71.015	70.993	1.9	0.8	2.1	2.0
III.....	6,291.7	6,317.8	6,320.1	3.9	5.7	71.455	71.493	71.426	71.401	2.6	2.9	2.3	2.3
IV.....	6,323.4	6,355.0	6,342.8	2.0	2.4	71.960	72.025	71.893	71.866	2.9	3.0	2.6	2.6
1987: I.....	6,365.0	6,344.4	6,386.8	2.7	-0.7	72.514	72.728	72.487	72.465	3.1	4.0	3.3	3.4
II.....	6,435.0	6,431.4	6,461.8	4.5	5.6	72.904	73.229	72.882	72.870	2.2	2.8	2.2	2.3
III.....	6,493.4	6,510.8	6,519.5	3.7	5.0	73.450	73.819	73.425	73.412	3.0	3.3	3.0	3.0
IV.....	6,606.8	6,542.5	6,635.4	7.2	2.0	73.948	74.332	73.958	73.944	2.7	2.8	2.9	2.9
1988: I.....	6,639.1	6,637.2	6,675.0	2.0	5.9	74.564	74.975	74.587	74.571	3.4	3.5	3.4	3.4
II.....	6,723.5	6,716.4	6,756.2	5.2	4.9	75.296	75.706	75.300	75.285	4.0	4.0	3.9	3.9
III.....	6,759.4	6,749.5	6,788.9	2.1	2.0	76.178	76.406	76.141	76.124	4.8	3.8	4.5	4.5
IV.....	6,848.6	6,835.1	6,880.9	5.4	5.2	76.786	77.086	76.712	76.700	3.2	3.6	3.0	3.1
1989: I.....	6,918.1	6,873.3	6,950.1	4.1	2.3	77.588	77.937	77.580	77.566	4.2	4.5	4.6	4.6
II.....	6,963.5	6,933.6	6,993.9	2.6	3.6	78.342	78.764	78.324	78.316	3.9	4.3	3.9	3.9
III.....	7,013.1	7,015.3	7,046.2	2.9	4.8	78.913	79.227	78.879	78.875	2.9	2.4	2.9	2.9
IV.....	7,030.9	7,026.8	7,071.4	1.0	0.7	79.433	79.807	79.425	79.422	2.7	3.0	2.8	2.8
1990: I.....	7,112.1	7,110.6	7,150.0	4.7	4.9	80.389	80.878	80.375	80.376	4.9	5.5	4.9	4.9
II.....	7,130.3	7,103.8	7,169.9	1.0	-0.4	81.326	81.629	81.311	81.301	4.7	3.8	4.7	4.7
III.....	7,130.8	7,118.3	7,163.9	0.0	0.8	82.053	82.531	82.031	82.028	3.6	4.5	3.6	3.6
IV.....	7,076.9	7,101.3	7,137.1	-3.0	-1.0	82.689	83.536	82.646	82.652	3.1	5.0	3.0	3.1

Table C.1. GDP and Other Major NIPA Aggregates—Continued

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (2000) dollars			Percent change from preceding period		Chain-type price indexes [2000=100]		Implicit price deflators [2000=100]		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price indexes		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1991: I.....	7,040.8	7,071.5	7,087.0	-2.0	-1.7	83.662	84.197	83.626	83.623	4.8	3.2	4.8	4.8
II.....	7,086.5	7,120.2	7,119.1	2.6	2.8	84.194	84.533	84.165	84.164	2.6	1.6	2.6	2.6
III.....	7,120.7	7,134.6	7,149.3	1.9	0.8	84.772	85.058	84.762	84.758	2.8	2.5	2.9	2.9
IV.....	7,154.1	7,133.8	7,191.8	1.9	0.0	85.200	85.556	85.206	85.202	2.0	2.4	2.1	2.1
1992: I.....	7,228.2	7,239.3	7,265.5	4.2	6.0	85.766	86.093	85.721	85.710	2.7	2.5	2.4	2.4
II.....	7,297.9	7,284.3	7,334.5	3.9	2.5	86.212	86.588	86.190	86.181	2.1	2.3	2.2	2.2
III.....	7,369.5	7,360.5	7,402.6	4.0	4.2	86.587	87.098	86.580	86.567	1.8	2.4	1.8	1.8
IV.....	7,450.7	7,440.3	7,485.0	4.5	4.4	87.042	87.531	87.029	87.019	2.1	2.0	2.1	2.1
1993: I.....	7,459.7	7,431.2	7,502.4	0.5	-0.5	87.729	88.076	87.707	87.705	3.2	2.5	3.2	3.2
II.....	7,497.5	7,483.7	7,532.8	2.0	2.9	88.204	88.595	88.190	88.189	2.2	2.4	2.2	2.2
III.....	7,536.0	7,540.6	7,577.7	2.1	3.1	88.599	88.916	88.570	88.574	1.8	1.5	1.7	1.8
IV.....	7,637.4	7,633.7	7,661.5	5.5	5.0	89.030	89.331	89.038	89.048	2.0	1.9	2.1	2.2
1994: I.....	7,715.1	7,677.5	7,747.2	4.1	2.3	89.598	89.800	89.578	89.583	2.6	2.1	2.4	2.4
II.....	7,815.7	7,737.2	7,843.7	5.3	3.1	89.890	90.271	89.954	89.963	1.7	2.1	1.7	1.7
III.....	7,859.5	7,814.3	7,886.8	2.3	4.0	90.525	90.921	90.530	90.527	2.4	2.9	2.6	2.5
IV.....	7,951.6	7,882.3	7,979.2	4.8	3.5	90.958	91.340	90.952	90.953	1.9	1.9	1.9	1.9
1995: I.....	7,973.7	7,918.7	8,014.3	1.1	1.9	91.554	91.877	91.530	91.534	2.6	2.4	2.6	2.6
II.....	7,988.0	7,962.3	8,032.0	0.7	2.2	91.891	92.329	91.859	91.868	1.5	2.0	1.4	1.5
III.....	8,053.1	8,055.0	8,081.0	3.3	4.7	92.281	92.662	92.289	92.299	1.7	1.5	1.9	1.9
IV.....	8,112.0	8,104.8	8,152.0	3.0	2.5	92.734	93.065	92.733	92.743	2.0	1.8	1.9	1.9
1996: I.....	8,169.2	8,175.4	8,213.3	2.9	3.5	93.302	93.602	93.328	93.338	2.5	2.3	2.6	2.6
II.....	8,303.1	8,285.8	8,337.6	6.7	5.5	93.615	93.897	93.659	93.671	1.3	1.3	1.4	1.4
III.....	8,372.7	8,319.9	8,402.7	3.4	1.7	94.064	94.286	93.951	93.962	1.9	1.7	1.3	1.2
IV.....	8,470.6	8,444.7	8,507.6	4.8	6.1	94.455	94.796	94.450	94.458	1.7	2.2	2.1	2.1
1997: I.....	8,536.1	8,507.3	8,566.0	3.1	3.0	94.963	95.189	95.054	95.058	2.2	1.7	2.6	2.6
II.....	8,665.8	8,574.6	8,707.0	6.2	3.2	95.291	95.296	95.206	95.212	1.4	0.5	0.6	0.6
III.....	8,773.7	8,705.7	8,808.7	5.1	6.3	95.541	95.494	95.534	95.542	1.1	0.8	1.4	1.4
IV.....	8,838.4	8,758.6	8,868.1	3.0	2.5	95.864	95.781	95.846	95.851	1.4	1.2	1.3	1.3
1998: I.....	8,936.2	8,821.1	8,965.5	4.5	2.9	96.096	95.773	96.089	96.091	1.0	0.0	1.0	1.0
II.....	8,995.3	8,948.7	9,022.2	2.7	5.9	96.284	95.881	96.249	96.254	0.8	0.5	0.7	0.7
III.....	9,098.9	9,038.4	9,112.2	4.7	4.1	96.620	96.141	96.600	96.604	1.4	1.1	1.5	1.5
IV.....	9,237.1	9,182.2	9,255.2	6.2	6.5	96.901	96.444	96.934	96.932	1.2	1.3	1.4	1.4
1999: I.....	9,315.5	9,239.7	9,346.7	3.4	2.5	97.274	96.761	97.328	97.330	1.5	1.3	1.6	1.7
II.....	9,392.6	9,353.7	9,429.1	3.4	5.0	97.701	97.317	97.674	97.675	1.8	2.3	1.4	1.4
III.....	9,502.2	9,453.5	9,532.7	4.8	4.3	98.022	97.790	98.013	98.014	1.3	2.0	1.4	1.4
IV.....	9,671.1	9,569.3	9,710.4	7.3	5.0	98.475	98.356	98.432	98.433	1.9	2.3	1.7	1.7
2000: I.....	9,695.6	9,668.8	9,729.0	1.0	4.2	99.292	99.275	99.317	99.311	3.4	3.8	3.6	3.6
II.....	9,847.9	9,748.4	9,885.3	6.4	3.3	99.780	99.714	99.745	99.741	2.0	1.8	1.7	1.7
III.....	9,836.6	9,780.4	9,867.8	-0.5	1.3	100.241	100.283	100.259	100.262	1.9	2.3	2.1	2.1
IV.....	9,887.7	9,844.3	9,941.6	2.1	2.6	100.687	100.727	100.666	100.672	1.8	1.8	1.6	1.6
2001: I.....	9,882.2	9,877.5	9,908.7	-0.2	1.4	101.478	101.381	101.443	101.447	3.2	2.6	3.1	3.1
II.....	9,866.3	9,895.3	9,893.5	-0.6	0.7	102.273	101.958	102.248	102.243	3.2	2.3	3.2	3.2
III.....	9,834.6	9,876.9	9,846.5	-1.3	-0.7	102.676	102.211	102.660	102.653	1.6	1.0	1.6	1.6
IV.....	9,883.6	9,954.9	9,956.8	2.0	3.2	103.078	102.346	103.139	103.129	1.6	0.5	1.9	1.9
2002: I.....	9,997.9	10,020.1	10,020.3	4.7	2.6	103.364	102.592	103.315	103.304	1.1	1.0	0.7	0.7
II.....	10,045.1	10,052.3	10,053.4	1.9	1.3	103.738	103.213	103.814	103.804	1.5	2.4	1.9	2.0
III.....	10,128.4	10,096.4	10,147.5	3.4	1.8	104.123	103.625	104.084	104.069	1.5	1.6	1.0	1.0
IV.....	10,160.8	10,138.9	10,198.5	1.3	1.7	104.571	104.065	104.556	104.541	1.7	1.7	1.8	1.8
2003: I.....	10,210.4	10,206.4	10,237.6	2.0	2.7	105.163	104.934	105.146	105.138	2.3	3.4	2.3	2.3
II.....	10,288.3	10,289.5	10,320.2	3.1	3.3	105.440	105.031	105.427	105.425	1.1	0.4	1.1	1.1
III.....	10,493.1	10,497.7	10,528.6	8.2	8.3	105.870	105.496	105.851	105.853	1.6	1.8	1.6	1.6
IV.....	10,599.2	10,580.0	.....	4.1	3.2	106.187	105.772	106.162	.....	1.2	1.1	1.2	.....



## D. Domestic Perspectives

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

### Table D.1. Domestic Perspectives

	2002	2003	2003												2004
			Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Consumer and producer prices (monthly data seasonally adjusted) <sup>1</sup>															
Consumer price index for all urban consumers, 1982=84=100:															
All items.....	179.9	184.0	182.2	183.2	184.0	183.4	183.3	183.5	183.8	184.5	185.1	184.9	184.6	184.9	185.8
Commodities.....	149.7	151.2	150.6	152.0	152.9	151.4	150.2	150.4	150.5	151.5	152.1	151.2	150.5	150.7	151.7
Services.....	209.8	216.5	213.5	214.1	214.9	215.2	216.1	216.4	216.9	217.3	217.8	218.4	218.4	218.9	219.5
All items less food and energy.....	190.5	193.2	192.2	192.4	192.5	192.6	193.0	193.1	193.4	193.6	193.7	194.0	194.0	194.1	194.4
Food.....	176.2	180.0	177.1	178.1	178.4	178.4	178.8	179.6	179.8	180.5	180.9	181.8	182.6	183.5	183.5
Energy.....	121.7	136.5	130.4	137.5	144.9	138.1	132.9	133.7	134.1	138.3	142.8	137.8	133.7	134.1	140.4
Producer price index, 1982=100:															
Finished goods.....	138.9	143.3	141.2	142.8	144.8	142.4	141.8	142.5	142.7	143.5	143.8	144.9	144.5	144.9	.....
Consumer goods.....	139.4	145.2	142.5	144.8	147.2	144.2	143.4	144.4	144.6	145.5	145.8	147.2	146.6	147.2	.....
Capital equipment.....	139.1	139.6	139.2	139.0	139.8	139.0	139.1	139.1	139.3	139.7	139.7	140.5	140.3	140.1	.....
Less food and energy.....	150.2	150.5	150.1	149.9	150.9	149.9	150.1	150.0	150.2	150.5	150.5	151.3	151.2	151.0	.....
Intermediate materials.....	127.8	133.7	131.2	133.8	136.6	133.4	132.5	133.2	133.3	134.1	133.8	134.3	134.0	134.7	.....
Less food and energy.....	135.8	138.5	137.2	138.2	138.7	138.4	138.4	138.4	138.2	138.3	138.7	139.1	139.4	139.6	.....
Crude materials.....	108.1	135.3	128.2	134.9	152.4	128.3	130.1	135.8	131.7	130.2	134.7	138.2	138.5	141.3	.....
Less energy.....	135.7	152.2	143.6	148.5	148.1	146.4	145.4	145.3	147.8	150.8	154.5	159.3	166.1	171.7	.....
Money, interest rates, and stock prices															
Money stock (monthly and quarterly data seasonally adjusted): <sup>2</sup>															
Percent change:															
M1.....	.....	.....	0.27	1.18	0.45	0.41	0.96	1.06	0.39	0.68	0.06	0.11	-0.05	0.70	-0.48
M2.....	.....	.....	0.56	0.73	0.43	0.73	0.81	0.62	0.75	0.65	-0.33	-0.30	-0.13	-0.15	0.05
Ratio:															
Gross domestic product to M1.....	8.806	8.698	.....	8.730	.....	.....	8.638	.....	.....	8.681	.....	.....	8.744	.....	.....
Personal income to M2.....	1.586	1.530	1.544	1.539	1.539	1.530	1.526	1.523	1.517	1.510	1.520	1.529	1.537	1.544	1.052
Interest rates (percent, not seasonally adjusted): <sup>2</sup>															
Prime rate charged by banks.....	4.68	4.12	4.25	4.25	4.25	4.25	4.25	4.22	4.00	4.00	4.00	4.00	4.00	4.00	4.00
3-month Treasury bills, secondary market.....	1.60	1.01	1.17	1.17	1.13	1.13	1.07	0.92	0.90	0.95	0.94	0.92	0.93	0.90	0.88
3-Year U.S. Treasury bonds.....	3.10	2.11	2.18	2.05	1.98	2.06	1.75	1.51	1.93	2.44	2.23	2.26	2.45	2.44	2.27
10-Year U.S. Treasury bonds.....	4.61	4.02	4.05	3.90	3.81	3.96	3.57	3.33	3.98	4.45	4.27	4.29	4.30	4.27	4.15
Federal funds rate.....	1.67	1.13	1.24	1.26	1.25	1.26	1.22	1.01	1.03	1.01	1.01	1.01	1.00	0.98	1.00
New home mortgages.....	6.54	5.82	5.92	5.84	5.75	5.81	5.48	5.23	5.63	6.26	6.15	5.95	5.93	5.88	5.74
Index of stock prices (not seasonally adjusted): <sup>3</sup>															
500 common stocks, 1941-43=10.....	993.94	965.23	895.84	837.62	846.62	890.03	935.96	988.00	992.54	989.53	1,019.44	1,038.73	1,049.90	1,080.64	1,132.52
Labor markets (thousands, monthly and quarterly data seasonally adjusted, unless otherwise noted) <sup>1</sup>															
Civilian labor force.....	144,863	146,510	145,875	145,898	145,818	146,377	146,462	146,917	146,652	146,622	146,610	146,892	147,187	146,878	146,863
Labor force participation rates (percent):															
Total.....	66.6	66.2	66.3	66.3	66.2	66.4	66.3	66.5	66.3	66.2	66.1	66.2	66.2	66.0	66.1
Males, age 20 and over.....	76.3	75.9	75.8	75.9	75.8	76.0	76.0	76.0	75.9	75.9	76.0	75.9	76.1	75.9	76.0
Females, age 20 and over.....	60.5	60.6	60.7	60.5	60.6	60.7	60.7	60.9	60.6	60.3	60.5	60.4	60.5	60.4	60.2
Both sexes, age 16-19.....	47.4	44.5	46.0	45.5	44.4	45.1	45.0	45.1	44.4	44.1	44.0	43.7	43.8	43.2	44.4
Civilian employment.....	136,485	137,736	137,447	137,318	137,300	137,578	137,505	137,673	137,604	137,693	137,644	138,095	138,533	138,479	138,566
Ratio, civilian employment to working-age population (percent).....	62.7	62.3	62.5	62.4	62.3	62.4	62.3	62.3	62.2	62.2	62.1	62.2	62.3	62.2	62.4
Employees on nonagricultural payrolls.....	.....	.....	130,190	130,031	129,921	129,901	129,873	129,859	129,814	129,789	129,856	129,944	130,027	130,043	130,155
Goods-producing industries.....	.....	.....	22,122	22,005	21,949	21,880	21,859	21,805	21,744	21,712	21,697	21,674	21,686	21,670	21,677
Services-producing industries.....	.....	.....	108,068	108,026	107,972	108,021	108,014	108,054	108,070	108,077	108,159	108,270	108,341	108,373	108,478
Hours of production workers:															
Average weekly hours, total private sector.....	33.9	33.7	33.8	33.7	33.8	33.6	33.7	33.7	33.6	33.6	33.6	33.7	33.8	33.5	33.7
Average weekly hours, manufacturing.....	40.5	40.4	40.3	40.4	40.4	40.1	40.2	40.3	40.1	40.2	40.4	40.5	40.8	40.6	40.9
Average weekly overtime hours, manufacturing.....	4.2	4.2	4.3	4.3	4.1	4.0	4.1	4.1	4.1	4.1	4.2	4.3	4.5	4.6	4.6
Number of persons unemployed.....	8,378	8,774	8,428	8,581	8,519	8,799	8,957	9,245	9,048	8,929	8,966	8,797	8,653	8,398	8,297
Unemployment rates (percent):															
Total.....	5.8	6.0	5.8	5.9	5.8	6.0	6.1	6.3	6.2	6.1	6.1	6.0	5.9	5.7	5.6
Males, age 20 and over.....	5.3	5.6	5.5	5.5	5.4	5.7	5.8	6.0	5.9	5.8	5.8	5.6	5.6	5.3	5.1
Females, age 20 and over.....	5.1	5.1	4.8	5.1	5.1	5.1	5.1	5.2	5.2	5.2	5.3	5.2	5.1	5.1	5.0
Both sexes, age 16-19.....	16.5	17.5	17.0	17.3	17.6	17.8	18.1	19.0	18.2	16.9	17.5	17.1	15.7	16.1	16.7
15 weeks and over.....	2.0	2.3	2.2	2.2	2.2	2.3	2.2	2.4	2.4	2.4	2.4	2.4	2.4	2.3	2.3
Average weeks unemployed.....	16.6	19.2	18.5	18.7	18.1	19.4	19.2	19.6	19.3	19.2	19.6	19.4	20.0	19.6	19.8
Median weeks unemployed.....	9.1	10.1	9.7	9.5	9.7	10.1	10.1	11.7	10.1	10.0	10.1	10.3	10.4	10.4	10.7
Productivity and costs, nonfarm business sector, 1992=100:															
Indexes:															
Output per hour of all persons.....	123.6	129.1	.....	126.0	.....	.....	127.9	.....	.....	130.8	.....	.....	131.6	.....	.....
Unit labor costs.....	115.0	113.6	.....	114.8	.....	.....	114.4	.....	.....	112.8	.....	.....	112.7	.....	.....
Hourly compensation.....	142.1	146.7	.....	144.6	.....	.....	146.3	.....	.....	147.5	.....	.....	148.3	.....	.....
Percent change from preceding period, annual rate:															
Output per hour.....	5.0	4.4	.....	3.4	.....	.....	6.2	.....	.....	9.5	.....	.....	2.6	.....	.....
Unit labor costs.....	-2.5	-1.2	.....	0.6	.....	.....	-1.3	.....	.....	-5.6	.....	.....	-0.4	.....	.....
Real hourly compensation.....	0.7	0.9	.....	0.2	.....	.....	4.2	.....	.....	1.0	.....	.....	1.4	.....	.....

See footnotes at end of table.

Table D.1. Domestic Perspectives—Continued

	2002	2003	2003												2004
			Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Construction (monthly data seasonally adjusted at annual rates) <sup>4</sup>															
New construction put in place (billions of dollars).....	860.9	898.7	883.2	876.5	875.2	871.9	871.9	878.8	892.6	901.4	913.8	925.5	928.7	934.4	931.2
Private construction.....	650.5	683.1	667.6	665.1	668.8	662.8	660.9	661.5	674.3	681.2	692.5	705.2	712.6	719.3	715.8
Residential buildings.....	421.5	465.9	450.0	448.5	447.1	443.9	444.9	444.4	457.1	466.8	475.7	487.5	497.0	501.4	501.4
Other.....	229.0	217.2	217.6	216.5	221.6	218.9	216.1	217.1	217.2	214.4	216.7	217.7	215.7	218.0	214.3
Public construction.....	210.4	215.6	215.6	211.4	206.5	209.1	210.9	217.2	218.3	220.2	221.4	220.3	216.0	215.1	215.4
Housing starts (thousands of units):															
Total.....	1,705	1,848	1,828	1,640	1,742	1,627	1,745	1,844	1,890	1,831	1,931	1,977	2,054	2,067	1,903
1-unit structures.....	1,359	1,500	1,509	1,312	1,393	1,357	1,389	1,499	1,533	1,490	1,547	1,640	1,673	1,670	1,537
New 1-family houses sold (thousands of units).....	973	1,089	1,009	935	1,008	1,004	1,081	1,200	1,145	1,190	1,129	1,149	1,111	1,125	1,106
Manufacturing and trade, inventories and sales (millions of dollars, monthly data seasonally adjusted) <sup>4</sup>															
Inventories:															
Total manufacturing and trade.....			1,172,045	1,179,647	1,183,281	1,183,557	1,179,925	1,180,343	1,178,142	1,173,573	1,178,322	1,183,298	1,187,687	1,190,686	
Manufacturing.....			444,220	446,088	445,180	445,207	444,049	442,666	440,767	439,632	438,294	438,680	438,126	438,106	
Retail trade.....			439,120	443,879	447,163	448,258	446,914	448,758	448,314	445,224	450,337	453,394	456,845	458,123	
Merchant wholesalers.....			288,705	289,680	290,938	290,092	288,962	288,919	289,061	288,717	289,691	291,224	292,716	294,457	
Sales:															
Total manufacturing and trade.....	9,888,161	10,312,574	845,441	837,850	851,680	836,843	838,547	849,696	863,732	861,312	869,199	875,497	881,635	889,797	
Manufacturing.....	3,891,753	3,997,190	329,665	325,591	330,764	322,608	323,920	328,643	337,248	331,676	337,598	339,825	341,454	346,533	
Retail trade.....	3,245,407	3,421,857	278,798	274,066	280,369	279,601	280,578	283,318	287,565	290,121	289,594	288,940	291,921	292,400	
Merchant wholesalers.....	2,751,001	2,893,527	236,978	238,193	240,547	234,634	234,049	237,735	238,919	239,515	242,007	246,732	248,260	250,864	
Inventory-sales ratio:															
Total manufacturing and trade.....			1.39	1.41	1.39	1.41	1.41	1.39	1.36	1.36	1.36	1.35	1.35	1.34	
Manufacturing.....			1.35	1.37	1.35	1.38	1.37	1.35	1.31	1.33	1.30	1.29	1.28	1.26	
Retail trade.....			1.58	1.62	1.59	1.60	1.59	1.58	1.56	1.56	1.56	1.57	1.56	1.57	
Merchant wholesalers.....			1.22	1.22	1.21	1.24	1.23	1.22	1.21	1.21	1.20	1.18	1.18	1.17	
Industrial production indexes and capacity utilization rates (monthly data seasonally adjusted) <sup>2</sup>															
Industrial production indexes, 1997=100:															
Total.....	110.9	111.1	111.2	111.6	110.8	110.1	110.0	110.0	110.8	110.9	111.5	111.8	112.9	112.9	113.8
Final products.....	107.6	107.4	107.7	108.2	107.6	106.5	106.7	106.5	107.1	107.2	107.8	107.7	108.8	108.5	109.1
Consumer goods.....	106.8	106.0	106.6	107.0	106.3	105.3	105.5	105.0	105.8	105.7	106.1	106.0	107.0	106.6	107.4
Business equipment.....	109.5	110.3	109.8	110.6	110.0	108.7	108.6	109.0	109.3	110.0	111.2	110.8	112.8	112.8	113.4
Nonindustrial supplies.....	108.6	108.9	109.2	109.5	108.8	108.1	108.1	107.8	108.7	108.6	108.7	109.6	110.6	110.5	111.5
Materials.....	115.1	115.7	115.5	115.8	114.7	114.5	114.1	114.4	115.4	115.5	116.4	116.9	118.0	118.5	119.5
Capacity utilization rates (percent):															
Total industry.....	75.6	74.8	75.2	75.4	74.8	74.2	74.1	74.0	74.5	74.5	74.9	75.0	75.7	75.6	76.2
Manufacturing.....	73.9	73.4	73.6	73.5	73.3	72.7	72.6	72.7	73.0	73.0	73.6	73.6	74.3	74.4	74.6
Credit market borrowing (billions of dollars, quarterly data seasonally adjusted at annual rates) <sup>2</sup>															
All sectors, by instrument:															
Total.....	2,290.4	2,703.5		2,505.3			3,170.0			2,577.3			2,555.8		
Open market paper.....	-91.5	-81.6		44.1			-76.0			-81.6			-212.7		
U.S. government securities.....	811.5	969.0		643.1			1,194.9			1,088.4			949.6		
Municipal securities.....	159.4	136.3		103.5			193.7			112.1			135.8		
Corporate and foreign bonds.....	495.8	650.6		750.8			657.4			481.1			713.3		
Bank loans, n.e.c.....	-80.6	-94.4		-122.4			-59.3			-86.5			-109.3		
Other loans and advances.....	33.1	19.4		84.6			12.9			-60.7			40.9		
Mortgages.....	881.3	1,002.5		919.8			1,127.3			1,002.7			960.3		
Consumer credit.....	81.4	101.6		82.0			119.2			121.6			77.9		

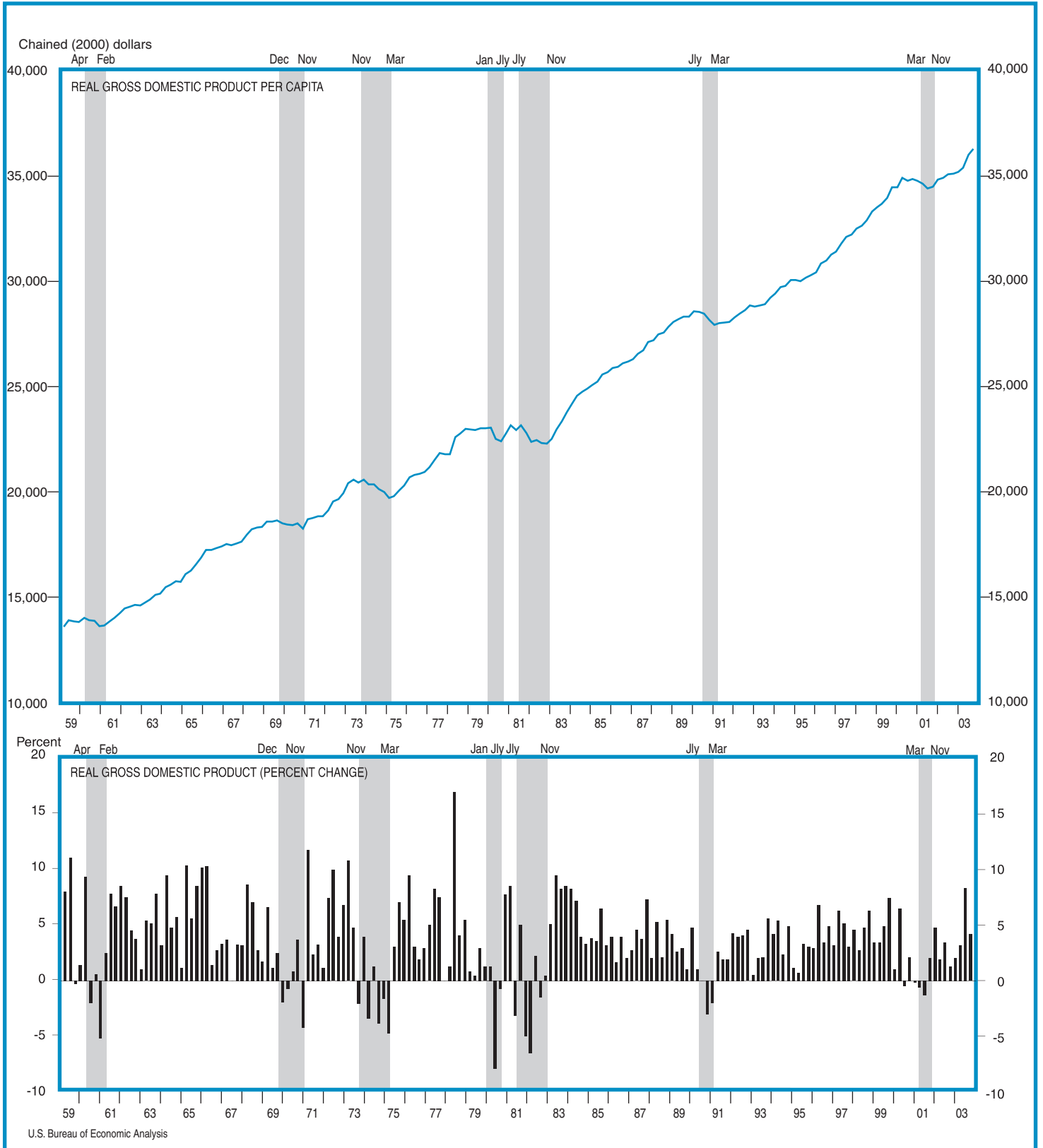
Sources:  
1. Bureau of Labor Statistics  
2. Federal Reserve Board

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

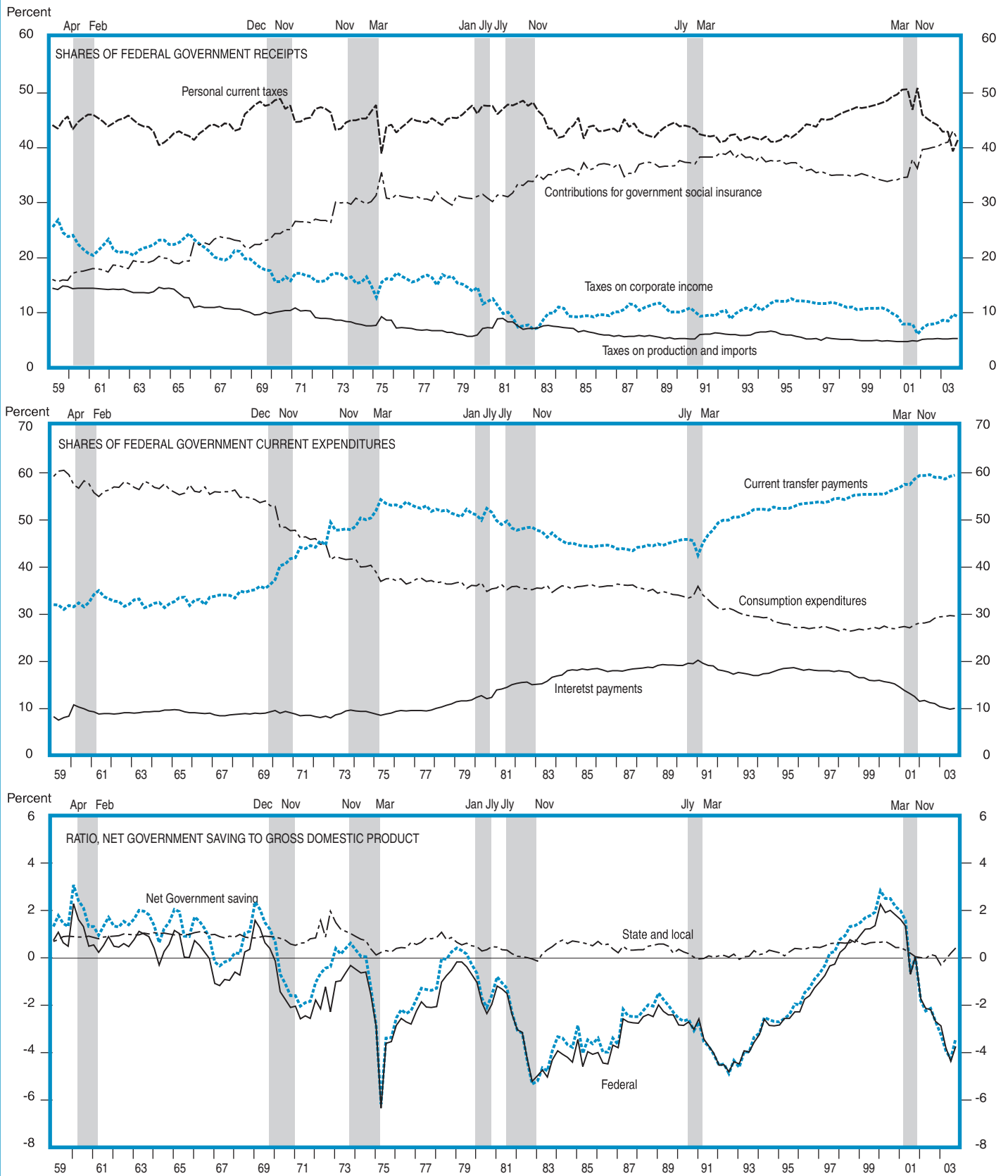
### E. Charts

The percent changes shown in this section are based on adjusted annual rates. The levels of series are also expressed at seasonally adjusted annual rates as appropriate.

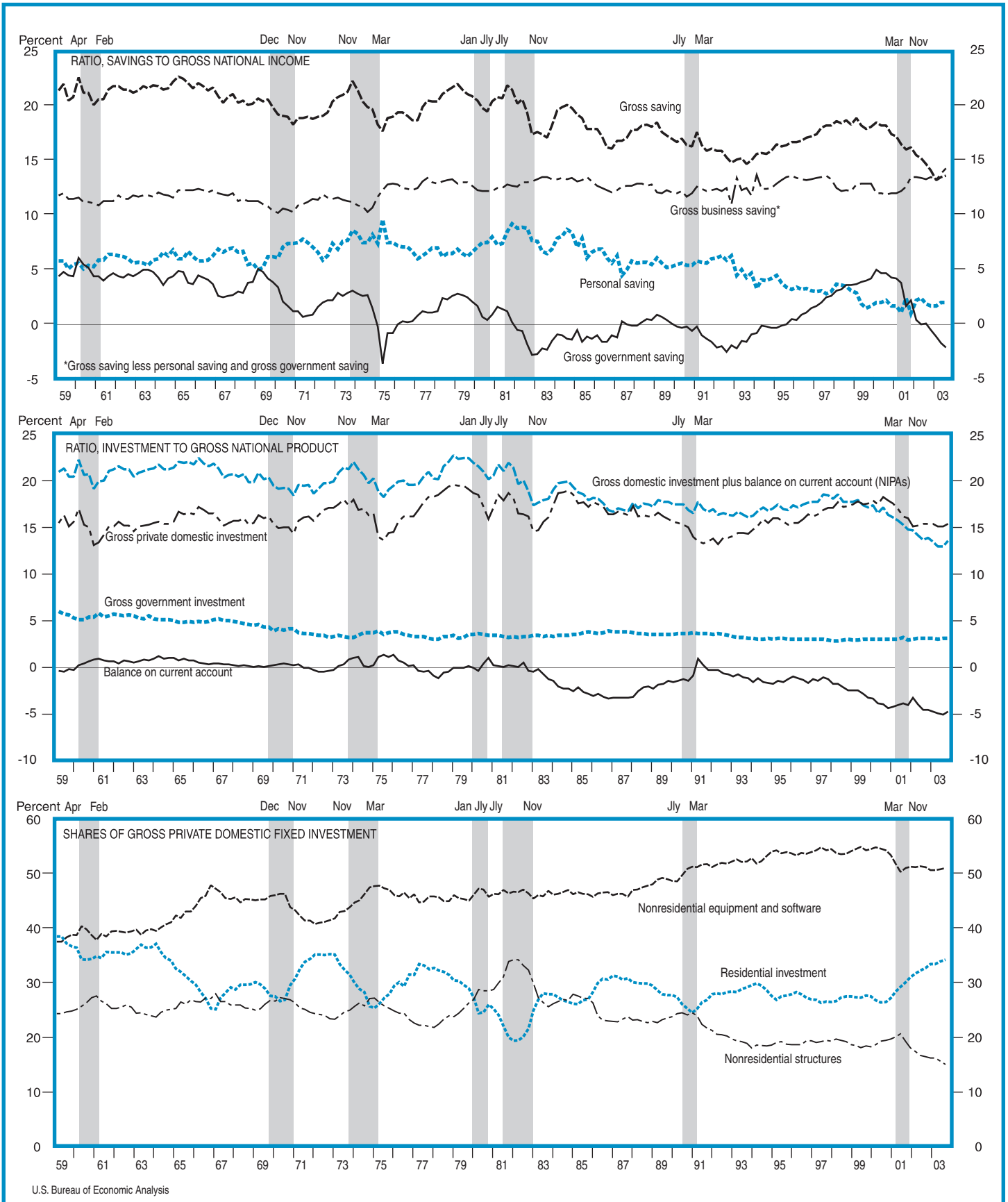
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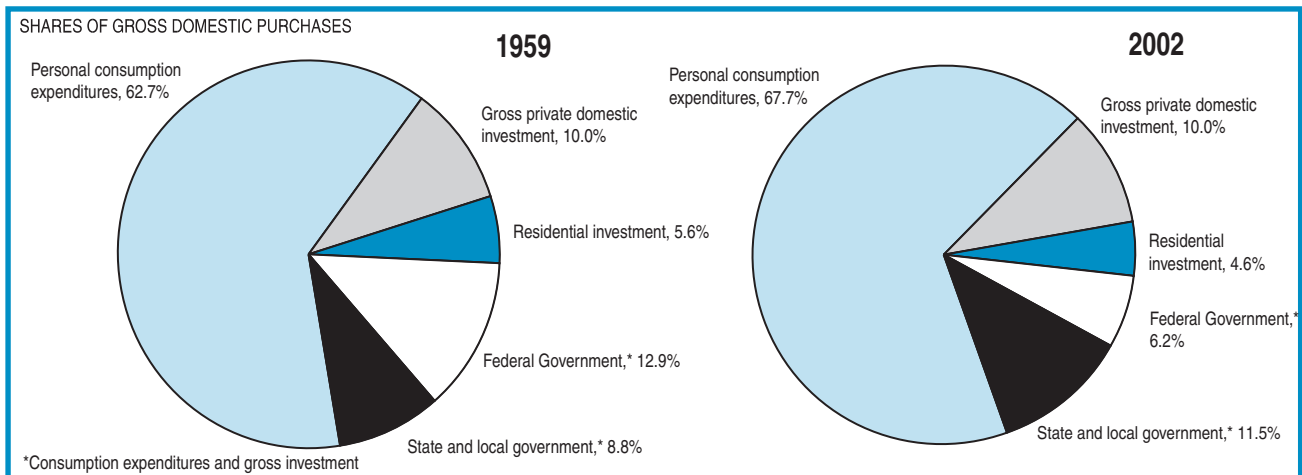
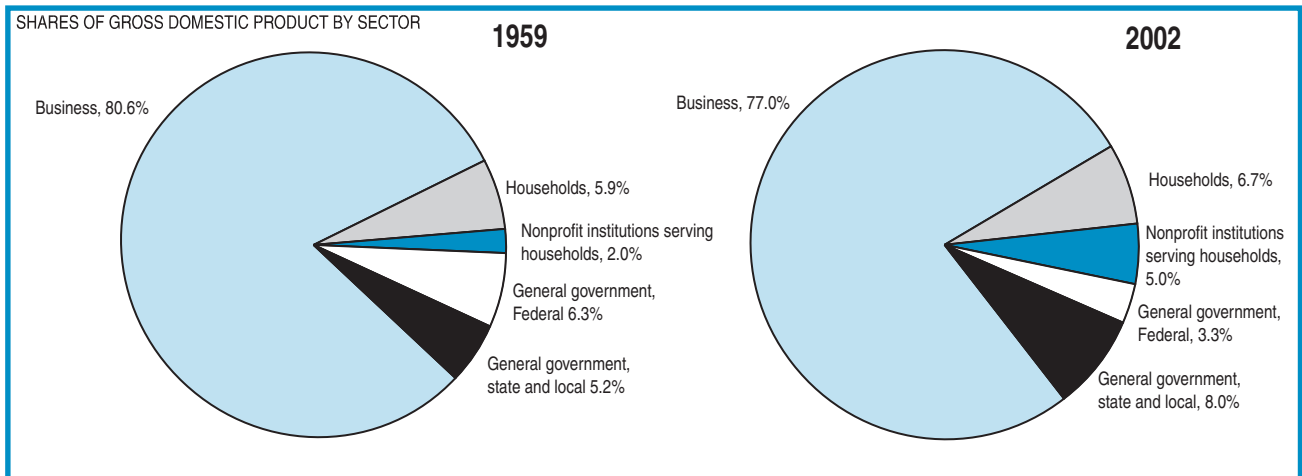
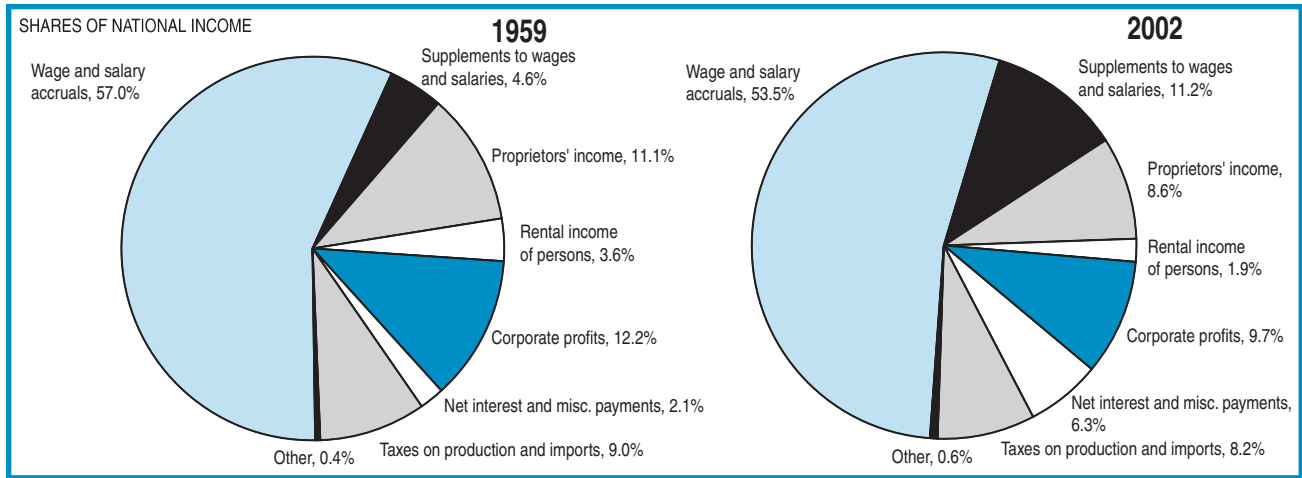
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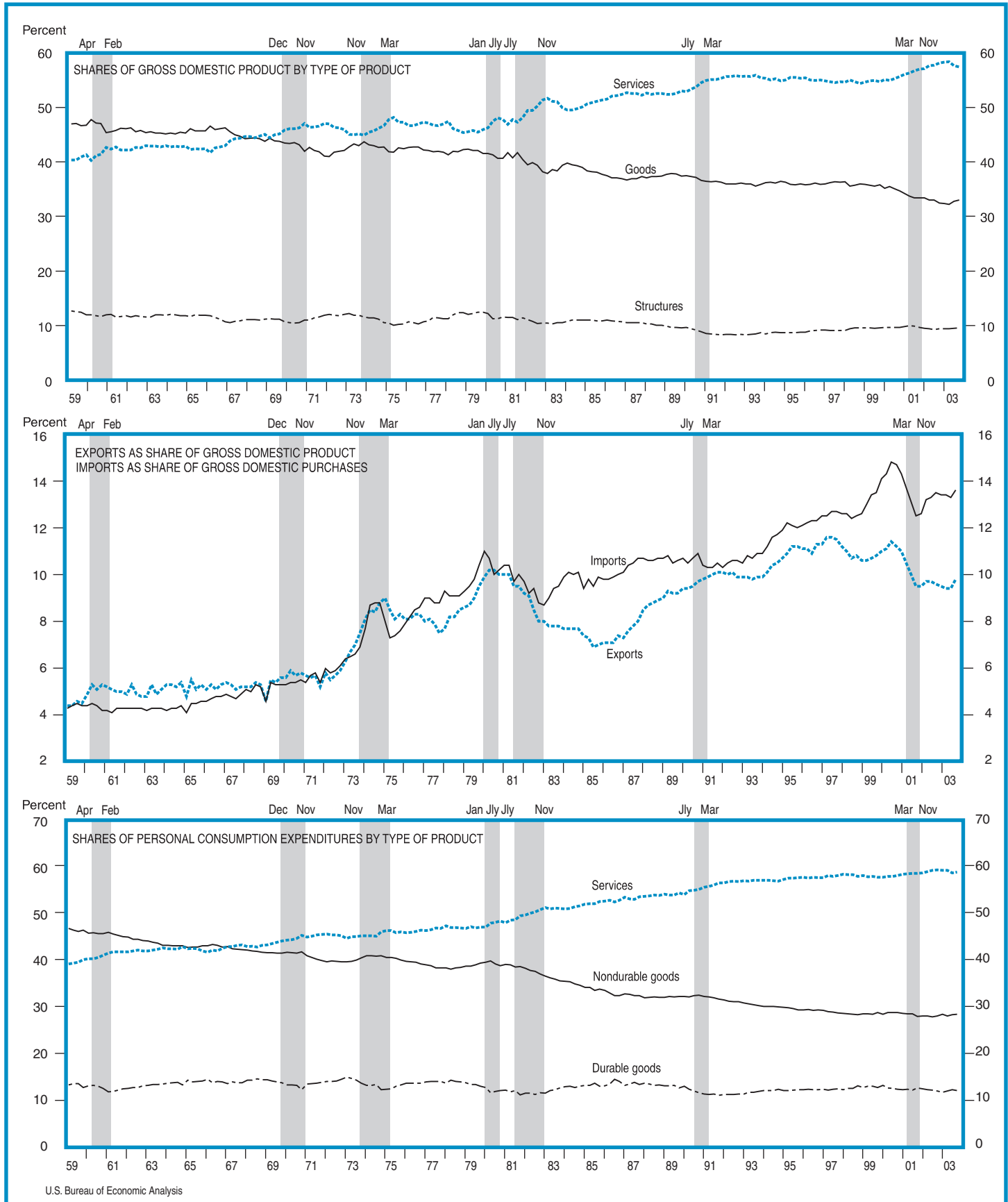
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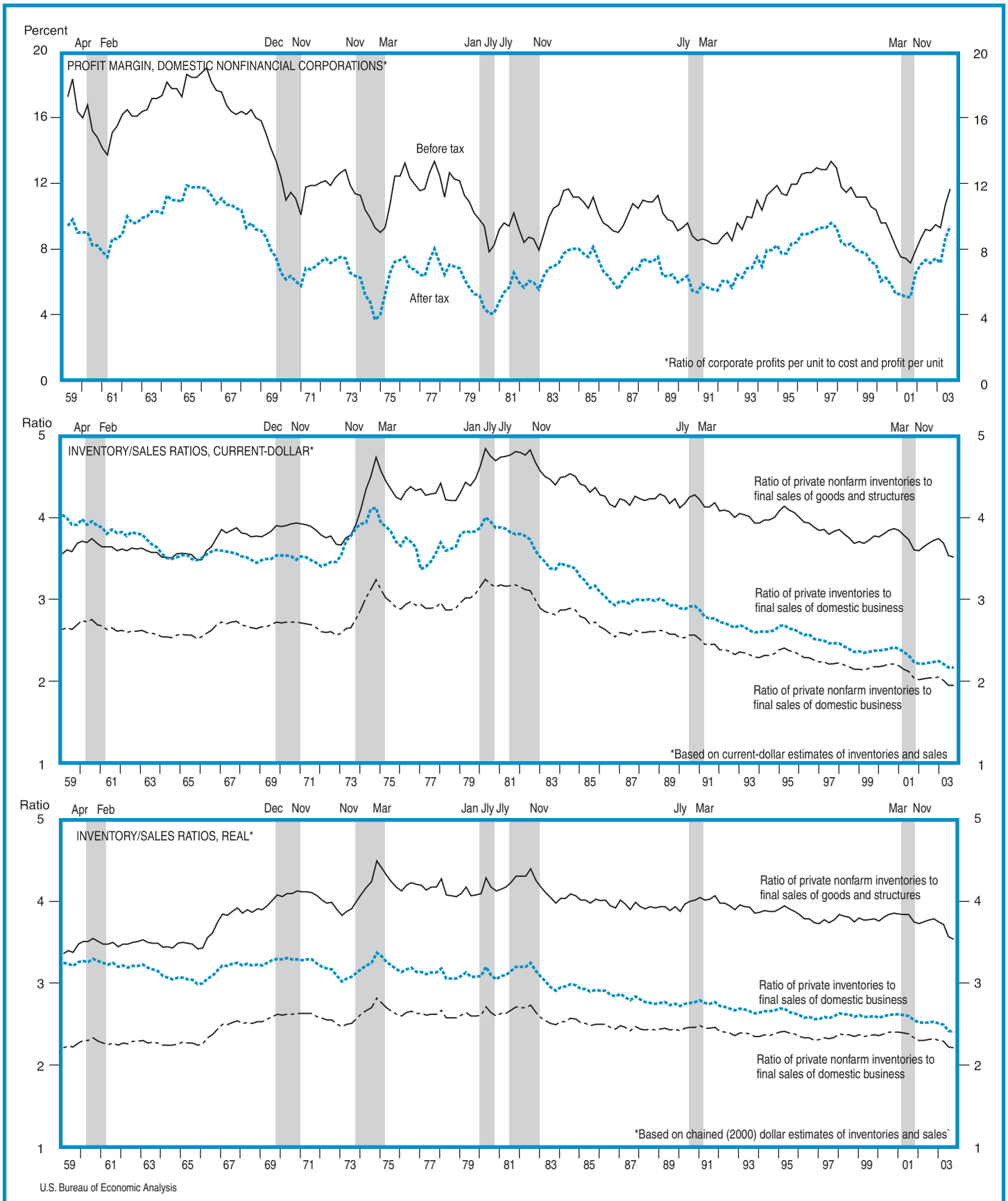
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### SELECTED NIPA SERIES

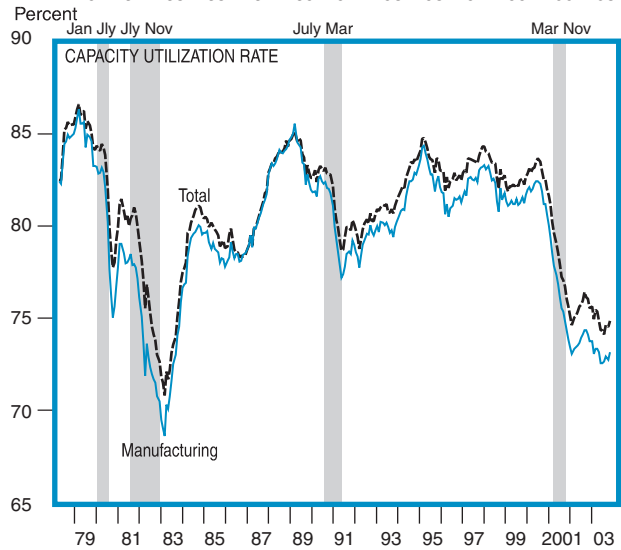
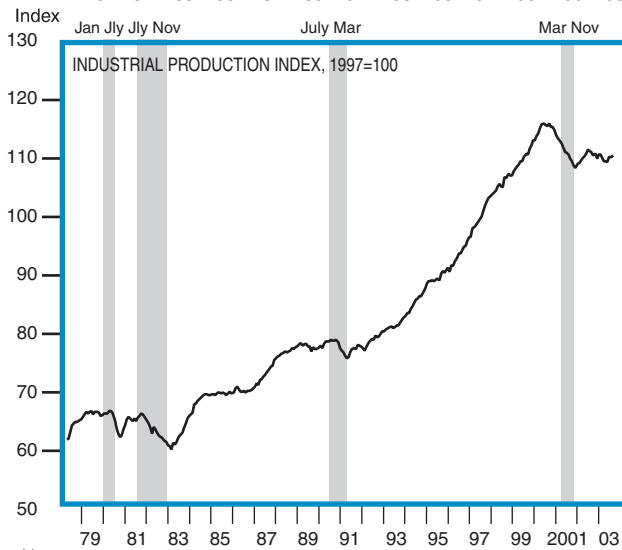
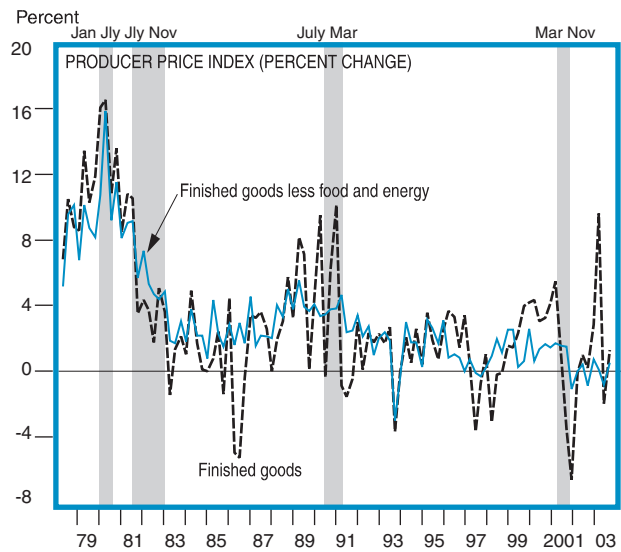
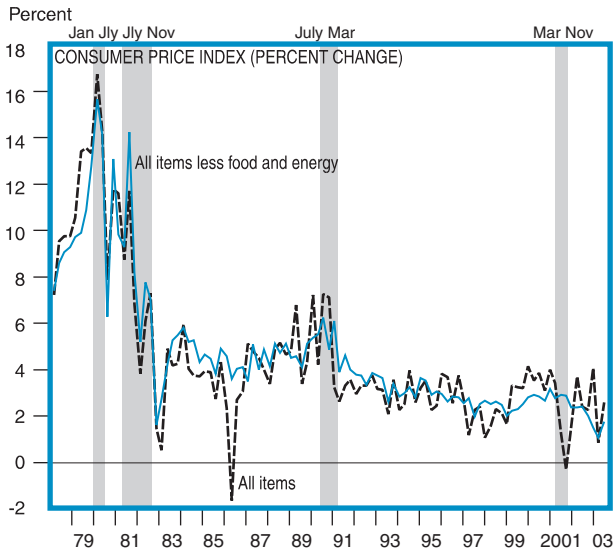


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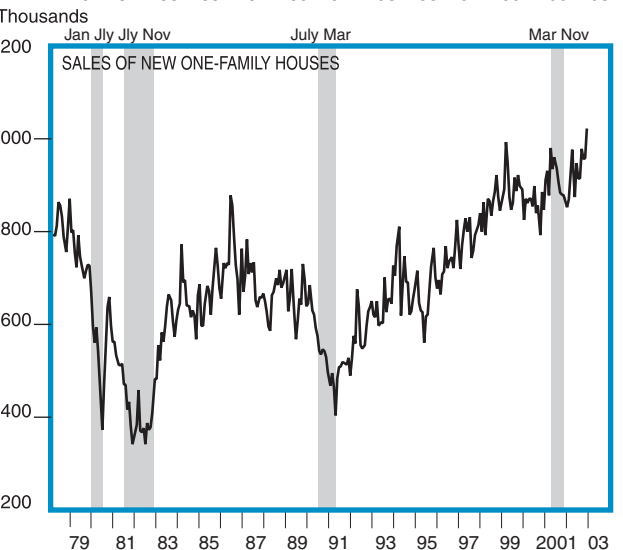
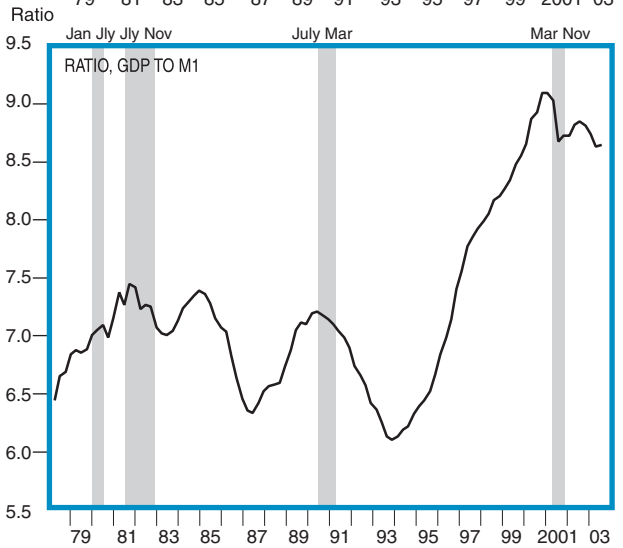
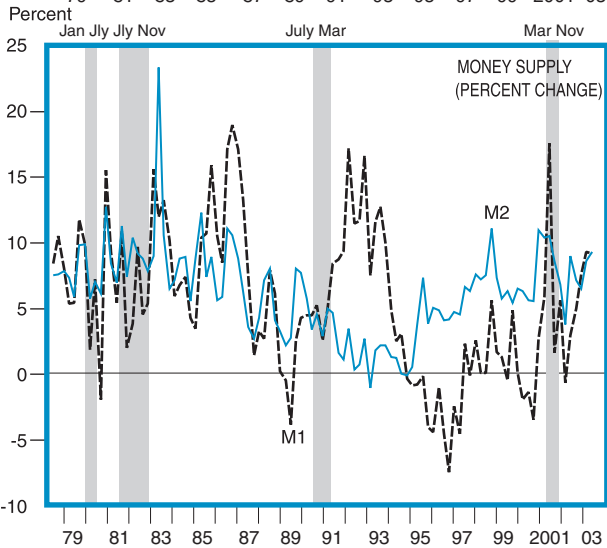
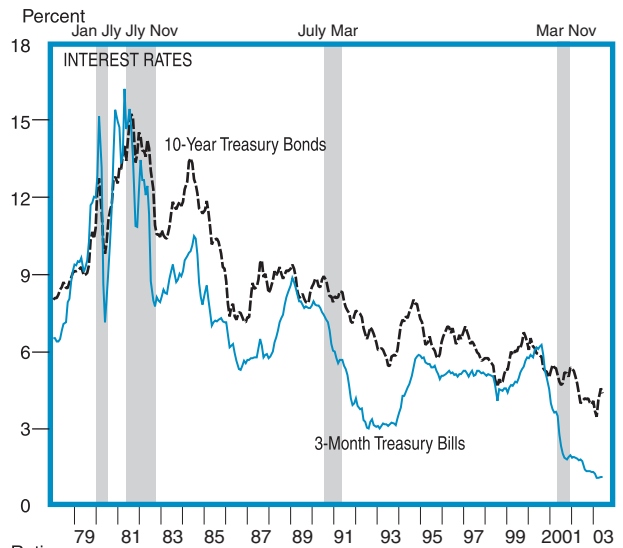
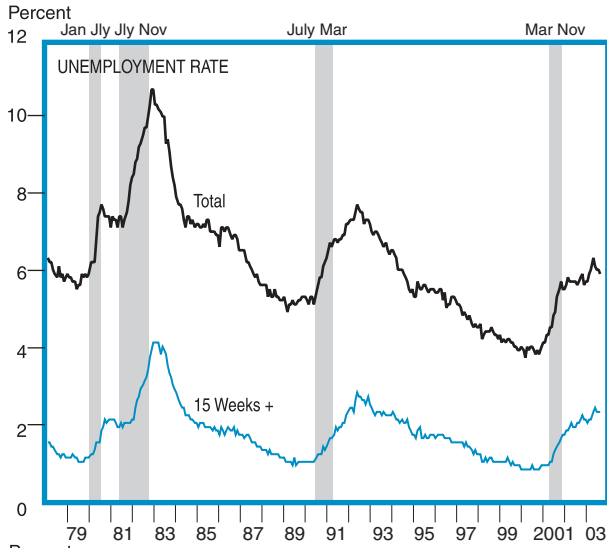




### OTHER INDICATORS OF THE DOMESTIC ECONOMY



OTHER INDICATORS OF THE DOMESTIC ECONOMY

















## 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 <sup>r</sup>	Changes in position in 2001 (decrease (-))				Total  (a+b+c+d)	Position, 2002 <sup>p</sup>
			Attributable to:					
			Financial flows	Valuation adjustments				
				Price changes	Exchange rate changes <sup>1</sup>	Other changes <sup>2</sup>		
			(a)	(b)	(c)	(d)		
<b>Net international investment position of the United States:</b>								
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
<b>U.S.-owned assets abroad:</b>								
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		<sup>3</sup> 18,492		<sup>4</sup> -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
<b>U.S. private assets:</b>								
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
<b>Direct investment abroad:</b>								
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	21,274	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
<b>Foreign-owned assets in the United States:</b>								
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 <sup>7</sup>	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
<b>Other foreign assets:</b>								
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
<b>Direct investment in the United States:</b>								
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

<sup>p</sup> Preliminary.<sup>r</sup> 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.3. Selected Financial and Operating Data for Nonbank Foreign Affiliates of U.S. Companies by Country and by Industry of Affiliate, 2001

	All nonbank affiliates						Majority-owned nonbank foreign affiliates (MOFAs)						
	Millions of dollars					Thousands of employees	Millions of dollars						Thousands of employees
	Total assets	Sales	Net income	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates		Total assets	Sales	Net income	Gross product	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates	
<b>All countries, all industries .....</b>	<b>5,836,225</b>	<b>2,929,609</b>	<b>192,147</b>	<b>205,030</b>	<b>211,761</b>	<b>9,775.6</b>	<b>5,225,797</b>	<b>2,520,556</b>	<b>176,380</b>	<b>583,444</b>	<b>198,547</b>	<b>197,436</b>	<b>8,193.4</b>
<b>By country</b>													
Canada.....	509,564	367,216	17,401	65,303	77,041	1,156.3	464,038	334,124	16,417	71,527	63,501	71,871	1,044.2
Europe.....	3,393,748	1,459,546	103,812	48,873	38,400	4,168.5	3,170,144	1,311,967	97,126	317,983	47,906	37,928	3,749.4
<i>Of which:</i>													
France .....	190,604	134,870	3,770	4,606	2,966	578.3	166,117	121,962	3,899	34,367	4,079	2,845	540.5
Germany .....	320,810	240,718	9,042	7,436	5,086	652.6	268,999	199,178	8,309	57,710	7,352	5,067	601.0
Netherlands.....	423,488	141,185	23,810	9,029	2,571	230.1	398,356	112,599	22,397	20,362	8,807	2,425	175.8
United Kingdom.....	1,432,135	428,171	8,059	(D)	8,648	1,279.9	1,391,209	415,338	8,451	103,143	11,746	8,637	1,204.8
Latin America and Other Western Hemisphere	884,540	371,684	33,697	44,834	50,769	2,005.1	746,829	306,912	29,120	64,315	43,363	48,126	1,585.7
<i>Of which:</i>													
Brazil .....	126,088	73,180	-1,769	3,615	1,810	406.4	94,336	59,760	-1,360	14,547	3,523	1,666	348.0
Mexico .....	128,203	132,068	6,087	34,635	42,782	1,016.7	98,261	107,293	4,409	19,891	33,595	41,177	801.8
Africa.....	67,280	42,145	3,541	786	(D)	241.0	51,299	33,597	2,900	12,271	707	4,066	139.1
Middle East.....	55,581	34,815	2,641	922	(D)	93.1	24,964	18,213	1,938	7,354	854	810	60.2
Asia and Pacific.....	925,513	654,203	31,055	44,312	40,560	2,111.7	768,522	515,743	28,879	109,995	42,216	34,636	1,614.8
<i>Of which:</i>													
Australia.....	111,608	69,448	2,632	4,726	1,082	316.9	101,371	58,563	2,407	18,427	4,662	1,080	265.3
Japan.....	345,333	241,072	7,247	14,585	7,899	494.6	263,034	157,228	6,437	37,376	13,222	2,231	235.1
<b>By industry</b>													
Mining.....	256,604	103,016	18,128	1,478	10,614	167.8	234,459	92,043	15,430	55,188	1,315	9,766	147.9
Utilities.....	188,456	97,564	3,115	5	(D)	114.8	138,199	75,222	1,512	11,203	4	154	77.9
Manufacturing.....	1,202,034	1,329,898	55,120	133,591	180,050	5,074.3	1,024,761	1,148,329	50,941	300,819	129,108	166,801	4,308.8
<i>Of which:</i>													
Food .....	67,572	93,164	4,030	4,487	3,084	425.6	60,970	83,807	3,676	18,668	4,209	3,017	376.9
Chemicals.....	309,369	230,312	18,425	18,067	14,338	631.0	274,113	205,790	17,643	57,617	17,266	13,771	567.3
Primary and fabricated metals .....	58,613	45,790	1,766	3,407	3,916	255.6	52,309	39,778	1,485	11,908	3,249	3,836	235.0
Machinery.....	69,322	75,101	2,188	7,751	8,121	403.3	55,781	60,244	1,981	16,725	7,362	7,308	339.6
Computers and electronic products.....	160,111	207,822	9,237	28,919	44,884	747.3	153,848	203,268	9,391	36,038	28,671	44,573	719.6
Electrical equipment, appliances, and components.....	27,264	31,000	829	2,756	4,751	264.4	23,977	27,480	753	6,945	2,658	4,151	223.4
Transportation equipment.....	207,235	306,862	2,251	53,746	83,741	1,047.1	160,937	252,092	1,812	44,606	51,766	73,646	893.0
Wholesale trade.....	396,093	698,852	17,716	62,016	18,869	831.7	378,528	663,352	16,562	92,713	60,711	18,736	783.1
Information.....	295,805	165,558	-13,582	(D)	(D)	700.8	123,481	76,457	-14,928	19,388	677	(D)	339.2
Finance (except depository institutions) and insurance.....	2,028,161	211,006	19,853	9	0	343.9	1,955,630	198,581	19,282	23,511	9	0	320.2
Professional, scientific, and technical services....	124,005	86,417	5,547	(D)	899	437.8	120,741	81,794	5,395	30,926	1,529	(D)	409.4
Other industries.....	1,345,067	237,298	86,250	5,592	(D)	2,104.5	1,249,998	184,778	82,186	49,695	5,195	995	1,806.9

D Suppressed to avoid disclosure of data of individual companies.

NOTE: The data in this table are from "U.S. Multinational Companies: Operations in 2001" in the November 2003 issue of the SURVEY OF CURRENT BUSINESS.

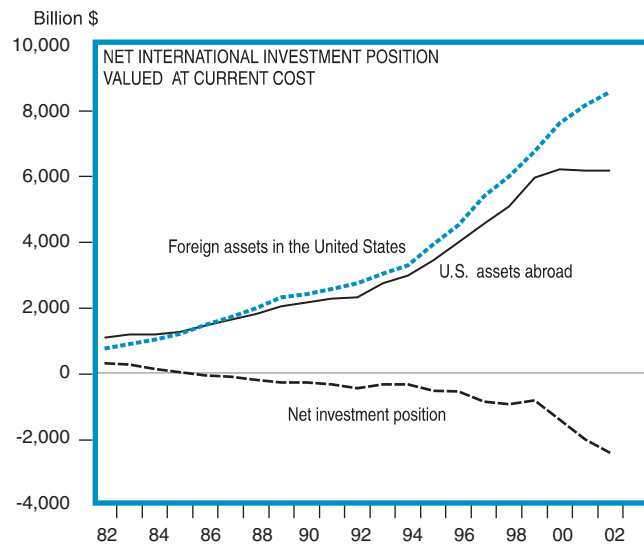
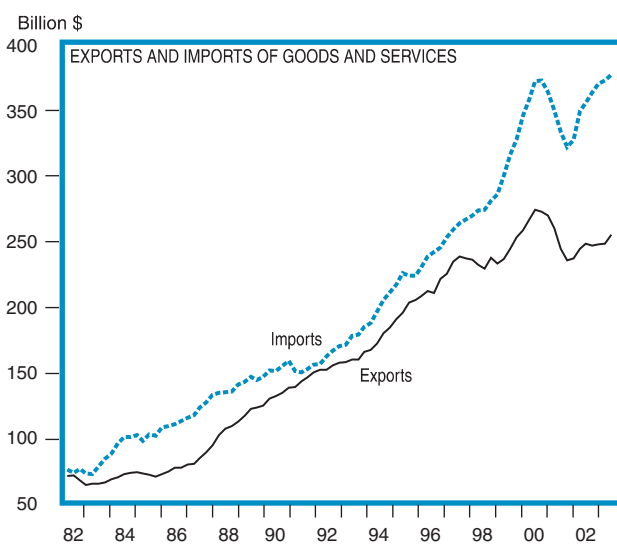
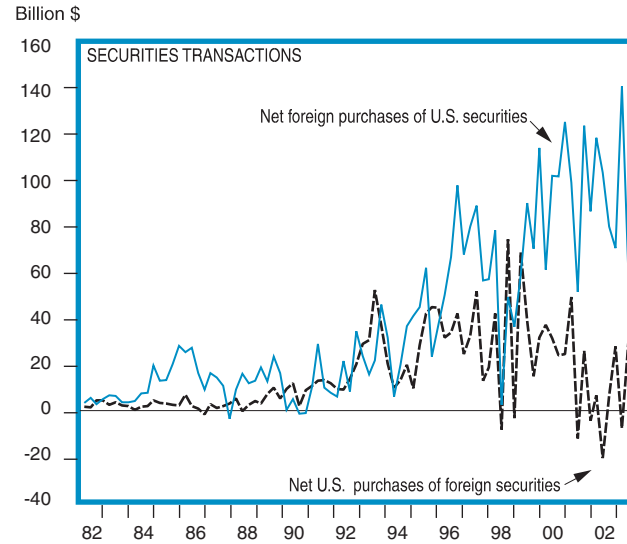
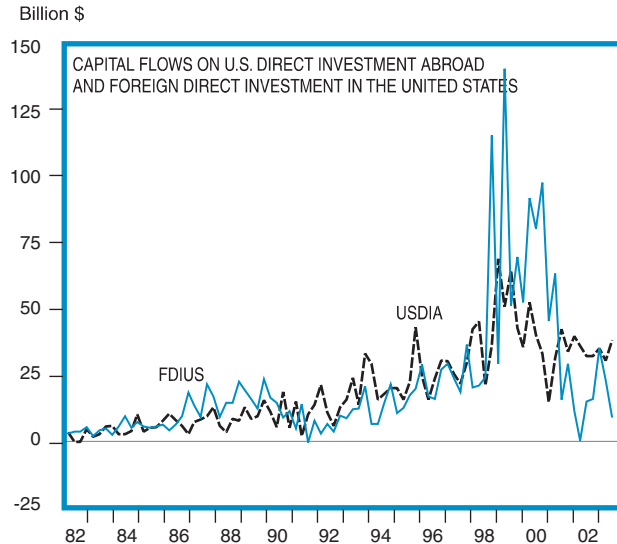
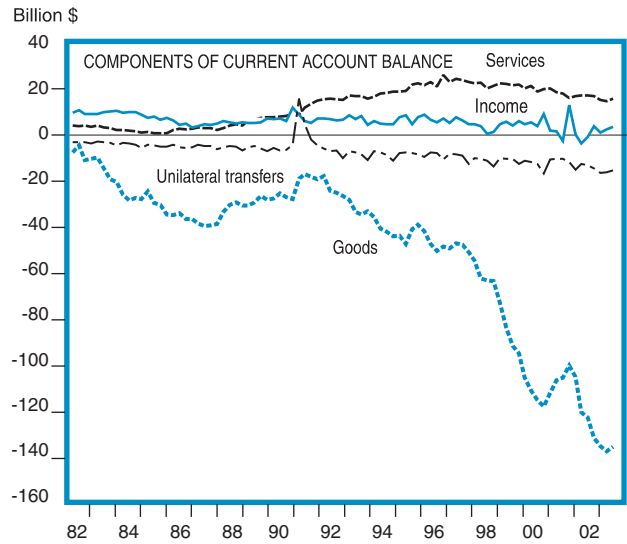
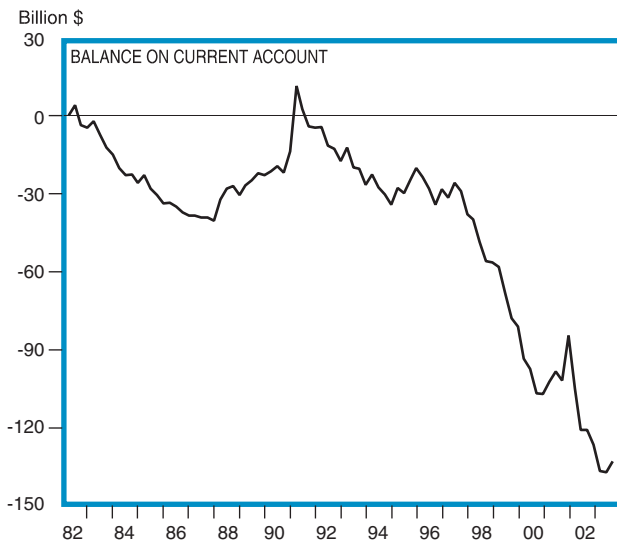






### I. Charts

## THE U.S. IN THE INTERNATIONAL ECONOMY



Regional Data

J. State and Regional Tables

The tables in this section include the most recent estimates of state personal income and gross state product. The sources of these estimates are noted.

The quarterly and annual estimates of state personal income and the estimates of gross state product are available on CD-ROM. For information on state personal income, e-mail reis.rem@dbea.gov; write to the Regional Economic Information System, BE-55, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5360. For information on gross state product, e-mail gspread@bea.gov; write to the Regional Economic Information System, BE-61, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5340.

Table J.1. Personal Income by State and Region

(Millions of dollars, seasonally adjusted at annual rates)

Table with columns for Area name, 1999, 2000 (I-IV), 2001 (I-IV), 2002 (I-IV), 2003 (I-III), and Percent change. Rows include United States, New England, Middle East, Great Lakes, Plains, Southeast, Southwest, Rocky Mountain, and Far West, with sub-rows for each state.

1. Percent change was calculated from unrounded data.

Note. The personal income level shown for the United States is derived as the sum of the state estimates. It differs from the estimate of personal income in the national income and product accounts (NIPAs) because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data. In particular, it differs from

the NIPA estimate because, by definition, it omits the earnings of Federal civilian and military personnel stationed abroad and of U.S. residents employed abroad temporarily by private U.S. firms.

Source: Table 1 in "State Personal Income: Third Quarter 2003" in the February 2004 issue of the SURVEY OF CURRENT BUSINESS.









K. Local Area Table

Table K.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 1999-2001

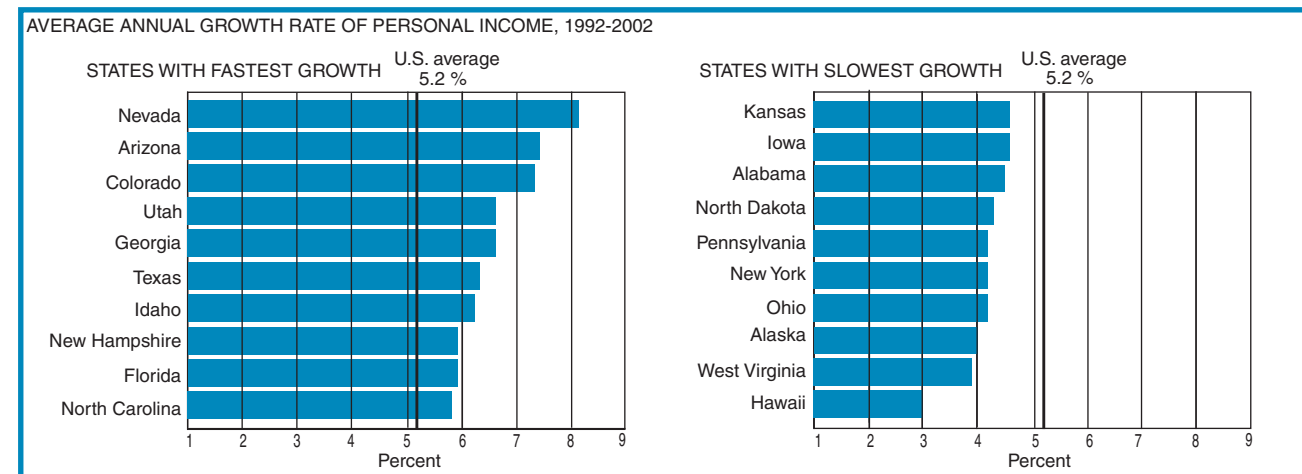
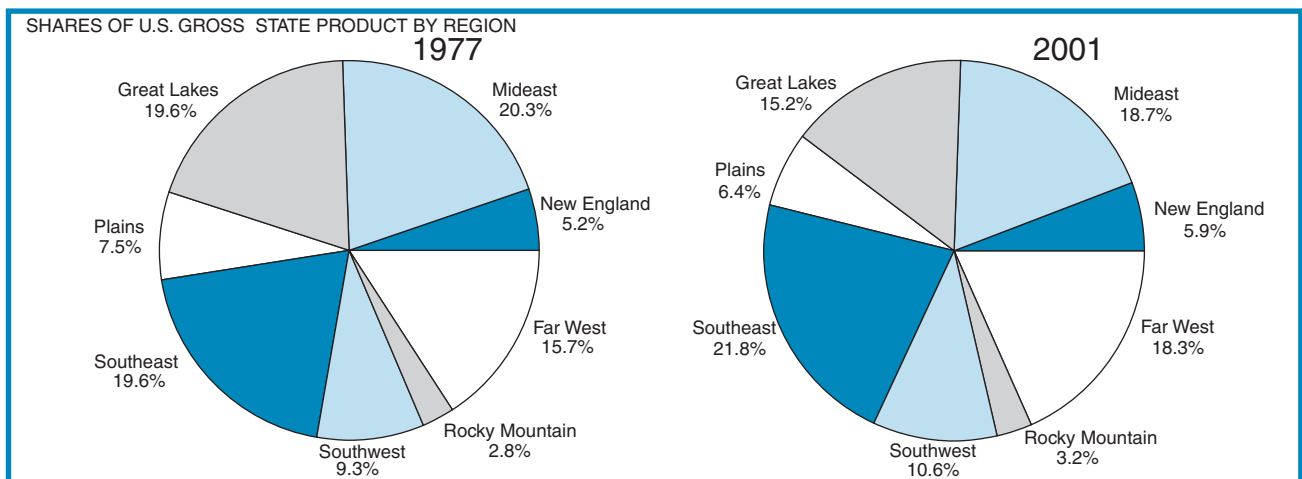
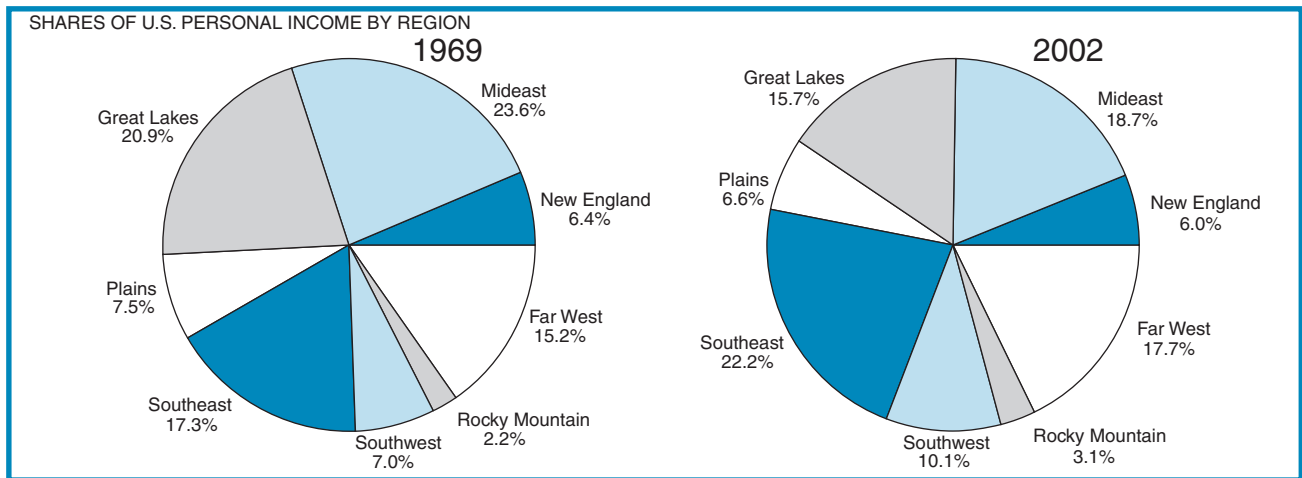
Table with columns for Area name, Personal income (Millions of dollars, Percent change), Per capita personal income (Dollars, Rank in U.S.), and Area name, Personal income (Millions of dollars, Percent change), Per capita personal income (Dollars, Rank in U.S.). Rows include United States, Metropolitan portion, Nonmetropolitan portion, Consolidated Metropolitan Statistical Areas, and Metropolitan Statistical Areas.

See footnotes at the end of the table.



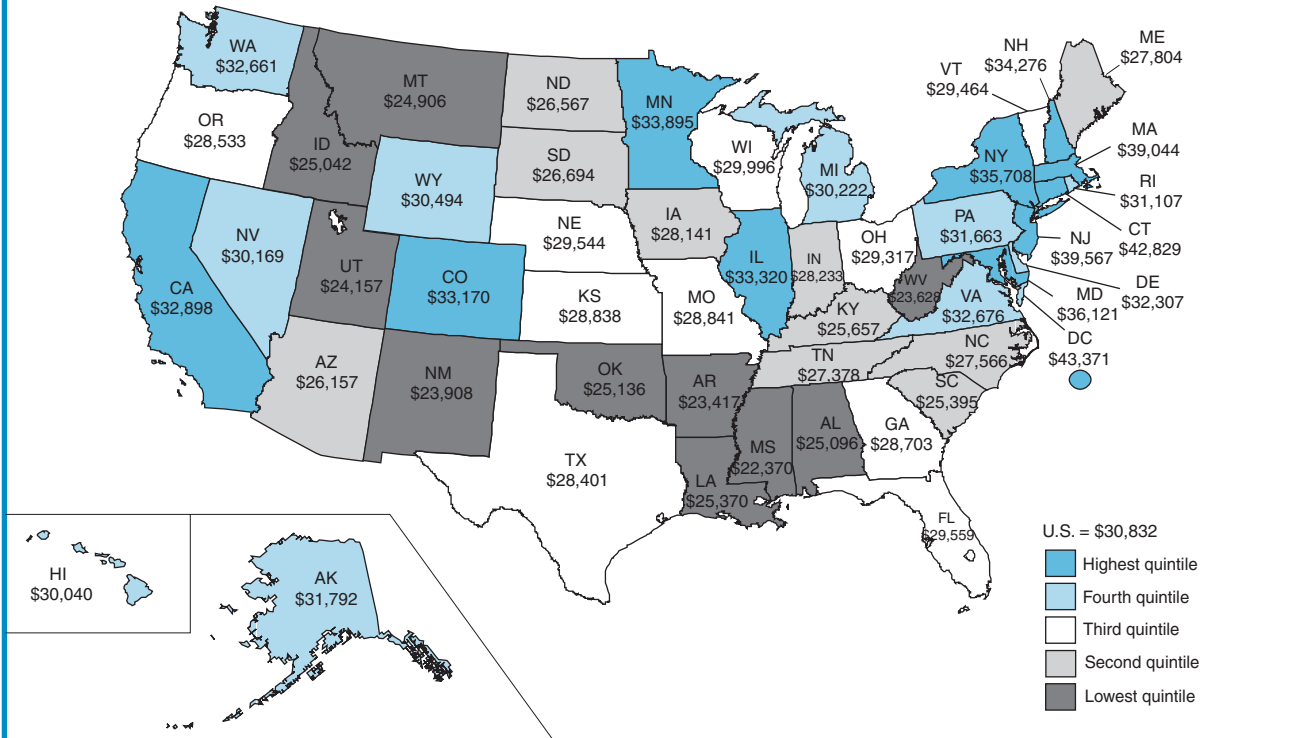
## L. Charts

### SELECTED REGIONAL ESTIMATES

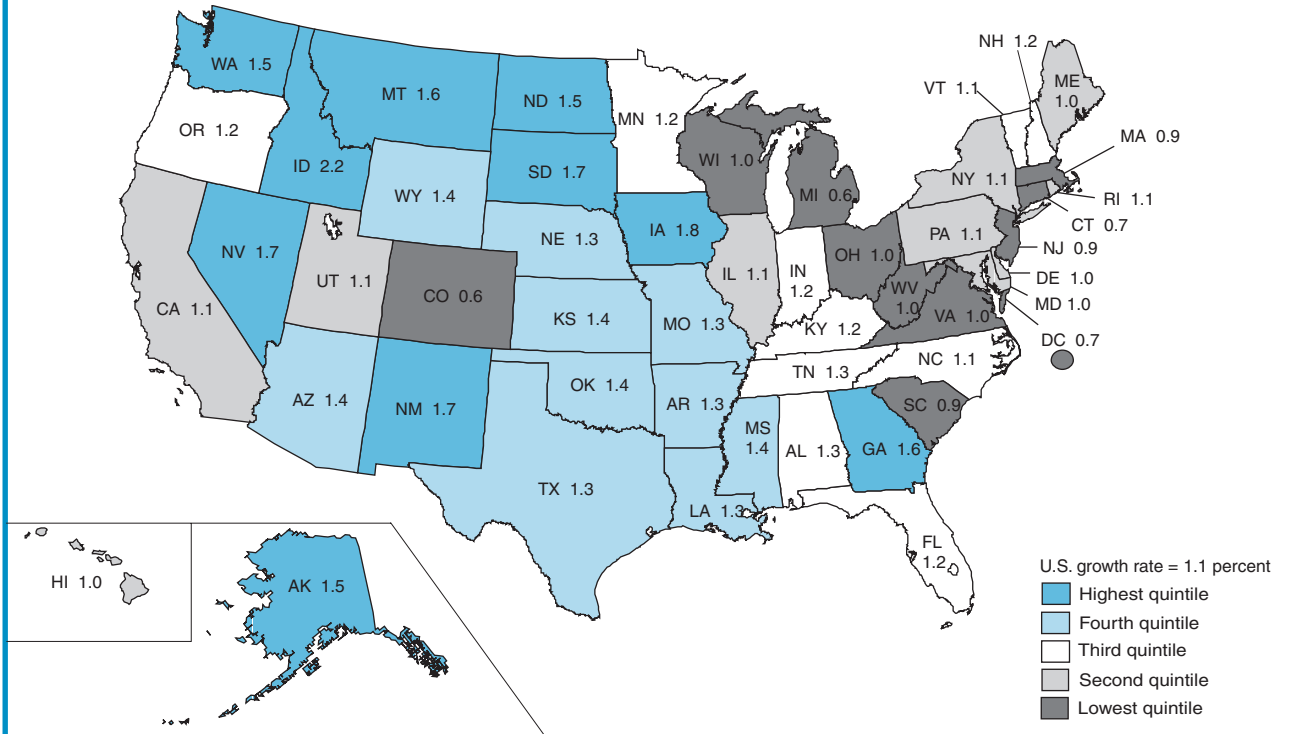


## SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 2002



PERSONAL INCOME: PERCENT CHANGE, 2003:II-2003:III



## Appendix A

### Additional Information About the NIPA Estimates

#### Statistical Conventions

Current-dollar GDP is a measure of the market value of goods, services, and structures that are produced in the economy in a particular period. The changes in current-dollar GDP can be decomposed into quantity and price components. Quantities, or “real” measures, and prices are expressed as index numbers with the reference year—at present, the year 2000—equal to 100.<sup>1</sup>

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 for 2001–2002 uses prices for 2001 and 2002 as weights, and the 2001–2002 annual percent change in the GDP price index uses quantities for 2001 and 2002 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. These annual changes are “chained” (multiplied) together to form time series of quantity and price indexes. The percent changes in the Fisher indexes are not affected by the choice of the reference year.

BEA also publishes implicit price deflators (IPDs), which are calculated as the ratio of the current-dollar value of a component to the chained-dollar value of the component, multiplied by 100. The values of an IPD are very close to the values of the corresponding “chain-type” price index.

The measures of real GDP and its major components are also presented in dollar-denominated form, designated “chained (2000) dollar estimates.” For most series, these estimates are computed by multiplying the current-dollar value in 2000 by a corresponding quantity index number and then dividing by 100. For example, if a current-dollar GDP component equaled \$100 in 2000 and if real output for this component increased by 10 percent in 2001, then the chained (2000) dollar value of this component in 2001 would be \$110 (\$100 × 1.10). The percent changes calculated from the chained (2000) dollar estimates and from the quantity indexes are the same; any differences will be small and due to rounding.

The chained-dollar values for the detailed GDP components will not necessarily sum to the chained-dollar estimate of GDP (or to any intermediate aggregate) in a table, because the relative prices that are used as weights for any period other than the reference year differ from those of the reference year. A measure of the effect of such

differences is provided by a “residual” line—the difference between the chained-dollar value of the main aggregate in the table and the sum of the most detailed components in the table. For periods close to the reference year, when the relative prices that are used as weights have usually not changed much, the residuals tend to be small, and the chained-dollar estimates can be used to approximate the contributions to growth and to aggregate the detailed estimates. For periods further from the reference year, the residuals tend to be larger, and the chained-dollar estimates are less useful for analyses of contributions to growth. In particular, for components for which relative prices are changing rapidly, the calculation of contributions based on chained-dollar estimates may be misleading even just a few years from the reference year. Thus, contributions derived from quantity indexes provide a better measure than contributions derived from chained-dollar estimates; contributions based on quantity indexes are shown in selected NIPA tables 1.1.2, 1.2.2, 1.5.2, 2.3.2, 3.9.2, 4.2.2, and 5.3.2.

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

For most quarterly NIPA estimates, *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 data, or 12 for monthly data); and  $n$  is the number of periods between the earlier periods and the later periods (that is,  $t-0$ ).

Quarterly and monthly NIPA estimates are seasonally adjusted if necessary. Seasonal adjustment removes from the time series the average effects 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. See J. Steven Landefeld, Brent R. Moulton, and Cindy M. Vojtech, “Chained-Dollar Indexes: Issues, Tips on Their Use, and Upcoming Changes,” *SURVEY OF CURRENT BUSINESS* (November 2003): 8–16.



## Reconciliation Tables

“Table 1. Reconciliation of Changes in BEA-Derived Compensation Per Hour With BLS Average Hourly Earnings” is being revised to reflect the results of the comprehensive revision of the national income and product accounts. It will be published in an upcoming issue of the SURVEY.

**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		
				II	III	IV	I	II	III
<b>Exports of goods and services and income receipts, ITAs</b> .....	1	<b>1,284.9</b>	<b>1,229.6</b>	<b>1,230.5</b>	<b>1,255.8</b>	<b>1,244.1</b>	<b>1,241.1</b>	<b>1,247.2</b>	<b>1,288.1</b>
<i>Less:</i> Gold, ITAs.....	2	4.9	3.4	3.5	3.6	3.8	3.8	5.6	5.3
Statistical differences <sup>1</sup> .....	3	-11.1	-13.0	-12.8	-13.2	-13.5	-13.4	-13.0	-12.3
Other items.....	4	0.9	0.7	0.8	0.6	0.6	0.5	0.6	0.6
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments.....	5	6.0	5.0	5.1	4.8	5.7	5.0	4.9	4.8
Adjustment for U.S. territories and Puerto Rico.....	6	49.8	53.0	52.2	54.4	53.5	53.3	52.2	53.1
Services furnished without payment by financial intermediaries except life insurance carriers ...	7	8.0	9.4	9.1	9.7	9.7	9.2	8.6	8.2
<b>Equals: Exports of goods and services and income receipts, NIPAs</b> .....	8	<b>1,354.1</b>	<b>1,306.0</b>	<b>1,305.3</b>	<b>1,333.7</b>	<b>1,322.0</b>	<b>1,317.8</b>	<b>1,319.7</b>	<b>1,360.6</b>
<b>Imports of goods and services and income payments, ITAs</b> .....	9	<b>1,632.1</b>	<b>1,651.7</b>	<b>1,667.8</b>	<b>1,690.7</b>	<b>1,696.7</b>	<b>1,726.9</b>	<b>1,737.0</b>	<b>1,762.9</b>
<i>Less:</i> Gold, ITAs.....	10	4.3	2.9	3.5	3.0	2.9	2.4	4.1	4.1
Statistical differences <sup>1</sup> .....	11	-10.9	-12.9	-12.8	-13.2	-13.5	-13.4	-12.0	-11.8
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	-3.6	-3.5	-3.0	-3.8	-4.0	-4.2
Adjustment for grossing of parent/affiliate interest payments.....	14	6.0	5.0	5.1	4.8	5.7	5.0	4.9	4.8
Adjustment for U.S. territories and Puerto Rico.....	15	36.1	38.0	37.2	39.3	40.7	29.2	37.4	33.9
Imputed interest paid to rest of world.....	16	8.0	9.4	9.1	9.7	9.7	9.2	8.6	8.2
<b>Equals: Imports of goods and services and income payments, NIPAs</b> .....	17	<b>1,685.5</b>	<b>1,710.7</b>	<b>1,725.1</b>	<b>1,751.1</b>	<b>1,760.2</b>	<b>1,777.5</b>	<b>1,791.8</b>	<b>1,813.4</b>
<b>Balance on goods and services and income ITAs (1-9)</b> .....	18	<b>-347.2</b>	<b>-422.1</b>	<b>-437.3</b>	<b>-434.9</b>	<b>-452.6</b>	<b>-485.8</b>	<b>-489.8</b>	<b>-474.8</b>
<i>Less:</i> Gold (2-10+13).....	19	-2.8	-2.8	-3.6	-2.9	-2.1	-2.4	-2.5	-3.0
Statistical differences (3-11) <sup>1</sup> .....	20	-0.2	-0.1	0.0	0.0	0.0	0.0	-1.0	-0.5
Other items (4-12).....	21	0.9	0.7	0.8	0.6	0.6	0.5	0.6	0.6
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15).....	22	13.7	15.0	15.0	15.1	12.8	24.1	14.8	19.2
<b>Equals: Net exports of goods and services and net receipts of income, NIPAs (8-17)</b> .....	23	<b>-331.4</b>	<b>-404.7</b>	<b>-419.8</b>	<b>-417.4</b>	<b>-438.2</b>	<b>-459.7</b>	<b>-472.1</b>	<b>-452.8</b>

1. Consists of statistical revisions in the NIPAs that have not yet been incorporated into the ITAs (2001:I-2003:II) and statistical revisions in the ITAs that have not yet been incorporated into the NIPAs (2003:II-2003:III).

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)

*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.

The following SURVEY articles describe the most recent comprehensive revision of the NIPAs.

"Improved Estimates of the National Income and Product Accounts for 1929–2002: Results of the Comprehensive Revision" (February 2004)

"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)

New and Redesigned Tables (August 2003)

Statistical Changes (September 2003)

In addition, see the following articles.

"Annual Revision of the National Income and Product Accounts" (August 2002).

"Chained-Dollar Indexes: Issues, Tips on Their Use, and Upcoming Changes" (November 2003) discusses the advantages of using chain-weighted indexes and the chal-

lenges of using chained dollars.

"Measuring the Services of Commercial Banks in the NIPAs: Changes in Concepts and Methods" (September 2003)

"Measuring the Services of Property-Casualty Insurance in the NIPAs: Changes in Concepts and Methods" (October 2003)

"Reliability of GDP and Related NIPA Estimates" (January 2002) evaluates the principal NIPA estimates by examining the record of revisions to them.

**Fixed assets and consumer durable goods.** *Fixed Assets and Consumer Durable Goods in the United States, 1925–97* (2003) discusses the concepts and statistical considerations that underlie the estimates and their derivation.

"Fixed Assets and Consumer Durable Goods for 1925–98" (April 2000) describes the definitional and statistical improvements that were incorporated in the comprehensive revision of the estimates.

#### Industry accounts

The industry accounts consist of the estimates of gross domestic product by industry, the input-output accounts, and two satellite accounts.

"Preview of the Comprehensive Revision of the Annual Industry Accounts: Integrating the Annual Input-Output Accounts and the Gross-Domestic-Product-by-Industry Accounts" (March 2004) provides the details about the upcoming comprehensive revision.

**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 the these estimates.

#### Mission Statement and Strategic Plan

The mission statement of the Bureau of Economic Analysis and the latest update to its strategic plan for improving the accuracy, reliability, and relevance of the national, industry, regional, and international accounts are available on BEA's Web site at <www.bea.gov>; look under "About BEA."

**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.

“The Reliability of the State Personal Income Estimates” (December 2003) evaluates the estimates of state personal income and of selected components by examining the revisions 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.