

# Bureau of Economic Analysis

## Survey of Current Business

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April 2005

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# Business Situation

## Final Estimates for the Fourth Quarter of 2004

ACCORDING to the final estimates of the national income and product accounts (NIPAs), real gross domestic product (GDP) increased 3.8 percent in the fourth quarter of 2004 after increasing 4.0 percent in the third quarter (table 1 and chart 1).<sup>1</sup> The “preliminary” estimates of fourth-quarter GDP released in February also showed a 3.8-percent increase. In the final estimates, upward revisions to exports of services and to consumer spending on durable goods

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

*This article was prepared by Brian C. Moyer, Shelly Smith, David F. Sullivan, and Christopher Falcone.*

**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)
	2004				2004				2004
	I	II	III	IV	I	II	III	IV	IV
<b>Gross domestic product</b> .....	<b>4.5</b>	<b>3.3</b>	<b>4.0</b>	<b>3.8</b>	<b>4.5</b>	<b>3.3</b>	<b>4.0</b>	<b>3.8</b>	<b>100.0</b>
<b>Personal consumption expenditures</b> .....	<b>4.1</b>	<b>1.6</b>	<b>5.1</b>	<b>4.2</b>	<b>2.90</b>	<b>1.10</b>	<b>3.57</b>	<b>2.92</b>	<b>70.2</b>
Durable goods.....	2.2	-0.3	17.2	3.9	0.19	-0.02	1.37	0.33	8.5
Nondurable goods.....	6.7	0.1	4.7	5.9	1.33	0.03	0.94	1.19	20.4
Services.....	3.3	2.7	3.0	3.4	1.39	1.10	1.26	1.41	41.3
<b>Gross private domestic investment</b> .....	<b>12.3</b>	<b>19.0</b>	<b>2.4</b>	<b>13.3</b>	<b>1.86</b>	<b>2.85</b>	<b>0.40</b>	<b>2.11</b>	<b>16.9</b>
Fixed investment.....	4.5	13.9	8.8	10.5	0.69	2.07	1.37	1.65	16.5
Nonresidential.....	4.2	12.5	13.0	14.5	0.42	1.21	1.27	1.46	10.7
Structures.....	-7.6	6.9	-1.1	2.1	-0.19	0.16	-0.03	0.05	2.4
Equipment and software.....	8.0	14.2	17.5	18.4	0.61	1.05	1.30	1.41	8.3
Residential.....	5.0	16.5	1.6	3.4	0.27	0.86	0.09	0.19	5.7
Change in private inventories.....	.....	.....	.....	.....	1.17	0.78	-0.97	0.46	0.4
<b>Net exports of goods and services</b> .....	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>-0.76</b>	<b>-1.06</b>	<b>-0.10</b>	<b>-1.35</b>	<b>-5.6</b>
Exports.....	7.3	7.3	6.0	3.2	0.70	0.70	0.59	0.32	10.1
Goods.....	9.1	6.0	9.5	1.9	0.60	0.41	0.64	0.14	7.0
Services.....	3.4	10.2	-1.8	6.2	0.10	0.30	-0.06	0.18	3.0
Imports.....	10.6	12.6	4.6	11.4	-1.46	-1.77	-0.69	-1.67	15.7
Goods.....	12.7	13.0	5.0	14.9	-1.43	-1.52	-0.62	-1.80	13.2
Services.....	1.2	0.6	2.8	-5.2	-0.03	-0.25	-0.07	0.13	2.5
<b>Government consumption expenditures and gross investment</b> .....	<b>2.5</b>	<b>2.2</b>	<b>0.7</b>	<b>0.9</b>	<b>0.48</b>	<b>0.41</b>	<b>0.13</b>	<b>0.16</b>	<b>18.5</b>
Federal.....	7.1	2.7	4.8	1.2	0.48	0.18	0.33	0.09	6.9
National defense.....	10.6	1.9	10.1	-0.6	0.47	0.09	0.45	-0.03	4.7
Nondefense.....	0.2	4.4	-5.3	5.3	0.00	0.10	-0.12	0.11	2.2
State and local.....	0.0	1.9	-1.7	0.6	0.00	0.23	-0.20	0.07	11.7

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.

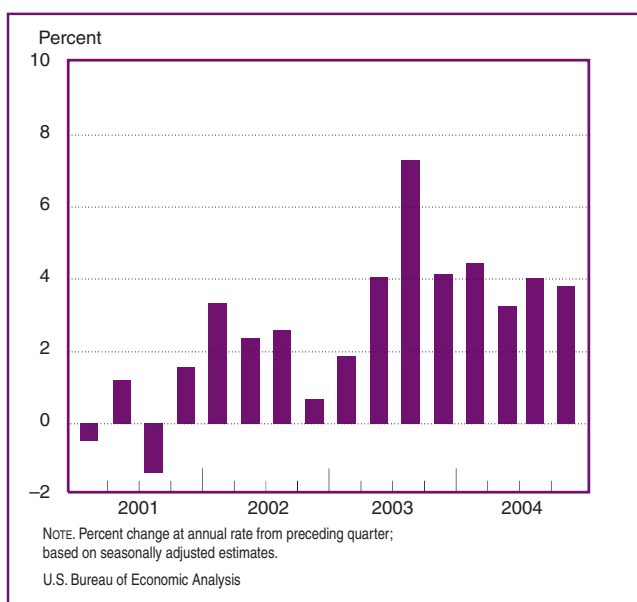
were offset by a downward revision to inventory investment (table 2).<sup>2</sup>

- Prices of goods and services purchased by U.S. residents increased 2.9 percent, 0.1 percentage point more than in the preliminary estimate. In the third quarter, prices increased 1.9 percent. The acceleration mainly reflected an acceleration of energy prices.
- Real disposable personal income (DPI) increased 8.3 percent, 0.2 percentage point more than in the preliminary estimate, after increasing 2.9 percent in the third quarter. The fourth-quarter increase largely reflected a special dividend payment by the Microsoft Corporation.<sup>3</sup>

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

3. During the fourth quarter, the Microsoft Corporation paid its shareholders a special dividend that boosted personal income by \$99.4 billion (at an annual rate). For information on the effects of the special dividend on other NIPA estimates, see “Corporate Profits.”

**Chart 1. Real Gross Domestic Product**



The slight deceleration in fourth-quarter GDP growth mainly reflected an acceleration in imports and a deceleration in consumer spending.

- Imports increased 11.4 percent after increasing 4.6 percent in the third quarter. The acceleration primarily reflected an upturn in imports of nonautomotive consumer goods and a sharp acceleration in petroleum imports.
- Consumer spending increased 4.2 percent after increasing 5.1 percent in the third quarter. The deceleration was mainly accounted for by a downturn in spending on motor vehicles.

The contributions of these components to the deceleration in GDP growth were partly offset by an upturn in inventory investment, which added 0.46 percentage point to fourth-quarter GDP growth after subtracting

0.97 percentage point from third-quarter growth. The upturn was mainly accounted for by a smaller decrease in motor vehicle dealers' inventories.

Among the remaining components of GDP, exports slowed in the fourth quarter, government spending increased slightly more than in the third quarter, and private fixed investment accelerated somewhat.

- Exports increased 3.2 percent after increasing 6.0 percent. A deceleration in exports of goods was partly offset by an upturn in exports of services.
- Government spending increased 0.9 percent after increasing 0.7 percent.
- Private fixed investment increased 10.5 percent after increasing 8.8 percent. Business investment in equipment and software and residential investment accelerated, and business investment in structures turned up.

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

- Real final sales of domestic product (GDP less the change in private inventories) increased 3.4 percent after increasing 5.0 percent.
- Real gross domestic purchases (GDP less net exports) increased 5.0 percent after increasing 3.9 percent.
- Real gross national product (GNP) increased 3.5 percent after increasing 4.0 percent.<sup>4</sup> The fourth-quarter increase in GNP is 0.3 percentage point less than the increase in GDP; an increase in income payments to the rest of the world was partly offset by an increase in income receipts from the rest of the world.
- The gross saving rate—saving from all sources as a percentage of gross national income—was 13.9 percent, little changed from the third quarter. The net saving rate increased to 2.2 percent from 1.1 percent in the third quarter. Net saving is a measure of the saving that is available for augmenting the stock of fixed assets; it equals gross saving less consumption of fixed capital (CFC). The small third-quarter net saving rate reflected the large increase in CFC that resulted from the estimated damage to the stock of private assets that was caused by the hurricanes that struck portions of the southern and eastern United States.
- The personal saving rate increased from 0.7 percent to 1.6 percent (see the box "Saving, Wealth, Investment, and the Current-Account Deficit").

**Table 2. Final and Preliminary Estimates for the Fourth Quarter of 2004**  
[Seasonally adjusted at annual rates]

	Percent change from preceding quarter			Contribution to percent change in real GDP		
	Final estimate	Preliminary estimate	Final minus preliminary	Final estimate	Preliminary estimate	Final minus preliminary
<b>Gross domestic product (GDP)</b> .....	<b>3.8</b>	<b>3.8</b>	<b>0.0</b>	<b>3.8</b>	<b>3.8</b>	<b>0.0</b>
<b>Personal consumption expenditures</b> .....	<b>4.2</b>	<b>4.2</b>	<b>0.0</b>	<b>2.92</b>	<b>2.89</b>	<b>0.03</b>
Durable goods.....	3.9	3.1	0.8	0.33	0.27	0.06
Nondurable goods.....	5.9	6.1	-0.2	1.19	1.21	-0.02
Services.....	3.4	3.4	0.0	1.41	1.41	0.00
<b>Gross private domestic investment</b> .....	<b>13.3</b>	<b>13.4</b>	<b>-0.1</b>	<b>2.11</b>	<b>2.13</b>	<b>-0.02</b>
Fixed investment.....	10.5	9.7	0.8	1.65	1.52	0.13
Nonresidential.....	14.5	14.0	0.5	1.46	1.40	0.06
Structures.....	2.1	1.2	0.9	0.05	0.03	0.02
Equipment and software.....	18.4	18.0	0.4	1.41	1.37	0.04
Residential.....	3.4	2.1	1.3	0.19	0.12	0.07
Change in private inventories.....				0.46	0.60	-0.14
<b>Net exports of goods and services</b> .....				<b>-1.35</b>	<b>-1.43</b>	<b>0.08</b>
Exports.....	3.2	2.4	0.8	0.32	0.24	0.08
Goods.....	1.9	1.9	0.0	0.14	0.13	0.01
Services.....	6.2	3.5	2.7	0.18	0.11	0.07
Imports.....	11.4	11.4	0.0	-1.67	-1.67	0.00
Goods.....	14.9	15.3	-0.4	-1.80	-1.85	0.05
Services.....	-5.2	-7.0	1.8	0.13	0.18	-0.05
<b>Government consumption expenditures and gross investment</b> .....	<b>0.9</b>	<b>1.2</b>	<b>-0.3</b>	<b>0.16</b>	<b>0.22</b>	<b>-0.06</b>
Federal.....	1.2	1.7	-0.5	0.09	0.12	-0.03
National defense.....	-0.6	-0.3	-0.3	-0.03	-0.02	-0.01
Nondefense.....	5.3	6.3	-1.0	0.11	0.14	-0.03
State and local.....	0.6	0.8	-0.2	0.07	0.10	-0.03
<b>Addenda:</b>						
Final sales of domestic product ..	3.4	3.2	0.2	3.38	3.20	0.18
Gross domestic purchases price index ..	2.9	2.8	0.1			
GDP price index.....	2.3	2.1	0.2			

NOTE: The final estimates for the fourth quarter of 2004 incorporate the following revised or additional major source data that were not available when the preliminary estimates were prepared.

*Personal consumption expenditures:* Revised retail sales for December.  
*Nonresidential fixed investment:* Revised construction put-in-place data for November and December and revised manufacturers' shipments of machinery and equipment for December.  
*Residential fixed investment:* Revised construction put-in-place data for November and December.  
*Change in private inventories:* Revised manufacturers' and trade inventories for December.  
*Exports and imports of goods and services:* Revised international transactions accounts data for the third and fourth quarters.  
*Government consumption expenditures and gross investment:* Revised state and local government construction put-in-place data for November and December.  
*Wages and salaries:* Revised employment, average hourly earnings, and average weekly hours for December and new data on employer costs for employee compensation for the fourth quarter.  
*GDP prices:* Revised export and import prices for October through December, revised unit-value index for petroleum imports for December, and revised prices of single-family houses under construction for the quarter.

4. GNP is a measure of the goods and services produced by labor and property supplied by U.S. residents regardless of where they are located; in contrast, GDP is a measure of the goods and services produced by labor and property in the United States, regardless of nationality. The two measures are related as follows: GNP equals GDP plus income receipts from the rest of the world minus income payments to the rest of the world.

### Saving, Wealth, Investment, and the Current-Account Deficit

In the national income and product accounts (NIPAs), personal saving as a percentage of disposable personal income has trended downward since peaking at 11.2 percent in 1982 (chart A). In 2004, the personal saving rate was 1.2 percent, or \$102.1 billion out of \$8,634.0 billion in disposable personal income.<sup>1</sup> The declining saving rate has spawned much concern among economists and policymakers about the consequences of such low saving, which, in the view of some, include reliance on unsustainable levels of external financing for the Nation's investment needs and increased exposure of domestic financial markets to external factors.

Personal saving is the portion of personal income that is not spent on current consumption but that is instead used to provide funds to capital markets or invested in real assets such as residences. It is a component of gross national saving, along with undistributed corporate profits (business saving), government saving, and consumption of fixed capital (a depreciation charge). Net national saving represents the amount of net income from current-period production that is left over after all consumption-related expenditures. This amount is available to finance net domestic investment in fixed capital assets (such as structures, equipment, and software) or in inventories. Economic growth and rising productivity are possible only with adequate levels of investment, and investment must be financed by saving from some source.

Capital gains and losses, which reflect changes in the prices of already existing assets, are excluded from the NIPA definition of saving. Clearly, unrealized capital gains provide no funds for investment. Realized capital gains are also not a source of fund-

ing for investment, because the funds that the seller adds to the pool of saving are offset by the funds that the buyer has withdrawn from that pool.

In contrast to the persistently downward trend of personal saving, in 2001–2004, saving by business grew strongly (table A). Saving by government fell; the fall exceeded the decline in personal saving. In aggregate, net national saving fell to 2.1 percent of national income in 2004 from a peak of 7.3 percent in 1998. However, net domestic investment rebounded from a cyclical trough in 2002 to a level near its 20-year average in 2004; therefore, the gap between U.S. saving and U.S. domestic investment widened. This gap was bridged by net national borrowing, which represents saving by the rest of the world that is used to finance domestic investment.<sup>1</sup> The excess of the Nation's spending over the Nation's income can also be measured by the current-account deficit, which equals the combined deficit with the rest of the world on trade, income, and current transfers.

The downward trend in personal saving in the NIPAs is confirmed by a measure of personal saving in the Federal Reserve Board's flow-of-funds accounts that is conceptually consistent with the NIPA measure (chart A). This measure estimates personal saving as the difference between net purchases of financial assets and real estate by persons, plus net amounts invested in business partnerships and sole proprietorships, less net increases in personal debt.

The decline in personal saving has led to much discussion of the "wealth effect," the tendency of consumers to spend more when their assets appreciate. In 2004, personal net worth rebounded to 5.6 times disposable personal income as a result of realized and unrealized capital gains on real estate, corporate equities, and mutual funds. Some of the capital gains on real estate in recent years have been used to support additional mortgage borrowing, which may have reduced personal saving, and some capital gains on pension plan assets have been used to pay pension benefits, which also may have reduced the NIPA measure of personal saving.<sup>2</sup> The Bureau of Economic Analysis is working on integrated saving and wealth accounts that will include information on capital gains and losses.

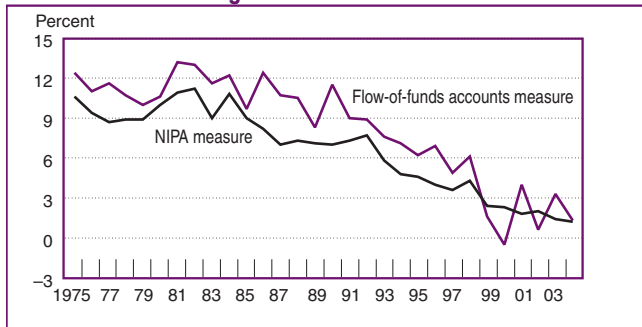
*Marshall B. Reinsdorf*

1. Net lending or net borrowing shown in NIPA table 5.1 includes net purchases of assets from the rest of the world; it is not limited to debt instruments.

2. The aging of plan participants has also contributed to the decline in saving by defined benefit pension plans; see Marshall B. Reinsdorf, "Alternative Measures of Personal Saving," SURVEY OF CURRENT BUSINESS 84 (September 2004): 17–27.

1. Personal saving in 2004 was buoyed by the Microsoft special dividend, but it was diminished by uninsured hurricane losses. Excluding these two items, the personal saving rate was less than 1 percent in 2004.

**Chart A. Personal Saving Rate**



**Table A. National Saving, Investment, and Borrowing**

[As a percent of national income]

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Personal saving (with accrued wages) .....	6.9	5.8	6.0	5.9	5.9	6.2	6.4	5.0	4.4	4.1	3.4	3.0	3.6	2.0	1.9	1.5	1.7	1.1	1.0
Plus: Business saving .....	2.7	3.0	3.5	2.5	2.4	2.5	2.6	2.9	2.8	3.5	3.8	3.9	2.6	3.1	2.0	2.1	3.3	4.0	4.5
Equals: Net private saving .....	9.5	8.8	9.5	8.5	8.3	8.7	8.9	7.9	7.2	7.6	7.1	6.9	6.2	5.1	3.9	3.6	5.0	5.2	5.5
Plus: Net government saving .....	-4.4	-3.2	-2.6	-2.3	-3.2	-4.2	-5.4	-4.7	-3.3	-2.9	-1.7	-0.2	1.2	1.9	2.7	0.6	-3.0	-3.8	-3.5
Equals: Net national saving .....	5.2	5.6	7.0	6.2	5.1	4.6	3.6	3.2	3.9	4.7	5.5	6.7	7.3	7.0	6.6	4.2	2.0	1.4	2.1
Net national saving plus statistical discrepancy .....	6.4	6.1	6.5	7.0	6.4	5.9	5.4	5.6	6.2	6.3	6.8	7.6	7.1	6.5	5.2	3.2	1.8	1.6	2.6
Less: Net domestic investment .....	10.0	9.8	9.0	8.9	7.7	5.7	6.1	6.9	7.9	7.7	8.3	9.2	9.6	9.8	9.7	7.3	6.7	6.9	8.7
Equals: Balance on current account .....	-3.6	-3.6	-2.5	-1.8	-1.4	0.3	-0.7	-1.2	-1.7	-1.4	-1.5	-1.5	-2.4	-3.3	-4.5	-4.1	-5.0	-5.3	-6.2
Less: Capital-account transactions .....	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Equals: Net lending or net borrowing (-) .....	-3.6	-3.6	-2.5	-1.8	-1.5	0.2	-0.7	-1.2	-1.7	-1.4	-1.5	-1.5	-2.4	-3.4	-4.5	-4.1	-5.0	-5.3	-6.2

## Corporate Profits

Profits from current production increased \$150.8 billion (13.5 percent at a quarterly rate) in the fourth quarter; in contrast, profits decreased \$55.9 billion (4.8 percent) in the third quarter (table 3).<sup>5</sup> The increase reflected an increase in profits of domestic corporations; profits from the rest of the world were unchanged.<sup>6</sup> A third-quarter decrease in profits of domestic corporations reflected the effects of Hurricanes Charley, Frances, Ivan, and Jeanne, which reduced profits by \$79.7 billion (annual rate).<sup>7</sup> Excluding the effects of the hurricanes, profits from current production increased 5.9 percent in the fourth quarter after increasing 2.0

percent in the third quarter.

Profits of financial corporations increased \$84.1 billion (30.1 percent) in the fourth quarter. In contrast, profits of these corporations decreased \$68.7 billion (19.7 percent) in the third quarter, reflecting the effects of the hurricanes on the profits of insurance companies.

Profits of nonfinancial corporations increased \$66.7 billion (10.3 percent) after increasing \$9.4 billion (1.5 percent). The fourth-quarter increase was mainly accounted for by an increase in profits per unit; unit prices increased, and labor and nonlabor costs per unit decreased.

In the fourth quarter, profits from the rest of the world were unchanged, reflecting offsetting changes in receipts and payments. Receipts from foreign affiliates of domestic parents increased \$30.8 billion (9.8 percent) after increasing \$7.5 billion (2.5 percent). Payments by domestic affiliates to their foreign parents that are deducted in the calculation of profits from the rest of the world also increased \$30.8 billion (24.7 percent) after increasing \$4.2 billion (3.5 percent). In the third quarter, profits from the rest of the world had increased \$3.4 billion (1.8 percent).

Taxes on corporate income increased \$42.4 billion

**Table 3. Corporate Profits**  
[Quarterly estimates are seasonally adjusted]

	Billions of dollars (annual rate)								Percent change from preceding period <sup>1</sup>															
	Level		Change from preceding period						2003	2004	2004													
	2004	2004	2003	2004	2004			2003			2004	II	III	IV										
		IV			II	III	IV		II	III		IV												
<b>Current production measures:</b>																								
Corporate profits .....	1,181.6	1,268.8	146.5	160.5	8.3	-55.9	150.8	16.8	15.7	0.7	-4.8	13.5												
Domestic industries .....	989.6	1,080.1	127.4	145.4	28.3	-59.3	150.8	17.8	17.2	2.9	-6.0	16.2												
Financial .....	336.4	363.2	29.4	8.6	-7.9	-68.7	84.1	9.8	2.6	-2.2	-19.7	30.1												
Nonfinancial .....	653.1	716.9	98.0	136.7	36.2	9.4	66.7	23.4	26.5	6.0	1.5	10.3												
Rest of the world .....	192.0	188.7	19.1	15.1	-20.0	3.4	0.0	12.1	8.5	-9.7	1.8	0.0												
Receipts from the rest of the world .....	315.4	343.9	44.7	64.7	6.6	7.5	30.8	21.7	25.8	2.2	2.5	9.8												
Less: Payments to the rest of the world .....	123.4	155.3	25.6	49.6	26.6	4.2	30.8	53.1	67.2	28.4	3.5	24.7												
Less: Taxes on corporate income .....	269.2	295.7	51.1	34.3	14.7	-17.9	42.4	27.8	14.6	5.7	-6.6	16.8												
Equals: Profits after tax .....	912.4	973.0	95.5	126.2	-6.4	-38.0	108.3	13.8	16.0	-0.7	-4.2	12.5												
Net dividends .....	443.9	534.7	5.3	48.6	9.8	10.8	110.7	1.4	12.3	2.4	2.6	26.1												
Undistributed profits .....	468.5	438.3	90.2	77.6	-16.2	-48.8	-2.4	30.0	19.9	-3.2	-10.0	-0.5												
Net cash flow .....	1,264.6	1,234.1	114.9	91.2	-5.7	-1.6	-37.7	10.9	7.8	-0.4	-0.1	-3.0												
<b>Industry profits:</b>																								
Profits with IVA .....	942.4	1,008.8	103.6	82.0	15.2	-45.6	113.8	13.7	9.5	1.6	-4.8	12.7												
Domestic industries .....	750.4	820.1	84.4	67.0	35.2	-48.9	113.8	14.1	9.8	4.9	-6.5	16.1												
Financial .....	294.0	318.2	23.6	-5.8	-7.3	-68.8	80.6	8.6	-2.0	-2.3	-22.5	33.9												
Nonfinancial .....	456.4	501.9	60.8	72.8	42.4	19.9	33.2	18.8	19.0	10.4	4.4	7.1												
Utilities .....	23.3	27.5	7.4	4.5	-1.7	-0.4	6.4	65.9	23.9	-7.1	-2.0	30.6												
Manufacturing .....	105.9	142.4	16.6	38.6	13.3	10.2	37.4	32.8	57.5	16.4	10.7	35.6												
Wholesale trade .....	54.6	59.0	-3.1	6.7	6.2	8.9	-2.1	-6.2	14.0	13.7	17.0	-3.5												
Retail trade .....	72.2	70.8	-0.4	-5.5	-6.9	-8.4	6.1	-0.5	-7.1	-8.6	-11.5	9.3												
Transportation and warehousing .....	9.7	4.5	11.8	-0.8	3.8	-8.2	-2.8																	
Information .....	9.5	6.6	10.5	10.2	23.1	5.1	-15.0																	
Other nonfinancial .....	181.2	191.2	17.9	19.1	4.4	12.8	3.3	12.4	11.8	2.6	7.3	1.7												
Rest of the world .....	192.0	188.7	19.1	15.1	-20.0	3.4	0.0	12.1	8.5	-9.7	1.8	0.0												
<b>Addenda:</b>																								
Profits before tax (without IVA and CCAadj) .....	985.3	1,057.9	116.5	110.8	25.9	-55.5	125.1	15.4	12.7	2.7	-5.6	13.4												
Profits after tax (without IVA and CCAadj) .....	716.2	762.1	65.4	76.6	11.2	-37.6	82.6	11.4	12.0	1.6	-5.3	12.2												
IVA .....	-42.9	-49.1	-12.9	-28.8	-10.8	10.0	-11.3																	
CCAadj .....	239.1	260.0	43.0	78.3	-6.9	-10.3	37.0	36.5	48.7	-2.9	-4.4	16.6												

1. Quarterly percent changes are not annualized.

NOTE: Levels of these and other profits series are shown in NIPA tables 1.12, 1.14, 1.15, and 6.16D.

IVA Inventory valuation adjustment  
CCAadj Capital consumption adjustment

(16.8 percent) in the fourth quarter. After-tax corporate profits from current production increased \$108.3 billion (12.5 percent).

Net dividends increased \$110.7 billion (26.1 percent) after increasing \$10.8 billion (2.6 percent). The fourth-quarter increase reflected the special dividend payment by the Microsoft Corporation.<sup>8</sup> The large increases in net dividends and in after-tax profits were roughly offsetting, so that undistributed corporate profits—a measure of corporate net saving that equals after-tax profits less net dividends—decreased \$2.4 billion (0.5 percent) after decreasing \$48.8 billion (10.0 percent) in the third quarter.

Net cash flow from current production, a profits-related measure of internally generated funds available for investment, decreased \$37.7 billion in the fourth quarter after decreasing \$1.6 billion in the third quarter. The fourth-quarter decrease in net cash flow—undistributed profits plus consumption of fixed capital—reflected the large increase in net dividends that resulted from the Microsoft special dividend payment.

8. On December 2, 2004, the Microsoft Corporation paid a special dividend of \$3.00 per share to shareholders of record as of November 17, 2004. The total dividend payout was about \$32 billion (at a quarterly rate).

GDP and profits of domestic corporations were not affected by the special dividend. The estimate of net dividends reflects the total dividend payout less the dividends received by U.S. corporations and by foreign residents. Because BEA's estimates of corporate profits and of income payments to, and receipts from, the rest of the world are partly based on confidential survey data, BEA cannot provide estimates of the effects of the special dividend on these components.

For more information, see "The Microsoft Special Dividend" at <[www.bea.gov/bea/faq/national/FAQ.htm](http://www.bea.gov/bea/faq/national/FAQ.htm)>.

The ratio of cash flow to nonresidential fixed investment, an indicator of the extent to which the current level of investment could be financed by internally generated corporate funds, decreased to 95.9 in the fourth quarter from 102.7 in the third quarter. The ratio was over 100 in the eight preceding quarters.

**Industry profits.** The current-production measure of profits is not available at the detailed industry level, because estimates of the capital consumption adjustment (CCAdj) are not available at this level.<sup>9</sup> (CCAdj is only available for total financial industries and for total nonfinancial industries). Consequently, industry profits are best measured by profits with inventory valuation adjustment (IVA).<sup>10</sup>

In the fourth quarter, total domestic industry profits with IVA increased \$113.8 billion.

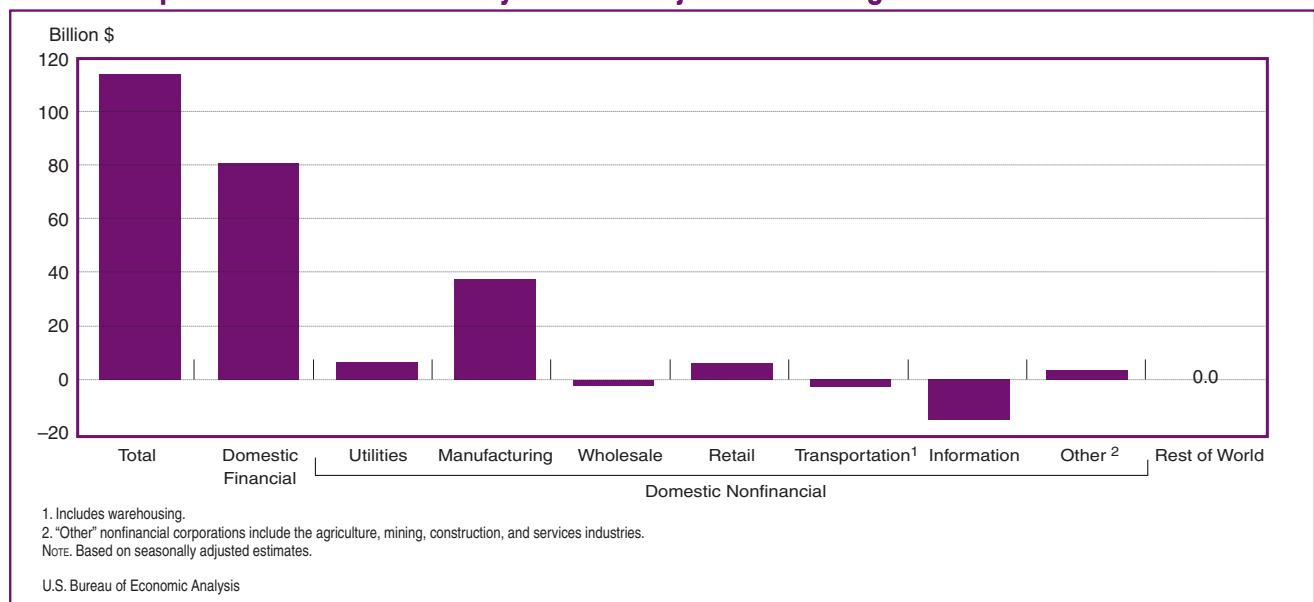
For domestic financial industries, profits with IVA increased \$80.6 billion in the fourth quarter (chart 2). The increase was largely accounted for by profits of property and casualty insurance carriers, which had been reduced in the third quarter because of the effects of the third-quarter hurricanes.

For domestic nonfinancial corporations, profits with IVA increased \$33.2 billion in the fourth quarter. Increases in the profits of the manufacturing, utilities,

9. The CCAdj is the difference between consumption of fixed capital (the decline in the value of the stock of assets due to wear and tear, obsolescence, accidental damage, and aging) and capital consumption allowances (tax-return-based depreciation).

10. The IVA adjusts the NIPA estimates of business income for inventory profits or losses; the IVA is the difference between the cost of inventory withdrawals valued at acquisition cost and the cost of inventory withdrawals valued at replacement cost.

**Chart 2. Corporate Profits with Inventory Valuation Adjustment: Change From 2004:III to 2004:IV**



retail trade, and “other” nonfinancial industries were partly offset by decreases in the profits of the information, transportation and warehousing, and wholesale trade industries. Within manufacturing, a large increase in durable-goods industries was accounted for by electrical equipment and by “other” durable-goods manufacturing, and a large increase in nondurable-goods industries was accounted for by petroleum manufacturing.

**The year 2004.** Profits from current production increased \$160.5 billion (15.7 percent), to \$1,181.6 billion, in 2004; they had increased \$146.5 billion (16.8 percent) in 2003. Profits of domestic corporations increased \$145.4 billion after increasing \$127.4 billion. Profits of domestic nonfinancial corporations increased \$136.7 billion after increasing \$98.0 billion;

prices and profits per unit posted solid increases, and unit nonlabor costs turned down. Profits of domestic financial corporations increased \$8.6 billion after increasing \$29.4 billion.

Profits from the rest of the world increased \$15.1 billion after increasing \$19.1 billion, as payments by domestic affiliates to foreign parents stepped up.

Domestic profits with inventory valuation adjustment increased \$67.0 billion after increasing \$84.4 billion. Financial profits turned down, and nonfinancial profits increased somewhat more than in 2003. Among nonfinancial industries, the manufacturing and wholesale trade industries showed marked improvement in 2004, and the retail trade and transportation industries posted lower profits. The information industry posted a profit, following four consecutive annual losses.

## Government Sector

Net government saving, the difference between current receipts and expenditures, was -\$320.6 billion in the fourth quarter of 2004, increasing \$49.9 billion from -\$370.5 billion in the third quarter (table 4).<sup>11</sup> Net Federal Government saving accelerated in the fourth quarter, and net state and local government saving turned up considerably.

### Federal

Net Federal Government saving was -\$356.2 billion in the fourth quarter of 2004, increasing \$18.8 billion from -\$375.0 billion in the third quarter. Both current receipts and current expenditures accelerated.

**Current receipts.** Federal Government current receipts increased \$66.7 billion in the fourth quarter after increasing \$16.7 billion in the third quarter. The acceleration was more than accounted for by accelerations in current tax receipts, current transfer receipts, and income receipts on assets that were partly offset by a deceleration in contributions for government social insurance.

Current tax receipts increased \$55.7 billion after increasing \$3.4 billion. The acceleration was more than accounted for by upturns in taxes on corporate income, taxes on production and imports, and taxes from the rest of the world. Taxes on corporate income increased \$35.3 billion after decreasing \$14.6 billion; the third quarter decrease mainly reflected the effects of Hurricanes Charlie, Frances, Ivan, and Jeanne. Taxes on production and imports increased \$3.5 billion after decreasing \$0.1 billion; the acceleration was primarily attributable to an acceleration in customs duties and to an upturn in air transport excise taxes that was due to an acceleration in fees for passenger security and air carriers. Taxes from the rest of the world increased \$2.1 billion after decreasing \$0.1 billion, reflecting taxes paid on Microsoft dividends. In contrast, personal current taxes decelerated, increasing \$14.7 billion after increasing \$18.1 billion and reflecting the pattern of wages and salaries.

Current transfer receipts increased \$1.8 billion after increasing \$0.4 billion. Income receipts on assets increased \$0.8 billion after increasing \$0.7 billion.

Contributions for government social insurance increased \$8.7 billion after increasing \$12.5 billion. The deceleration was mostly accounted for by contributions for social security (old-age, survivors, disability, and health insurance trust funds), which increased \$7.7 billion after increasing \$11.2 billion, reflecting a deceleration in wage and salaries.

**Current expenditures.** Federal Government current

expenditures increased \$47.9 billion after increasing \$11.7 billion. The acceleration was more than accounted for by accelerations in current transfer payments and subsidies and by an upturn in interest payments that were partly offset by a deceleration in

**Table 4. Government Sector Current Receipts and Expenditures**

[Billions of dollars, seasonally adjusted at annual rates]

	Level	Change from preceding quarter				
	2004	2004				
	IV	I	II	III	IV	
Current receipts .....	3302.9	30.8	61.1	17.4	104.4	
Current expenditures .....	3623.5	66.2	43.6	26.1	54.6	
<b>Net government saving .....</b>	<b>-320.6</b>	<b>-35.3</b>	<b>17.5</b>	<b>-8.8</b>	<b>49.9</b>	
Social insurance funds .....	68.3	12.1	6.7	6.2	-5.1	
Other .....	-389.0	-47.4	10.7	-14.9	54.9	
<b>Federal</b>						
<b>Current receipts .....</b>	<b>2032.5</b>	<b>14.7</b>	<b>33.8</b>	<b>16.7</b>	<b>66.7</b>	
Current tax receipts .....	1157.6	-1.0	24.6	3.4	55.7	
Personal current taxes .....	814.3	-4.2	13.2	18.1	14.7	
Taxes on production and imports .....	92.7	-0.6	0.3	-0.1	3.5	
Taxes on corporate income .....	240.2	3.0	11.6	-14.6	35.3	
Taxes from the rest of the world .....	10.3	0.7	-0.3	-0.1	2.1	
Contributions for government social insurance .....	818.8	18.4	9.7	12.5	8.7	
Income receipts on assets .....	23.7	-2.6	-0.7	0.7	0.8	
Current transfer receipts .....	28.4	0.5	0.1	0.4	1.8	
Current surplus of government enterprises .....	4.1	-0.4	-0.1	-0.2	-0.2	
<b>Current expenditures .....</b>	<b>2388.7</b>	<b>26.5</b>	<b>22.8</b>	<b>11.7</b>	<b>47.9</b>	
Consumption expenditures .....	713.6	19.8	9.2	12.7	0.6	
National defense .....	484.0	15.0	8.4	13.5	-3.1	
Nondefense .....	229.5	4.8	0.7	-0.7	3.6	
Current transfer payments .....	1409.4	15.3	2.0	0.9	40.6	
Government social benefits .....	1022.3	13.7	6.8	11.3	18.0	
To persons .....	1019.2	13.7	6.8	11.2	17.9	
To the rest of the world .....	3.1	0.0	0.0	0.1	0.1	
Other current transfer payments .....	387.1	1.7	-4.8	-10.4	22.6	
Grants-in-aid to state and local governments .....	361.6	-11.2	5.9	-9.8	19.5	
To the rest of the world .....	25.5	12.9	-10.7	-0.6	3.1	
Interest payments .....	224.2	-3.6	9.6	-0.7	4.2	
Subsidies .....	41.6	-3.5	-1.0	0.3	2.6	
Less: Wage accruals less disbursements .....	0.0	1.5	-3.0	1.5	0.0	
<b>Net Federal Government saving .....</b>	<b>-356.2</b>	<b>-11.8</b>	<b>11.0</b>	<b>5.0</b>	<b>18.8</b>	
Social insurance funds .....	67.0	12.0	6.7	6.1	-5.0	
Other .....	-423.2	-23.8	4.3	-1.0	23.7	
<b>State and local</b>						
<b>Current receipts .....</b>	<b>1632.0</b>	<b>4.8</b>	<b>33.3</b>	<b>-9.2</b>	<b>57.3</b>	
Current tax receipts .....	1068.7	12.3	24.9	5.0	27.7	
Personal current taxes .....	255.2	1.4	10.8	0.2	5.9	
Taxes on production and imports .....	769.4	9.9	12.2	7.5	15.5	
Taxes on corporate income .....	44.0	0.9	2.0	-2.8	6.3	
Contributions for government social insurance .....	17.0	0.5	0.4	0.4	0.2	
Income receipts on assets .....	84.6	0.5	0.4	0.9	1.1	
Current transfer receipts .....	460.1	-8.2	8.1	-14.7	28.8	
Federal grants-in-aid .....	361.6	-11.2	5.9	-9.8	19.5	
Other .....	98.6	3.0	2.2	-4.9	9.4	
Current surplus of government enterprises .....	1.6	-0.2	-0.6	-0.7	-0.6	
<b>Current expenditures .....</b>	<b>1596.4</b>	<b>28.3</b>	<b>26.9</b>	<b>4.5</b>	<b>26.2</b>	
Consumption expenditures .....	1121.6	13.5	12.0	13.7	16.1	
Government social benefits .....	380.5	14.0	14.7	-9.9	9.4	
Interest payments .....	93.6	1.3	0.1	0.8	0.7	
Subsidies .....	0.7	-0.5	0.0	0.0	0.0	
Less: Wage accruals less disbursements .....	0.0	0.0	0.0	0.0	0.0	
<b>Net state and local government saving .....</b>	<b>35.6</b>	<b>-23.5</b>	<b>6.5</b>	<b>-13.8</b>	<b>31.1</b>	
Social insurance funds .....	1.4	0.1	0.1	0.1	-0.1	
Other .....	34.2	-23.5	6.3	-13.9	31.2	
<b>Addenda:</b>						
Net lending or net borrowing (-) <sup>1</sup> .....	-472.9	-38.4	7.7	-0.8	41.6	
Federal .....	-410.8	-14.8	12.3	-3.4	17.7	
State and local .....	-62.0	-23.6	-4.6	2.6	24.0	

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

11. Net government saving is shown in NIPA tables 3.1-3.3.



consumption expenditures.

Current transfer payments increased \$40.6 billion after increasing \$0.9 billion. The acceleration was more than accounted for by an upturn in "other current transfer payments" and by an acceleration in government social benefits.

"Other current transfer payments" increased \$22.6 billion after decreasing \$10.4 billion. The upturn was mostly accounted for by grants-in-aid to state and local governments, which increased \$19.5 billion after decreasing \$9.8 billion, primarily reflecting an upturn in grants for Medicaid and disaster relief. The upturn was also attributable to accelerations in grants for "other income support" and for education and to an upturn in grants for welfare and social services. "Other current transfer payments" to the rest of the world also turned up.

Government social benefits increased \$18.0 billion after increasing \$11.3 billion. The acceleration was accounted for by government social benefits to persons, which increased \$17.9 billion after increasing \$11.2 billion, primarily reflecting an acceleration in social security benefits (old-age, survivors, disability, and health insurance trust funds). The acceleration was also attributable to accelerations in Medicare benefits and food stamp benefits; the acceleration in food stamp benefits was partly due to a 5.8-percent cost-of-living adjustment that took effect in October. Tempering the acceleration, "other government social benefits" to persons decelerated, increasing \$0.1 billion after increasing \$2.6 billion.

Interest payments increased \$4.2 billion after decreasing \$0.7 billion. The upturn was mostly accounted for by a smaller decrease in interest paid to persons and business, which decreased \$1.2 billion after decreasing \$4.8 billion.

Consumption expenditures increased \$0.6 billion after increasing \$12.7 billion. The deceleration was more than accounted for by a downturn in defense consumption expenditures. Nondefense consumption expenditures turned up.

Defense consumption expenditures decreased \$3.1 billion after increasing \$13.5 billion. Expenditures for defense services turned down, decreasing \$7.9 billion after increasing \$10.9 billion (these expenditures consist of expenditures for research and development, for transportation of materials, for travel, and for other services).

In contrast, nondefense consumption expenditures increased \$3.6 billion after decreasing \$0.7 billion. The upturn was mostly accounted for by spending for nondurable goods, which increased \$2.3 billion after

decreasing \$1.3 billion. Compensation of general government employees increased \$0.5 billion after decreasing \$0.6 billion, reflecting increases in employment in nondefense agencies.

### State and local

Net state and local government saving was \$35.6 billion in the fourth quarter of 2004, increasing \$31.1 billion from \$4.5 billion in the third quarter. Current receipts turned up dramatically, and current expenditures accelerated considerably.

**Current receipts.** State and local government current receipts increased \$57.3 billion after decreasing \$9.2 billion. The upturn was mostly accounted for by an upturn in current transfer receipts and by an acceleration in current tax receipts

Current transfer receipts increased \$28.8 billion after decreasing \$14.7 billion. The upturn was mostly accounted for by an upturn in Federal grants-in-aid, which increased \$19.5 billion after decreasing \$9.8 billion mainly because of an upturn in grants for Medicaid and disaster relief. The upturn was also attributable to an upturn in transfer receipts from business, which increased \$7.8 billion after decreasing \$6.4 billion; the third-quarter receipts were reduced as a result of the effects of the hurricanes on the transactions of state-owned insurance enterprises in Florida and Louisiana.

Current tax receipts increased \$27.7 billion after increasing \$5.0 billion. The acceleration was partly accounted for by an upturn in taxes on corporate income, which increased \$6.3 billion after decreasing \$2.8 billion. Both taxes on production and imports and personal current taxes accelerated. Taxes on production and imports increased \$15.5 billion after increasing \$7.5 billion, mostly as a result of an acceleration in state sales taxes. Personal current taxes increased \$5.9 billion after increasing \$0.2 billion, reflecting an upturn in personal income taxes.

**Current expenditures.** State and local government current expenditures increased \$26.2 billion after increasing \$4.5 billion. Government social benefit payments turned up, and consumption expenditures accelerated.

Government social benefit payments increased \$9.4 billion after decreasing \$9.9 billion. The upturn was mainly attributable to an upturn in Medicaid payments.

Consumption expenditures increased \$16.1 billion after increasing \$13.7 billion. The acceleration was more than accounted for by an acceleration in the purchases of nondurable goods.

**Net lending or net borrowing**

“Net lending or net borrowing (–)” is an alternative measure of the government fiscal position. “Net lending or net borrowing (–)” is the financing requirement of the government sector, and it is derived as net government saving plus the consumption of fixed capital and “capital transfers received (net)” less gross investment and net purchases of nonproduced assets.<sup>12</sup>

Net borrowing was \$472.9 billion in the fourth quarter, decreasing \$41.6 billion from \$514.5 billion in the third quarter. Federal Government net borrowing was \$410.8 billion in the fourth quarter, decreasing \$17.7 from \$428.5 billion in the third quarter. Net Federal government saving increased \$18.8 billion after in-

creasing \$5.0 billion. State and local government net borrowing was \$62.0 billion in the fourth quarter, decreasing \$24.0 billion from \$86.0 billion in the third quarter.

Gross government investment turned up, increasing \$10.6 billion after decreasing \$3.5 billion.<sup>13</sup> Federal Government gross investment increased \$6.6 billion after increasing \$0.3 billion; defense gross investment accelerated, and nondefense gross investment turned up. State and local government gross investment increased \$4.0 billion after decreasing \$3.7 billion; the upturn was mostly accounted for by an upturn in gross investment for structures, which increased \$2.8 billion after decreasing \$4.1 billion.

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12. These estimates are also shown in NIPA tables 3.1–3.3.

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13. See the addenda to NIPA tables 3.1–3.3.

## Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade for the Fourth Quarter of 2004

This report presents quarterly estimates for the third and fourth quarters of 2004 and monthly estimates for August 2004 to January 2005. Tables 1B, 2B, 3B, and 4B present chain-weighted estimates. Table 1B presents inventories, and table 2B presents sales. Table 3B presents the inventory-sales ratios that can be used to assess the likelihood that businesses will add to, or reduce, inventories in response to changes in demand; these ratios supplement the quarterly current-dollar and real estimates of ratios of inventories to final sales

of domestic business, of nonfarm business, and of goods and structures that are presented in NIPA tables 5.7.5B and 5.7.6B. Table 4B presents estimates of manufacturing inventories by stage of fabrication.

The estimates for 1967 forward are available in interactive tables on BEA's Web site at <www.bea.gov>. Click on "Gross Domestic Product," and under "Supplemental Estimates," click on "Underlying detail tables" and then on "List of Underlying Detail Tables."

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

[Billions of Chained (2000) dollars]

	2004		2004					2005
	III	IV	Aug.	Sept.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Manufacturing and trade industries</b> .....	<b>1,192.6</b>	<b>1,203.0</b>	<b>1,194.8</b>	<b>1,192.6</b>	<b>1,197.6</b>	<b>1,204.8</b>	<b>1,203.0</b>	<b>1,211.2</b>
<b>Manufacturing</b> .....	<b>435.0</b>	<b>436.1</b>	<b>436.6</b>	<b>435.0</b>	<b>435.9</b>	<b>437.7</b>	<b>436.1</b>	<b>440.2</b>
<b>Durable goods</b> .....	<b>259.5</b>	<b>260.4</b>	<b>260.1</b>	<b>259.5</b>	<b>259.9</b>	<b>261.1</b>	<b>260.4</b>	<b>262.9</b>
Wood products.....	9.7	9.5	9.7	9.7	9.5	9.5	9.5	9.9
Nonmetallic mineral products.....	9.0	9.0	9.0	9.0	9.1	9.1	9.0	9.1
Primary metals.....	17.2	17.8	17.1	17.2	17.5	17.6	17.8	18.3
Fabricated metal products.....	30.4	30.6	30.5	30.4	30.4	30.4	30.6	30.8
Machinery.....	33.9	34.2	33.9	33.9	33.7	34.1	34.2	34.5
Computer and electronic products.....	56.7	57.0	56.5	56.7	57.4	57.3	57.0	57.7
Electrical equipment, appliances, and components.....	11.9	11.6	11.9	11.9	11.8	11.7	11.6	11.7
Transportation equipment.....	65.8	65.6	66.6	65.8	65.6	66.3	65.6	65.8
Furniture and related products.....	7.2	7.4	7.2	7.2	7.3	7.3	7.4	7.4
Miscellaneous manufacturing.....	17.8	17.7	17.8	17.8	17.8	17.8	17.7	17.7
<b>Nondurable goods</b> .....	<b>175.4</b>	<b>176.6</b>	<b>176.3</b>	<b>175.4</b>	<b>175.9</b>	<b>176.5</b>	<b>175.6</b>	<b>177.2</b>
Food products.....	32.5	32.2	32.5	32.5	32.4	32.2	32.2	32.1
Beverage and tobacco products.....	12.3	11.9	12.3	12.3	12.2	12.1	11.9	12.1
Textile mills.....	5.1	5.0	5.1	5.1	5.1	5.1	5.0	5.0
Textile product mills.....	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.2
Apparel.....	7.1	7.0	6.9	7.1	7.1	7.1	7.0	7.1
Leather and allied products.....	1.4	1.5	1.4	1.4	1.4	1.5	1.5	1.5
Paper products.....	15.7	15.8	15.8	15.7	15.9	15.9	15.8	16.0
Printing and related support activities.....	6.5	6.5	6.4	6.5	6.6	6.5	6.5	6.3
Petroleum and coal products.....	16.7	16.6	17.0	16.7	17.3	17.6	16.6	17.6
Chemical products.....	53.5	53.9	54.4	53.5	53.0	53.5	53.9	53.9
Plastics and rubber products.....	20.0	20.5	19.7	20.0	20.2	20.3	20.5	20.7
<b>Merchant wholesale trade</b> .....	<b>312.9</b>	<b>318.4</b>	<b>312.4</b>	<b>312.9</b>	<b>315.0</b>	<b>317.7</b>	<b>318.4</b>	<b>321.2</b>
Durable goods.....	190.3	194.1	189.5	190.3	192.4	194.1	194.1	196.2
Nondurable goods.....	122.6	124.4	122.9	122.6	122.6	123.7	124.4	125.1
<b>Retail trade</b> .....	<b>444.5</b>	<b>448.3</b>	<b>445.6</b>	<b>444.5</b>	<b>446.5</b>	<b>449.1</b>	<b>448.3</b>	<b>449.5</b>
Motor vehicle and parts dealers.....	153.7	151.9	154.7	153.7	155.3	155.7	151.9	150.7
Furniture and home furnishings and electronics and appliance stores.....	31.1	32.0	31.4	31.1	30.7	31.2	32.0	32.0
Building material and garden equipment and supplies stores.....	48.5	50.4	48.7	48.5	49.2	49.6	50.4	51.7
Food and beverage stores.....	33.2	33.4	33.3	33.2	33.3	33.5	33.4	33.5
Clothing and clothing accessories stores.....	33.3	33.5	33.4	33.3	33.4	33.4	33.5	33.9
General merchandise stores.....	67.3	69.1	67.2	67.3	67.3	68.4	69.1	69.4
Other retail stores.....	77.8	78.3	77.6	77.8	77.7	77.8	78.3	78.3

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

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. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

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

[Billions of Chained (2000) dollars]

	2004		2004					2005
	III	IV	Aug.	Sept.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Manufacturing and trade industries</b> .....	<b>928.2</b>	<b>937.5</b>	<b>928.7</b>	<b>930.5</b>	<b>931.6</b>	<b>933.5</b>	<b>947.3</b>	<b>952.6</b>
<b>Manufacturing</b> .....	<b>349.7</b>	<b>349.9</b>	<b>352.0</b>	<b>347.2</b>	<b>348.0</b>	<b>348.5</b>	<b>353.3</b>	<b>356.8</b>
<b>Durable goods</b> .....	<b>195.8</b>	<b>197.2</b>	<b>197.4</b>	<b>194.9</b>	<b>195.0</b>	<b>195.7</b>	<b>200.9</b>	<b>202.0</b>
Wood products.....	8.2	8.2	8.4	8.0	7.9	8.1	8.5	8.1
Nonmetallic mineral products.....	7.1	7.3	7.1	7.0	7.1	7.4	7.5	7.3
Primary metals.....	11.6	11.4	11.6	11.5	11.2	11.4	11.7	11.6
Fabricated metal products.....	21.3	21.1	21.2	21.1	20.8	21.2	21.2	21.4
Machinery.....	23.9	24.5	23.7	24.1	24.7	23.7	25.1	25.5
Computer and electronic products.....	46.5	48.1	47.0	46.0	47.7	48.1	48.5	50.5
Electrical equipment, appliances, and components.....	8.8	8.7	8.9	8.6	8.6	8.7	8.6	8.9
Transportation equipment.....	52.5	51.9	53.6	52.6	51.5	51.2	53.1	52.3
Furniture and related products.....	6.0	6.1	6.0	5.8	6.0	6.0	6.2	6.2
Miscellaneous manufacturing.....	10.9	11.1	10.8	10.9	10.8	11.0	11.6	11.5
<b>Nondurable goods</b> .....	<b>154.1</b>	<b>153.0</b>	<b>154.8</b>	<b>152.5</b>	<b>153.1</b>	<b>153.0</b>	<b>152.9</b>	<b>155.2</b>
Food products.....	36.0	36.7	36.1	35.9	36.9	36.6	36.6	37.1
Beverage and tobacco products.....	8.4	8.3	8.5	8.4	8.3	8.3	8.3	8.0
Textile mills.....	3.5	3.5	3.5	3.5	3.4	3.4	3.5	3.5
Textile product mills.....	3.0	3.0	3.1	3.0	3.0	3.0	3.0	3.2
Apparel.....	4.8	4.7	4.7	4.8	4.7	4.8	4.7	4.5
Leather and allied products.....	0.8	0.8	0.9	0.8	0.8	0.8	0.7	0.9
Paper products.....	14.3	14.1	14.4	14.0	14.0	14.2	14.2	14.6
Printing and related support activities.....	7.7	7.6	7.6	7.7	7.6	7.6	7.7	7.8
Petroleum and coal products.....	21.4	20.6	21.5	21.5	20.6	20.3	20.9	21.9
Chemical products.....	37.9	37.7	38.4	36.6	37.9	38.1	37.3	37.6
Plastics and rubber products.....	16.2	16.2	16.3	16.1	15.9	16.3	16.3	16.3
<b>Merchant wholesale trade</b> .....	<b>258.5</b>	<b>262.5</b>	<b>258.5</b>	<b>260.3</b>	<b>260.1</b>	<b>261.4</b>	<b>266.1</b>	<b>267.5</b>
Durable goods.....	134.8	138.8	134.7	134.9	136.6	138.3	141.7	141.5
Nondurable goods.....	124.2	124.4	124.3	125.8	124.1	123.8	125.2	126.6
<b>Retail trade</b> .....	<b>322.2</b>	<b>327.5</b>	<b>320.3</b>	<b>325.1</b>	<b>325.9</b>	<b>325.8</b>	<b>330.7</b>	<b>330.9</b>
Motor vehicle and parts dealers.....	85.1	86.7	83.5	86.5	86.8	84.9	88.3	85.8
Furniture and home furnishings and electronics and appliance stores.....	24.5	24.8	24.4	24.5	24.6	24.7	25.0	25.3
Building material and garden equipment and supplies stores.....	31.0	31.7	30.8	31.1	31.2	31.7	32.1	32.0
Food and beverage stores.....	41.4	41.8	41.3	41.7	41.6	41.8	41.8	42.2
Clothing and clothing accessories stores.....	17.7	18.2	17.6	17.9	18.3	18.1	18.2	18.5
General merchandise stores.....	46.0	46.8	45.8	46.4	46.5	46.7	47.3	47.7
Other retail stores.....	77.7	78.7	78.0	78.1	78.0	79.0	79.1	80.6

p Preliminary.

r Revised.

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

Chained (2000) dollar sales 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 3B. Real Inventory-Sales Ratios for Manufacturing and Trade,  
Seasonally Adjusted**

[Ratio, based on chained (2000) dollars]

	2004		2004					2005
	III	IV	Aug.	Sept.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Manufacturing and trade industries</b> .....	<b>1.29</b>	<b>1.28</b>	<b>1.29</b>	<b>1.28</b>	<b>1.29</b>	<b>1.29</b>	<b>1.27</b>	<b>1.27</b>
<b>Manufacturing</b> .....	<b>1.24</b>	<b>1.25</b>	<b>1.24</b>	<b>1.25</b>	<b>1.25</b>	<b>1.26</b>	<b>1.23</b>	<b>1.23</b>
<b>Durable goods</b> .....	<b>1.33</b>	<b>1.32</b>	<b>1.32</b>	<b>1.33</b>	<b>1.33</b>	<b>1.33</b>	<b>1.30</b>	<b>1.30</b>
Wood products.....	1.18	1.17	1.16	1.21	1.21	1.18	1.12	1.21
Nonmetallic mineral products.....	1.27	1.24	1.26	1.28	1.28	1.23	1.21	1.23
Primary metals.....	1.48	1.55	1.47	1.50	1.56	1.54	1.52	1.57
Fabricated metal products.....	1.43	1.45	1.44	1.44	1.46	1.44	1.44	1.44
Machinery.....	1.42	1.40	1.43	1.41	1.37	1.44	1.36	1.35
Computer and electronic products.....	1.22	1.19	1.20	1.23	1.20	1.19	1.18	1.14
Electrical equipment, appliances, and components.....	1.35	1.34	1.34	1.38	1.37	1.34	1.35	1.31
Transportation equipment.....	1.26	1.26	1.24	1.25	1.27	1.30	1.24	1.26
Furniture and related products.....	1.21	1.22	1.21	1.24	1.22	1.22	1.19	1.19
Miscellaneous manufacturing.....	1.64	1.59	1.65	1.63	1.64	1.61	1.53	1.53
<b>Nondurable goods</b> .....	<b>1.14</b>	<b>1.15</b>	<b>1.14</b>	<b>1.15</b>	<b>1.15</b>	<b>1.15</b>	<b>1.15</b>	<b>1.14</b>
Food products.....	0.90	0.88	0.90	0.90	0.88	0.88	0.88	0.87
Beverage and tobacco products.....	1.47	1.43	1.45	1.46	1.46	1.46	1.44	1.51
Textile mills.....	1.46	1.46	1.46	1.46	1.48	1.47	1.44	1.43
Textile product mills.....	1.67	1.69	1.66	1.68	1.68	1.70	1.68	1.65
Apparel.....	1.47	1.49	1.46	1.47	1.49	1.48	1.51	1.56
Leather and allied products.....	1.66	1.92	1.64	1.70	1.79	1.81	2.10	1.72
Paper products.....	1.10	1.12	1.10	1.12	1.14	1.12	1.12	1.10
Printing and related support activities.....	0.84	0.86	0.84	0.84	0.86	0.86	0.85	0.81
Petroleum and coal products.....	0.78	0.81	0.79	0.78	0.84	0.87	0.79	0.81
Chemical products.....	1.41	1.43	1.42	1.46	1.40	1.40	1.45	1.43
Plastics and rubber products.....	1.24	1.27	1.21	1.24	1.27	1.25	1.26	1.27
<b>Merchant wholesale trade</b> .....	<b>1.21</b>	<b>1.21</b>	<b>1.21</b>	<b>1.20</b>	<b>1.21</b>	<b>1.22</b>	<b>1.20</b>	<b>1.20</b>
Durable goods.....	1.41	1.40	1.41	1.41	1.41	1.40	1.37	1.39
Nondurable goods.....	0.99	1.00	0.99	0.98	0.99	1.00	0.99	0.99
<b>Retail trade</b> .....	<b>1.38</b>	<b>1.37</b>	<b>1.39</b>	<b>1.37</b>	<b>1.37</b>	<b>1.38</b>	<b>1.36</b>	<b>1.36</b>
Motor vehicle and parts dealers.....	1.81	1.75	1.85	1.78	1.79	1.84	1.72	1.76
Furniture and home furnishings and electronics and appliance stores.....	1.27	1.29	1.29	1.27	1.25	1.26	1.28	1.26
Building material and garden equipment and supplies stores.....	1.57	1.59	1.58	1.56	1.58	1.56	1.57	1.62
Food and beverage stores.....	0.80	0.80	0.81	0.80	0.80	0.80	0.80	0.80
Clothing and clothing accessories stores.....	1.88	1.84	1.89	1.86	1.82	1.84	1.84	1.83
General merchandise stores.....	1.47	1.48	1.47	1.45	1.45	1.47	1.46	1.46
Other retail stores.....	1.00	1.00	1.00	1.00	1.00	0.99	0.99	0.97

p Preliminary.

r Revised.

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

**Table 4B. Real Manufacturing Inventories, by Stage of Fabrication, Seasonally Adjusted, End of Period**  
 (Billions of Chained (2000) dollars)

	2004		2004				2005	
	III	IV	Aug.	Sept.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Materials and supplies</b>								
<b>Manufacturing</b> .....	<b>143.9</b>	<b>143.9</b>	<b>144.1</b>	<b>143.9</b>	<b>144.7</b>	<b>145.0</b>	<b>143.9</b>	<b>144.9</b>
<b>Durable goods</b> .....	<b>85.3</b>	<b>85.8</b>	<b>85.3</b>	<b>85.3</b>	<b>85.9</b>	<b>86.3</b>	<b>85.8</b>	<b>86.7</b>
Wood products.....	3.9	3.7	3.9	3.9	3.8	3.8	3.7	3.8
Nonmetallic mineral products.....	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Primary metals.....	6.5	6.7	6.4	6.5	6.5	6.6	6.7	6.8
Fabricated metal products.....	11.7	11.9	11.6	11.7	11.8	11.9	11.9	12.0
Machinery.....	10.0	10.3	9.9	10.0	10.1	10.2	10.3	10.3
Computer and electronic products.....	18.7	19.0	18.9	18.7	19.1	19.2	19.0	19.2
Electrical equipment, appliances, and components.....	4.5	4.5	4.5	4.5	4.6	4.5	4.5	4.5
Transportation equipment.....	17.2	16.8	17.4	17.2	17.2	17.2	16.8	17.3
Furniture and related products.....	3.3	3.3	3.2	3.3	3.3	3.3	3.3	3.3
Miscellaneous manufacturing.....	6.0	6.0	6.0	6.0	6.0	6.1	6.0	6.0
<b>Nondurable goods</b> .....	<b>58.5</b>	<b>58.1</b>	<b>58.8</b>	<b>58.5</b>	<b>58.8</b>	<b>58.7</b>	<b>58.1</b>	<b>58.2</b>
Food products.....	8.6	8.4	8.5	8.6	8.6	8.5	8.4	8.2
Beverage and tobacco products.....	5.9	5.6	5.9	5.9	5.8	5.9	5.6	5.7
Textile mills.....	1.6	1.6	1.6	1.6	1.5	1.6	1.6	1.6
Textile product mills.....	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Apparel.....	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7
Leather and allied products.....	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Paper products.....	7.2	7.0	7.2	7.2	7.1	7.1	7.0	7.1
Printing and related support activities.....	2.3	2.4	2.2	2.3	2.2	2.3	2.4	2.2
Petroleum and coal products.....	5.2	5.2	5.3	5.2	5.3	5.4	5.2	5.4
Chemical products.....	16.8	16.7	17.2	16.8	17.0	16.8	16.7	16.7
Plastics and rubber products.....	7.2	7.4	7.2	7.2	7.2	7.3	7.4	7.4
<b>Work-in-process</b>								
<b>Manufacturing</b> .....	<b>122.2</b>	<b>122.9</b>	<b>124.1</b>	<b>122.2</b>	<b>122.6</b>	<b>123.5</b>	<b>122.9</b>	<b>123.1</b>
<b>Durable goods</b> .....	<b>93.4</b>	<b>94.2</b>	<b>94.6</b>	<b>93.4</b>	<b>93.7</b>	<b>94.6</b>	<b>94.2</b>	<b>94.7</b>
Wood products.....	1.9	1.9	1.8	1.9	1.9	1.9	1.9	1.9
Nonmetallic mineral products.....	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Primary metals.....	5.4	5.5	5.3	5.4	5.5	5.5	5.5	5.8
Fabricated metal products.....	8.2	8.3	8.3	8.2	8.2	8.3	8.3	8.4
Machinery.....	11.8	11.6	11.9	11.8	11.7	11.8	11.6	12.0
Computer and electronic products.....	21.5	21.5	21.8	21.5	21.9	21.8	21.5	21.5
Electrical equipment, appliances, and components.....	4.2	4.1	4.2	4.2	4.1	4.1	4.1	4.2
Transportation equipment.....	34.7	35.4	35.6	34.7	34.7	35.4	35.4	35.0
Furniture and related products.....	1.3	1.3	1.4	1.3	1.3	1.3	1.3	1.3
Miscellaneous manufacturing.....	3.7	3.9	3.7	3.7	3.8	3.8	3.9	3.8
<b>Nondurable goods</b> .....	<b>28.9</b>	<b>28.8</b>	<b>29.5</b>	<b>28.9</b>	<b>29.0</b>	<b>29.0</b>	<b>28.8</b>	<b>28.6</b>
Food products.....	5.0	5.1	5.1	5.0	5.1	5.1	5.1	5.1
Beverage and tobacco products.....	2.8	2.7	2.8	2.8	2.7	2.6	2.7	2.7
Textile mills.....	1.2	1.1	1.2	1.2	1.2	1.2	1.1	1.1
Textile product mills.....	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.7
Apparel.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9
Leather and allied products.....	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Paper products.....	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Printing and related support activities.....	1.1	1.1	1.1	1.1	1.2	1.1	1.1	1.0
Petroleum and coal products.....	3.4	3.3	3.4	3.4	3.7	3.6	3.3	3.5
Chemical products.....	9.9	10.0	10.5	9.9	9.6	9.8	10.0	9.7
Plastics and rubber products.....	2.2	2.3	2.2	2.2	2.2	2.3	2.3	2.2
<b>Finished goods</b>								
<b>Manufacturing</b> .....	<b>168.8</b>	<b>169.3</b>	<b>168.3</b>	<b>168.8</b>	<b>168.6</b>	<b>169.2</b>	<b>169.3</b>	<b>172.2</b>
<b>Durable goods</b> .....	<b>80.8</b>	<b>80.4</b>	<b>80.2</b>	<b>80.8</b>	<b>80.3</b>	<b>80.1</b>	<b>80.4</b>	<b>81.6</b>
Wood products.....	3.9	3.9	3.9	3.9	3.8	3.9	3.9	4.1
Nonmetallic mineral products.....	4.8	4.9	4.8	4.8	4.9	4.9	4.9	4.9
Primary metals.....	5.3	5.6	5.3	5.3	5.5	5.5	5.6	5.6
Fabricated metal products.....	10.5	10.3	10.6	10.5	10.4	10.2	10.3	10.4
Machinery.....	12.1	12.3	12.2	12.1	12.0	12.0	12.3	12.3
Computer and electronic products.....	16.6	16.7	15.9	16.6	16.4	16.4	16.7	17.1
Electrical equipment, appliances, and components.....	3.2	2.9	3.2	3.2	3.1	3.0	2.9	3.0
Transportation equipment.....	13.9	13.5	13.7	13.9	13.7	13.8	13.5	13.6
Furniture and related products.....	2.7	2.8	2.7	2.7	2.7	2.7	2.8	2.8
Miscellaneous manufacturing.....	8.0	7.8	8.1	8.0	8.0	7.9	7.8	7.9
<b>Nondurable goods</b> .....	<b>88.0</b>	<b>88.8</b>	<b>88.0</b>	<b>88.0</b>	<b>88.1</b>	<b>88.9</b>	<b>88.8</b>	<b>90.5</b>
Food products.....	18.9	18.7	19.0	18.9	18.7	18.6	18.7	18.8
Beverage and tobacco products.....	3.7	3.6	3.7	3.7	3.6	3.6	3.6	3.7
Textile mills.....	2.4	2.3	2.4	2.4	2.4	2.3	2.3	2.2
Textile product mills.....	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.8
Apparel.....	4.3	4.4	4.1	4.3	4.3	4.4	4.4	4.4
Leather and allied products.....	0.8	0.9	0.8	0.8	0.8	0.8	0.9	0.9
Paper products.....	7.0	7.4	7.1	7.0	7.2	7.3	7.4	7.5
Printing and related support activities.....	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Petroleum and coal products.....	8.1	8.1	8.3	8.1	8.4	8.6	8.1	8.7
Chemical products.....	26.8	27.1	26.8	26.8	26.3	26.8	27.1	27.4
Plastics and rubber products.....	10.6	10.9	10.3	10.6	10.8	10.8	10.9	11.1

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

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. 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.

# U.S. International Transactions

## Fourth Quarter 2004

By Renee M. Sauers and Kelly K. Pierce

THE U.S. current-account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—increased to \$187.9 billion in the fourth quarter of 2004 from \$165.9 billion (revised) in the third quarter (table A, chart 1).<sup>1</sup> The increase was largely accounted for by an increase in the deficit on goods. In addition, net outflows for unilateral current transfers increased, and the surplus on income decreased. In contrast, the surplus on services increased.

In the financial account, net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—increased to \$183.8 billion in the fourth quarter from \$128.7 billion in the third quarter. Both financial outflows for U.S.-owned assets abroad

and financial inflows for foreign-owned assets in the United States increased strongly, but inflows increased more than outflows.

The statistical discrepancy—errors and omissions in recorded transactions—was a positive \$4.5 billion in the fourth quarter, compared with a positive \$37.5 billion in the third quarter.

The following are highlights for the fourth quarter of 2004:

- Goods imports picked up substantially, and goods exports slowed.
- Income payments increased more than income receipts.
- Net foreign private purchases of U.S. securities other than U.S. Treasury securities increased sharply to a quarterly record. Net foreign purchases of U.S. federally sponsored agency bonds surged, net foreign purchases of U.S. stocks picked up, and net foreign purchases of U.S. corporate bonds slowed but remained strong.

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

**Table A. Summary of U.S. International Transactions**  
[Millions of dollars, quarters seasonally adjusted]

Line	Lines in tables 1 and 11 in which transactions are included are indicated in ( ) (Credits +; debits -)	2003	2004 <sup>o</sup>	Change: 2003-2004	2003				2004				Change: 2004: III-IV
					I	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	
<b>Current account</b>													
1	<b>Exports of goods and services and income receipts (1)</b> .....	1,314,888	1,516,169	201,281	315,676	317,367	329,508	352,336	360,045	372,895	382,867	400,363	17,496
2	Goods, balance of payments basis (3).....	713,122	807,610	94,488	173,459	174,554	178,251	186,858	194,322	199,717	205,013	208,558	3,545
3	Services (4).....	307,381	339,571	32,190	74,540	73,920	77,472	81,448	82,298	84,870	85,076	87,327	2,251
4	Income receipts (12).....	294,385	368,988	74,603	67,677	68,893	73,785	84,030	83,425	88,308	92,778	104,478	11,700
5	<b>Imports of goods and services and income payments (18)</b> .....	-1,778,117	-2,109,181	-331,064	-437,067	-434,873	-444,497	-461,679	-486,803	-519,271	-533,828	-569,278	-35,450
6	Goods, balance of payments basis (20).....	-1,260,674	-1,473,087	-212,413	-311,402	-310,087	-312,886	-326,299	-345,376	-363,583	-372,028	-392,100	-20,072
7	Services (21).....	-256,337	-291,169	-34,832	-61,983	-61,767	-65,087	-67,501	-70,083	-72,326	-73,925	-74,836	-911
8	Income payments (29).....	-261,106	-344,925	-83,819	-63,682	-63,019	-66,524	-67,879	-71,344	-83,362	-87,875	-102,342	-14,467
9	<b>Unilateral current transfers, net (35)</b> .....	-67,439	-72,928	-5,489	-16,815	-16,369	-16,639	-17,617	-20,720	-18,332	-14,897	-18,983	-4,086
<b>Capital account</b>													
10	<b>Capital account transactions, net (39)</b> .....	-3,079	-1,477	1,602	-406	-1,552	-821	-300	-396	-324	-374	-383	-9
<b>Financial account</b>													
11	<b>U.S.-owned assets abroad, net (increase/financial outflow (-)) (40)</b> .....	-283,414	-817,676	-534,262	-102,665	-110,962	-8,138	-61,647	-307,170	-106,472	-127,581	-276,453	-148,872
12	U.S. official reserve assets, net (41).....	1,523	2,805	1,282	83	-170	-611	2,221	557	1,122	429	697	268
13	U.S. Government assets, other than official reserve assets, net (46)	537	1,269	732	53	310	483	-309	727	-2	-10	554	564
14	U.S. private assets, net (50).....	-285,474	-821,750	-536,276	-102,801	-111,102	-8,010	-63,559	-308,454	-107,592	-128,000	-277,704	-149,704
15	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+)) (55)</b> .....	829,173	1,433,171	603,998	246,105	218,553	134,202	230,311	445,608	271,031	256,283	460,246	203,963
16	Foreign official assets in the United States, net (56).....	248,573	355,252	106,679	48,986	65,245	50,663	83,679	127,864	73,349	72,004	82,035	10,031
17	Other foreign assets in the United States, net (63).....	580,600	1,077,919	497,319	197,119	153,308	83,539	146,632	317,744	197,682	184,279	378,211	193,932
18	<b>Statistical discrepancy (sum of above items with sign reversed) (70)</b>	-12,012	51,922	63,934	-4,828	27,836	6,385	-41,404	9,436	473	37,530	4,488	-33,042
<b>Memoranda:</b>													
19	Balance on current account (76).....	-530,668	-665,940	-135,272	-138,206	-133,875	-131,628	-126,960	-147,478	-164,708	-165,858	-187,898	-22,040
20	Net financial flows (40 and 55).....	545,759	615,495	69,736	143,440	107,591	126,064	168,664	138,438	164,559	128,702	183,793	55,091

<sup>r</sup> Revised.

<sup>o</sup> Preliminary.

- U.S. liabilities reported by U.S. banks increased much more in the fourth quarter than in the third quarter.

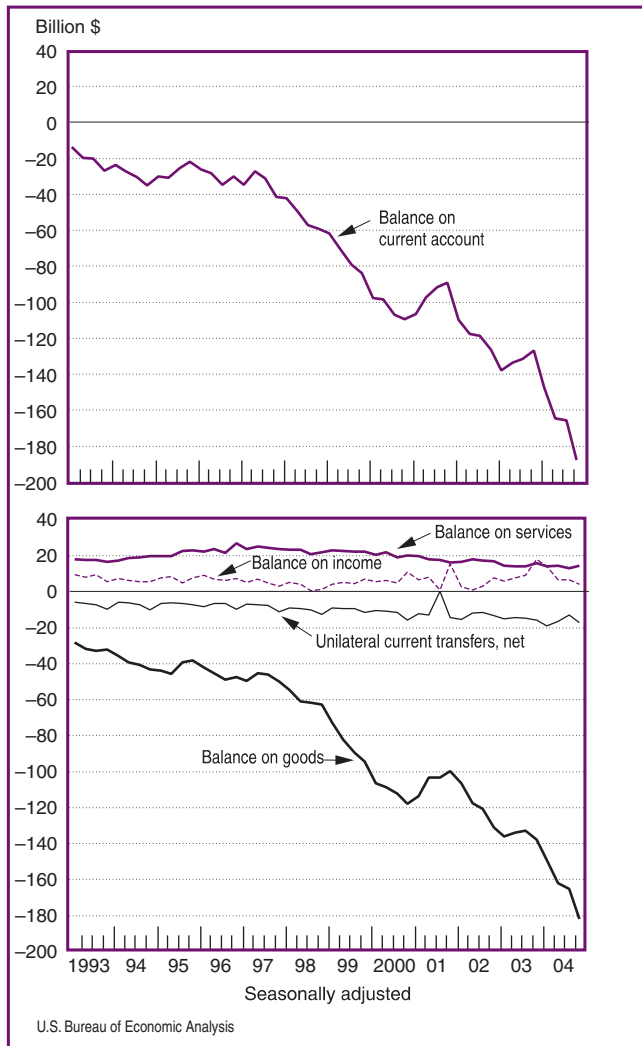
**Selected economic and financial market developments**

In the fourth quarter, the U.S. dollar depreciated 5 percent on a nominal, trade-weighted, quarterly average basis against a group of seven major currencies that are widely traded in international markets (table B, chart 2). The U.S. dollar depreciated 6 percent against the euro, 4 percent against the Japanese yen, and 7 percent against the Canadian dollar.

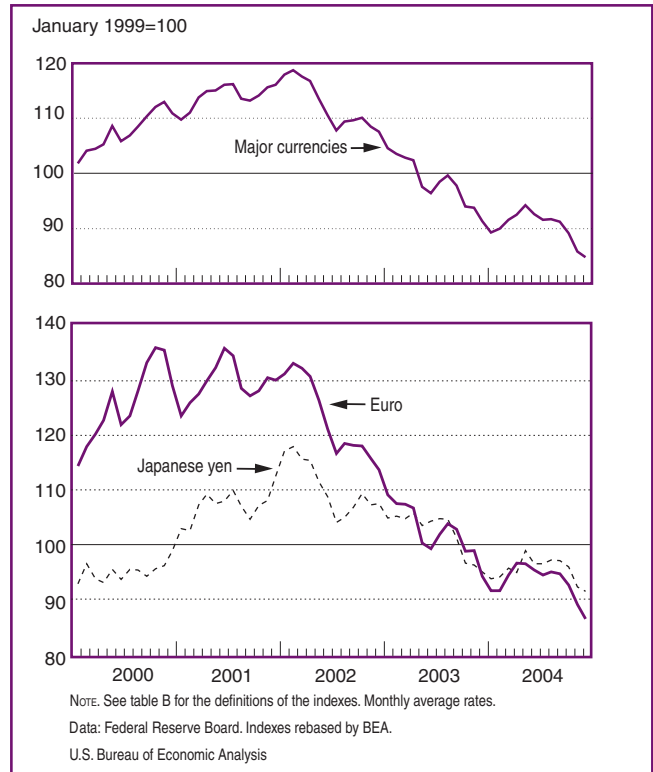
In the United States, data releases in the fourth quarter indicated that economic growth picked up in the third quarter and that the U.S. deficit on goods and services continued to widen. U.S. long-term interest rates changed little in the fourth quarter, and U.S.

stock prices increased strongly. U.S. monetary authorities raised the target level for the Federal funds rate by 50 basis points, to 2.25 percent.

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



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



NOTE: See table B for the definitions of the indexes. Monthly average rates.  
Data: Federal Reserve Board. Indexes rebased by BEA.  
U.S. Bureau of Economic Analysis

**Revisions to the Estimates for the Third Quarter of 2004**

The international transactions accounts estimates for the third quarter of 2004 have been revised from the preliminary estimates that were published in the January 2005 SURVEY OF CURRENT BUSINESS. In addition, the estimates for the first through third quarters have been revised to ensure that the seasonally adjusted estimates sum to the same annual totals as the unadjusted estimates.

The current-account deficit for the third quarter was revised to \$165.9 billion from \$164.7 billion. The goods deficit was revised to \$167.0 billion from \$166.7 billion; the services surplus was revised to \$11.2 billion from \$11.4 billion; the income surplus was revised to \$4.9 billion from \$5.3 billion; and unilateral current transfers were revised to net outflows of \$14.9 billion from net outflows of \$14.6 billion. Net recorded financial inflows were revised to \$128.7 billion from \$153.2 billion. Revisions to the estimates for the first and second quarters were small.

In Europe, data releases indicated that euro area economic growth weakened, and the gap between growth in the euro area and in the United States widened further. Euro area monetary policy was unchanged; the minimum bid rate on main refinancing operations remained at 2 percent. In Japan, reports showed that economic output was virtually unchanged in the third quarter after slowing sharply in the second. In Canada, reported economic growth slowed, and Canadian monetary authorities raised the target for the overnight rate 25 basis points to 2.5 percent.

## Current Account

### Goods and services

The deficit on goods and services increased to \$171.1 billion in the fourth quarter from \$155.9 billion in the third quarter. The deficit on goods increased \$16.5 billion, and the surplus on services increased \$1.3 billion.

### Goods

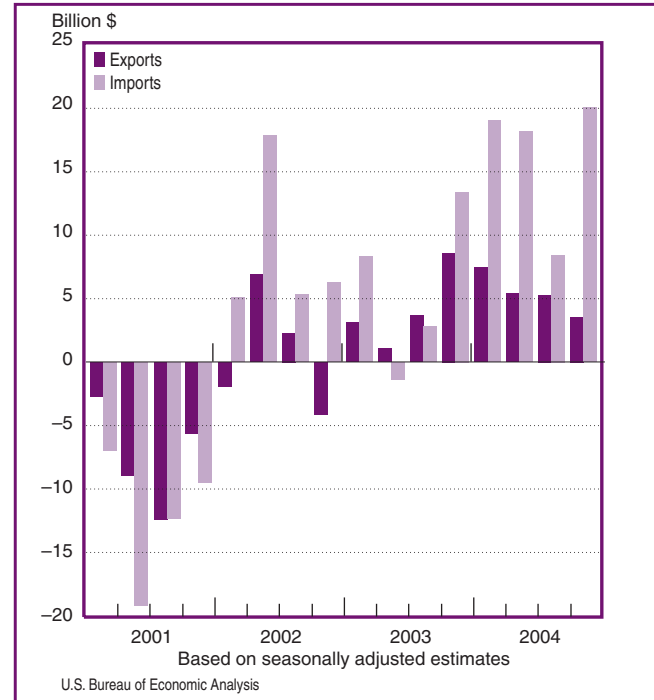
The deficit on goods surged in the fourth quarter, to \$183.5 billion from \$167.0 billion. Exports slowed, and imports picked up substantially (table A, chart 3).

**Exports.** Exports increased \$3.5 billion, or 2 percent, to \$208.6 billion. The fourth-quarter increase was much smaller than the increases in recent quarters. In the fourth quarter, both real exports and export prices increased 1 percent (table C).<sup>2</sup>

2. Quantity (real) estimates are calculated using a chain-type Fisher formula with annual weights for all years and quarterly weights for all quarters. Real estimates are expressed as chained (2000) dollars. Price indexes (2000 = 100) are also calculated using a chain-type Fisher formula.

Nonagricultural industrial supplies and materials increased \$2.4 billion, the largest increase among major end-use commodity categories for the fourth consecutive quarter (chart 4). As in recent quarters, the increase was mostly attributable to increases in prices (chart 5, page 18). In value, nearly half of the increase

**Chart 3. U.S. Trade in Goods: Change From Preceding Quarter**



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

(January 1999=100)

	2003	2004				2003	2004												
	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	Dec. <sup>r</sup>	Jan. <sup>r</sup>	Feb. <sup>r</sup>	March <sup>r</sup>	April <sup>r</sup>	May <sup>r</sup>	June <sup>r</sup>	July <sup>r</sup>	Aug. <sup>r</sup>	Sept. <sup>r</sup>	Oct. <sup>p</sup>	Nov. <sup>p</sup>	Dec. <sup>p</sup>	
<b>Nominal:</b> <sup>1</sup>																			
Broad <sup>2</sup>	100.9	98.9	101.2	100.4	96.7	100.0	98.3	98.7	99.7	100.5	102.1	101.1	100.4	100.6	100.2	98.7	96.2	95.1	
Major currencies <sup>3</sup>	93.0	90.2	93.1	91.5	86.6	91.3	89.3	89.9	91.5	92.5	94.2	92.6	91.5	91.7	91.2	89.2	85.8	84.8	
Other important trading partners <sup>4</sup>	111.1	110.2	111.7	112.0	110.1	111.2	110.0	110.3	110.4	110.7	112.3	112.1	112.1	112.1	111.8	111.3	110.1	108.9	
<b>Real:</b> <sup>1</sup>																			
Broad <sup>2</sup>	101.5	99.7	102.8	101.9	97.9	100.2	98.8	99.5	100.8	101.7	103.7	103.0	102.0	102.0	101.6	100.2	97.4	96.0	
Major currencies <sup>3</sup>	97.0	94.7	98.3	96.8	91.7	94.9	93.4	94.4	96.3	97.5	99.3	98.0	96.8	97.1	96.6	94.6	90.9	89.6	
Other important trading partners <sup>4</sup>	106.8	105.5	107.9	107.7	105.3	106.4	105.1	105.4	105.9	106.3	108.6	108.7	108.1	107.8	107.3	106.7	105.3	103.8	
<b>Selected currencies: (nominal)</b> <sup>5</sup>																			
Canada	86.6	86.7	89.5	86.1	80.4	86.4	85.3	87.5	87.4	88.3	90.8	89.4	87.0	86.4	84.8	82.1	78.8	80.2	
<b>European currencies:</b>																			
Euro area <sup>6</sup>	97.4	92.6	96.2	94.8	89.5	94.3	91.7	91.7	94.5	96.7	96.6	95.4	94.5	95.1	94.8	92.7	89.2	86.5	
United Kingdom	96.7	89.7	91.4	90.7	88.5	94.2	90.4	88.4	90.3	91.5	92.4	90.3	89.5	90.6	92.0	91.3	88.7	85.5	
Switzerland	94.2	90.5	92.2	90.7	85.4	91.2	89.4	89.8	92.2	93.6	92.7	90.2	89.9	91.1	91.1	89.0	84.5	82.7	
Japan	96.1	94.6	96.9	97.0	93.3	95.1	93.8	94.2	95.8	95.0	99.0	96.6	96.6	97.3	97.2	96.0	92.4	91.6	
Mexico	110.5	108.5	112.5	113.0	111.8	111.1	107.8	108.9	108.8	111.3	113.7	112.5	113.2	112.5	113.4	112.6	112.3	110.6	
Brazil	191.9	191.7	201.5	196.9	184.2	193.5	188.7	194.1	192.2	192.3	205.2	207.0	201.0	198.5	191.2	188.6	184.4	179.6	

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

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

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

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

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

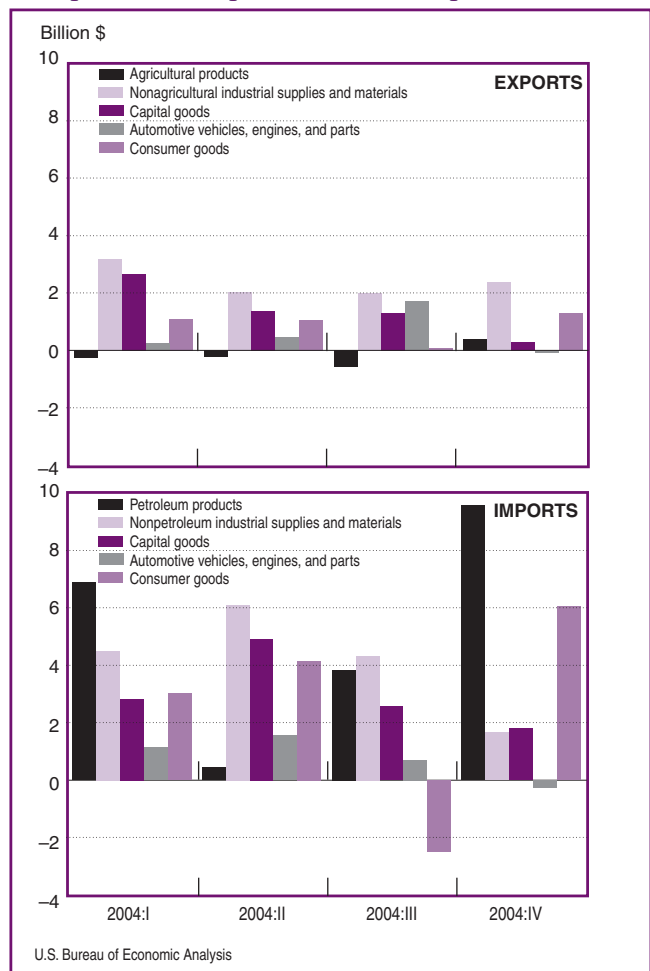
4. Weighted average of the foreign exchange value of the U.S. dollar against broad-index currencies that do not circulate widely outside the country of issue, including the currencies of Argentina, Brazil, Chile, Colombia, Mexico, Venezuela, China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines,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

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

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



**Chart 4. Trade in Goods by Selected End-Use Categories: Change From Preceding Quarter**



was attributable to a rise in chemicals. Metals and non-metallic products were boosted by increases in nonferrous metals, in iron and steel products, and in steelmaking materials. An increase in petroleum and petroleum products also contributed.

Consumer goods increased \$1.3 billion. The rise was nearly evenly divided between increases in nondurable goods and durable goods. The increase in nondurable goods mostly reflected a rebound in medical, dental, and pharmaceutical preparations. Among durable goods, there were small increases in coins, gems, jewelry, and collectibles, in household and kitchen appliances, and in recreational equipment.

After decreasing for three consecutive quarters, agricultural products increased \$0.4 billion. The increase was largely attributable to a rise in soybean exports,

**Data Availability**

The estimates that are presented in tables 1–12 of the U.S. international transactions accounts (table 12 is presented annually in the July SURVEY OF CURRENT BUSINESS) are available interactively on BEA's Web site at <www.bea.gov>. Users may view and download the most recent quarterly estimates (annual estimates for table 12) for an entire table, or they may select the period, frequency, and lines that they wish to view. The estimates are available in an HTML table, in an Excel file, or as comma-separated values.

The current and historical estimates in tables 1–12 are also available as compressed files at <www.bea.gov/bea/uguide.htm#\_1\_22>.

**Table C. U.S. Trade in Goods in Current and Chained Dollars and Percent Changes From Previous Period**  
[Balance of payments basis, millions of dollars, quarters seasonally adjusted]

	Current dollars									Chained (2000) dollars <sup>1</sup>								
	2003	2004 <sup>P</sup>	2003			2004				2003	2004 <sup>P</sup>	2003			2004			
			II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>			II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>
<b>Exports</b> .....	713,122	807,610	174,554	178,251	186,858	194,322	199,717	205,013	208,558	708,587	773,343	173,580	177,528	184,209	188,620	191,380	195,875	197,345
Agricultural products.....	60,883	62,864	14,607	15,651	16,303	16,052	15,841	15,280	15,691	53,844	50,302	13,282	14,006	13,279	12,549	11,905	12,581	13,358
Nonagricultural products .....	652,239	744,746	159,947	162,600	170,555	178,270	183,876	189,733	192,867	654,582	724,905	160,258	163,429	171,029	176,425	180,059	183,830	184,436
<b>Imports</b> .....	1,260,674	1,473,087	310,087	312,886	326,299	345,376	363,583	372,028	392,100	1,285,510	1,431,724	318,610	319,562	332,921	344,154	355,523	359,239	372,107
Petroleum and products .....	133,088	180,491	30,807	32,642	33,599	40,480	40,928	44,761	54,322	129,287	137,839	31,930	31,981	33,229	35,982	32,538	32,707	36,549
Nonpetroleum products .....	1,127,586	1,292,596	279,280	280,244	292,700	304,896	322,655	327,267	337,778	1,155,764	1,293,786	286,603	287,459	299,569	307,861	323,545	327,120	335,011

	Percent change from previous period (current dollars)									Percent change from previous period (chained (2000) dollars)								
	2003	2004 <sup>P</sup>	2003			2004				2003	2004 <sup>P</sup>	2003			2004			
			II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>			II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>
<b>Exports</b> .....	4.6	13.2	0.6	2.1	4.8	4.0	2.8	2.7	1.7	2.5	9.1	0.2	2.3	3.8	2.4	1.5	2.3	0.8
Agricultural products.....	11.7	3.3	2.0	7.1	4.2	-1.5	-1.3	-3.5	2.7	1.3	-6.6	0.0	5.5	-5.2	-5.1	5.7	6.2	
Nonagricultural products .....	4.0	14.2	0.5	1.7	4.9	4.5	3.1	3.2	1.7	2.6	10.7	0.2	2.0	4.7	3.2	2.1	2.1	0.3
<b>Imports</b> .....	8.2	16.8	-0.4	0.9	4.3	5.8	5.3	2.3	5.4	5.2	11.4	1.3	0.3	4.2	3.4	3.3	1.0	3.6
Petroleum and products .....	28.6	35.6	-14.5	6.0	2.9	20.5	1.1	9.4	21.4	6.4	6.6	-0.7	0.2	3.9	8.3	-9.6	0.5	11.7
Nonpetroleum products .....	6.3	14.6	1.4	0.3	4.4	4.2	5.8	1.4	3.2	5.0	11.9	1.6	0.3	4.2	2.8	5.1	1.1	2.4

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

1. Because chain indexes use weights of more than one period, the corresponding chained-dollar estimates are usually

not additive.

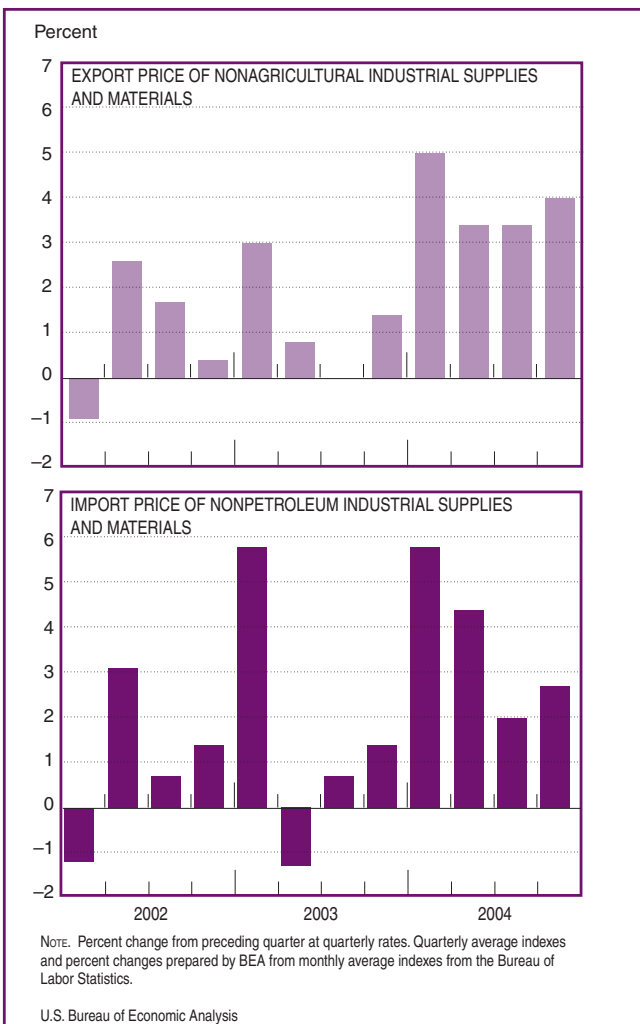
NOTE: Percent changes in quarterly estimates are not annualized and are expressed at quarterly rates.

mostly to China and Europe; soybean prices fell sharply for the second consecutive quarter. Fruits, vegetables, nuts, and preparations also increased. In contrast, both grains and raw cotton decreased for the second consecutive quarter.

Capital goods increased \$0.3 billion, the smallest increase since the second quarter of 2003. Machinery increased weakly for the second consecutive quarter. Computers, peripherals, and parts and other high technology products changed little. Civilian aircraft, engines, and parts were unchanged in the fourth quarter after a large increase in the third quarter.

Automotive vehicles, engines, and parts were nearly flat after a large third-quarter increase. Decreases in passenger cars and trucks, buses, and special purpose vehicles to Canada were offset by increases in engines and other parts to Canada and in passenger cars to "other" areas, mostly Mexico and the Middle East.

**Chart 5. Percent Change in Export and Import Prices of Selected Industrial Supplies and Materials**

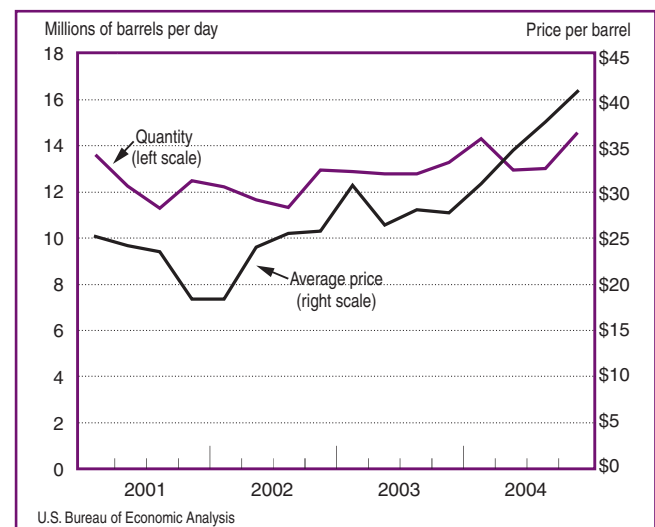


**Imports.** Imports increased \$20.1 billion, or 5 percent, to \$392.1 billion in the fourth quarter. Real imports increased 4 percent, and import prices increased 2 percent (table C). The large increase in the value of imports reflected a surge in petroleum and petroleum products and a moderate increase in nonpetroleum products.

Petroleum and petroleum products increased \$9.6 billion, or 21 percent, the largest dollar increase on record and the largest percentage increase since the second quarter of 2002. A third of the dollar increase was attributable to members of OPEC, mainly Venezuela, Saudi Arabia, and Nigeria. Imports from Canada, Mexico, the United Kingdom, and Russia also increased. The average number of barrels imported daily increased 12 percent, to 14.56 million. The average price per barrel increased 9 percent, to \$40.91, the fourth consecutive strong quarterly increase (chart 6). The fourth-quarter rise in prices mainly reflected an increase in October, amid uncertainty about the extent of the damage done to the oil infrastructure in the Gulf of Mexico by Hurricane Ivan and fears about supply disruptions in the major world oil-producing countries. Prices fell in the last half of the quarter. OPEC increased its official production by 1 million barrels per day on November 1. In the fourth quarter, U.S. domestic consumption increased 1 percent, and domestic production increased 2 percent.

Consumer goods increased \$6.1 billion, rebounding strongly after a third-quarter decrease. Two-thirds of the increase was attributable to a rise in consumer durable goods. Among durable goods, the largest increases were in home entertainment equipment from China and Japan and in household and kitchen appliances from China and Europe. Consumer nondurable

**Chart 6. U.S. Petroleum Imports and Price per Barrel**



goods also increased because of a rise in textile apparel and household goods, mostly from Latin America.

Capital goods increased \$1.8 billion after larger increases in the previous four quarters. Civilian aircraft, engines, and parts increased \$0.9 billion. "Other" industrial, agricultural, and service industry machinery increased \$0.6 billion, mainly from Europe. Among high-technology products, telecommunications equipment increased \$0.5 billion after a third-quarter decrease. Computers, peripherals, and parts changed little after increasing for several quarters. Computer shipments from China increased 9 percent in the 4th quarter, the 14th consecutive quarter of growth; the increase was mostly offset by decreases in shipments from Singapore, Malaysia, and Taiwan. After slowing in the previous two quarters, semiconductors decreased \$0.5 billion; the decrease was the largest since the third quarter of 2001.

Nonpetroleum industrial supplies and materials increased \$1.7 billion after much larger increases in the previous three quarters. Prices rose more strongly than in the previous quarter, though less strongly than in the first two quarters of 2004 (chart 5). In value, the largest increases were in chemicals and in nonferrous metals. Steelmaking materials climbed for the fourth consecutive quarter. In contrast, iron and steel products slowed sharply after three quarters of especially strong growth.

Foods, feeds, and beverages increased a record \$1.0 billion, or 7 percent, the largest percentage increase since the second quarter of 1992. Most of the fourth-quarter increase was attributable to increases in vegetables, fruits, nuts, and preparations from Mexico and in fish and shellfish from Thailand, Mexico, and China.

Automotive vehicles, engines, and parts decreased \$0.3 billion. A drop in passenger cars—mostly from Japan, Mexico, and Canada—was almost entirely offset by increases in engines, parts, and other accessories and in trucks, buses, and special purpose vehicles, mostly from Canada and Mexico.

**Balances by area.** The goods deficits with all major areas increased in the fourth quarter.<sup>3</sup> The deficit with Europe increased \$4.7 billion, mostly as a result of increases in the deficits with the United Kingdom, Germany, and Russia. The deficit with Latin America increased \$3.5 billion, largely as a result of increases in

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

the deficits with Mexico and Venezuela. The deficit with Asia excluding Japan increased \$3.1 billion after much larger increases in the previous two quarters.

### Services

The surplus on services increased to \$12.5 billion in the fourth quarter from \$11.2 billion in the third quarter as a result of a larger increase in services receipts than in services payments (table A).

Travel receipts increased \$0.9 billion, to \$19.5 billion. Receipts from visitors to the United States from Canada, Mexico, and countries overseas all increased. Travel payments decreased \$0.1 billion, to \$16.3 billion; decreases in U.S. travelers' payments to Canada and to countries overseas were mostly offset by an increase in U.S. travelers' payments to Mexico. Passenger fare receipts increased \$0.2 billion, to \$4.9 billion, and passenger fare payments edged up \$0.1 billion, to \$6.0 billion.

"Other" transportation receipts increased \$0.5 billion, to \$9.6 billion. The rise was accounted for by increases in ocean freight receipts and in ocean port services receipts, mostly as a result of a rise in U.S. import and export volumes. "Other" transportation payments increased \$1.3 billion, to \$14.7 billion. The increase was mainly attributable to an increase in ocean freight payments, which were boosted by increases in freight rates and U.S. import volume, and to an increase in payments for air port services.

"Other" private services receipts increased \$0.3 billion, to \$36.5 billion. The increase was attributable to a rise in unaffiliated services receipts, mostly in financial services and in business, professional, and technical services. "Other" private services payments increased \$0.5 billion, to \$24.3 billion. Payments for both affiliated services and for unaffiliated services, mostly insurance services, increased.

### Income

The surplus on income decreased to \$2.1 billion in the fourth quarter from \$4.9 billion in the third quarter (table A). A large increase in income receipts was more than offset by a larger increase in income payments.

Receipts of income on U.S. direct investment abroad increased \$6.9 billion, to \$65.6 billion. Earnings increased the most since the fourth quarter of 2003. By area, the largest increase in earnings was in Europe, partly reflecting the appreciation of the euro against the U.S. dollar.

Payments of income on foreign direct investment in the United States increased \$3.2 billion, to \$30.5 billion. Earnings strengthened in the fourth quarter after increasing only slightly in the third quarter. The fourth-quarter increase largely resulted from a rise in

earnings of manufacturing affiliates, particularly in transportation equipment, petroleum, other manufacturing, and machinery.

Receipts of “other” private income increased \$4.8 billion, to \$37.3 billion. The strong rise was mostly attributable to an increase in interest receipts on bank and nonbank claims that largely resulted from an increase in short-term interest rates. In addition, dividends and interest receipts earned on U.S. holdings of foreign securities increased as a result of a rise in average holdings.

Payments of “other” private income increased \$9.9 billion, to \$46.7 billion. The jump was mostly attributable to an exceptionally large rise in income paid on foreign holdings of U.S. securities as a result of an increase in average foreign holdings of U.S. bonds and a large special dividend paid by Microsoft Corporation. In addition, interest payments on bank and nonbank liabilities increased substantially as a result of a rise in short-term interest rates.

Receipts of income on U.S. Government assets were virtually unchanged at \$0.8 billion. Payments of income on U.S. Government liabilities increased \$1.3 billion, to \$23.0 billion, mostly as a result of a rise in average foreign holdings of U.S. Treasury bonds.

### Unilateral current transfers

Unilateral current transfers were net outflows of \$19.0 billion in the fourth quarter, up from net outflows of \$14.9 billion in the third quarter (table A). The increase was mostly attributable to “private remittances and other transfers,” which increased \$3.3 billion, to \$11.7 billion. In the third quarter, “private remittances and other transfers” decreased as a result of large inflows to U.S. insurance companies from foreign reinsurance companies as compensation for catastrophic damage caused by major hurricanes.<sup>4</sup> Because of the absence of these inflows in the fourth quarter, “private remittances and other transfers” rebounded.

U.S. Government grants increased \$0.8 billion, to \$5.7 billion. The increase was largely accounted for by grants to Israel and Egypt under the credit waiver program and under economic assistance programs. Additional funds for Israel and Egypt under these programs were disbursed in the first quarter of 2005.

### Capital Account

Capital account transactions were virtually unchanged at net outflows of \$0.4 billion in the fourth quarter.

4. For more information on the measurement of insurance services in the international accounts, see Christopher L. Bach, “Annual Revision of the U.S. International Accounts, 1992–2002” *SURVEY OF CURRENT BUSINESS* 83 (July 2003): 35–37, and Christopher L. Bach, “Annual Revision of the U.S. International Accounts, 1989–2003” *SURVEY* 84 (July 2004): 60–62.

### Financial Account

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$183.8 billion in the fourth quarter, up from \$128.7 billion in the third quarter. Both financial outflows for U.S.-owned assets abroad and financial inflows for foreign-owned assets in the United States increased substantially, but inflows increased more than outflows.

#### U.S.-owned assets abroad

Net U.S.-owned assets abroad increased \$276.5 billion in the fourth quarter after an increase of \$127.6 billion in the third quarter. Net financial outflows for U.S. direct investment abroad were exceptionally large. In addition, U.S. claims on foreigners reported by U.S. banks increased more in the fourth quarter than in the third quarter, and net U.S. purchases of foreign securities strengthened.

**U.S. official reserve assets.** U.S. official reserve assets decreased \$0.7 billion in the fourth quarter after a decrease of \$0.4 billion in the third quarter. The fourth-quarter decrease was more than accounted for by a decrease in the U.S. reserve position in the International Monetary Fund (IMF), reflecting the net repayment of U.S. dollars to the IMF by foreign countries.

**Claims reported by banks and by nonbanks.** U.S. claims on foreigners reported by U.S. banks and securities brokers increased \$74.7 billion in the fourth quarter after an increase of \$55.0 billion in the third quarter (chart 7).

Banks’ own claims denominated in dollars increased \$86.8 billion in the fourth quarter after an increase of \$66.2 billion in the third quarter. In the fourth quarter, a strong increase in deposits and brokerage balances largely reflected an increase in lending by foreign-owned banks in the United States to their branches in Caribbean financial centers. In addition, brokers in the United States lent substantial funds through resale agreements, mainly to foreign nonbanks in Europe and Japan. As has been the situation for most of the year, much of the lending by banks and brokers was to the securities markets through resale agreements and to the syndicated loan market for mergers and corporate refinancings.

Banks’ domestic customers’ claims denominated in dollars decreased \$12.2 billion after a decrease of \$13.6 billion. In the fourth quarter, most types of claims decreased, but the largest decrease was in deposits and brokerage balances.

Claims reported by U.S. nonbanking concerns increased \$74.5 billion after an increase of \$9.4 billion. The fourth-quarter increase was largely attributable to

an increase in deposits in Caribbean financial centers and in the United Kingdom.

**Foreign securities.** Net U.S. purchases of foreign securities were \$27.2 billion in the fourth quarter, up from \$20.3 billion in the third quarter. In the fourth quarter, net U.S. purchases of foreign bonds picked up, and net U.S. purchases of foreign stocks slowed.

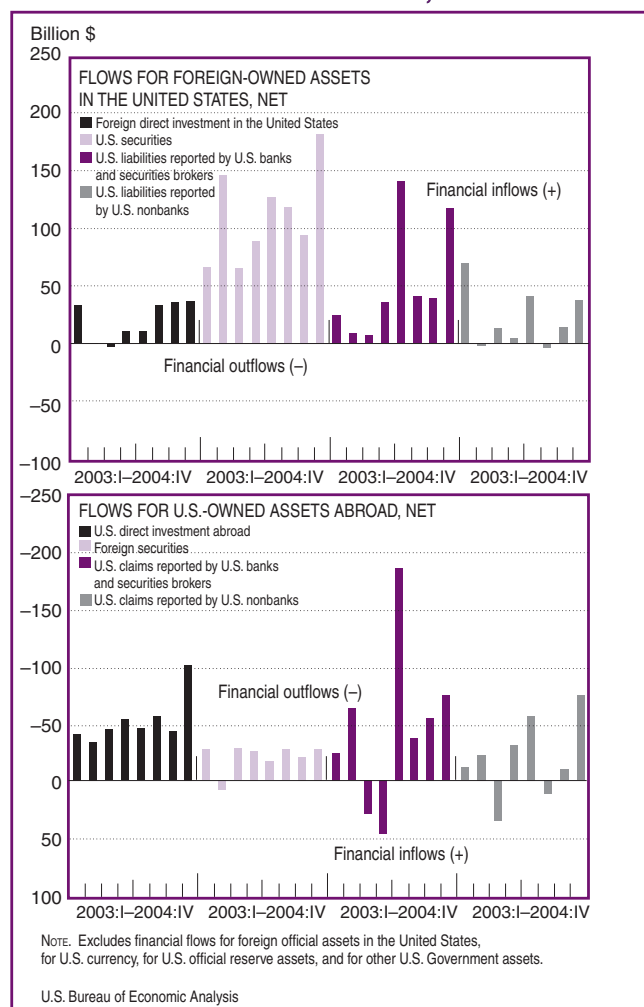
Net U.S. purchases of foreign bonds were \$13.1 billion, up from \$3.2 billion. Prices in most foreign bond markets continued to increase in the fourth quarter after rising strongly in the third quarter. The increase in net U.S. purchases was more than accounted for by a pickup in net U.S. purchases from Europe, mainly the United Kingdom, and by a shift to net U.S. purchases from Caribbean financial centers. In contrast, net U.S. sales to Asia increased, mostly as a result of a shift to net U.S. sales to Japan. Foreign new issues in the United States fell moderately.

Net U.S. purchases of foreign stocks were \$14.1 billion, down from \$17.1 billion. The slowdown was

attributable to a decrease in U.S. holdings of foreign stocks associated with the restructuring of a large foreign media company's worldwide operations, which was accomplished via stock swaps. Transactions unrelated to the restructuring indicated a sizable step-up in net U.S. purchases, as foreign stock prices increased strongly. In local currency terms, foreign stock prices increased 7 percent in the fourth quarter after much smaller gains over the previous three quarters. In addition, U.S. investors also benefited from the depreciation of the U.S. dollar against many foreign currencies. Net U.S. purchases of stocks from Asia and from Europe, mainly the United Kingdom, increased by the largest amounts.

**Direct investment.** Net financial outflows for U.S. direct investment abroad were \$101.3 billion in the fourth quarter, up from \$43.3 billion in the third quarter. The large increase was mostly attributable to a shift to net equity capital outflows from net inflows. The shift mostly resulted from the restructuring of the large foreign media company as a U.S. company, which was accomplished via stock swaps. The restructuring resulted in large outflows for U.S. direct investment abroad and offsetting inflows for foreign portfolio investment in the United States and for U.S. portfolio investment abroad. Reinvested earnings also increased substantially, mostly as a result of an increase in foreign affiliates' earnings. In contrast, net intercompany debt inflows increased.

**Chart 7. Selected Financial Flows, 2003:I–2004:IV**



**Foreign-owned assets in the United States**

Net foreign-owned assets in the United States increased \$460.2 billion in the fourth quarter after an increase of \$256.3 billion in the third quarter. The pickup was mostly attributable to a much larger increase in U.S. liabilities reported by U.S. banks in the fourth quarter than in the third quarter and to a large pickup in net foreign purchases of U.S. securities other than U.S. Treasury securities.

**Foreign official assets.** Foreign official assets in the United States increased \$82.0 billion in the fourth quarter after an increase of \$72.0 billion in the third quarter. The pickup was accounted for by a larger increase in assets of developing countries in the fourth quarter than in the third quarter.

**Liabilities reported by banks and by nonbanks.** U.S. liabilities reported by U.S. banks and securities brokers, excluding U.S. Treasury securities, increased \$117.6 billion in the fourth quarter after an increase of \$38.7 billion in the third quarter.

Banks' own liabilities denominated in dollars increased \$131.8 billion after an increase of \$39.2 billion. The fourth-quarter increase was the second largest ever and only slightly below the record increase in the

first quarter of 2004. The large fourth-quarter increase partly funded an increase in U.S. bank lending to foreigners. Borrowing by U.S.-owned banks and by foreign-owned banks in the United States from affiliated offices abroad was substantial. In addition, borrowing by brokers in the United States from foreign nonbanks in the form of repurchase agreements was very strong.

Banks' customers' liabilities denominated in dollars decreased \$14.8 billion, mostly to Caribbean financial centers, after a decrease of \$1.4 billion. U.S. liabilities reported by U.S. nonbanking concerns increased \$36.7 billion after an increase of \$13.3 billion. The fourth-quarter increase was mainly accounted for by increased borrowing from the United Kingdom.

**U.S. Treasury securities.** Net foreign purchases of U.S. Treasury securities were \$12.1 billion in the fourth quarter, up from \$0.9 billion in the third quarter. U.S. Treasury bond prices changed little. Transactions in long-term U.S. Treasury securities shifted to net foreign purchases from net foreign sales. The shift was more than accounted for by a large shift to net purchases by investors in Europe. In contrast, transactions by investors in Caribbean financial centers shifted to large net sales.

**Other U.S. securities.** Net foreign purchases of U.S. securities other than U.S. Treasury securities were a record \$170.2 billion, up sharply from \$93.0 billion. The large rise was more than accounted for by a strong rebound in net foreign purchases of U.S. federally sponsored agency bonds and by a pickup in net foreign purchases of U.S. stocks. In contrast, net foreign purchases of U.S. corporate bonds slowed, but remained at a high level.

Net foreign purchases of U.S. federally sponsored agency bonds rebounded to a record \$55.3 billion in the fourth quarter after dropping to \$5.7 billion in the

third quarter. Demand for agency bonds by investors in Japan was particularly strong, and demand by investors in Europe and Caribbean financial centers was also substantial. The rebound followed a third-quarter drop in net foreign purchases that may have been partly related to revelations of possible accounting irregularities at one of the major issuers.

Net foreign purchases of U.S. stocks increased to \$45.5 billion from \$4.8 billion. The pickup was partly attributable to a sizable increase in foreign holdings of U.S. stocks associated with the previously discussed restructuring of a foreign media company. Net foreign purchases unrelated to the restructuring were more substantial than in the previous three quarters. U.S. stock prices rallied 9 percent in the fourth quarter after changing little through the first three quarters of the year.

Net foreign purchases of U.S. corporate bonds remained strong at \$69.4 billion, down from a record \$82.5 billion in the third quarter. Bond prices increased less in the fourth quarter than in the third quarter. Spreads on both investment-grade and high-yield corporate bonds over U.S. Treasury bonds continued to narrow, as investors remained attracted to the higher yields available on corporate bonds. New U.S. corporate issues sold abroad decreased.

**U.S. currency flows.** Net U.S. currency shipments to foreigners were \$5.3 billion in the fourth quarter, up from \$2.6 billion in the third quarter.

**Direct investment.** Net financial inflows for foreign direct investment in the United States were \$36.3 billion in the fourth quarter, up slightly from \$35.9 billion in the third quarter. The increase resulted from an increase in reinvested earnings and a shift to net inter-company debt inflows from net outflows. In contrast, net equity capital inflows decreased, as foreign acquisitions of U.S. companies fell in the fourth quarter.

# U.S. International Transactions, 2004

By Christopher L. Bach

THE U.S. current-account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—increased to \$665.9 billion in 2004 from \$530.7 billion in 2003. An increase in the deficit on goods to \$665.5 billion from \$547.6 billion accounted for most of the increase. Other contributors to the increase in the current-account deficit were a decrease in the surplus on income to \$24.1 billion from \$33.3 billion, an increase in net outflows on unilateral current transfers to \$72.9 billion from \$67.4 billion, and a decrease in the surplus on services to \$48.4 billion from \$51.0 billion (table A, chart 1).

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$615.5 billion in 2004, up from \$545.8 billion in 2003. Financial inflows for foreign-owned assets in the United States increased more than financial outflows for U.S.-owned assets abroad.

The statistical discrepancy—errors and omissions in

recorded transactions—was a positive \$51.9 billion in 2004, compared with a negative \$12.0 billion in 2003.

The following are highlights for 2004:

- The deficit on goods increased by a substantially larger amount in 2004 than in 2003. Exports were also substantially higher, partly as a result of a pickup in economic growth abroad. Imports rose even more substantially, reflecting faster U.S. economic growth.
- The surplus on services decreased, but by a much smaller amount in 2004 than in 2003. Both services imports and services exports increased much more rapidly in 2004 than in 2003.
- The surplus on income declined as the deficits on “other” private income and U.S. Government income both increased. These increases were partly offset by an increase in the surplus on direct investment. Both receipts and payments for direct investment reflected substantially larger increases in earnings than in 2003. Receipts were boosted by the appreciation of foreign currencies against the dollar.

**Table A. Summary of U.S. International Transactions**

[Millions of dollars, quarters seasonally adjusted]

Line	Lines in tables 1 and 11 in which transactions are included are indicated in ( ) (Credits +; debits -)	2003	2004 <sup>P</sup>	Change: 2003-2004	2003				2004				Change: 2004: III-IV
					I	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>	
<b>Current account</b>													
1	<b>Exports of goods and services and income receipts (1)</b> .....	<b>1,314,888</b>	<b>1,516,169</b>	<b>201,281</b>	<b>315,676</b>	<b>317,367</b>	<b>329,508</b>	<b>352,336</b>	<b>360,045</b>	<b>372,895</b>	<b>382,867</b>	<b>400,363</b>	<b>17,496</b>
2	Goods, balance of payments basis (3).....	713,122	807,610	94,488	173,459	174,554	178,251	186,858	194,322	199,717	205,013	208,558	3,545
3	Services (4).....	307,381	339,571	32,190	74,540	73,920	77,472	81,448	82,298	84,870	85,076	87,327	2,251
4	Income receipts (12).....	294,385	368,988	74,603	67,677	68,893	73,785	84,030	83,425	88,308	92,778	104,478	11,700
5	<b>Imports of goods and services and income payments (18)</b> .....	<b>-1,778,117</b>	<b>-2,109,181</b>	<b>-331,064</b>	<b>-437,067</b>	<b>-434,873</b>	<b>-444,497</b>	<b>-461,679</b>	<b>-486,803</b>	<b>-519,271</b>	<b>-533,828</b>	<b>-569,278</b>	<b>-35,450</b>
6	Goods, balance of payments basis (20).....	-1,260,674	-1,473,087	-212,413	-311,402	-310,087	-312,886	-326,299	-345,376	-363,583	-372,028	-392,100	-20,072
7	Services (21).....	-256,337	-291,169	-34,832	-61,983	-61,767	-65,087	-67,501	-70,083	-72,326	-73,925	-74,836	-911
8	Income payments (29).....	-261,106	-344,925	-83,819	-63,682	-63,019	-66,524	-67,879	-71,344	-83,362	-87,875	-102,342	-14,467
9	<b>Unilateral current transfers, net (35)</b> .....	<b>-67,439</b>	<b>-72,928</b>	<b>-5,489</b>	<b>-16,815</b>	<b>-16,369</b>	<b>-16,639</b>	<b>-17,617</b>	<b>-20,720</b>	<b>-18,332</b>	<b>-14,897</b>	<b>-18,983</b>	<b>-4,086</b>
<b>Capital account</b>													
10	<b>Capital account transactions, net (39)</b> .....	<b>-3,079</b>	<b>-1,477</b>	<b>1,602</b>	<b>-406</b>	<b>-1,552</b>	<b>-821</b>	<b>-300</b>	<b>-396</b>	<b>-324</b>	<b>-374</b>	<b>-383</b>	<b>-9</b>
<b>Financial account</b>													
11	<b>U.S.-owned assets abroad, net (increase/financial outflow (-)) (40)</b> .....	<b>-283,414</b>	<b>-817,676</b>	<b>-534,262</b>	<b>-102,665</b>	<b>-110,962</b>	<b>-8,138</b>	<b>-61,647</b>	<b>-307,170</b>	<b>-106,472</b>	<b>-127,581</b>	<b>-276,453</b>	<b>-148,872</b>
12	U.S. official reserve assets, net (41).....	1,523	2,805	1,282	83	-170	-611	2,221	557	1,122	429	697	268
13	U.S. Government assets, other than official reserve assets, net (46)	537	1,269	732	53	310	483	-309	727	-2	-10	554	564
14	U.S. private assets, net (50).....	-285,474	-821,750	-536,276	-102,801	-111,102	-8,101	-63,559	-308,454	-107,592	-128,000	-277,704	-149,704
15	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+)) (55)</b> .....	<b>829,173</b>	<b>1,433,171</b>	<b>603,998</b>	<b>246,105</b>	<b>218,553</b>	<b>134,202</b>	<b>230,311</b>	<b>445,608</b>	<b>271,031</b>	<b>256,283</b>	<b>460,246</b>	<b>203,963</b>
16	Foreign official assets in the United States, net (56).....	248,573	355,252	106,679	48,986	65,245	50,663	83,679	127,864	73,349	72,004	82,035	10,031
17	Other foreign assets in the United States, net (63).....	580,600	1,077,919	497,319	197,119	153,308	83,539	146,632	317,744	197,682	184,279	378,211	193,932
18	<b>Statistical discrepancy (sum of above items with sign reversed) (70)</b> .....	<b>-12,012</b>	<b>51,922</b>	<b>63,934</b>	<b>-4,828</b>	<b>27,836</b>	<b>6,385</b>	<b>-41,404</b>	<b>9,436</b>	<b>473</b>	<b>37,530</b>	<b>4,488</b>	<b>-33,042</b>
<b>Memoranda:</b>													
19	Balance on current account (76).....	-530,668	-665,940	-135,272	-138,206	-133,875	-131,628	-126,960	-147,478	-164,708	-165,858	-187,898	-22,040
20	Net financial flows (40 and 55).....	545,759	615,495	69,736	143,440	107,591	126,064	168,664	138,438	164,559	128,702	183,793	55,091

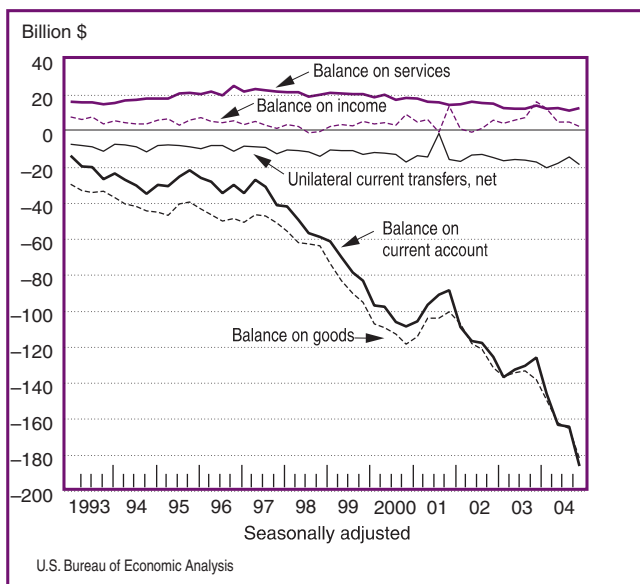
<sup>r</sup> Revised.

<sup>P</sup> Preliminary.



- Financial outflows for U.S.-owned assets abroad were substantially higher as a result of a sharp increase in lending by U.S. banks and nonbanks and a sizable increase in U.S. direct investment abroad.
- Financial inflows for foreign-owned assets in the United States were also substantially higher. Inflows for foreign official assets increased a sizable amount. Among private assets, liabilities reported by U.S. banks, net foreign purchases of U.S. securities other than U.S. Treasury securities, and foreign direct investment in the United States were all up by substantial amounts.

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



**Selected economic and financial conditions**

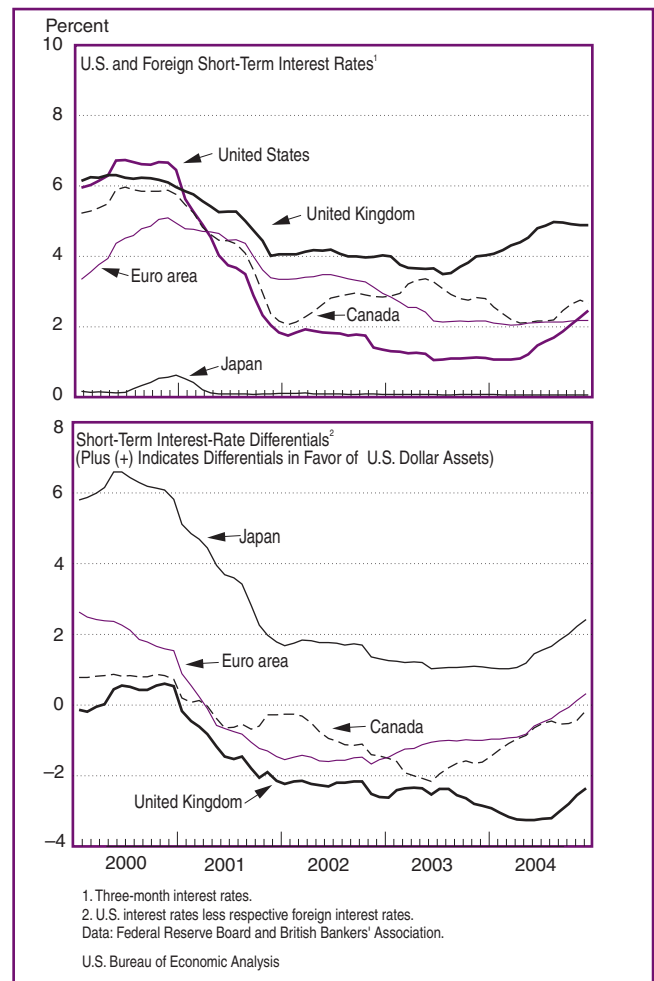
U.S. real gross domestic product (GDP) grew 4.4 percent in 2004, significantly faster than the 3.0-percent growth in 2003. Businesses spent more vigorously on equipment and software, consumer spending increased, and corporate profits rose significantly. Other signs of a strengthening expansion also emerged. Energy and commodity prices rose. The core inflation rate also rose, albeit from especially low levels. In recognition of this stronger economic growth and higher inflation, the Federal Reserve raised the target Federal funds rate, beginning in late June, in five quarter-point steps to 2.25 percent at yearend from the 1-percent rate that had been maintained since mid-2003.

Economic growth in many foreign countries also accelerated in 2004. Real GDP growth in the euro area was 2.2 percent, up from 0.5 percent in 2003. However, euro area growth remained well below that in the United States, and unemployment remained high. In

key countries such as Germany, growth was only one-third that in the United States. The European Central Bank left the bid rate on main financing operations unchanged at 2 percent in 2004. Growth in Japan was 2.7 percent in 2004, up from 1.4 percent in 2003; the Bank of Japan left the overnight call rate unchanged in 2004. Growth in the United Kingdom was 3.1 percent in 2004, up from 2.2 percent in 2003; the Bank of England raised the target repo rate 100 basis points. Growth in Canada was 2.8 percent in 2004, up from 2.0 percent in 2003; the Bank of Canada lowered the target overnight rate 75 basis points early in the year and then raised the rate 50 basis points in the autumn (charts 2, 3, and 4).

In 2004, the dollar depreciated 8 percent on a trade-weighted yearly average basis against a group of seven major currencies that are widely traded in international markets (table B, chart 5). The dollar depreciated 11 percent against the British pound, 9 percent against the euro, and 7 percent against the Canadian

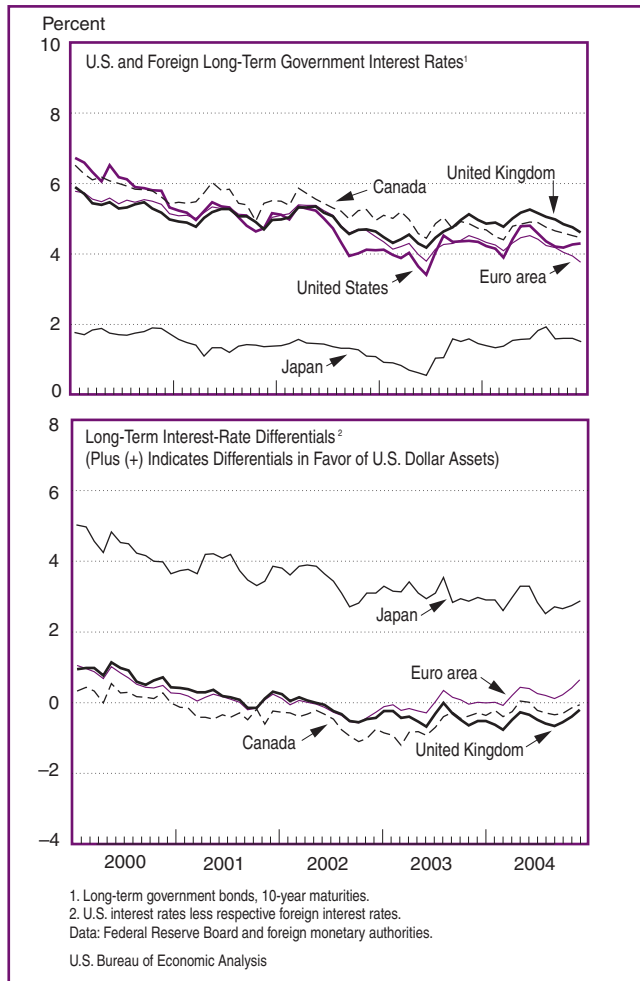
**Chart 2. Short-Term Interest Rates**



1. Three-month interest rates.  
 2. U.S. interest rates less respective foreign interest rates.  
 Data: Federal Reserve Board and British Bankers' Association.  
 U.S. Bureau of Economic Analysis

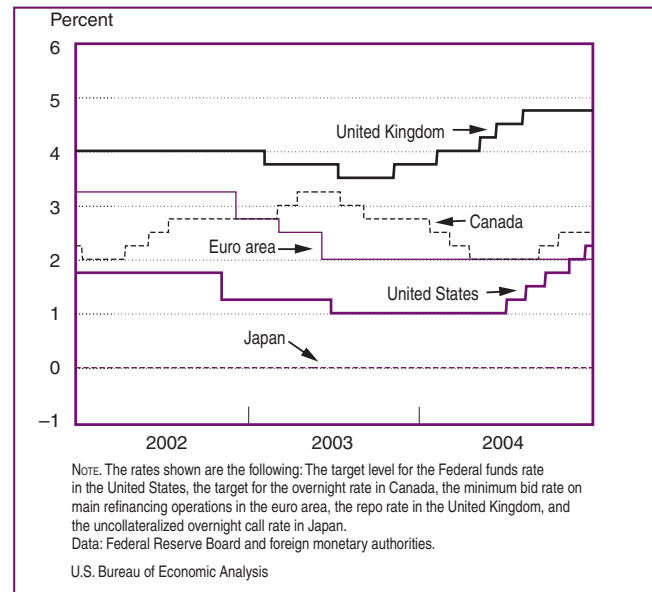


**Chart 3. Long-Term Interest Rates**



dollar and the Japanese yen. The dollar depreciated 13 percent against the South Korean won, but central banks of a few Asian countries, most notably the People's Bank of China, kept their currencies stable against the dollar. Since 2002, the dollar has depreciated 24 percent against the euro, 18 percent against the British pound, 17 percent against the Canadian dollar, and 14 percent against the Japanese yen.

**Chart 4. Key Interest Rates for Monetary Policy**



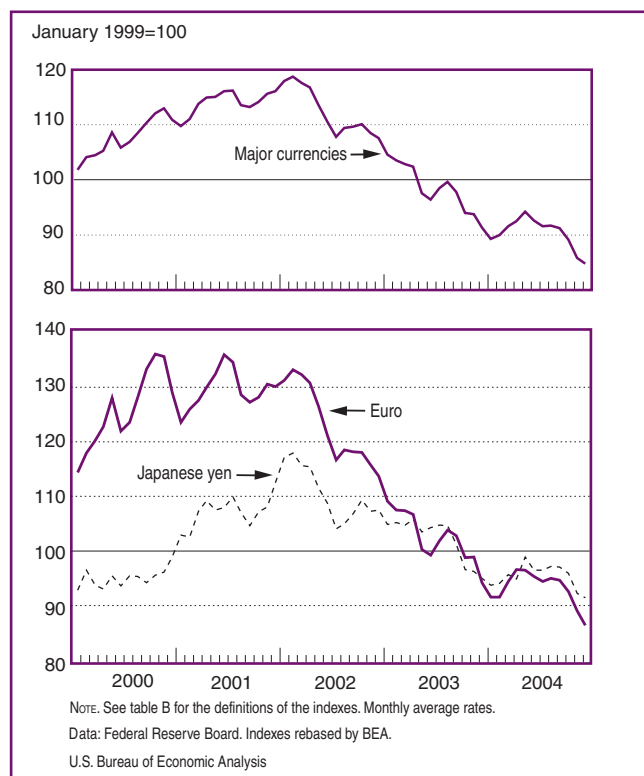
**Table B. Indexes of Foreign Currency Price of the U.S. Dollar**  
(January 1999=100)

	2003	2004				2003	2004											
	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	Dec. <sup>r</sup>	Jan. <sup>r</sup>	Feb. <sup>r</sup>	March <sup>r</sup>	April <sup>r</sup>	May <sup>r</sup>	June <sup>r</sup>	July <sup>r</sup>	Aug. <sup>r</sup>	Sept. <sup>r</sup>	Oct. <sup>p</sup>	Nov. <sup>p</sup>	Dec. <sup>p</sup>
<b>Nominal: <sup>1</sup></b>																		
Broad <sup>2</sup> .....	100.9	98.9	101.2	100.4	96.7	100.0	98.3	98.7	99.7	100.5	102.1	101.1	100.4	100.6	100.2	98.7	96.2	95.1
Major currencies <sup>3</sup> .....	93.0	90.2	93.1	91.5	86.6	91.3	89.3	89.9	91.5	92.5	94.2	92.6	91.5	91.7	91.2	89.2	85.8	84.8
Other important trading partners <sup>4</sup> .....	111.1	110.2	111.7	112.0	110.1	111.2	110.0	110.3	110.4	110.7	112.3	112.1	112.1	112.1	111.8	111.3	110.1	108.9
<b>Real: <sup>1</sup></b>																		
Broad <sup>2</sup> .....	101.5	99.7	102.8	101.9	97.9	100.2	98.8	99.5	100.8	101.7	103.7	103.0	102.0	102.0	101.6	100.2	97.4	96.0
Major currencies <sup>3</sup> .....	97.0	94.7	98.3	96.8	91.7	94.9	93.4	94.4	96.3	97.5	99.3	98.0	96.8	97.1	96.6	94.6	90.9	89.6
Other important trading partners <sup>4</sup> .....	106.8	105.5	107.9	107.7	105.3	106.4	105.1	105.4	105.9	106.3	108.6	108.7	108.1	107.8	107.3	106.7	105.3	103.8
<b>Selected currencies: (nominal) <sup>5</sup></b>																		
Canada.....	86.6	86.7	89.5	86.1	80.4	86.4	85.3	87.5	87.4	88.3	90.8	89.4	87.0	86.4	84.8	82.1	78.8	80.2
<b>European currencies:</b>																		
Euro area <sup>6</sup> .....	97.4	92.6	96.2	94.8	89.5	94.3	91.7	91.7	94.5	96.7	96.6	95.4	94.5	95.1	94.8	92.7	89.2	86.5
United Kingdom.....	96.7	89.7	91.4	90.7	88.5	94.2	90.4	88.4	90.3	91.5	92.4	90.3	89.5	90.6	92.0	91.3	88.7	85.5
Switzerland.....	94.2	90.5	92.2	90.7	85.4	91.2	89.4	89.8	92.2	93.6	92.7	90.2	89.9	91.1	91.1	89.0	84.5	82.7
Japan.....	96.1	94.6	96.9	97.0	93.3	95.1	93.8	94.2	95.8	95.0	99.0	96.6	96.6	97.3	97.2	96.0	92.4	91.6
Mexico.....	110.5	108.5	112.5	113.0	111.8	111.1	107.8	108.9	108.8	111.3	113.7	112.5	113.2	112.5	113.4	112.6	112.3	110.6
Brazil.....	191.9	191.7	201.5	196.9	184.2	193.5	188.7	194.1	192.2	192.3	205.2	207.0	201.0	198.5	191.2	188.6	184.4	179.6

<sup>r</sup> Revised.  
<sup>p</sup> Preliminary.  
1. For more information on the nominal and real indexes of the foreign exchange value of the U.S. dollar, see Federal Reserve Bulletin, vol. 84 (October 1998): 811-18.  
2. Weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of U.S. trading partners, including the currencies of the euro-area countries, Australia, Canada, Japan, Sweden, Switzerland, United Kingdom, Argentina, Brazil, Chile, Colombia, Mexico, Venezuela, China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Israel, Saudi Arabia, and Russia. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.  
3. Weighted average of the foreign exchange value of the U.S. dollar against broad-index currencies that circulate widely outside the country of issue, including the currencies of the euro-area countries, Australia, Canada, Japan, Sweden, Switzerland, and the United Kingdom. The weight for each currency is its broad-index

weight divided by the sum of the broad-index weights for all of the currencies included in the major currency index. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.  
4. Weighted average of the foreign exchange value of the U.S. dollar against broad-index currencies that do not circulate widely outside the country of issue, including the currencies of Argentina, Brazil, Chile, Colombia, Mexico, Venezuela, China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Israel, Saudi Arabia, and Russia. The weight for each currency is its broad-index weight divided by the sum of the broad-index weights for all of the currencies included in the other important trading partners index. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.  
5. Data: Federal Reserve Board. Monthly and quarterly average rates. Indexes prepared by BEA.  
6. The euro area includes Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain.

**Chart 5. Nominal Indexes of Foreign Currency Price of the U.S. Dollar**



## Current Account

### Goods and services

The deficit on goods and services increased to \$617.1 billion in 2004 from \$496.5 billion in 2003. The deficit on goods increased substantially, and the surplus on services decreased slightly (table C).

### Goods

The deficit on goods increased to \$665.5 billion in 2004 from \$547.6 billion in 2003. Goods exports increased significantly, continuing the stronger growth

that began in mid-2003. Goods imports, which increased strongly in 2003, increased even more strongly in 2004.

Goods exports increased \$94.5 billion, or 13 percent, in 2004 after an increase of \$31.3 billion, or 5 percent, in 2003. Nearly three-fourths of the increase in 2004 was in capital goods and in industrial supplies and materials; smaller increases occurred in consumer goods and in automotive vehicles, engines, and parts (tables D and E).

Goods imports increased \$212.4 billion, or 17 percent, in 2004 after an increase of \$95.9 billion, or 8 percent, in 2003. Nearly one-half of the increase in 2004 was in industrial supplies and materials; sizable increases also occurred in capital goods and in consumer goods (tables D and E).

U.S. exports strengthened considerably in 2004 in response to an increase in real GDP growth in the euro area to 2.2 percent from 0.5 percent in 2003 and in response to a strengthening in real GDP growth in the United Kingdom, Japan, and Canada to a range of 2.7–3.1 percent from a range of 1.4–2.2 percent (chart 6). Growth in the newly industrialized countries of Asia nearly doubled to 5.5 percent, and growth in Latin America included strong recoveries in Brazil and Mexico. Appreciations of many foreign currencies against the dollar over the past several years also stimulated exports.

U.S. imports increased especially strongly in 2004, reflecting a pickup in U.S. real GDP growth to 4.4 percent in 2004 from 3.0 percent in 2003 and 1.9 percent in 2002. Expansion in the U.S. economy was a dominant factor in import growth in 2004.

Dollar prices of total U.S. exports increased more strongly in 2004 than in 2003. Most price increases were attributable to large increases in prices of foods, feeds, and beverages (mainly soybeans) and of industrial supplies and materials (mainly metals and metallic products and petroleum). Prices of capital goods declined slightly (table F). When translated into

**Table C. Selected Balances on U.S. International Transactions**

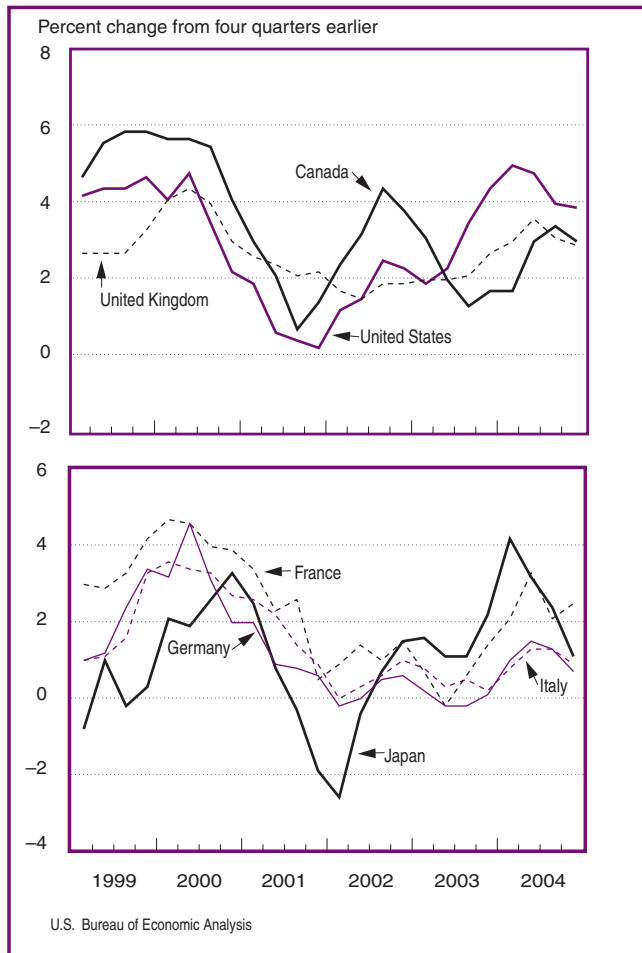
[Millions of dollars, quarters seasonally adjusted]

(Credits +; debits -)	2002	2003	2004 <sup>P</sup>	2004			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>
Balance on goods .....	-482,895	-547,552	-665,477	-151,054	-163,866	-167,015	-183,542
Balance on services .....	61,160	51,044	48,402	12,215	12,544	11,151	12,491
Balance on income .....	7,173	33,279	24,063	12,081	4,946	4,903	2,136
Investment income, net .....	12,615	38,781	29,822	13,473	6,477	6,326	3,549
Direct investment, net .....	100,831	118,865	132,312	34,673	31,163	31,368	35,112
Other private, net .....	-15,405	-12,739	-21,379	-2,928	-4,798	-4,238	-9,415
U.S. Government, net .....	-72,811	-67,345	-81,111	-18,272	-19,888	-20,804	-22,148
Compensation of employees, net .....	-5,442	-5,502	-5,759	-1,392	-1,531	-1,423	-1,413
Unilateral current transfers, net .....	-59,382	-67,439	-72,928	-20,720	-18,332	-14,897	-18,983
Balance on current account .....	-473,944	-530,668	-665,940	-147,478	-164,708	-165,858	-187,898

<sup>r</sup> Revised.  
<sup>P</sup> Preliminary.

foreign currencies, prices of U.S. exports decreased by sizable amounts because appreciations of foreign currencies more than offset small dollar price increases;

**Chart 6. Major Industrial Countries: Real GDP**



the largest decreases were in capital goods, automotive goods, and consumer goods (table G).

Dollar prices of total U.S. imports also increased more strongly in 2004 than in 2003. Prices of most nonpetroleum products were only slightly higher. In contrast, petroleum prices were sharply higher (table F).

**Exports.** Goods exports increased \$94.5 billion, or 13 percent, to \$807.6 billion in 2004, following an increase of \$31.3 billion, or 5 percent, in 2003. The rise marks the highest dollar increase on record and equals the record for the highest percentage set in 2000. Real exports increased 9 percent in 2004, and export prices increased 4 percent (table D). In value, capital goods and industrial supplies and materials accounted for

**Table E. Percent Change in U.S. Trade in Goods, Current and Chained Dollars**

[Balance of payments basis]

	Current dollars			Chained (2000) dollars		
	2002	2003	2004 <sup>p</sup>	2002	2003	2004 <sup>p</sup>
<b>Exports</b> .....	<b>-5.1</b>	<b>4.6</b>	<b>13.2</b>	<b>-4.5</b>	<b>2.5</b>	<b>9.1</b>
Agricultural products.....	-0.7	11.7	3.3	-2.5	1.3	-6.6
Nonagricultural products.....	-5.5	4.0	14.2	-4.7	2.6	10.7
Foods, feeds, and beverages.....	0.4	10.9	2.4	-2.0	1.7	-8.1
Industrial supplies and materials.....	-2.1	10.4	17.6	-0.6	3.2	5.7
Capital goods, except automotive.....	-9.7	1.1	12.8	-8.7	2.2	13.0
Automotive vehicles, parts, and engines.....	4.6	2.2	9.3	4.1	1.5	8.5
Consumer goods (nonfood), except automotive.....	-4.5	6.6	14.4	-4.0	6.0	13.3
Exports, n.e.c.....	-8.3	-3.8	22.5	-8.2	-6.4	17.3
<b>Imports</b> .....	<b>1.6</b>	<b>8.2</b>	<b>16.8</b>	<b>3.5</b>	<b>5.2</b>	<b>11.4</b>
Petroleum and products.....	-0.1	28.6	35.6	-2.5	6.4	6.6
Nonpetroleum products.....	1.8	6.3	14.6	4.1	5.0	11.9
Foods, feeds, and beverages.....	6.5	12.4	11.3	5.3	7.7	5.9
Industrial supplies and materials.....	-2.9	17.3	31.1	0.2	3.8	10.8
Capital goods, except automotive.....	-4.9	4.4	16.2	-1.6	6.0	17.5
Automotive vehicles, parts, and engines.....	7.4	3.2	8.6	7.0	2.6	6.8
Consumer goods (nonfood), except automotive.....	8.3	8.5	11.7	9.4	8.7	11.0
Imports, n.e.c., and U.S. goods returned.....	2.0	-3.0	6.4	3.0	-5.0	3.0

<sup>p</sup> Preliminary.  
n.e.c. Not elsewhere classified.

**Table D. U.S. Trade in Goods in Current and Chained Dollars**

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

	Current dollars								Chained (2000) dollars <sup>1</sup>							
	2002	2003	2004 <sup>p</sup>	2004				2002	2003	2004 <sup>p</sup>	2004					
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>		
<b>Exports</b> .....	<b>681,833</b>	<b>713,122</b>	<b>807,610</b>	<b>194,322</b>	<b>199,717</b>	<b>205,013</b>	<b>208,558</b>	<b>691,087</b>	<b>708,587</b>	<b>773,343</b>	<b>188,620</b>	<b>191,380</b>	<b>195,875</b>	<b>197,345</b>		
Agricultural products.....	54,512	60,883	62,864	16,052	15,841	15,280	15,691	53,130	53,844	50,302	12,549	11,905	12,581	13,358		
Nonagricultural products.....	627,321	652,239	744,746	178,270	183,876	189,733	192,867	637,845	654,582	724,905	176,425	180,059	183,830	184,436		
Foods, feeds, and beverages.....	49,617	55,026	56,354	14,241	14,063	13,669	14,381	48,257	49,072	45,084	11,289	10,533	11,219	12,136		
Industrial supplies and materials.....	156,819	173,050	203,582	47,952	49,879	51,791	53,960	164,121	169,406	179,020	44,198	44,683	44,968	45,123		
Capital goods, except automotive.....	290,435	293,622	331,091	80,996	82,388	83,703	84,004	294,007	300,556	339,709	83,328	84,592	85,863	85,921		
Automotive vehicles, parts, and engines.....	78,942	80,685	88,227	20,853	21,342	23,053	22,979	78,275	79,441	86,201	20,468	20,877	22,500	22,346		
Consumer goods (nonfood), except automotive.....	84,359	89,907	102,827	24,521	25,595	25,692	27,019	85,097	90,182	102,160	24,458	25,498	25,452	26,744		
Exports, n.e.c.....	21,661	20,832	25,529	5,759	6,450	7,105	6,215	21,764	20,375	23,897	5,475	6,048	6,634	5,734		
<b>Imports</b> .....	<b>1,164,728</b>	<b>1,260,674</b>	<b>1,473,087</b>	<b>345,376</b>	<b>363,583</b>	<b>372,028</b>	<b>392,100</b>	<b>1,222,414</b>	<b>1,285,510</b>	<b>1,431,724</b>	<b>344,154</b>	<b>355,523</b>	<b>359,239</b>	<b>372,107</b>		
Petroleum and products.....	103,491	133,088	180,491	40,480	40,928	44,761	54,322	121,562	129,287	137,839	35,982	32,538	32,707	36,549		
Nonpetroleum products.....	1,061,237	1,127,586	1,292,596	304,896	322,655	327,267	337,778	1,100,777	1,155,764	1,293,786	307,861	323,545	327,120	335,011		
Foods, feeds, and beverages.....	49,687	55,831	62,156	15,051	15,633	15,226	16,246	50,644	54,561	57,773	14,296	14,555	14,172	14,741		
Industrial supplies and materials.....	268,088	314,466	412,220	91,264	97,805	105,966	117,185	299,145	310,522	344,044	83,739	83,426	86,273	90,642		
Capital goods, except automotive.....	283,323	295,832	343,738	80,515	85,436	87,996	89,791	302,466	320,511	376,448	87,526	93,545	96,662	98,794		
Automotive vehicles, parts, and engines.....	203,744	210,173	228,248	55,588	57,167	57,883	57,610	203,287	208,565	222,707	54,608	55,937	56,384	55,770		
Consumer goods (nonfood), except automotive.....	307,972	334,006	373,156	89,904	94,048	91,575	97,629	313,723	340,937	378,297	91,065	95,402	92,988	98,839		
Imports, n.e.c., and U.S. goods returned.....	51,914	50,366	53,569	13,054	13,494	13,382	13,639	52,625	50,000	51,485	12,702	13,007	12,825	12,949		

<sup>r</sup> Revised.  
<sup>p</sup> Preliminary.  
n.e.c. Not elsewhere classified.

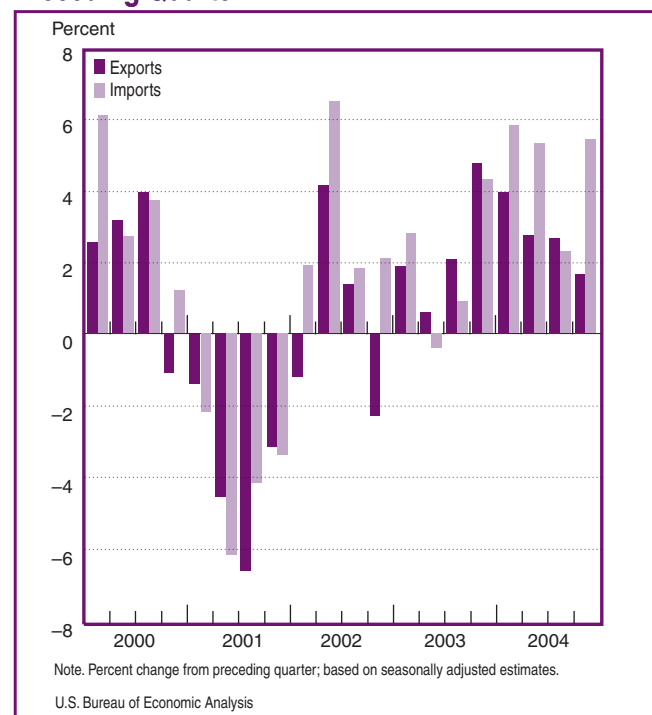
1. Because chain indexes use weights of more than one period, the corresponding chained dollar estimates are usually not additive.

nearly three-fourths of the increase (charts 7 and 8). Exports to Asia excluding Japan increased \$24.1 billion; to Latin America, \$22.0 billion; to Europe, \$21.1 billion; to Canada, \$20.3 billion; and to Japan, \$2.1 billion.

Capital goods increased \$37.5 billion, or 13 percent, following an increase of \$3.2 billion, or 1 percent. Exports of industrial, agricultural, and service industry machinery, machine tools, and electric generating machinery increased \$14.8 billion, following virtually no increase in 2003; shipments to the newly industrialized countries in Asia, China, Canada, Japan, and Europe increased in response to significantly higher economic growth in those areas. High-technology products increased \$8.3 billion. Increases were small for computers and telecommunications equipment, as manufacturers of these products still struggled to recover from sharp contractions in 2001–2002; semiconductors increased less than in 2003. Civilian aircraft and parts increased \$3.6 billion, following 2 years of large declines; in 2004, growth in engines and parts increased, while deliveries of complete aircraft were unchanged (table H).

Nonagricultural industrial supplies and materials increased \$29.3 billion, or 18 percent, following an increase of \$14.9 billion, or 10 percent. All major categories were significantly higher in response to the

**Chart 7. U.S. Trade in Goods: Change From Preceding Quarter**



worldwide pickup in industrial output. The pickup in industrial output led to major price increases for the second consecutive year; prices increased 12 percent in 2004, following an increase of 7 percent in 2003. In value, chemicals increased \$10.9 billion, or 19 percent, and prices increased 11 percent; shipments to both advanced countries and developing countries in Asia and Latin America were sharply higher. Metals and nonmetallic products increased \$6.8 billion, or 19 percent; prices of copper increased 48 percent; precious metals, 38 percent; aluminum, 16 percent; and nonmonetary gold, 13 percent. Iron and steel products and steelmaking materials increased \$3.1 billion, or 32 percent; prices increased 37 percent for products and 70 percent for materials. Energy products increased \$6.0

**Table F. Percent Change in U.S. Trade in Goods, Chain-Weighted Price Indexes**

[Based on index numbers (2000=100)]

	2002 <sup>†</sup>	2003 <sup>†</sup>	2004 <sup>‡</sup>
<b>Exports</b> .....	<b>-0.7</b>	<b>2.0</b>	<b>3.8</b>
Agricultural products .....	1.9	10.2	10.5
Nonagricultural products .....	-0.9	1.3	3.1
Foods, feeds, and beverages .....	2.5	9.1	11.5
Industrial supplies and materials .....	-1.5	6.9	11.3
Capital goods, except automotive .....	-1.2	-1.1	-0.2
Computers, peripherals, and parts .....	-6.2	-2.4	-1.4
Civilian aircraft, engines, and parts .....	2.7	3.9	4.0
Other capital goods .....	-1.0	-2.0	-1.0
Automotive vehicles, parts, and engines .....	0.5	0.7	0.8
Consumer goods (nonfood), except automotive .....	-0.5	0.6	1.0
Exports, n.e.c. ....	-0.1	2.7	4.5
<b>Imports</b> .....	<b>-1.8</b>	<b>2.9</b>	<b>4.9</b>
Petroleum and products .....	2.4	20.9	27.2
Nonpetroleum products .....	-2.2	1.2	2.4
Foods, feeds, and beverages .....	1.2	4.3	5.1
Industrial supplies and materials .....	-3.1	13.0	18.3
Capital goods, except automotive .....	-3.4	-1.5	-1.1
Computers, peripherals, and parts .....	-7.9	-6.6	-6.3
Civilian aircraft, engines, and parts .....	1.3	0.6	3.7
Other capital goods .....	-2.2	0.4	0.5
Automotive vehicles, parts, and engines .....	0.3	0.5	1.7
Consumer goods (nonfood), except automotive .....	-1.0	-0.2	0.7
Imports, n.e.c., and U.S. goods returned .....	-0.9	2.1	3.3

<sup>†</sup> Revised.  
<sup>‡</sup> Preliminary.  
n.e.c. Not elsewhere classified.

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

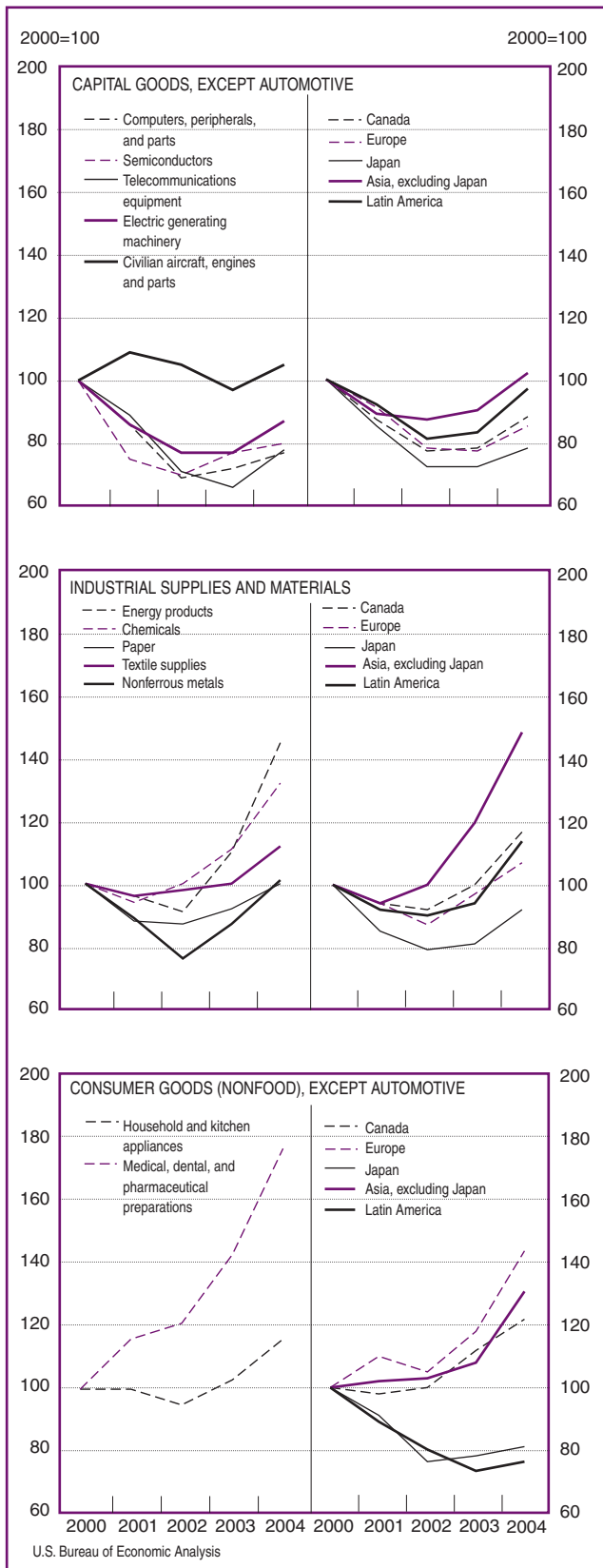
[Based on index numbers (2000=100)]

	2002 <sup>†</sup>	2003 <sup>†</sup>	2004 <sup>‡</sup>
<b>Exports</b> .....	<b>-2.2</b>	<b>-10.5</b>	<b>-4.8</b>
Agricultural products .....	0.3	-3.3	1.4
Nonagricultural products .....	-2.4	-11.1	-5.4
Foods, feeds, and beverages .....	0.9	-4.3	2.3
Industrial supplies and materials .....	-3.0	-6.2	2.2
Capital goods, except automotive .....	-2.7	-13.2	-8.5
Computers, peripherals, and parts .....	-7.6	-14.3	-9.5
Civilian aircraft, engines, and parts .....	1.2	-8.8	-4.6
Other capital goods .....	-2.6	-14.0	-9.1
Automotive vehicles, parts, and engines .....	-1.0	-11.6	-7.5
Consumer goods (nonfood), except automotive .....	-2.0	-11.7	-7.4
Exports, n.e.c. ....	-1.6	-9.8	-4.1

<sup>†</sup> Revised.  
<sup>‡</sup> Preliminary.  
n.e.c. Not elsewhere classified.

NOTE. Chain-weighted price indexes multiplied by the trade-weighted exchange rate index of the currencies of Australia, Austria, Belgium, Canada, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland, the United Kingdom, and since January 2001, Greece.

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



billion, or 33 percent; prices increased 19 percent (table I).

Consumer goods increased \$12.9 billion, or 14 percent, following an increase of \$5.5 billion, or 7 percent. Durable goods increased \$5.7 billion, and nondurable goods increased \$5.3 billion. Within nondurable goods, exports of pharmaceutical materials for manufacture in Europe continued to increase strongly, as they have since 1998.

Automotive vehicles, parts, and engines increased \$7.5 billion, or 9 percent, following an increase of \$1.7 billion, or 2 percent. Parts and accessories increased 7 percent, largely to Canada and Mexico, following 3 years of decline. Passenger cars increased 11 percent, mainly to Europe, Mexico, and Saudi Arabia.

Foods, feeds, and beverages increased \$1.3 billion, or 2 percent, following an increase of \$5.4 billion, or 11 percent. Prices increased 12 percent in 2004, following an increase of 9 percent in 2003. In value, wheat and corn increased substantially, while meat and soybeans fell sharply. Soybeans had been boosted by especially large shipments to China in 2003; however, this level was not sustained in 2004. Concerns about mad cow disease in the United States in late 2003 continued in 2004; Japan and Korea maintained especially stringent controls on beef imports from the United States, accounting for virtually all of the year-to-year decrease in meat exports.

**Imports.** Goods imports increased \$212.4 billion, or 17 percent, to \$1,473.1 billion in 2004, following an increase of \$95.9 billion, or 8 percent, in 2003. The rise marks the highest dollar increase on record and the highest percentage increase since 2000 (table D). Real

**Annual Revision of the U.S. International Transactions Accounts**

The annual revision of the U.S. international accounts, to be released in June 2005, will incorporate selected results from the U.S. Treasury Department's Surveys of Foreign Portfolio Investment in the United States for June 2003 and June 2004 and U.S. Portfolio Investment Abroad for December 2003. In addition, more accurate measures of commercial paper issued in the United States by foreign companies and of selected short-term liabilities will be introduced for 2002–2004. The above improvements will affect both financial flows and related income flows. Updated estimates of personal transfers by U.S. residents to foreigners will be introduced for the years 1992–2004, based on newly available source data and refined methods.

imports increased 11 percent in 2004, and import prices increased 5 percent. In value, industrial supplies and materials and capital goods accounted for nearly 70 percent of the increase, and consumer goods, for nearly 20 percent (charts 7 and 9). By area, imports from Asia excluding Japan increased \$76.8 billion; from Europe, \$37.0 billion; from Latin America, \$35.6 billion; from Canada, \$34.4 billion; and from Japan, \$11.5 billion.

Petroleum and petroleum products increased \$47.4 billion, or 36 percent—the largest increase since

2000—following an increase of 29 percent in 2003. The average number of barrels imported daily increased to 13.71 million from 12.94 million. The average price jumped 28 percent to \$36.05 from \$28.16 (chart 10). Price increases persisted throughout the year in response to a strong pickup in worldwide industrial output in advanced and developing countries, including China. At times during the year, there were concerns about supply disruptions in Nigeria, Russia, Venezuela, and Iraq. After curbing production in April, OPEC members raised official production in July, August,

**Table H. U.S. Trade in Capital Goods, Except Automotive**

[Balance of payments basis, millions of dollars]

	1999	2000	2001	2002	2003	2004 <sup>P</sup>
<b>Exports</b> .....	<b>311,249</b>	<b>356,999</b>	<b>321,723</b>	<b>290,435</b>	<b>293,622</b>	<b>331,091</b>
Computers, peripherals, and parts.....	46,724	55,542	47,555	38,553	39,925	42,714
Semiconductors.....	46,962	60,077	45,065	42,235	46,137	47,922
Telecommunications equipment.....	25,367	31,268	27,874	22,208	20,744	24,481
Scientific, hospital, and medical equipment and parts.....	16,748	19,309	20,063	19,306	20,861	23,908
Industrial, agricultural, and service industry machinery.....	44,695	53,142	46,060	42,830	43,467	52,710
Machine tools, metalworking equipment, and control instruments.....	19,350	23,837	19,985	18,392	19,189	23,867
Oil drilling, mining, and construction machinery.....	11,965	12,598	14,057	12,893	12,834	15,538
Industrial engines, pumps, and compressors.....	10,992	11,602	11,992	11,601	11,690	13,446
Electric generating machinery, electric apparatus, and parts.....	29,353	35,766	30,887	27,544	27,445	31,157
Civilian aircraft, engines, and parts.....	52,920	48,091	52,618	50,425	46,724	50,332
Other capital goods, n.e.c.....	6,173	5,767	5,567	4,448	4,606	5,016
<b>Imports</b> .....	<b>295,717</b>	<b>347,024</b>	<b>297,992</b>	<b>283,323</b>	<b>295,832</b>	<b>343,738</b>
Computers, peripherals, and parts.....	81,456	89,762	74,001	75,151	76,511	88,660
Semiconductors.....	37,628	48,354	30,423	26,015	24,605	26,749
Telecommunications equipment.....	21,553	32,688	24,632	23,134	24,781	29,437
Scientific, hospital, and medical equipment and parts.....	12,150	14,941	15,213	16,030	18,443	22,067
Industrial, agricultural, and service industry machinery.....	46,849	51,636	47,478	47,979	51,872	62,047
Machine tools, metalworking equipment, and control instruments.....	15,588	18,193	16,422	14,870	15,879	18,532
Oil drilling, mining, and construction machinery.....	6,984	7,166	6,901	6,573	7,823	11,619
Industrial engines, pumps, and compressors.....	7,715	9,453	9,780	9,034	9,210	11,090
Electric generating machinery, electric apparatus, and parts.....	32,815	39,716	34,788	32,879	33,291	38,521
Civilian aircraft, engines, and parts.....	23,773	26,376	31,358	25,458	24,085	24,554
Other capital goods, n.e.c.....	9,206	8,739	6,996	6,200	9,332	10,462

<sup>P</sup> Preliminary.  
n.e.c. Not elsewhere classified.

**Table I. U.S. Trade in Nonagricultural Industrial Supplies and Materials**

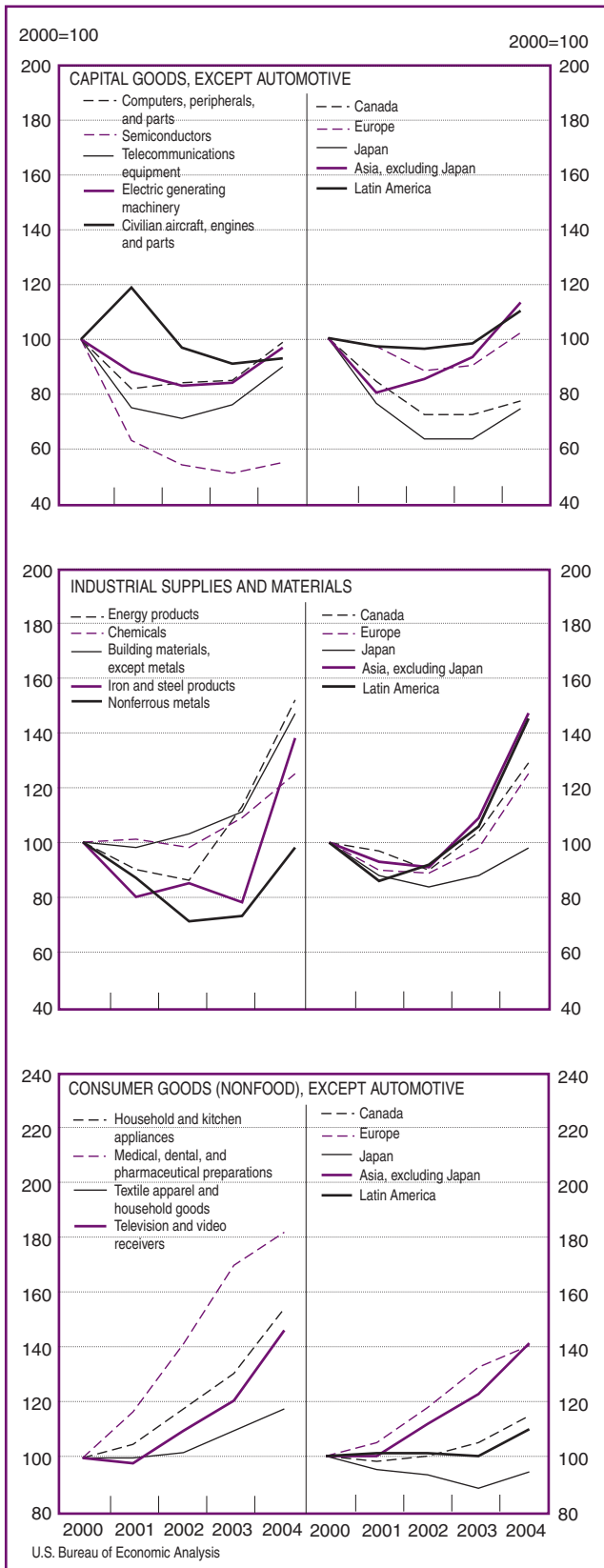
[Balance of payments basis, millions of dollars]

	1999	2000	2001	2002	2003	2004 <sup>P</sup>
<b>Exports</b> .....	<b>140,313</b>	<b>163,889</b>	<b>150,476</b>	<b>147,605</b>	<b>162,478</b>	<b>191,774</b>
Energy products.....	12,882	16,636	15,922	15,076	18,230	24,192
Chemicals, excluding medicinals.....	45,927	52,242	49,326	52,320	57,994	68,925
Paper and paper base stocks.....	12,174	14,000	12,386	12,211	12,813	13,957
Textile supplies and related materials.....	9,806	11,367	10,866	11,142	11,347	12,720
Building materials, except metals.....	8,156	8,755	7,770	7,610	7,829	8,927
Other nonmetals.....	18,896	21,629	19,598	17,030	17,952	19,929
Metals and nonmetallic products.....	32,472	39,260	34,608	32,216	36,313	43,124
Steelmaking materials and iron and steel products.....	7,156	8,559	7,968	7,850	9,688	12,823
Nonferrous metals.....	13,526	16,048	14,219	12,127	13,943	16,216
Other metals and nonmetallic products.....	11,790	14,653	12,421	12,239	12,682	14,085
<b>Imports</b> .....	<b>218,544</b>	<b>296,496</b>	<b>270,802</b>	<b>262,856</b>	<b>308,640</b>	<b>405,544</b>
Energy products.....	78,140	138,397	124,876	118,812	157,080	210,079
Chemicals, excluding medicinals.....	29,600	33,761	34,049	33,088	36,661	42,288
Paper and paper base stocks.....	11,582	13,686	12,239	11,462	11,768	13,057
Textile supplies and related materials.....	10,305	11,255	10,314	10,868	10,806	12,031
Building materials, except metals.....	21,812	21,788	21,261	22,487	24,163	32,023
Other nonmetals.....	15,799	17,848	17,252	18,432	20,141	23,304
Metals and nonmetallic products.....	51,306	59,761	50,811	47,707	48,021	72,762
Steelmaking materials and iron and steel products.....	20,917	24,006	18,945	20,183	19,158	34,519
Nonferrous metals.....	22,796	26,686	23,245	18,841	19,349	26,036
Other metals and nonmetallic products.....	7,593	9,069	8,621	8,683	9,514	12,207
<b>Memorandum:</b>						
Nonpetroleum industrial supplies and materials imports.....	156,311	181,918	172,527	164,597	181,378	231,729

<sup>P</sup> Preliminary.



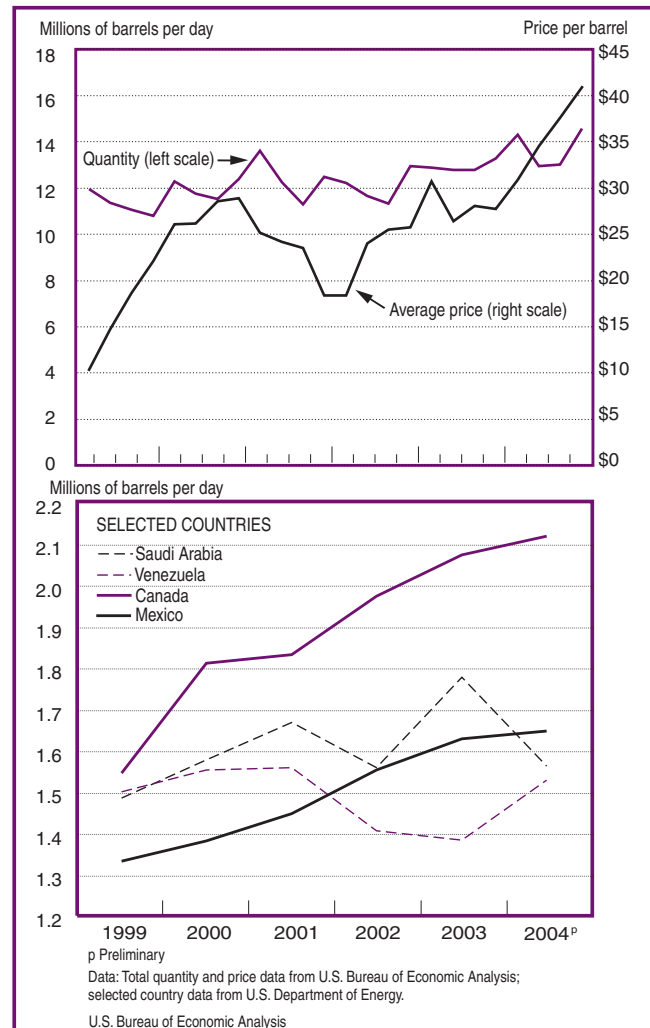
**Chart 9. Growth in Imports by Selected Commodity Categories and Areas**



and November in an attempt to alleviate rising prices. Domestic consumption increased 2 percent, and domestic production decreased by less than 1 percent. One-half of the rise in imports was from OPEC members Venezuela, Nigeria, and Saudi Arabia. The remaining half was mostly from Canada, Mexico, and Europe.

Nonpetroleum industrial supplies and materials increased \$50.4 billion, or 28 percent, following an increase of \$16.8 billion, or 10 percent. The last year of strong demand for many of these materials was 2000. In response to strengthened demand in 2004, prices of supplies and materials rose even more sharply than in 2003, 11 percent, compared with 8 percent. In value, iron and steel products and steelmaking materials increased \$15.4 billion, or 80 percent, the largest annual increase on record in both dollar and percentage terms. The rise was the result of strong domestic

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



demand for these products as well as a 45-percent increase in the price of iron and steel products and a 52-percent increase in the price of materials. These increases followed the lifting of steel tariffs in December 2003. Building materials increased \$7.9 billion, or 33 percent, half of which came from Canada, and nonferrous metals increased \$6.7 billion, or 35 percent, mostly from Latin America, Canada, and Russia. Chemicals strengthened \$5.6 billion, or 15 percent (table I).

Capital goods increased \$47.9 billion, or 16 percent, following an increase of \$12.5 billion, or 4 percent. One-quarter of this increase was a \$12.1 billion, or 16-percent, increase in computers, peripherals, and parts, which was driven by strong business investment during most of the year. Almost the entire increase in computers and parts came from China, while imports from Taiwan, the Philippines, Singapore, Japan, and Western Europe all declined. Semiconductors rebounded slightly following 3 years of decline. Telecommunications equipment—over three-quarters of which was from China, Mexico, and Thailand—recovered further from a low in 2002. Industrial, agricultural, and service industry machinery—mostly from Europe, Japan, and China—increased \$10.2 billion, more than double the increase in 2003. Electric generating machinery and electric apparatus and parts also increased substantially, by \$5.2 billion, the largest rise since 2000. Increases in oil drilling, mining, and construction machinery, mostly from Japan and Europe, and in scientific, hospital, and medical equipment, mostly from Europe, also contributed to the rise in capital goods. Civilian aircraft, engines, and parts increased \$0.5 billion (table H).

Consumer goods increased \$39.2 billion, or 12 percent—the largest increase since 2000—following an increase of \$26.0 billion, or 8 percent. This was the third successive year of sizable increases; increases in 2002–2004 were comparable in size to the strong increases of 1998–2000—the last period of large increases in this category. In 2004, two-thirds of the increase was in consumer durable goods, particularly household and kitchen appliances, mostly from Asia, and television and video receivers, three-quarters of which was from China and Mexico. Nearly one-third of the increase was in consumer nondurable goods, mainly textile apparel and household goods from Asia, and medical, dental, and pharmaceutical preparations from Europe. The increase in pharmaceutical preparations has been strong for many years, reflecting the export of raw materials to manufacturing facilities abroad, particularly in Ireland, and the import of finished drugs into the United States. In addition, a quota system that capped imports of textile apparel into the

United States from developing countries expired at the end of December.

Automotive vehicles, parts, and engines increased \$18.1 billion, or 9 percent—the largest increase since 2000—following an increase of \$6.4 billion, or 3 percent. Most of the increase was attributable to a 7-percent increase in complete autos, over two-thirds of which was from Canada, and to a 12-percent increase in parts and accessories from Japan, Mexico, Canada, and China. Domestic auto production fell 6 percent in 2004 after a drop of 11 percent in 2003. U.S. sales of autos and light trucks increased 1 percent in 2004, the first increase in 4 years; U.S. sales of heavy trucks increased 31 percent.

Foods, feeds, and beverages increased \$6.3 billion, or 11 percent, following an increase of \$6.1 billion, or 12 percent. Increases in fruits and vegetables, mainly from Latin America, and in meat products and poultry from Canada, Australia, and New Zealand contributed to the rise.

**Balances by area.** The deficit on goods increased \$117.9 billion in 2004 to \$665.5 billion. In 2003, the deficit increased \$64.7 billion, and in 2002, \$55.7 billion. In 2004, the increase in exports was triple that in 2003; nearly three-fourths of the increase in 2004 was in industrial supplies and materials and in capital goods. The increase in imports in 2004 was more than double that in 2003; in 2004, industrial supplies and materials and capital goods accounted for nearly 70 percent of the increase, and consumer goods, for nearly 20 percent (table J).

The deficit with Asia excluding Japan increased \$52.7 billion. Nearly one-third of the increase in imports was in capital goods, largely from China, and more than one-third was in consumer goods, also largely from China. Nearly one-half of the increase in exports was in capital goods, largely to the newly industrialized countries in Asia.

#### Data Availability

The estimates that are presented in tables 1–12 of the U.S. international transactions accounts (table 12 is presented annually) in the July SURVEY OF CURRENT BUSINESS are available interactively on BEA's Web site at <[www.bea.gov](http://www.bea.gov)>. Users may view and download the most recent quarterly estimates (annual estimates for table 12) for an entire table, or they may select the period, frequency, and lines that they wish to view. The estimates are available in an HTML table, in an Excel file, or as comma-separated values. The current and historical estimates in tables 1–12 are also available as compressed files on BEA's Web site at <[www.bea.gov/bea/uguide.htm#\\_1\\_22](http://www.bea.gov/bea/uguide.htm#_1_22)>.



The deficit with OPEC members increased \$20.8 billion. Asian members and African members each accounted for over one-third of the increase, and Venezuela, for over one-fourth. Among Asian members, Saudi Arabia accounted for much of the increase in imports. Among African members, Nigeria accounted for two-thirds of the increase in imports.

The deficit with Europe increased \$15.9 billion. The increase in imports was led by industrial supplies and materials (which includes petroleum), capital goods, and consumer goods. The increase in exports was led by capital goods and consumer goods.

The deficit with Canada increased \$14.1 billion. The increase in imports was led by increases in industrial supplies and materials (which includes petroleum) and automotive vehicles, parts, and engines. The increase in exports was led by industrial supplies and materials and capital goods.

The deficit with Latin America increased \$13.6 billion. More than 60 percent of the increase in imports

was in industrial supplies and materials (which includes petroleum). Much of the increase in exports was in industrial supplies and materials, capital goods, and automotive products.

The deficit with Japan increased \$9.4 billion. The increase in exports was small, while imports, led by capital goods, increased strongly.

### Services

The surplus on services decreased to \$48.4 billion in 2004 from \$51.0 billion in 2003 (table K, chart 11). The decrease was much smaller than in 2003. Growth in services receipts increased to 10 percent in 2004 from 5 percent in 2003, while growth in services payments increased to 14 percent in 2004 from 10 percent in 2003. In 2004, travel and passenger fare receipts increased more than travel and passenger fare payments. In contrast, "other" transportation payments increased more than "other" transportation receipts, and direct defense expenditures abroad continued to rise.

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

(Balance of payments basis, millions of dollars)

	Canada			Europe			United Kingdom			Germany			Japan		
	2002	2003	2004 <sup>o</sup>	2002	2003	2004 <sup>o</sup>	2002	2003	2004 <sup>o</sup>	2002	2003	2004 <sup>o</sup>	2002	2003	2004 <sup>o</sup>
<b>Exports</b>	<b>160,894</b>	<b>169,905</b>	<b>190,215</b>	<b>159,735</b>	<b>168,220</b>	<b>189,347</b>	<b>32,085</b>	<b>32,869</b>	<b>35,090</b>	<b>26,024</b>	<b>28,288</b>	<b>30,809</b>	<b>49,669</b>	<b>50,250</b>	<b>52,327</b>
Agricultural products	9,661	10,477	10,966	8,422	8,759	9,300	1,028	1,049	1,175	997	1,043	1,205	8,545	9,051	8,306
Nonagricultural products	151,233	159,428	179,249	151,313	159,461	180,047	31,057	31,820	33,915	25,027	27,245	29,604	41,124	41,199	44,021
Foods, feeds, and beverages	9,716	10,569	11,082	6,902	7,399	8,038	1,008	1,041	1,176	859	907	1,144	9,071	9,478	8,841
Industrial supplies and materials	37,184	40,492	47,250	33,752	37,598	41,567	5,994	6,605	6,667	4,261	4,878	5,227	9,963	10,237	11,610
Capital goods, except automotive	46,039	46,992	52,740	77,488	76,986	84,786	15,542	15,732	16,866	13,991	14,021	14,369	20,313	20,302	22,171
Automotive vehicles, parts, and engines	44,552	46,226	48,956	9,207	10,757	11,897	1,743	2,013	1,932	3,758	4,963	5,259	2,784	2,534	2,015
Consumer goods (nonfood), except automotive	18,978	21,194	23,177	26,868	30,359	37,018	6,446	6,350	7,208	2,389	2,899	3,922	6,330	6,535	6,765
Exports, n.e.c.	4,425	4,432	7,010	5,518	5,121	6,041	1,352	1,128	1,241	766	820	888	1,208	1,164	925
<b>Imports</b>	<b>211,756</b>	<b>224,249</b>	<b>258,682</b>	<b>260,782</b>	<b>284,679</b>	<b>321,699</b>	<b>40,464</b>	<b>42,574</b>	<b>46,134</b>	<b>62,471</b>	<b>68,007</b>	<b>77,263</b>	<b>121,426</b>	<b>118,034</b>	<b>129,518</b>
Petroleum and products	17,133	21,783	28,481	15,740	18,849	24,975	4,709	5,553	6,124	526	626	1,057	122	129	210
Nonpetroleum products	194,623	202,466	230,201	245,042	265,830	296,724	35,755	37,021	40,010	61,945	67,381	76,206	121,304	117,905	129,308
Foods, feeds, and beverages	11,914	12,061	13,165	11,384	13,725	15,367	1,257	1,342	1,509	683	783	894	409	436	462
Industrial supplies and materials	77,602	89,432	111,159	56,242	61,557	78,818	9,438	10,447	12,063	8,843	9,609	12,006	10,905	11,441	12,747
Capital goods, except automotive	29,083	29,254	31,244	71,592	73,017	82,913	11,750	11,462	12,749	19,793	20,709	24,128	39,292	38,935	45,815
Automotive vehicles, parts, and engines	59,748	60,652	67,994	35,912	42,065	44,266	5,280	6,263	6,108	22,273	25,244	26,633	49,259	46,711	48,635
Consumer goods (nonfood), except automotive	15,946	16,819	18,421	71,836	81,039	86,299	9,211	10,092	10,684	7,753	8,817	10,470	17,949	16,997	18,156
Imports, n.e.c., and U.S. goods returned	17,463	16,031	16,699	13,816	13,276	14,036	3,528	2,968	3,021	3,126	2,845	3,132	3,612	3,514	3,703
<b>Balance</b>	<b>-50,862</b>	<b>-54,344</b>	<b>-68,467</b>	<b>-101,047</b>	<b>-116,459</b>	<b>-132,352</b>	<b>-8,379</b>	<b>-9,705</b>	<b>-11,044</b>	<b>-36,447</b>	<b>-39,719</b>	<b>-46,454</b>	<b>-71,757</b>	<b>-67,784</b>	<b>-77,191</b>

	Latin America			Mexico			Asia, excluding Japan			Hong Kong, Republic of Korea, Singapore, Taiwan			China		
	2002	2003	2004 <sup>o</sup>	2002	2003	2004 <sup>o</sup>	2002	2003	2004 <sup>o</sup>	2002	2003	2004 <sup>o</sup>	2002	2003	2004 <sup>o</sup>
<b>Exports</b>	<b>136,818</b>	<b>137,293</b>	<b>159,283</b>	<b>97,231</b>	<b>97,221</b>	<b>110,586</b>	<b>140,828</b>	<b>152,851</b>	<b>176,913</b>	<b>68,155</b>	<b>70,067</b>	<b>81,972</b>	<b>22,037</b>	<b>28,285</b>	<b>34,610</b>
Agricultural products	10,501	11,273	12,059	7,459	8,020	8,679	13,116	16,543	16,918	6,032	6,326	5,806	2,085	5,012	5,554
Nonagricultural products	126,317	126,020	147,224	89,772	89,201	101,907	127,712	136,308	159,995	62,123	63,741	76,166	19,952	23,273	29,056
Foods, feeds, and beverages	9,092	9,804	10,364	6,466	7,064	7,536	10,766	13,363	13,004	5,123	5,471	4,954	1,608	3,835	3,762
Industrial supplies and materials	39,962	42,143	51,040	28,216	28,730	34,278	29,220	35,054	43,556	14,576	16,278	20,077	6,728	9,749	12,903
Capital goods, except automotive	50,637	51,330	60,321	33,747	35,343	40,452	81,427	84,448	95,764	40,393	40,414	47,657	12,119	12,811	15,534
Automotive vehicles, parts, and engines	16,868	15,192	17,547	15,257	13,640	15,548	3,716	3,987	5,447	826	900	1,048	414	582	796
Consumer goods (nonfood), except automotive	15,275	14,065	14,612	9,853	8,895	8,974	11,912	12,425	15,165	5,153	5,352	6,168	1,014	1,118	1,361
Exports, n.e.c.	4,984	4,759	5,399	3,692	3,549	3,798	3,787	3,574	3,977	2,084	1,652	2,068	154	190	254
<b>Imports</b>	<b>195,937</b>	<b>206,006</b>	<b>241,623</b>	<b>135,505</b>	<b>138,992</b>	<b>157,013</b>	<b>336,841</b>	<b>377,103</b>	<b>453,876</b>	<b>91,841</b>	<b>92,816</b>	<b>105,389</b>	<b>125,189</b>	<b>152,426</b>	<b>196,675</b>
Petroleum and products	32,497	38,952	52,564	12,229	15,506	19,784	21,034	27,499	36,272	744	666	1,443	320	351	370
Nonpetroleum products	163,440	167,054	189,059	123,276	123,486	137,229	315,807	349,604	417,604	91,097	92,150	103,946	124,869	152,075	196,305
Foods, feeds, and beverages	13,683	15,458	17,269	6,178	7,051	8,006	8,915	10,298	11,625	667	682	690	1,606	2,138	2,488
Industrial supplies and materials	52,650	60,274	82,756	21,403	24,875	32,188	47,294	57,046	76,373	9,566	10,106	13,015	9,067	10,928	16,538
Capital goods, except automotive	37,100	37,874	42,694	32,662	33,022	36,671	104,337	114,662	138,905	41,460	38,874	41,900	30,200	42,050	60,950
Automotive vehicles, parts, and engines	43,973	43,880	45,929	41,513	41,238	43,187	13,856	15,891	20,084	9,780	11,164	13,890	2,197	2,807	4,012
Consumer goods (nonfood), except automotive	40,281	40,072	44,043	27,310	26,388	29,875	155,231	171,671	198,163	27,025	28,650	32,180	80,747	92,751	110,380
Imports, n.e.c., and U.S. goods returned	8,250	8,448	8,932	6,439	6,418	7,086	7,208	7,535	8,726	3,343	3,340	3,714	1,372	1,752	2,307
<b>Balance</b>	<b>-59,119</b>	<b>-68,713</b>	<b>-82,340</b>	<b>-38,274</b>	<b>-41,771</b>	<b>-46,427</b>	<b>-196,013</b>	<b>-224,252</b>	<b>-276,963</b>	<b>-23,686</b>	<b>-22,749</b>	<b>-23,417</b>	<b>-103,152</b>	<b>-124,141</b>	<b>-162,065</b>

<sup>o</sup> Preliminary.  
n.e.c. Not elsewhere classified.

“Other” private services receipts and “other” private services payments each increased about the same amount.

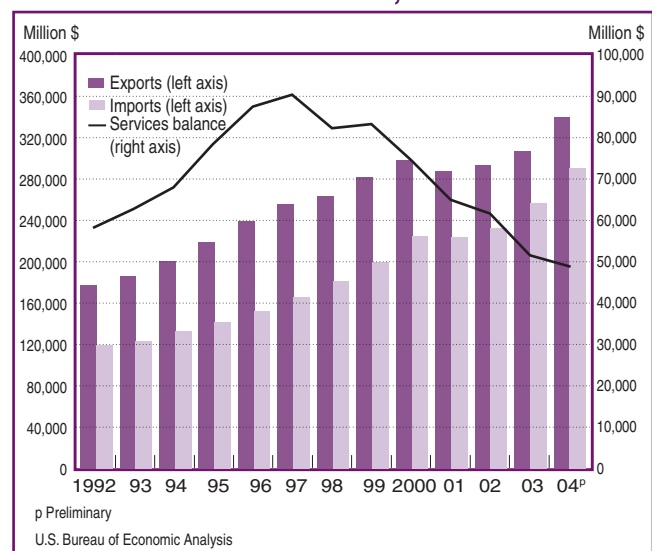
Travel receipts increased to \$74.8 billion in 2004 from \$64.5 billion in 2003. Receipts from overseas increased 17 percent, following a decline of 5 percent in 2003, as a result of concerns about SARS and the war

in Iraq, and following even steeper declines in 2002 and 2001 as a result of disruptions caused by the September 11<sup>th</sup> attacks. Faster growth abroad and appreciation in the values of foreign currencies were primary causes of the increase in 2004. In 2004, the largest increase in receipts was from Europe. In percentage terms, the number of visitors from Europe increased 12 percent; from Asia excluding Japan, 12 percent; and from Japan, 18 percent. Despite these increases, the number of visitors from overseas remained well below the number in 2000, the last year of normal travel conditions.

Travel receipts from Canada increased 16 percent in 2004, following an increase of 9 percent in 2003, spurred by a healthy Canadian economy and by an 8-percent increase in the value of the Canadian dollar. Travel receipts from Mexico increased 11 percent, up from a 3-percent increase, as a record number of Mexican visitors came to the United States; the previous record was in 2000. Both border and interior travel increased.

Travel payments increased to \$64.6 billion in 2004 from \$56.6 billion in 2003. Payments to overseas countries increased 14 percent in 2004, following a decline of 4 percent in 2003 as result of concerns about SARS and the war in Iraq; a pickup in U.S. economic growth was the primary cause of the increase in 2004. The

**Chart 11. Annual Services Data, 1992–2004**



**Table K. Services**

[Millions of dollars, quarters seasonally adjusted]

	2002	2003	2004 <sup>p</sup>	2004			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Exports</b> .....	<b>294,107</b>	<b>307,381</b>	<b>339,571</b>	<b>82,298</b>	<b>84,870</b>	<b>85,076</b>	<b>87,327</b>
Travel.....	66,728	64,509	74,768	18,001	18,740	18,547	19,480
Passenger fares.....	17,046	15,693	18,939	4,534	4,724	4,760	4,921
Other transportation.....	29,195	31,833	37,047	9,070	9,215	9,150	9,612
Royalties and license fees.....	44,219	48,227	51,341	12,478	12,586	12,950	13,326
Other private services.....	124,181	133,818	143,150	34,741	35,750	36,179	36,481
Affiliated services.....	43,329	48,450	51,145	12,289	12,787	13,091	12,979
Unaffiliated services.....	80,852	85,368	92,005	22,452	22,963	23,088	23,502
Education.....	12,628	13,399	14,156	3,477	3,515	3,578	3,586
Financial.....	16,091	17,637	19,476	4,828	4,869	4,793	4,986
Insurance.....	4,515	4,877	5,277	1,267	1,302	1,335	1,373
Telecommunications.....	5,016	5,477	5,852	1,433	1,455	1,473	1,491
Business, professional, and technical.....	28,488	29,084	31,458	7,638	7,848	7,919	8,053
Other.....	14,115	14,894	15,785	3,807	3,973	3,991	4,014
Military transactions <sup>1</sup> .....	11,943	12,491	13,571	3,290	3,668	3,301	3,312
U.S. Government receipts.....	795	810	755	184	187	189	195
<b>Imports</b> .....	<b>232,947</b>	<b>256,337</b>	<b>291,169</b>	<b>70,083</b>	<b>72,326</b>	<b>73,925</b>	<b>74,836</b>
Travel.....	58,044	56,613	64,590	15,574	16,351	16,378	16,287
Passenger fares.....	19,969	20,957	23,310	5,608	5,779	5,900	6,023
Other transportation.....	38,407	44,768	54,173	13,055	13,056	13,402	14,660
Royalties and license fees.....	19,235	20,049	22,868	5,225	5,618	6,318	5,708
Other private services.....	75,271	85,829	94,736	23,013	23,559	23,854	24,310
Affiliated services.....	31,848	35,497	38,877	9,405	9,692	9,773	10,007
Unaffiliated services.....	43,423	50,332	55,859	13,608	13,867	14,081	14,303
Education.....	2,451	2,696	2,879	701	716	727	735
Financial.....	3,823	4,236	4,902	1,261	1,243	1,189	1,209
Insurance.....	22,116	26,702	29,979	7,229	7,412	7,586	7,753
Telecommunications.....	4,647	4,799	4,982	1,221	1,236	1,254	1,271
Business, professional, and technical.....	9,617	10,960	12,119	2,951	3,015	3,075	3,078
Other.....	769	938	998	246	246	250	256
Direct defense expenditures <sup>2</sup> .....	19,101	25,117	28,238	6,824	7,143	7,239	7,032
U.S. Government payments.....	2,920	3,004	3,254	784	820	834	816

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

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

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

largest increase in payments was to Europe. The number of travelers to Europe was up 11 percent; to Asia excluding Japan, up 33 percent; to Japan, up 15 percent; and to Latin America, up 8 percent. The number of travelers abroad exceeded the number in 2000, the last year of normal travel conditions.

Travel payments to Canada increased 12 percent in 2004, following a decrease of 2 percent in 2003. Travel has recovered from the effects of SARS in Toronto in 2003, but the number of travelers to Canada has declined every year since 2000. Depreciation of the U.S. dollar in 2002–2004 was a major contributing factor to the decline in the number of travelers in recent years. Travel payments to Mexico increased 14 percent, up from a 5-percent increase; both border and interior travel increased.

Passenger fare receipts increased to \$18.9 billion in 2004 from \$15.7 billion in 2003, reflecting a 12-percent increase in the number of travelers and an increase in the share of passengers traveling on U.S.-flag carriers. Passenger fare payments increased to \$23.3 billion in 2004 from \$21.0 billion in 2003, reflecting a 12-percent increase in the number of travelers and little change in the share of passengers traveling on foreign-flag carriers. Sizable price increases resulting from higher fuel costs affected both receipts and payments; the impact was larger for receipts than for payments and affected routes on the Pacific more than routes on the Atlantic, because fuel is a higher portion of total costs on Pacific routes.

“Other” transportation receipts increased \$5.2 billion, or 16 percent, in 2004, following a \$2.6 billion, or 9-percent, increase in 2003. The largest increases were from Europe and Asia excluding Japan. Port services receipts increased \$3.6 billion, or 20 percent, reflecting strong increases in U.S. export and import volumes, both for ocean and air port services, and a large increase in fuel prices. Freight receipts increased \$1.6 billion, or 12 percent, also as a result of higher volumes for both ocean and air cargoes.

“Other” transportation payments increased \$9.4 billion, or 21 percent, in 2004, following a \$6.4 billion, or 17-percent, increase in 2003. Freight services payments increased \$7.6 billion, or 24 percent, mostly as a result of an increase in ocean freight, reflecting sizable increases both in U.S. import volume and freight rates. West coast ports reported record volumes on liner vessels in July through November as imports from Asia surged. Freight services payments for tramp and tanker vessels also reflected higher U.S. import volumes and especially strong rate increases. Port services payments increased \$1.8 billion, or 14 percent, as most U.S. air carriers reported higher expenses overseas, especially for jet fuel.

“Other” private services receipts increased to \$143.2 billion in 2004 from \$133.8 billion in 2003. Business, professional, and technical services and financial services accounted for much of the increase. “Other” private services payments increased to \$94.7 billion from \$85.8 billion. Insurance and business, professional, and technical services accounted for much of the increase.

Transfers under U.S. military agency sales contracts increased to \$13.6 billion in 2004 from \$12.5 billion in 2003. Direct defense expenditures abroad increased to \$28.2 billion in 2004 from \$25.1 billion in 2003. The increase was attributable to continuing military operations in Iraq. Expenditures were largely for purchases of equipment and supplies and for transportation of troops and materiel.

### Income

The surplus on income decreased to \$24.1 billion in 2004 from \$33.3 billion in 2003 (table C). Income payments increased more than income receipts. The surplus on direct investment income increased to \$132.3 billion from \$118.9 billion, while the deficit on “other” private income increased to \$21.4 billion from \$12.7 billion, and the deficit on U.S. Government income increased to \$81.1 billion from \$67.3 billion.

Receipts of income on U.S. direct investment abroad were \$237.6 billion in 2004, up from \$187.5 billion in 2003 (table L, chart 12). Earnings moved sharply higher in 2002–2004 and are now nearly double their recent cyclical low in 2001. Economic growth in Canada, Japan, and the United Kingdom accelerated in 2003–2004 and in the euro area in 2004 and was a major contributor to the rise in earnings. Substantial appreciation of major foreign currencies also raised earnings abroad in recent years; appreciations were in the 5–8-percent range in 2002, the 8–16-percent range in 2003, and the 7–11-percent range in 2004. By area, in 2004, the largest increases in earnings were in Europe, “other” countries (mainly in Asia), and Canada and were widespread across all major industries. By industry, in 2004, earnings in “other” industries increased \$14.2 billion; the increase was largest in mining (which includes petroleum extraction) and was attributable partly to higher prices of metals and crude oil. Earnings in manufacturing increased \$12.5 billion, reflecting increases in chemicals, petroleum products, and transportation equipment. Earnings in finance and insurance increased \$9.0 billion; nearly all of the increase occurred in nondepository institutions. Earnings in holding companies increased \$7.0 billion, and earnings in wholesale trade increased \$6.7 billion.

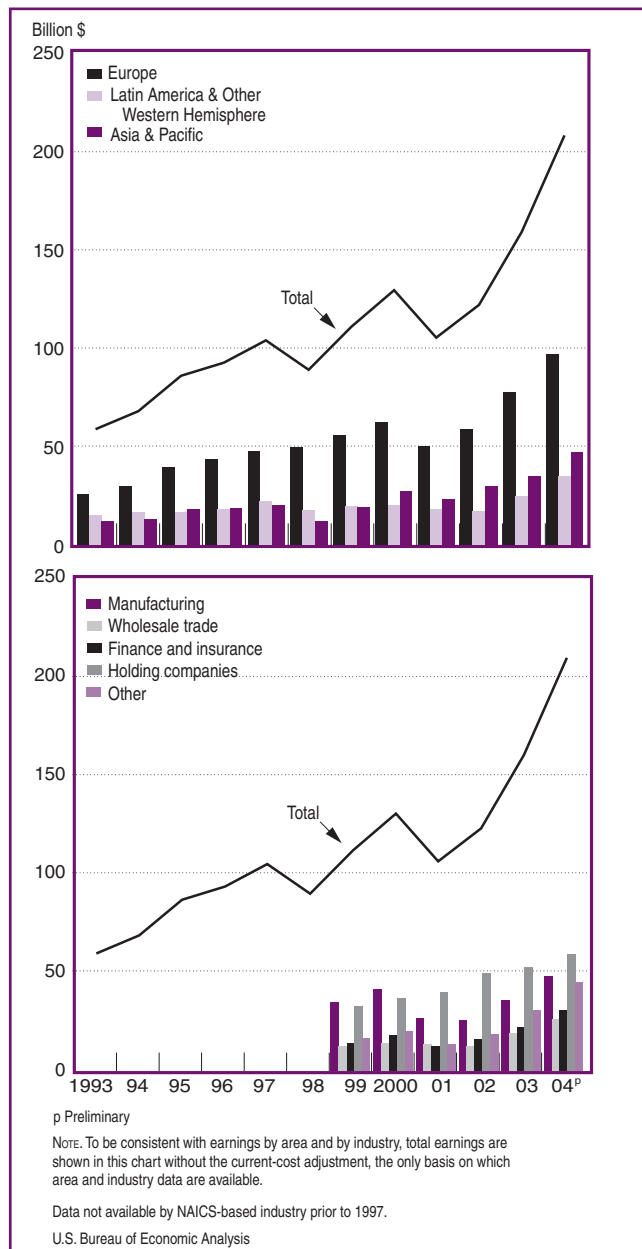
Payments of income on foreign direct investment in the United States were \$105.3 billion in 2004, up from

\$68.7 billion in 2003 (table L, chart 13). Earnings are now substantially above their cyclical low in 2001, when they were negative. The strong increase has paralleled the strengthening of the U.S. economy, which grew 1.9 percent in 2002, 3.0 percent in 2003, and 4.4 percent in 2004. By area, in 2004, earnings of affiliates of parents in continental Europe increased the most, at \$17.9 billion, mostly from Germany (transportation equipment and depository institutions), the Netherlands (petroleum manufacturing), and France (professional, scientific, and technical services; finance

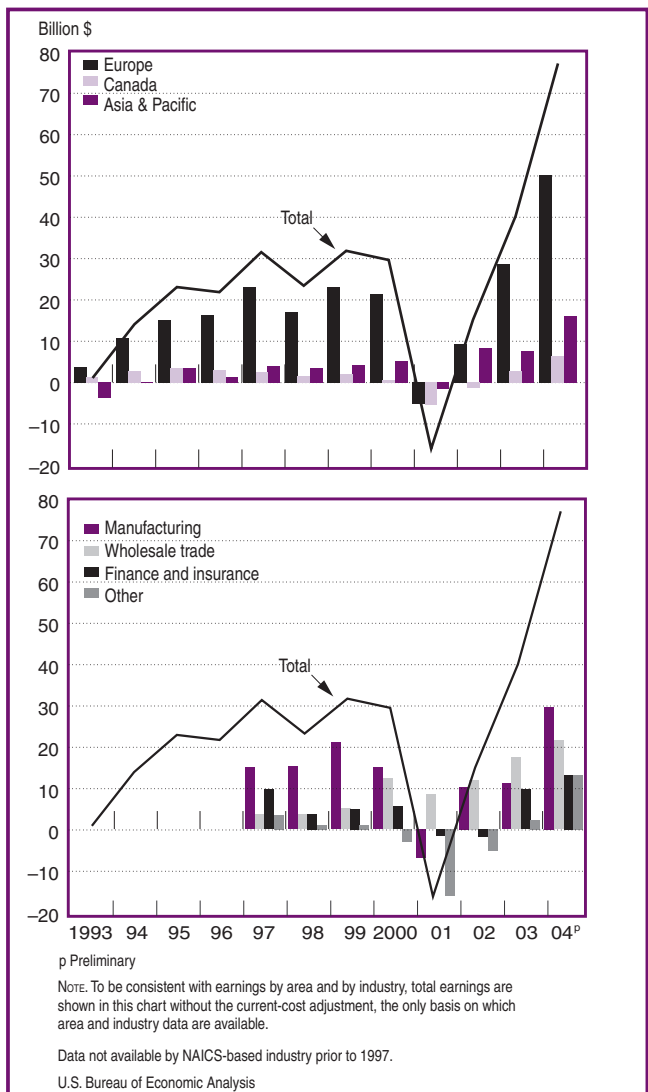
(except depository institutions); and insurance). By industry, most of the increase in earnings was accounted for by manufacturing, which increased \$18.5 billion. Earnings in “other” industries increased \$10.9 billion; earnings in wholesale trade increased \$4.1 billion (mostly automotive); and earnings in finance and insurance increased \$3.6 billion (mostly depository institutions).

Receipts of income on “other” private investment were \$125.3 billion in 2004, up from \$99.1 billion in 2003 (table M, chart 14). Both short- and long-term interest rates increased, and U.S. residents purchased a large amount of foreign stocks for the second consecutive year. Dividends on stocks increased \$11.9 billion as a result of a 38-percent increase in average outstanding balances; dividend yields declined slightly. Interest on

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



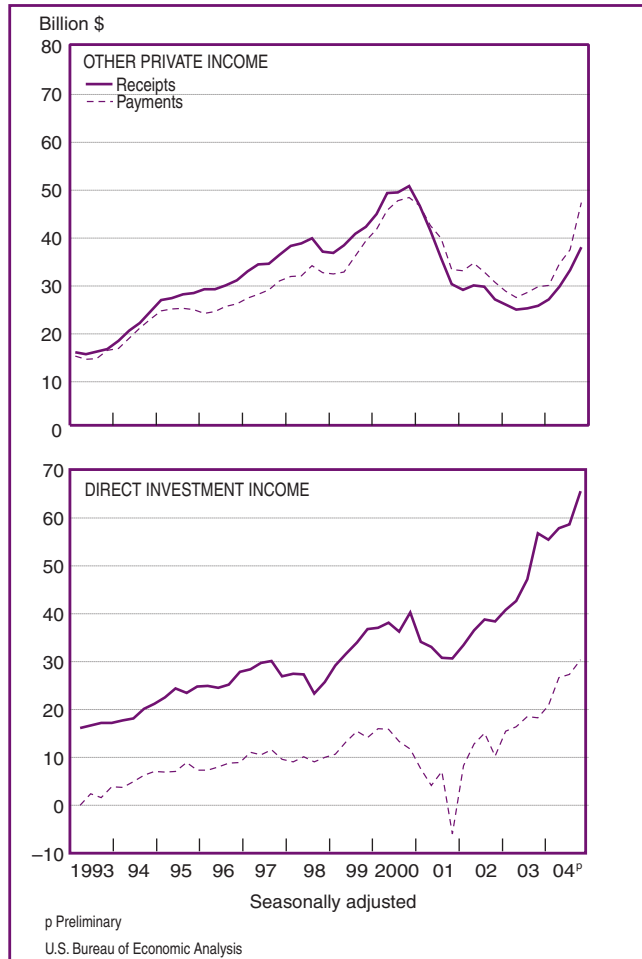
**Chart 13. Earnings on Foreign Direct Investment in the United States**



bonds increased \$1.1 billion, largely as a result of a 27-basis-point increase in yields. Interest earned on banks' claims increased \$7.7 billion as a result of a 21-percent

increase in average outstanding balances and a 26-basis-point increase in yields. Interest earned on "other" (largely nonbanks') claims increased \$5.5 billion as a result of an 11-percent increase in average outstanding balances and a 28-basis-point rise in yields.

**Chart 14. Private Investment Income**



Payments of income on "other" private investment were \$146.7 billion in 2004, up from \$111.9 billion in 2003 (table M, chart 14). Both short- and long-term interest rates increased, and foreigners purchased large amounts of U.S. bonds for the second consecutive year. Interest on bonds increased \$13.8 billion as a result of a 19-percent increase in average outstanding balances and a 20-basis-point increase in yields. Dividends on stocks increased \$8.8 billion as a result of an increase in average outstanding balances that was partly offset by a decline in yields; included in this total is a large special dividend paid by Microsoft Corporation in December. Interest paid on banks' liabilities increased \$7.4 billion as a result of a 21-percent increase in average outstanding balances and a 25-basis-point increase in yields. Interest paid on "other" (largely nonbanks') liabilities

**Table M. Other Private Income**

[Billions of dollars]

	2002	2003	2004 <sup>p</sup>
<b>Receipts</b> .....	<b>113.3</b>	<b>99.1</b>	<b>125.3</b>
Dividends.....	38.0	41.8	53.7
Interest on bonds.....	24.6	18.4	19.4
Interest on bank claims.....	22.7	18.0	25.7
Interest on other claims <sup>1</sup> .....	28.0	21.0	26.5
<b>Payments</b> .....	<b>128.7</b>	<b>111.9</b>	<b>146.7</b>
Dividends.....	23.2	23.3	32.1
Interest on bonds.....	58.8	56.2	70.0
Interest on bank liabilities.....	22.5	15.7	23.1
Interest on other liabilities <sup>1</sup> .....	24.1	16.6	21.5

<sup>p</sup> Preliminary.

<sup>1</sup> Primarily income of financial concerns other than banks.

NOTE: Excludes direct investment income receipts and payments.

**Table L. Direct Investment Income and Capital**

[Millions of dollars, quarters seasonally adjusted]

(Credits +; debits -)	2002	2003	2004 <sup>p</sup>	2004			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Income</b>							
<b>Income receipts on U.S. direct investment abroad</b> .....	<b>147,291</b>	<b>187,522</b>	<b>237,564</b>	<b>55,448</b>	<b>57,898</b>	<b>58,650</b>	<b>65,570</b>
Distributed earnings.....	47,400	40,363	50,698	12,700	14,671	12,208	11,121
Reinvested earnings.....	94,468	141,106	180,907	41,229	41,761	44,962	52,955
Interest, net.....	5,422	6,053	5,959	1,519	1,466	1,480	1,494
<b>Income payments on foreign direct investment in the United States</b> .....	<b>-46,460</b>	<b>-68,657</b>	<b>-105,252</b>	<b>-20,775</b>	<b>-26,735</b>	<b>-27,282</b>	<b>-30,458</b>
Distributed earnings.....	-19,626	-38,265	-25,290	-9,921	-6,360	-4,538	-4,472
Reinvested earnings.....	-5,184	-12,048	-62,619	-6,941	-16,117	-18,144	-21,414
Interest, net.....	-21,649	-18,345	-17,343	-3,913	-4,259	-4,600	-4,571
<b>Capital</b>							
<b>U.S. direct investment abroad (increase/financial outflow (-))</b> .....	<b>-134,835</b>	<b>-173,799</b>	<b>-248,508</b>	<b>-48,049</b>	<b>-55,919</b>	<b>-43,253</b>	<b>-101,287</b>
Equity capital.....	-24,558	-24,595	-84,400	-10,069	-22,009	1,692	-54,014
Reinvested earnings.....	-94,468	-141,106	-180,907	-41,229	-41,761	-44,962	-52,955
Intercompany debt.....	-15,809	-8,096	16,799	3,249	7,851	17	5,682
<b>Foreign direct investment in the United States (increase/financial inflow (+))</b> .....	<b>72,411</b>	<b>39,890</b>	<b>115,530</b>	<b>10,485</b>	<b>32,854</b>	<b>35,861</b>	<b>36,327</b>
Equity capital.....	88,410	62,216	64,797	3,365	27,007	20,221	14,204
Reinvested earnings.....	5,184	12,048	62,619	6,941	16,117	18,144	21,414
Intercompany debt.....	-21,184	-34,374	-11,885	179	-10,270	-2,504	709

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

increased \$4.9 billion as a result of an 18-basis-point increase in average outstanding balances and an 18-basis-point increase in yields.

Receipts of income on U.S. Government assets decreased to \$3.0 billion in 2004 from \$4.7 billion in 2003. In 2003, receipts were boosted by interest receipts on rescheduled debt (table N).

Payments of income on U.S. Government liabilities were \$84.1 billion in 2004, up from \$72.0 billion in 2003 (table N). Payments on U.S. Treasury bonds increased \$21.8 billion, up strongly following 3 years of decline. Much of the rise in interest payments is attributable to strong net foreign purchases of U.S. Treasury securities in 2004, both by private foreigners and by foreign central banks investing the proceeds from the sales of their currencies against the dollar in exchange markets, especially central banks in Asia. A rise in interest rates, mostly in the shorter maturity range, also accounted for some of the increase in interest payments. Payments on agency bonds decreased \$4.6 billion. Payments on U.S. Treasury bills increased \$0.7 billion.

### Unilateral current transfers

Unilateral current transfers were net outflows of \$72.9 billion in 2004, \$5.5 billion more than in 2003 (table N).

U.S. Government grants increased \$1.3 billion. Grants for 2003 disbursed annually to Israel and Egypt under the credit waiver program and under economic assistance programs were not disbursed until the first quarter of 2004; these disbursements in the first quarter totaled \$3.2 billion. Similar disbursements for 2004

were delayed until the first quarter of 2005; only \$0.6 billion was disbursed in the fourth quarter of 2004.

In addition, U.S. Government grants of congressionally appropriated funds to finance reconstruction activities in Iraq totaled \$4.6 billion for 2004, up from \$3.1 billion in 2003; these funds constituted only one source of financial flows for reconstruction activities.

Private remittances and other transfers to foreigners increased \$3.3 billion, mostly because of an increase in personal remittances and withholding taxes.

### Capital Account

Capital account transactions were net outflows of \$1.5 billion in 2004, down from net outflows of \$3.1 billion in 2003. The decrease was more than accounted for by U.S. Government debt forgiveness, which decreased in 2004 from an elevated level in 2003.

### Financial Account

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$615.5 billion in 2004, up from \$545.8 billion in 2003. Financial inflows for foreign-owned assets in the United States increased more than financial outflows for U.S.-owned assets abroad (chart 15).

### U.S.-owned assets abroad

Net U.S.-owned assets abroad increased \$817.7 billion in 2004, compared with an increase of \$283.4 billion in 2003. U.S. claims on foreigners reported by banks and by nonbanks both increased sharply, and net outflows

Table N. Selected U.S. Government Transactions

[Millions of dollars]

(Credits +; debits -)	2002	2003	2004 <sup>P</sup>	2004			
				I	II	III <sup>†</sup>	IV <sup>P</sup>
<b>U.S. Government grants</b> .....	-17,097	-21,865	-23,187	-7,744	-4,910	-4,876	-5,657
<b>U.S. Government forgiveness of foreign debt</b> .....	-193	-1,886	-142	-59	-3	-28	-52
<b>U.S. Government credits and other long-term assets</b> .....	-5,251	-7,279	-3,026	-561	-668	-1,270	-527
From debt rescheduling .....	-2,679	-4,505	-313	-129	-112	-55	-17
Other disbursements .....	-2,572	-2,774	-2,713	-432	-556	-1,215	-510
<b>Repayments of U.S. Government credits and other long-term assets</b> .....	5,701	7,981	4,245	1,374	544	1,299	1,028
From debt rescheduling .....	2,215	2,681	57	42	3	7	5
From debt forgiveness .....	172	1,639	79	26	2	21	30
Other repayments .....	3,314	3,661	4,109	1,306	539	1,271	993
<b>U.S. Government foreign currency holdings and short-term assets, net</b> .....	-105	-165	50	-86	122	-39	53
From debt rescheduling .....	220	292	112	4	103	.....	5
From debt forgiveness .....	.....	29	17	1	(*)	1	15
Other .....	-325	-486	-79	-91	19	-40	33
<b>U.S. Government receipts of income</b> .....	3,303	4,697	3,027	874	529	846	778
From debt rescheduling .....	245	1,533	155	96	6	47	6
From debt forgiveness .....	21	218	46	32	1	6	7
Other receipts .....	3,037	2,945	2,826	746	522	793	765
<b>U.S. Government payments of income</b> .....	-76,114	-72,042	-84,138	-19,057	-20,500	-21,625	-22,956

<sup>†</sup> Revised.

<sup>P</sup> Preliminary.

\* Less than \$500,00 (+/-).

for U.S. direct investment abroad were up substantially.

**US. official reserve assets.** U.S. official reserve assets decreased \$2.8 billion in 2004, following a decrease of \$1.5 billion in 2003. The decrease in 2004 was more than accounted for by a \$3.8 billion decrease in the U.S. reserve position in the International Monetary

Fund (IMF), partly because of the repayment of funds to the IMF by Brazil, Turkey, Argentina, Indonesia, and Russia.

**Claims reported by banks and nonbanks.** U.S. claims reported by U.S. banks and securities brokers increased a record \$353.8 billion in 2004, up very substantially from an increase of \$10.4 billion in 2003 (tables O and P). The previous record was \$148.7 billion in 2000. In 2004, much of the activity was related to conditions in the securities markets and to a step-up in resale agreements with hedge funds in the Caribbean. In addition, banks' interoffice transfers of funds to bank offices abroad were unusually large, partly as a result of a pickup in syndicated loans and in mergers and corporate refinancings. These large outflows from U.S. banks and U.S. securities brokers were nearly matched by large inflows to U.S. banks and U.S. securities brokers; most of the inflows and outflows were channeled through the United Kingdom and Caribbean. In total, outflows and inflows in 2004 were about even, though at much higher levels of gross activity than in 2003.

Claims of U.S. securities brokers increased \$151.3 billion, up from an increase of \$55.6 billion. Increases were related to large net foreign purchases of U.S. securities and resale agreements. Moreover, some of this step-up was attributable to a significantly higher volume of hedge fund activity in the Caribbean throughout the year.

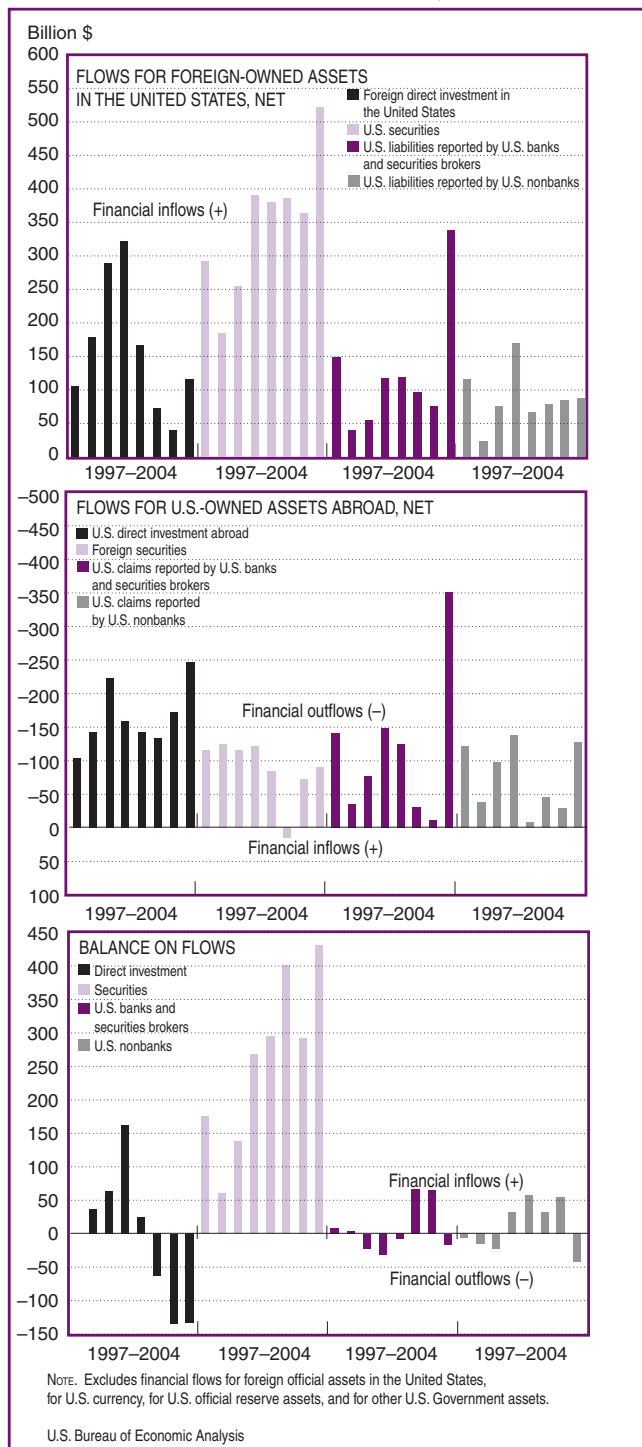
Claims of foreign-owned banks increased \$147.3 billion, up from an increase of \$3.0 billion. Especially large interoffice deposits were used to meet temporary needs for funds, some of which were related to syndicated bank lending and to mergers and corporate refinancings.

Claims of U.S.-owned banks increased \$45.2 billion, following a decrease of \$50.7 billion.

Claims for banks' customers' accounts increased \$8.6 billion in 2004, down from an increase of \$12.5 billion in 2003. Claims denominated in dollars decreased \$6.1 billion in 2004 after an increase of \$14.1 billion; a large decrease in negotiable certificates of deposit and a smaller decrease in commercial paper more than accounted for the decrease. Claims denominated in foreign currencies increased \$14.7 billion, following a decrease of \$1.7 billion, as U.S. investors sought to take advantage of the rising value of short-term instruments denominated in foreign currencies relative to similar dollar-denominated instruments.

Claims reported by U.S. nonbanking concerns increased \$128.6 billion in 2004, following an increase of \$28.9 billion in 2003 (table O). In 2004, U.S. nonbanking concerns increased their deposits \$114.0 billion, largely as a result of a \$90.7 billion increase in deposits in Caribbean financial centers.

**Chart 15. Selected Financial Flows, 1997–2004**



**Foreign securities.** Net U.S. purchases of foreign securities increased to \$90.8 billion in 2004 from \$72.3 billion in 2003 (table O). Net U.S. purchases of foreign stocks were \$93.0 billion, down from \$100.4 billion. Net U.S. sales of foreign bonds decreased to \$2.2 billion from \$28.1 billion.

Net U.S. purchases of foreign stocks remained strong at \$93.0 billion in 2004 but were down from \$100.4 billion in 2003. Foreign stock price returns of 10 percent in local currency and 18 percent in U.S. dollars surpassed U.S. stock price returns of 9 percent, providing incentives for U.S. investors to invest abroad (chart 16). An increase in net purchases of European stocks was partly offset by a decrease in net purchases of Asian stocks.

Stock swaps related to cross-border mergers and acquisitions were net sales of \$12.1 billion in 2004. An unusually large stock swap transaction in the fourth

quarter associated with the restructuring of a large foreign media company as a U.S. company resulted in substantial net U.S. sales of foreign stocks, which partly offset net U.S. purchases of outstanding stocks. Excluding this transaction, net U.S. purchases would show substantially more strength for the fourth quarter and year.

Net U.S. purchases of European stocks were \$60.6 billion, up from \$25.6 billion in 2003. European stock prices rose 9 percent in local currency and 18 percent in U.S. dollars. Net purchases in the United Kingdom accounted for much of the increase; British economic growth remained relatively robust throughout the year, and the pound appreciated 7 percent to a 12-year high against the U.S. dollar. Net U.S. purchases of Asian stocks were \$44.3 billion, down from \$63.3 billion. On average, Asian stock prices rose 9 percent in local currency and 15 percent in U.S. dollars. Net purchases of

**Table O. Private Financial Flows, Net**  
[Billions of dollars]

Claims (increase/financial outflow (-)); liabilities (increase/financial inflow (+))	2002	2003	2004 <sup>P</sup>	2004			
				I	II	III <sup>r</sup>	IV <sup>P</sup>
<b>Private financial flows, net</b> .....	<b>459.6</b>	<b>295.1</b>	<b>256.2</b>	<b>9.3</b>	<b>90.1</b>	<b>56.3</b>	<b>100.5</b>
<b>Bank-reported capital, net</b> <sup>1</sup> .....	<b>66.1</b>	<b>65.2</b>	<b>-15.6</b>	<b>-46.3</b>	<b>4.2</b>	<b>-16.4</b>	<b>42.9</b>
U.S. claims.....	-30.3	-10.4	-353.8	-187.1	-37.0	-55.0	-74.7
U.S. liabilities <sup>1</sup> .....	96.4	75.6	338.2	140.8	41.2	38.7	117.6
<b>Securities, net</b> .....	<b>401.8</b>	<b>292.1</b>	<b>431.4</b>	<b>111.0</b>	<b>91.7</b>	<b>73.6</b>	<b>155.1</b>
Net U.S. purchases of foreign securities.....	15.9	-72.3	-90.8	-16.5	-26.8	-20.3	-27.2
Stocks.....	-17.6	-100.4	-93.0	-21.4	-40.4	-17.1	-14.1
Bonds.....	33.5	28.1	2.2	4.9	13.5	-3.2	-13.1
Net foreign purchases of U.S. securities.....	385.9	364.4	522.2	127.5	118.5	93.9	182.3
U.S. Treasury securities.....	100.4	113.4	108.1	65.4	29.7	0.9	12.1
Other than U.S. Treasury securities.....	285.5	251.0	414.1	62.1	88.8	93.0	170.2
Stocks.....	56.2	37.3	56.2	4.2	1.8	4.8	45.5
Bonds.....	229.3	213.7	357.9	57.9	87.0	88.2	124.7
<b>U.S. currency flows, net</b> .....	<b>21.5</b>	<b>16.6</b>	<b>14.8</b>	<b>-1.8</b>	<b>8.8</b>	<b>2.6</b>	<b>5.3</b>
<b>Direct investment, net</b> .....	<b>-62.4</b>	<b>-133.9</b>	<b>-133.0</b>	<b>-37.6</b>	<b>-23.1</b>	<b>-7.4</b>	<b>-65.0</b>
U.S. direct investment abroad.....	-134.8	-173.8	-248.5	-48.0	-55.9	-43.3	-101.3
Foreign direct investment in the United States.....	72.4	39.9	115.5	10.5	32.9	35.9	36.3
<b>Nonbank-reported capital, net</b> .....	<b>32.6</b>	<b>55.1</b>	<b>-41.5</b>	<b>-16.0</b>	<b>8.5</b>	<b>3.8</b>	<b>-37.8</b>
U.S. claims.....	-45.4	-28.9	-128.6	-56.8	12.1	-9.4	-74.5
U.S. liabilities.....	78.0	84.0	87.1	40.7	-3.6	13.3	36.7

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

1. Liabilities exclude U.S. Treasury securities.

**Table P. Claims and Liabilities Reported by U.S. Banks and Securities Brokers**  
[Billions of dollars]

Claims on foreigners reported by U.S. banks and securities brokers (increase/financial outflow (-)); liabilities to foreigners reported by U.S. banks and securities brokers (excluding U.S. Treasury securities) (increase/financial inflow (+)) <sup>1</sup>	2002	2003	2004 <sup>P</sup>	2004			
				I	II	III <sup>r</sup>	IV <sup>P</sup>
<b>Claims on foreigners reported by U.S. banks and securities brokers (increase/financial outflow (-))</b> .....	<b>-30.3</b>	<b>-10.4</b>	<b>-353.8</b>	<b>-187.1</b>	<b>-37.0</b>	<b>-55.0</b>	<b>-74.7</b>
Claims for own accounts, denominated in dollars:							
Foreign banks.....	-16.7	12.7	-210.8	-138.3	6.8	-49.2	-30.1
Foreign nonbanks, excluding foreign official institutions.....	-7.0	-7.1	-118.1	-29.7	-15.2	-23.0	-50.2
Foreign official institutions.....	-2.8	-13.5	-14.9	-14.0	-0.4	6.1	-6.5
Claims for domestic customers' accounts, denominated in dollars.....	-16.4	-14.1	6.1	-6.0	-13.7	13.6	12.2
Claims denominated in foreign currencies.....	12.6	11.7	-16.1	0.9	-14.6	-2.4	(*)
<b>Liabilities to foreigners reported by U.S. banks and securities brokers (excluding U.S. Treasury securities) (increase/financial inflow (+))<sup>1</sup></b> .....	<b>96.4</b>	<b>75.6</b>	<b>338.2</b>	<b>140.8</b>	<b>41.2</b>	<b>38.7</b>	<b>117.6</b>
Liabilities for own accounts, denominated in dollars:							
Foreign banks.....	59.5	13.6	142.9	78.2	10.3	-3.0	57.3
Foreign nonbanks, including international organizations.....	30.7	105.3	189.7	57.4	15.6	42.2	74.5
Liabilities for domestic customers' accounts, denominated in dollars.....	16.2	-12.8	4.8	2.9	18.1	-1.4	-14.8
Liabilities denominated in foreign currencies.....	-10.0	-30.5	0.9	2.3	-2.9	0.9	0.6

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

1. Excludes liabilities to foreign official agencies.



Japanese stocks were \$6.4 billion below those of 2003, net purchases of Taiwanese stocks fell, and transactions in Chinese stocks shifted to net sales.

Net U.S. sales of foreign bonds were \$2.2 billion in 2004, down from net sales of \$28.1 billion in 2003. Transactions in bonds from the United Kingdom shifted to net purchases of \$55.1 billion from net sales of \$4.8 billion, and net purchases of other European bonds were also strong. European bonds outperformed nearly all other bond markets; annual total returns on European Monetary Union bonds were 7.3 percent, and for sterling bonds, 6.8 percent. By comparison, annual total returns on U.S. bonds were 4.4 percent. Transactions with Caribbean banking centers shifted to net sales of \$12.2 billion from net purchases of \$10.2 billion. Net sales of Asian bonds increased to \$29.7 billion from \$18.3 billion, mostly because of an increase in net sales of bonds from Singapore. New issues of foreign bonds in the United States were \$15.7 billion, down from \$21.3 billion.

**Direct investment.** Net financial outflows for U.S. direct investment abroad were \$248.5 billion in 2004, up from \$173.8 billion in 2003 (table L). Net equity capital outflows were \$84.4 billion, up from \$24.6 billion; outflows were dominated by the restructuring of a large foreign media company as a U.S. company in the fourth quarter. This sizable transaction involved large net equity outflows on direct investment that were offset by stock swap transactions in the portfolio

accounts. Net financial outflows for other acquisitions were somewhat larger than in recent years; many of the largest acquisitions were in “other” manufacturing, mostly in Europe.

Reinvested earnings were \$180.9 billion, up sharply from \$141.1 billion, reflecting a pickup in earnings. Reinvested earnings have increased strongly in each of the past 3 years from their cyclical low in 2001. In 2004, the increase was widespread by industry and was largest in Europe, “Other countries” (mainly Asia), Other Western Hemisphere, and Canada.

Net intercompany debt shifted to net inflows of \$16.8 billion from net outflows of \$8.1 billion. The shift was largest in holding companies and in finance and insurance.

### Foreign-owned assets in the United States

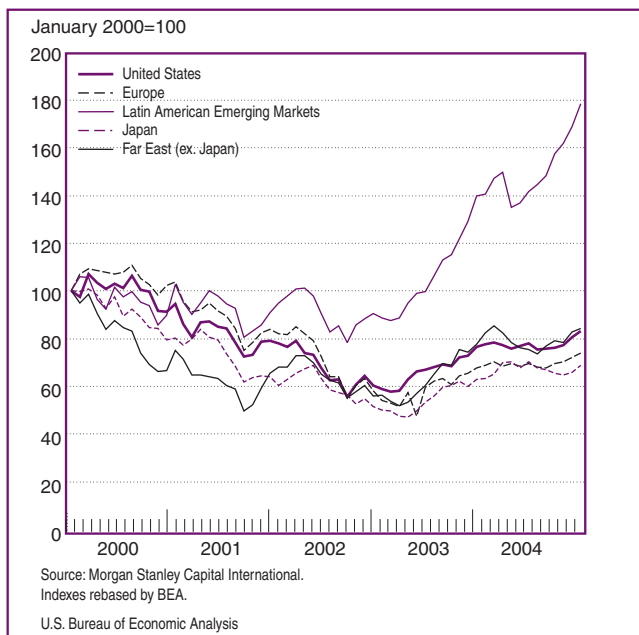
Net foreign-owned assets in the United States increased \$1,433.2 billion in 2004, compared with an increase of \$829.2 billion in 2003. Foreign official assets increased substantially for the third consecutive year. Among private assets, liabilities reported by U.S. banks, net foreign purchases of U.S. securities other than U.S. Treasury securities, and foreign direct investment in the United States were all up by substantial amounts.

**Foreign official assets.** Foreign official assets in the United States increased a record \$355.3 billion in 2004—the third consecutive year of especially large increases—following an increase of \$248.6 billion in 2003. Dollar assets of advanced countries increased \$175.6 billion in 2004. Dollar assets of Japan accounted for much of the increase, as Japanese monetary authorities intervened heavily in exchange markets in the first quarter in order to slow the appreciation of the yen and then continued to acquire dollar assets throughout most of the rest of the year. Dollar assets of developing countries increased \$179.7 billion, largely from Asian countries other than Japan. China and the Republic of Korea each increased their foreign exchange reserves and accumulated a substantial amount of dollar assets. Dollar assets of Russia also increased.

**U.S. liabilities to banks and to nonbanks.** U.S. liabilities reported by U.S. banks and securities brokers increased a record \$338.2 billion in 2004, up substantially from an increase of \$75.6 billion in 2003. The previous record inflow was \$118.4 billion in 2001 (tables O and P).

U.S. financial institutions borrowed large amounts of funds from offshore sources in 2004. Inflows closely paralleled the pattern of cross-border lending by U.S. banks: 40 percent of annual inflows (borrowings) occurred in the first quarter, and 35 percent of inflows occurred in the fourth quarter, when lending was also

**Chart 16. Selected Stock Price Indexes in Local Currencies**



the strongest. As with U.S. bank claims, the large increase in liabilities was related to the sizable increase in repurchase activity in the securities markets, including activity with hedge funds in the Caribbean, and to exceptionally large deposit transfers among banks to satisfy short-term demands for funds for syndicated loans and for mergers and corporate refinancings.

Liabilities of U.S. securities brokers increased \$172.1 billion in 2004, following an increase of \$165.3 billion in 2003. Sizable borrowing by U.S. brokers from foreign nonbanks reflected an increase in repurchase activity, in large part with international mutual funds and hedge funds in the Caribbean.

Liabilities of foreign-owned banks increased \$78.2 billion in 2004, following a decrease of \$59.0 billion in 2003. Interoffice borrowing from foreign banks was related to syndicated lending and merger and acquisition financing.

Liabilities of U.S.-owned banks increased \$82.3 billion, following a \$12.6 billion increase. Much of the increase reflected interoffice borrowing from foreign banks.

Liabilities for banks' customers' accounts increased \$5.8 billion in 2004, following a decrease of \$12.8 billion in 2003, mostly against the Caribbean in the form of negotiable certificates of deposit and other short-term instruments.

Nonbank liabilities increased \$87.1 billion in 2004, following an increase of \$84.0 billion in 2003 (table O). In 2004, the increase was largely accounted for by a \$74.8 billion increase in "other" liabilities (which includes loans, advances, and other borrowings by U.S. nonbank concerns) that was attributable to a \$62.1 billion increase to the United Kingdom.

**U.S. Treasury securities.** Net foreign purchases of U.S. Treasury securities by private foreigners were \$108.1 billion in 2004, down from \$113.4 billion in 2003 (table O). However, in 2002–2004, net foreign purchases have been strong, totaling \$321.9 billion, just below the record total of \$368.9 accumulated in 1995–97. In 2004, most purchases were by the United Kingdom and the Caribbean.

Relative to 2003, the Treasury yield curve shifted up and flattened in 2004 on an average annual basis (chart 17). During 2004, short-term and long-term rates both increased in the first half of the year. In the second half, short-term rates continued to rise, while long-term rates fell.

**Other U.S. securities.** Net foreign purchases of U.S. securities other than U.S. Treasury securities were a record \$414.1 billion in 2004, up from \$251.0 billion in 2003 (table O). Net purchases of U.S. agency bonds were a record \$103.6 billion, following net sales of \$13.4 billion. Net foreign purchases of U.S. corporate

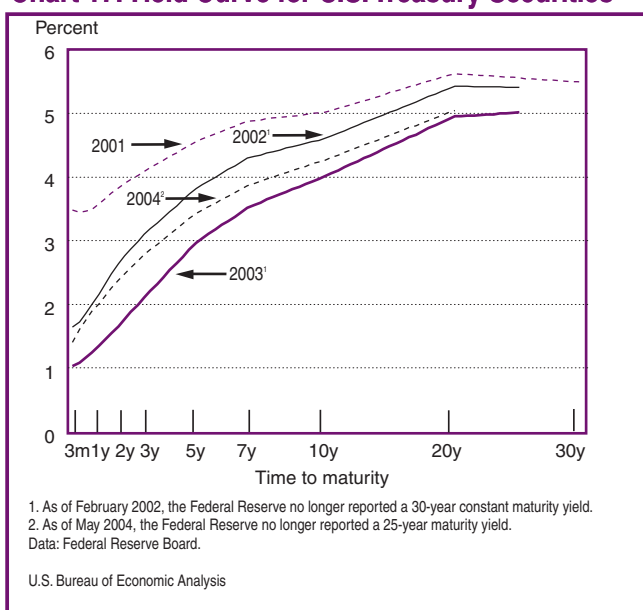
bonds were a record \$254.2 billion, up from the previous record of \$227.1 billion in 2003. Net foreign purchases of U.S. stocks were \$56.2 billion, up from \$37.3 billion.

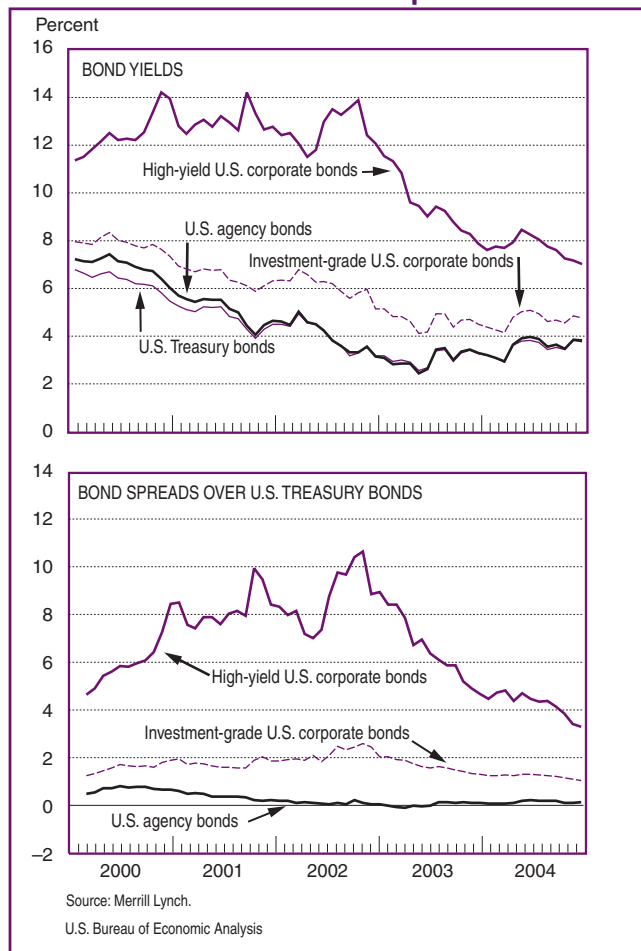
Foreign transactions in U.S. agency bonds shifted to record net purchases of \$103.6 billion in 2004 from net sales of \$13.4 billion in 2003, as investors sought to gain an advantage of 25–35 basis points over Treasury bonds. The strong net purchases were also partly attributable to the slowdown in debt refinancings (which are considered net sales) as higher interest rates resulted in lower principal prepayments of mortgage-backed agency bonds. The increase in net purchases was widespread across all major geographic areas; the largest changes were an increase from the United Kingdom and a shift from net sales to net purchases from Japan.

Net foreign purchases of U.S. corporate bonds were a record \$254.2 billion in 2004, up from the previous record of \$227.1 billion in 2003. Most of the step-up was attributable to increases from Asia, where net purchases doubled to \$53.6 billion, and from Latin America, where net purchases nearly tripled to \$20.7 billion. Throughout the year, credit spreads narrowed, balance sheets improved, and corporate profits rose, enhancing the attractiveness of U.S. corporate debt. Yields on corporate investment grade and noninvestment grade debt exceeded yields on Treasury debt by a smaller amount than in 2003 (chart 18).

New U.S. bond issues sold to foreigners in 2004 were a record \$140.5 billion, up from a record \$118.2 billion in 2003 (table Q). Borrowing costs remained relatively low, credit spreads narrowed, and credit

**Chart 17. Yield Curve for U.S. Treasury Securities**



**Chart 18. U.S. Bond Yields and Spreads**

quality continued to improve. Strong demand continued as investors sought alternatives to relatively low U.S. Treasury bond yields. Foreign acquisitions of new corporate issues were \$84.9 billion, up from \$69.1 billion, and acquisitions of new agency issues were \$55.6 billion, up from \$49.1 billion. Straight fixed-rate issues continued to dominate the market, but floating-rate issues increased significantly. Foreign-currency-denominated issues surpassed dollar-denominated issues for the second year in a row; euro-denominated issues continued to account for this strength.

Net foreign purchases of U.S. stocks were \$56.2 billion in 2004, up from \$37.3 billion in 2003. Net purchases of outstanding issues were low until the fourth quarter, when U.S. stock prices picked up significantly, perhaps stimulated by an improved outlook for U.S. corporate profits; over half of the annual net purchases occurred in the fourth quarter. For the year 2004, the S&P 500 Index gained 9 percent; the NASDAQ Composite Index, 9 percent; and the Dow Jones Industrial Average, 3 percent—all well below their gains in 2003. By comparison, in 2004, the MSCI European Stock Index was up 9 percent in local currency, and the MSCI Emerging Markets Index was up 13 percent in local currency; these advances were also well below those in 2003.

Net foreign purchases of U.S. stocks were also boosted in the fourth quarter by a substantial increase in foreign holdings of U.S. stocks associated with the restructuring of a large foreign media company as a

**Table Q. New Bond Issues Sold to Foreigners by U.S. Borrowers**

[Millions of dollars]

	2002	2003	2004 <sup>P</sup>	2004			
				I	II	III	IV <sup>P</sup>
<b>Total</b> .....	<b>105,435</b>	<b>118,166</b>	<b>140,513</b>	<b>39,820</b>	<b>34,982</b>	<b>35,842</b>	<b>29,869</b>
<b>By issuer:</b>							
Industrial corporations .....	8,404	8,756	6,615	1,265	894	923	3,533
Banking corporations <sup>1</sup> .....	10,007	14,508	27,767	5,897	6,074	9,197	6,599
Nonbank financial corporations <sup>2</sup> .....	38,552	45,841	46,987	11,796	15,292	11,822	8,077
U.S. federally sponsored agencies .....	47,649	49,061	55,637	20,639	11,371	11,967	11,660
All other borrowers .....	823	.....	3,507	223	1,351	1,933	.....
<b>By instrument:</b>							
Straight fixed-rate bonds .....	97,244	101,455	111,101	36,015	24,499	27,113	23,474
Floating-rate notes .....	8,191	16,598	29,412	3,805	10,483	8,729	6,395
Zero-coupon bonds .....	.....	.....	.....	.....	.....	.....	.....
Bonds convertible into stock .....	.....	113	.....	.....	.....	.....	.....
Other debt instruments .....	.....	.....	.....	.....	.....	.....	.....
<b>By currency:</b>							
U.S. dollars .....	61,195	56,690	60,863	19,501	11,226	14,468	15,668
Foreign currencies .....	44,240	61,476	79,650	20,319	23,756	21,374	14,201
Japanese yen .....	4,370	3,582	10,968	1,739	4,125	1,528	3,576
Swiss franc .....	1,865	1,048	4,133	1,676	1,365	634	458
German mark .....	.....	.....	.....	.....	.....	.....	.....
British pound .....	3,594	9,017	10,129	862	1,376	6,234	1,657
Euro .....	34,046	44,783	47,736	12,357	16,108	12,042	7,229
Canadian dollar .....	.....	.....	428	150	109	.....	169
Other currencies .....	365	3,046	6,256	3,535	673	936	1,112

<sup>P</sup> Preliminary.

1. Includes banks and bank holding companies.

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

U.S. company. Excluding this transaction, net foreign purchases would show substantially less strength for the fourth quarter and for the year. For all of 2004, stock swap transactions related to cross-border mergers and acquisitions resulted in net foreign purchases of U.S. stocks of \$36.9 billion.

**U.S. currency flows.** Net U.S. currency shipments to foreigners were \$14.8 billion in 2004, down from \$16.6 billion in 2003. The somewhat lower shipments reflected the continued use of euros rather than dollars for travel and trade and fewer crises in countries and regions that tend to demand dollars in difficult times.

**Direct investment.** Net financial inflows for foreign direct investment in the United States were \$115.5 billion in 2004, up sharply from \$39.9 billion in 2003 (table L).

Reinvested earnings accounted for most of the increase, rising to \$62.6 billion from \$12.0 billion. Reinvested earnings were strongest for affiliates of parent companies in the United Kingdom, Netherlands, Germany, and France; by industry, the largest gains were in petroleum manufacturing and wholesale trade.

Net intercompany debt outflows decreased to \$11.9 billion from \$34.4 billion, as U.S. affiliates' receivables increased sharply and as U.S. affiliates' payables shifted to net inflows.

Net equity capital inflows increased to \$64.8 billion from \$62.2 billion, but remained at low levels and at only 25 percent of peak inflows in 2000. In 2004, a few large acquisitions occurred in financial services, banking, manufacturing, and insurance. The largest acquisition was in financial services by a Canadian company.

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

[Millions of dollars]

(Credit +; debit -)	1990	1991 <sup>†</sup>	1992 <sup>†</sup>	1993 <sup>†</sup>	1994 <sup>†</sup>	1995 <sup>†</sup>	1996 <sup>†</sup>	1997 <sup>†</sup>	1998 <sup>†</sup>	1999 <sup>†</sup>	2000 <sup>†</sup>	2001 <sup>†</sup>	2002 <sup>†</sup>	2003 <sup>†</sup>	2004 <sup>‡</sup>
<b>Exports of goods and services and income receipts:</b>															
Goods, balance of payments basis .....	13,141	18,106	20,667	18,318	16,295	17,405	19,226	23,696	22,933	18,315	17,625	19,503	17,806	16,552	21,567
Transfers under U.S. military agency sales contracts .....	2,687	3,809	4,454	3,675	2,936	4,471	5,638	4,039	5,179	3,982	3,029	2,056	1,983	2,984	2,893
Royalties and license fees .....	94	149	161	220	357	394	253	312	263	332	409	353	357	387	436
Other private services .....	1,423	1,898	3,076	2,752	3,096	3,372	4,138	4,195	4,637	5,585	3,394	3,838	3,971	4,267	5,271
U.S. Government miscellaneous services .....	20	16	22	13	14	17	11	8	8	14	13	13	13	12	12
Income receipts on U.S.-owned assets abroad:															
Direct investment receipts .....	2,854	3,293	3,224	2,745	2,701	3,966	4,220	4,073	2,682	3,750	4,789	3,738	3,526	4,666	6,619
Other private receipts .....	2,326	1,441	1,242	1,015	1,426	1,436	1,241	1,522	1,823	1,804	1,978	1,083	622	387	388
U.S. Government receipts .....	261	217	187	141	122	192	268	263	238	266	448	330	311	754	257
<b>Imports of goods and services and income payments:</b>															
Goods, balance of payments basis .....	-38,399	-33,430	-33,718	-32,648	-31,675	-34,265	-42,675	-43,997	-33,672	-41,952	-66,995	-59,752	-53,246	-68,347	-94,138
Direct defense expenditures .....	-1,419	-784	-883	-455	-360	-335	-545	-944	-1,754	-1,815	-1,568	-1,687	-3,847	-6,374	-8,534
Royalties and license fees .....	(*)	-1	-1	-37	-7	-2	-38	-5	-8	-9	-17	-25	-7	-7	-7
Other private services .....	-306	-461	-482	-430	-535	-570	-801	-821	-916	-954	-566	-583	-673	-716	-1,088
U.S. Government miscellaneous services .....	-96	-87	-47	-26	-39	-34	-31	-29	-28	-46	-46	-45	-42	-47	-47
Income payments on foreign-owned assets in the United States:															
Direct investment payments .....	-98	-93	182	-82	-49	-34	-136	-448	-111	-17	-169	-434	-127	-741	-1,592
Other private payments .....	-2,892	-2,669	-2,385	-2,166	-1,979	-2,697	-2,570	-2,811	-2,738	-2,832	-3,808	-2,751	-1,814	-1,589	-2,254
U.S. Government payments .....	-3,241	-2,764	-2,524	-2,160	-1,747	-2,080	-2,374	-3,454	-3,145	-2,912	-3,224	-3,103	-2,526	-1,722	-1,881
<b>U.S. Government grants</b> .....	<b>3,368</b>	<b>27,453</b>	<b>1,018</b>	<b>-197</b>	<b>-204</b>	<b>-195</b>	<b>-152</b>	<b>-55</b>	<b>-54</b>	<b>-108</b>	<b>-115</b>	<b>-82</b>	<b>-203</b>	<b>-3,334</b>	<b>-4,861</b>
<b>U.S. Government pensions and other current transfers</b> .....	<b>-25</b>	<b>-305</b>	<b>-32</b>	<b>-27</b>	<b>-28</b>	<b>-25</b>	<b>-93</b>	<b>-57</b>	<b>-40</b>	<b>-26</b>	<b>-23</b>	<b>20</b>	<b>-20</b>	<b>-18</b>	<b>-22</b>
<b>U.S.-owned assets abroad, net (increase/capital outflow (-))</b> .....	<b>1,847</b>	<b>-577</b>	<b>-12,162</b>	<b>-513</b>	<b>-2,963</b>	<b>262</b>	<b>-7,318</b>	<b>-9,054</b>	<b>-12,846</b>	<b>1,484</b>	<b>3,437</b>	<b>80</b>	<b>-4,385</b>	<b>-1,274</b>	<b>-682</b>
U.S. Government assets, other than official reserve assets, net .....	-253	-788	-529	19	-422	-901	-458	12	-10	-317	-217	-610	-11	-947	482
U.S. credits and other long-term assets .....	-647	-246	-277	-85	-234	-925	-912	-412	-166	-504	-566	-1,095	-329	-1,923	-36
Repayments on U.S. credits and other long-term assets .....	481	397	279	224	177	215	290	420	154	210	366	490	351	1,024	566
U.S. foreign currency holdings and U.S. short-term assets, net .....	-87	-939	-531	-120	-365	-191	164	4	2	-23	-17	-5	-33	-48	-48
U.S. private assets, net .....	2,100	211	-11,633	-532	-2,541	1,163	-6,860	-9,066	-12,836	1,801	3,654	1,412	-4,374	-327	-1,164
Direct investment .....	-1,277	-2,706	-1,465	-1,597	-3,575	-2,379	-2,884	-2,411	-4,323	-113	-5,824	-2,997	-4,014	-2,792	-1,040
Foreign securities .....	-2,815	-17	337	-679	-1,933	-556	-3,122	-4,077	-965	97	1,515	2,080	1,120	2,124	1,953
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	13	-224	-44	-306	-146	-25	-478	-336	369	-531	566	429	53	-68	-392
U.S. claims reported by U.S. banks, not included elsewhere .....	6,179	3,158	-10,461	2,050	3,113	4,123	-376	-2,242	-7,917	2,348	7,397	1,900	-1,533	409	-1,685
<b>Foreign-owned assets in the United States, net (increase/capital inflow (+))</b> .....	<b>3,320</b>	<b>-4,416</b>	<b>14,529</b>	<b>-8,904</b>	<b>1,400</b>	<b>4,544</b>	<b>18,133</b>	<b>17,353</b>	<b>-12,162</b>	<b>9,868</b>	<b>30,528</b>	<b>-1,702</b>	<b>-2,598</b>	<b>7,497</b>	<b>33,536</b>
Of which: Foreign official .....	1,555	-5,235	5,626	-3,850	-1,464	4,061	14,105	12,700	-11,420	1,595	12,056	-1,710	-9,636	4,541	10,521
U.S. Treasury securities .....	-244	-5,902	4,323	-6,302	-1,668	1,293	16,125	8,965	-13,870	3,250	10,201	-934	-4,593	-5,792	9,794
Other U.S. securities .....	-2,676	1,989	4,186	3,322	-820	1,276	3	3,657	3,393	2,104	14,028	4,391	2,226	7,831	18,837
Other U.S. Government liabilities .....	505	151	569	730	1,797	617	-982	-348	-2,260	-1,163	-678	-288	-337	-1,446	-1,291
U.S. liabilities reported by U.S. banks, not included elsewhere .....	5,686	-164	4,793	-5,665	1,677	1,059	1,813	4,094	2,296	5,540	4,473	-3,893	-1,946	6,626	4,519
Direct investment in the United States .....	-662	81	167	-812	251	-140	623	177	-1,291	315	2,204	-650	827	954	1,224
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns ..	711	-571	491	-177	163	439	551	808	-430	-178	300	-328	1,225	-676	453
All other transactions with OPEC and transfers of funds between foreign areas, net	15,135	-10,795	3,472	18,766	11,239	4,178	3,605	6,214	29,711	5,271	10,881	38,468	40,899	46,663	44,127
<b>Memorandum:</b>															
Balance on goods .....	-25,258	-15,324	-13,051	-14,330	-15,380	-16,860	-23,449	-20,301	-10,739	-23,637	-49,370	-40,249	-35,440	-51,795	-72,571

<sup>†</sup> Revised.<sup>‡</sup> Preliminary.<sup>\*</sup> Less than \$500,000 (+/-).

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

Table 1 through 11 follow.

Table 1. U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	2003	2004 <sup>P</sup>	Not seasonally adjusted			
				2003			
				I	II	III	IV
<b>Current account</b>							
<b>1</b>	<b>Exports of goods and services and income receipts</b>	<b>1,314,888</b>	<b>1,516,169</b>	<b>312,717</b>	<b>319,352</b>	<b>327,829</b>	<b>354,990</b>
2	Exports of goods and services	1,020,503	1,147,181	244,400	249,271	253,788	273,044
3	Goods, balance of payments basis <sup>2</sup>	713,122	807,610	171,660	177,552	172,740	191,170
4	Services <sup>3</sup>	307,381	339,571	72,740	71,719	81,048	81,874
5	Transfers under U.S. military agency sales contracts <sup>4</sup>	12,491	13,571	2,827	3,014	3,292	3,358
6	Travel	64,509	74,768	13,602	14,518	19,220	17,169
7	Passenger fares	15,693	18,939	3,454	3,440	4,561	4,238
8	Other transportation	31,833	37,047	7,352	7,777	8,215	8,489
9	Royalties and license fees <sup>5</sup>	48,227	51,341	11,286	11,779	11,914	13,248
10	Other private services <sup>5</sup>	133,818	143,150	34,017	30,989	33,643	35,169
11	U.S. Government miscellaneous services	810	755	202	202	203	203
12	Income receipts	294,385	368,988	68,317	70,081	74,041	81,946
13	Income receipts on U.S.-owned assets abroad	291,354	365,886	67,576	69,351	73,272	81,155
14	Direct investment receipts	187,522	237,564	41,288	43,984	47,452	54,798
15	Other private receipts	99,135	125,295	25,345	24,218	24,498	25,074
16	U.S. Government receipts	4,697	3,027	943	1,149	1,322	1,283
17	Compensation of employees	3,031	3,102	741	730	769	791
<b>18</b>	<b>Imports of goods and services and income payments</b>	<b>-1,778,117</b>	<b>-2,109,181</b>	<b>-418,713</b>	<b>-438,545</b>	<b>-455,104</b>	<b>-465,755</b>
19	Imports of goods and services	-1,517,011	-1,764,256	-355,417	-374,464	-387,701	-399,429
20	Goods, balance of payments basis <sup>2</sup>	-1,260,674	-1,473,087	-297,186	-310,988	-319,254	-333,246
21	Services <sup>3</sup>	-256,337	-291,169	-58,231	-63,476	-68,447	-66,183
22	Direct defense expenditures	-25,117	-28,238	-5,732	-6,229	-6,339	-6,817
23	Travel	-56,613	-64,590	-12,229	-14,286	-16,868	-13,230
24	Passenger fares	-20,957	-23,310	-4,498	-5,347	-6,163	-4,949
25	Other transportation	-44,768	-54,173	-10,248	-11,242	-11,668	-11,610
26	Royalties and license fees <sup>5</sup>	-20,049	-22,868	-4,480	-4,726	-5,180	-5,663
27	Other private services <sup>5</sup>	-85,829	-94,736	-20,299	-20,897	-21,476	-23,157
28	U.S. Government miscellaneous services	-3,004	-3,254	-745	-749	-753	-757
29	Income payments	-261,106	-344,925	-63,296	-64,081	-67,403	-66,326
30	Income payments on foreign-owned assets in the United States	-252,573	-336,064	-61,221	-62,078	-65,265	-64,009
31	Direct investment payments	-68,657	-105,252	-15,079	-17,541	-19,452	-16,585
32	Other private payments	-111,874	-146,674	-28,146	-26,785	-27,844	-29,099
33	U.S. Government payments	-72,042	-84,138	-17,996	-17,752	-17,969	-18,325
34	Compensation of employees	-8,533	-8,861	-2,075	-2,003	-2,138	-2,317
<b>35</b>	<b>Unilateral current transfers, net</b>	<b>-67,439</b>	<b>-72,928</b>	<b>-16,979</b>	<b>-16,001</b>	<b>-16,674</b>	<b>-17,785</b>
36	U.S. Government grants <sup>4</sup>	-21,865	-23,187	-5,833	-5,832	-5,447	-4,753
37	U.S. Government pensions and other transfers	-5,341	-6,235	-1,037	-1,208	-1,155	-1,941
38	Private remittances and other transfers <sup>6</sup>	-40,233	-43,506	-10,109	-8,961	-10,072	-11,091
<b>Capital and financial account</b>							
<b>Capital account</b>							
<b>39</b>	<b>Capital account transactions, net</b>	<b>-3,079</b>	<b>-1,477</b>	<b>-406</b>	<b>-1,552</b>	<b>-821</b>	<b>-300</b>
<b>Financial account</b>							
<b>40</b>	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b>	<b>-283,414</b>	<b>-817,676</b>	<b>-106,395</b>	<b>-114,630</b>	<b>-10,447</b>	<b>-51,942</b>
41	U.S. official reserve assets, net	1,523	2,805	83	-170	-611	2,221
42	Gold <sup>7</sup>						
43	Special drawing rights	601	-398	897	-102	-97	-97
44	Reserve position in the International Monetary Fund	1,494	3,826	-644	86	-383	2,435
45	Foreign currencies	-572	-623	-170	-154	-131	-117
46	U.S. Government assets, other than official reserve assets, net	537	1,269	53	310	483	-309
47	U.S. credits and other long-term assets	-7,279	-3,026	-2,428	-1,591	-1,532	-1,728
48	Repayments on U.S. credits and other long-term assets <sup>8</sup>	7,981	4,245	2,445	1,975	2,035	1,526
49	U.S. foreign currency holdings and U.S. short-term assets, net	-165	50	36	-74	-20	-107
50	U.S. private assets, net	-285,474	-821,750	-106,531	-114,770	-10,319	-53,854
51	Direct investment	-173,799	-248,508	-44,567	-37,717	-47,515	-44,000
52	Foreign securities	-72,337	-90,840	-26,619	8,429	-28,312	-25,835
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-28,932	-128,589	-11,207	-22,480	35,845	-31,090
54	U.S. claims reported by U.S. banks, not included elsewhere	-10,406	-353,813	-24,138	-63,002	29,663	47,071
<b>55</b>	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b>	<b>829,173</b>	<b>1,433,171</b>	<b>245,695</b>	<b>220,419</b>	<b>135,414</b>	<b>227,645</b>
56	Foreign official assets in the United States, net	248,573	355,252	48,986	65,245	50,663	83,679
57	U.S. Government securities	194,568	287,495	39,845	45,958	27,293	81,472
58	U.S. Treasury securities <sup>9</sup>	169,685	261,540	30,277	42,668	23,953	72,787
59	Other <sup>10</sup>	24,883	25,955	9,568	3,290	3,340	8,685
60	Other U.S. Government liabilities <sup>11</sup>	-564	-314	-437	-16	-41	-70
61	U.S. liabilities reported by U.S. banks, not included elsewhere	49,420	55,442	8,325	18,552	22,019	524
62	Other foreign official assets <sup>12</sup>	5,149	12,629	1,253	751	1,392	1,753
63	Other foreign assets in the United States, net	580,600	1,077,919	196,709	155,174	84,751	143,966
64	Direct investment	39,890	115,530	32,113	1,322	-1,598	8,053
65	U.S. Treasury securities	113,432	108,138	8,974	53,254	46,490	4,714
66	U.S. securities other than U.S. Treasury securities	250,981	414,084	56,723	92,407	18,090	83,761
67	U.S. currency	16,640	14,827	4,927	1,458	2,768	7,487
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	84,014	87,113	69,410	-2,257	12,721	4,140
69	U.S. liabilities reported by U.S. banks, not included elsewhere	75,643	338,227	24,562	8,990	6,280	35,811
<b>70</b>	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	<b>-12,012</b>	<b>51,922</b>	<b>-15,919</b>	<b>30,957</b>	<b>19,803</b>	<b>-46,853</b>
70a	Of which: Seasonal adjustment discrepancy						
<b>Memoranda:</b>							
71	Balance on goods (lines 3 and 20)	-547,552	-665,477	-125,526	-133,436	-146,514	-142,076
72	Balance on services (lines 4 and 21)	51,044	48,402	14,509	8,243	12,601	15,691
73	Balance on goods and services (lines 2 and 19)	-496,508	-617,075	-111,017	-125,193	-133,913	-126,385
74	Balance on income (lines 12 and 29)	33,279	24,063	5,021	6,000	6,638	15,620
75	Unilateral current transfers, net (line 35)	-67,439	-72,928	-16,979	-16,001	-16,674	-17,785
76	Balance on current account (lines 1, 18, and 39 or lines 73, 74, and 75) <sup>13</sup>	-530,668	-665,940	-122,975	-135,194	-143,949	-128,550















**Table 4. U.S. Official Reserve Assets and Foreign Official Assets in the United States**  
 [Millions of dollars]

Line	(Credits +; decrease in U.S. assets or increase in foreign assets. Debits -; increase in U.S. assets or decrease in foreign assets.)	2003	2004 <sup>P</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 2004
				2003				2004				
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>P</sup>	
A1	<b>U.S. official reserve assets, net (table 1, line 41)</b> .....	<b>1,523</b>	<b>2,805</b>	<b>83</b>	<b>-170</b>	<b>-611</b>	<b>2,221</b>	<b>557</b>	<b>1,122</b>	<b>429</b>	<b>697</b>	<b>189,545</b>
2	Gold (table 1, line 42).....											113,947
3	Special drawing rights (table 1, line 43).....	601	-398	897	-102	-97	-97	-100	-90	-98	-110	13,582
4	Reserve position in the International Monetary Fund (table 1, line 44).....	1,494	3,826	-644	86	-383	2,435	815	1,345	676	990	19,544
5	Foreign currencies (table 1, line 45).....	-572	-623	-170	-154	-131	-117	-158	-133	-149	-183	42,472
B1	<b>Foreign official assets in the United States, net (table 1, line 56)</b> .....	<b>248,573</b>	<b>355,252</b>	<b>48,986</b>	<b>65,245</b>	<b>50,663</b>	<b>83,679</b>	<b>127,864</b>	<b>73,349</b>	<b>72,004</b>	<b>82,035</b>	<b>1,852,316</b>
	By instrument:											
2	U.S. Treasury securities (table 1, line 58).....	169,685	261,540	30,277	42,668	23,953	72,787	101,692	62,979	54,693	42,176	1,209,807
3	Bills and certificates.....	21,581	15,523	16,818	3,763	-3,107	4,107	19,579	289	10,555	-14,900	244,573
4	Bonds and notes, marketable.....	148,259	246,999	13,406	38,850	27,004	68,999	83,186	62,660	44,108	57,045	963,604
5	Bonds and notes, nonmarketable.....	-155	-982	53	55	56	-319	-1,073	30	30	31	1,630
6	Other U.S. Government securities (table 1, line 59).....	24,883	25,955	9,568	3,290	3,340	8,685	13,016	2,261	7,140	3,538	211,092
7	Other U.S. Government liabilities (table 1, line 60).....	-564	-314	-437	-16	-41	-70	-140	-89	501	-586	16,267
8	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 61).....	49,420	55,442	8,325	18,552	22,019	524	11,854	6,189	6,354	31,045	271,976
9	Banks' liabilities for own account <sup>1</sup> .....	27,316	21,620	5,670	8,175	15,264	-1,793	8,296	7,698	1,409	4,217	147,117
10	Repurchase agreements.....	28,558	15,081	6,125	4,668	16,709	1,056	2,029	10,456	7,378	-4,782	110,743
11	Deposits and brokerage balances <sup>2</sup> .....	3,292	4,075	4,288	615	-2,891	1,280	1,129	3,489	-5,109	4,566	28,222
12	Other liabilities.....	-4,534	2,464	-4,743	2,892	1,446	-4,129	5,138	-6,247	-860	4,433	8,152
13	Banks' customers' liabilities <sup>1</sup> .....	22,104	33,822	2,655	10,377	6,755	2,317	3,558	-1,509	4,945	26,828	124,859
14	Negotiable certificates of deposit and other short-term instruments.....	19,719	34,565	1,808	6,195	5,154	6,562	5,666	-3,668	6,245	26,322	123,153
15	Other liabilities.....	2,385	-743	847	4,182	1,601	-4,245	-2,108	2,159	-1,300	506	1,706
16	Other foreign official assets (table 1, line 62).....	5,149	12,629	1,253	751	1,392	1,753	1,442	2,009	3,316	5,862	143,174
	By area:											
17	Europe.....	5,118	43,089	8,744	3,210	308	-7,144	4,549	22,534	4,545	11,461	347,675
18	Canada.....	-1,105	933	-978	-168	406	-365	892	-114	968	-813	7,373
19	Latin America and Caribbean.....	12,290	20,336	3,339	7,992	522	437	4,448	7,786	3,841	4,261	111,697
20	Asia.....	228,067	280,263	40,568	49,492	51,744	86,283	117,367	45,661	62,339	54,896	1,348,457
21	Africa.....	328	2,177	-189	505	-972	984	1,512	480	1,239	-1,054	13,953
22	Other.....	3,855	8,454	-2,498	4,214	-1,345	3,484	-904	-2,998	-928	13,284	23,161

See the footnotes on pages 67-68.

Table 5. Selected U.S. Government Transactions

[Millions of dollars]

Line		2003	2004 <sup>P</sup>	Not seasonally adjusted							
				2003				2004			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>P</sup>
A1	<b>U.S. Government grants and transactions increasing Government assets, total</b>	<b>31,196</b>	<b>26,305</b>	<b>8,322</b>	<b>8,764</b>	<b>7,509</b>	<b>6,601</b>	<b>8,451</b>	<b>5,459</b>	<b>6,213</b>	<b>6,183</b>
	<b>By category</b>										
2	Grants, net	23,752	23,330	5,930	7,100	5,957	4,766	7,804	4,914	4,904	5,709
3	U.S. Government current grants, net (table 1, line 36, with sign reversed)	21,865	23,187	5,833	5,832	5,447	4,753	7,744	4,910	4,876	5,657
4	Financing military purchases <sup>1</sup>	6,364	6,235	2,979	1,642	512	1,230	3,973	576	397	1,290
5	Other grants	15,502	16,953	2,854	4,190	4,935	3,523	3,772	4,334	4,479	4,367
6	Cash contributions received from coalition partners for Persian Gulf operations										
7	Debt forgiveness (table 1, part of line 39, with sign reversed)	1,886	142	97	1,267	509	13	59	3	28	52
8	Credits and other long-term assets (table 1, line 47, with sign reversed)	7,279	3,026	2,428	1,591	1,532	1,728	561	668	1,270	527
9	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,434	2,037	378	405	357	294	342	513	849	333
10	Credits repayable in U.S. dollars	5,845	990	2,050	1,186	1,175	1,434	219	155	421	195
11	Credits repayable in other than U.S. dollars										
12	Other long-term assets										
13	Foreign currency holdings and short-term assets, net (table 1, line 49 with sign reversed)	165	-50	-36	74	20	107	86	-122	39	-53
14	Foreign currency holdings (excluding administrative cash holdings), net	5	1			5				1	
	Receipts from:										
15	Sales of agricultural commodities										
16	Interest	4				4					
17	Repayments of principal	2	1	(*)		1				1	
18	Reverse grants										
19	Other sources										
	Less currencies disbursed for:										
20	Grants and credits in the recipient's currency										
21	Other grants and credits										
22	Other U.S. Government expenditures										
23	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net	181	-41	-4	94	24	67	78	-137	31	-12
24	Other assets held under Commodity Credit Corporation Charter Act, net										
25	Assets financing military sales contracts, net <sup>2</sup>										
26	Other short-term assets (including changes in administrative cash holdings), net	-21	-11	-33	-20	-9	40	8	15	8	-41
	<b>By program</b>										
27	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,434	2,037	378	405	357	294	342	513	849	333
28	Under Agricultural Trade Development and Assistance Act and related programs	2,661	1,129	327	1,318	453	564	306	276	267	280
29	Under Foreign Assistance Act and related programs	22,451	21,429	6,611	6,344	5,146	4,351	7,444	4,255	4,659	5,072
30	Under Export-Import Bank Act	3,316	273	753	429	1,159	975	60	23	104	86
31	Under Commodity Credit Corporation Charter Act	97	97	17	5	39	36	68	13	17	
32	Under other grant and credit programs	1,253	1,350	270	284	359	341	224	364	309	453
33	Other foreign currency assets acquired (lines A16, A17, and A19)	5	1	1		5				1	
34	Less foreign currencies used by U.S. Government other than for grants or credits (line A22)										
35	Other (including changes in administrative cash holdings), net	-22	-11	-33	-20	-9	40	8	15	8	-41
	<b>By disposition<sup>3</sup></b>										
36	Estimated transactions involving no direct dollar outflow from the United States	24,327	16,902	6,959	6,919	5,502	4,948	6,733	3,092	3,237	3,840
37	Expenditures on U.S. goods	9,006	7,052	3,575	2,730	1,376	1,325	3,815	871	946	1,420
38	Expenditures on U.S. services <sup>4</sup>	7,744	6,791	1,237	2,096	2,492	1,919	1,632	1,685	1,807	1,666
39	Financing of military sales contracts by U.S. Government <sup>5</sup> (line C6)	2,532	2,824	603	474	568	888	1,123	565	417	719
40	By long-term credits	180	124	10	76	58	36			46	77
41	By short-term credits <sup>1</sup>										
42	By grants <sup>1</sup>	2,353	2,699	592	398	510	852	1,123	565	370	642
43	U.S. Government grants and credits to repay prior U.S. Government credits <sup>1,4</sup>	4,574	166	1,386	1,522	998	668	82	6	37	41
44	U.S. Government long- and short-term credits to repay prior U.S. private credits <sup>6</sup> and other assets	529	135	179	102	87	162	71	20	35	9
45	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>7</sup> (line C11)										
46	Less receipts on short-term U.S. Government assets (a) financing military sales contracts <sup>1</sup> (b) financing repayment of private credits and other assets, and (c) financing expenditures on U.S. goods	57	63	21	4	19	13	-11	55	3	16
47	Less foreign currencies used by U.S. Government other than for grants or credits (line A22)										
48	Estimated dollar payments to foreign countries and international financial institutions	6,869	9,404	1,363	1,846	2,007	1,653	1,718	2,367	2,975	2,343
B1	<b>Repayments on U.S. Government long-term assets, total (table 1, line 48)</b>	<b>7,981</b>	<b>4,245</b>	<b>2,445</b>	<b>1,975</b>	<b>2,035</b>	<b>1,526</b>	<b>1,374</b>	<b>544</b>	<b>1,299</b>	<b>1,028</b>
2	Receipts of principal on U.S. Government credits	7,981	4,245	2,445	1,975	2,035	1,526	1,374	544	1,299	1,028
3	Under Agricultural Trade Development and Assistance Act and related programs	1,640	531	88	1,023	141	388	55	31	137	309
4	Under Foreign Assistance Act and related programs	3,417	1,810	1,792	591	724	310	795	235	445	335
5	Under Export-Import Bank Act	2,520	1,446	440	310	1,054	716	390	223	583	250
6	Under Commodity Credit Corporation Charter Act	328	375	125	51	107	45	125	56	133	62
7	Under other credit programs	77	83			9	68	10		1	72
8	Receipts on other long-term assets										
C1	<b>U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 60)</b>	<b>-564</b>	<b>-314</b>	<b>-437</b>	<b>-16</b>	<b>-41</b>	<b>-70</b>	<b>-140</b>	<b>-89</b>	<b>501</b>	<b>-586</b>
2	Associated with military sales contracts <sup>2</sup>	-591	-303	-441	-35	-49	-67	-142	-89	516	-588
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds <sup>1</sup>	11,062	11,985	3,126	3,178	2,273	2,484	3,439	2,773	3,638	2,134
4	Less U.S. Government receipts from principal repayments	796	991	346	124	244	81	567	57	238	129
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States	899	548	997	549	-647		847	-299		
6	Plus financing of military sales contracts by U.S. Government <sup>5</sup> (line A39)	2,532	2,824	603	474	568	888	1,123	565	417	719
7	By long-term credits	180	124	10	76	58	36			46	77
8	By short-term credits <sup>1</sup>										
9	By grants <sup>1</sup>	2,353	2,699	592	398	510	852	1,123	565	370	642
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits) <sup>1,2</sup> (table 1, line 5)	12,491	13,572	2,827	3,014	3,292	3,358	3,289	3,669	3,302	3,312
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>7</sup> (line A45)										
12	Associated with other liabilities	27	-10	4	19	7	-4	2		-14	2
13	Sales of nuclear material by Department of Energy/U.S. Enrichment Corporation <sup>8</sup>										
14	Sales of space launch and other services by National Aeronautics and Space Administration	32		17	16		-1				
15	Other sales and miscellaneous operations	-6	-10	-13	3	7	-3	2		-14	2

See the footnotes on pages 67-68.





**Table 7a. Transactions in Long-Term Securities—Continues**  
 (Millions of dollars)

Line	(Credits +; debits -)	2003	2004 <sup>P</sup>	Not seasonally adjusted							
				2003				2004			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>P</sup>
<b>A1</b>	<b>Foreign securities, net purchases (-) or net sales (+) by U.S. residents (table 1, line 52 or lines 4 + 18 below)</b>	<b>-72,337</b>	<b>-90,840</b>	<b>-26,619</b>	<b>8,429</b>	<b>-28,312</b>	<b>-25,835</b>	<b>-16,524</b>	<b>-26,844</b>	<b>-20,290</b>	<b>-27,182</b>
2	Stocks, gross purchases by U.S. residents	1,476,983	1,863,748	304,908	334,356	407,143	430,576	510,116	517,198	396,226	440,208
3	Stocks, gross sales by U.S. residents	1,376,552	1,770,754	270,802	317,732	376,642	411,376	488,684	476,808	379,151	426,111
4	<b>Stocks, net purchases by U.S. residents</b>	<b>-100,431</b>	<b>-92,994</b>	<b>-34,106</b>	<b>-16,624</b>	<b>-30,501</b>	<b>-19,200</b>	<b>-21,432</b>	<b>-40,390</b>	<b>-17,075</b>	<b>-14,097</b>
5	New issues in the United States	-313	-372	-201	.....	-112	.....	-75	-92	.....	-205
6	Transactions in outstanding stocks, net	-100,118	-92,622	-33,905	-16,624	-30,389	-19,200	-21,357	-40,298	-17,075	-13,892
	Net purchases by U.S. residents, by area:										
7	Europe	-25,574	-60,605	-23,424	-8,294	-4,189	10,333	-5,215	-21,261	-12,380	-21,749
9	Of which: United Kingdom	-27,787	-38,954	-22,668	-6,343	-1,711	2,935	1,579	-16,874	-8,349	-15,310
9	Canada	-2,570	-13,580	137	-1,395	-1,218	-94	418	-11,686	-599	-1,713
10	Caribbean financial centers <sup>1</sup>	-3,877	419	-4,139	-1,213	1,609	-134	-1,687	-3,037	1,231	3,912
11	Latin America, excluding Caribbean financial centers	-1,212	2,181	-520	313	32	-1,037	1,639	1,136	305	-899
12	Asia	-63,324	-44,268	-5,523	-5,470	-27,213	-25,118	-16,357	-5,016	-4,258	-18,637
	Of which: Japan	-37,483	-31,055	-2,792	-2,848	-17,370	-14,473	-13,923	-5,197	-3,599	-8,336
14	Africa	-188	-105	-79	-45	-187	123	8	-33	360	-440
15	Other	-3,686	22,964	-558	-520	665	-3,273	-238	-493	-1,734	25,429
16	Bonds, gross purchases by U.S. residents	2,136,812	1,647,463	412,054	555,580	578,522	590,656	525,576	400,262	350,662	370,963
17	Bonds, gross sales by U.S. residents	2,164,906	1,649,617	419,541	580,633	580,711	584,021	530,484	413,808	347,447	357,878
18	<b>Bonds, net purchases by U.S. residents</b>	<b>28,094</b>	<b>2,154</b>	<b>7,487</b>	<b>25,053</b>	<b>2,189</b>	<b>-6,635</b>	<b>4,908</b>	<b>13,546</b>	<b>-3,215</b>	<b>-13,085</b>
19	New issues in the United States	-21,262	-15,664	-10,138	-2,282	-3,235	-5,607	-4,518	-2,261	-5,039	-3,846
20	Transactions in outstanding bonds, net <sup>2</sup>	49,356	17,818	17,625	27,335	5,424	-1,028	9,426	15,807	1,824	-9,239
	Net purchases by U.S. residents, by area:										
21	Europe	10,679	-44,614	5,262	15,923	-9,511	-995	-11,886	-7,530	-9,806	-15,392
	Of which: United Kingdom	4,755	-55,115	9,644	8,146	-11,484	-1,551	-15,668	-10,176	-12,147	-17,124
23	Canada	10,218	-2,417	4,083	3,188	4,021	-1,074	967	-820	-511	-2,053
24	Caribbean financial centers <sup>1</sup>	-10,215	12,230	-6,324	-649	-6,035	2,793	4,944	3,818	4,418	-950
25	Latin America, excluding Caribbean financial centers	-1,330	6,551	-1,858	-2,136	2,265	399	2,072	4,503	1,544	-1,568
26	Asia	18,307	29,677	4,748	9,908	11,474	-7,823	8,601	14,687	138	6,251
	Of which: Japan	5,508	7,837	1,630	2,756	6,803	-5,681	482	7,836	-2,496	2,015
28	Africa	463	2,541	274	190	-66	65	219	423	653	1,246
29	Other	-28	-1,814	1,302	-1,371	41	.....	-9	-1,535	349	-619

See the footnotes on pages 67-68.



Table 7a. Transactions in Long-Term Securities

(Millions of dollars)

Line	(Credits +; debits -)	2003	2004 <sup>P</sup>	Not seasonally adjusted							
				2003				2004			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>P</sup>
B1	<b>U.S. securities, excluding transactions in U.S. Treasury securities and transactions of foreign official agencies, net purchases (+) or net sales (-) by foreign residents (table 1, line 66 or lines 4 + 16 + 30 below)</b> .....	<b>250,981</b>	<b>414,084</b>	<b>56,723</b>	<b>92,407</b>	<b>18,090</b>	<b>83,761</b>	<b>62,064</b>	<b>88,843</b>	<b>93,021</b>	<b>170,156</b>
2	Stocks, gross purchases by foreign residents .....	3,107,487	4,080,037	653,734	816,984	777,317	859,452	1,019,250	1,057,550	921,386	1,081,851
3	Stocks, gross sales by foreign residents .....	3,070,224	4,023,805	656,399	796,475	780,717	836,633	1,015,094	1,055,739	916,591	1,036,381
4	<b>Stocks, net purchases by foreign residents</b> .....	<b>37,263</b>	<b>56,232</b>	<b>-2,665</b>	<b>20,509</b>	<b>-3,400</b>	<b>22,819</b>	<b>4,156</b>	<b>1,811</b>	<b>4,795</b>	<b>45,470</b>
	Net purchases by foreign residents, by area:										
5	Europe.....	25,206	34,243	801	9,582	-723	15,546	4,765	5,004	-42	24,432
	Of which: United Kingdom.....	199	28,388	-1,247	1,352	-3,167	3,261	1,235	4,870	1,360	20,923
7	Canada.....	11,593	2,251	2,224	4,457	-2,150	7,062	3,128	-3,332	3,885	-1,430
8	Caribbean financial centers <sup>1</sup> .....	-1,699	1,227	-6,742	4,005	409	629	-793	-5,587	-1,008	8,615
9	Latin America, excluding Caribbean financial centers.....	-97	257	-342	367	-68	-54	205	-252	-43	347
10	Asia.....	2,587	6,519	4,271	1,107	-1,524	-1,267	-3,310	5,599	2,071	2,159
	Of which: Japan.....	-2,529	4,829	1,474	-2,434	-1,311	-2,58	-3,317	2,421	1,924	3,801
12	Africa.....	243	-67	-3	128	-35	153	-197	13	116	1
13	Other.....	-570	11,802	-2,874	863	691	750	358	366	-268	11,346
14	Corporate bonds, gross purchases by foreign residents .....	1,030,558	1,162,877	228,091	271,392	258,469	272,606	292,462	276,045	288,844	305,526
15	Corporate bonds, gross sales by foreign residents .....	803,475	908,647	172,875	210,240	206,022	214,338	241,238	224,934	206,335	236,140
16	<b>Corporate bonds, net purchases by foreign residents</b> .....	<b>227,083</b>	<b>254,230</b>	<b>55,216</b>	<b>61,152</b>	<b>52,447</b>	<b>58,268</b>	<b>51,224</b>	<b>51,111</b>	<b>82,509</b>	<b>69,386</b>
17	New issues sold abroad by U.S. corporations.....	69,105	84,876	18,625	15,185	20,991	14,304	19,181	23,611	23,875	18,209
18	Transactions in outstanding bonds, net.....	157,978	169,354	36,591	45,967	31,456	43,964	32,043	27,500	58,634	51,177
	Net purchases by foreign residents, by area:										
19	Europe.....	129,146	124,294	35,798	35,121	26,632	31,595	20,923	19,576	47,873	35,922
	Of which: United Kingdom.....	87,619	66,988	24,692	24,746	26,443	21,738	6,552	6,250	28,015	26,171
21	Canada.....	6,789	6,438	2,019	1,196	1,319	2,255	1,343	1,019	1,773	2,303
22	Caribbean financial centers <sup>1</sup> .....	54,285	46,036	10,369	15,077	14,649	14,190	12,385	12,459	11,624	9,568
23	Latin America, excluding Caribbean financial centers.....	7,467	20,721	1,487	1,983	2,621	1,376	2,206	3,746	7,052	7,717
24	Asia.....	26,761	53,640	4,726	7,076	6,707	8,252	13,094	13,478	13,274	13,794
	Of which: Japan.....	12,161	34,751	248	3,016	3,629	5,268	9,907	10,638	6,835	7,371
26	Africa.....	403	557	124	118	78	83	68	157	197	135
27	Other.....	2,232	2,544	693	581	441	517	1,205	676	716	-53
28	Federally sponsored agency bonds, gross purchases by foreign residents .....	2,146,473	1,459,431	459,068	705,457	581,264	400,684	506,158	463,609	258,878	230,786
29	Federally sponsored agency bonds, gross sales by foreign residents .....	2,159,838	1,355,809	454,896	694,711	612,221	398,010	499,474	427,688	253,161	175,486
30	<b>Federally sponsored agency bonds, net purchases by foreign residents</b> .....	<b>-13,365</b>	<b>103,622</b>	<b>4,172</b>	<b>10,746</b>	<b>-30,957</b>	<b>2,674</b>	<b>6,684</b>	<b>35,921</b>	<b>5,717</b>	<b>55,300</b>
31	New issues sold abroad by federally sponsored agencies.....	49,061	55,637	14,521	12,153	8,929	13,458	20,639	11,371	11,967	11,660
32	Transactions in outstanding bonds, net.....	-62,426	47,985	-10,349	-1,407	-39,886	-10,784	-13,955	24,550	-6,250	43,640
	Net purchases by foreign residents, by area:										
33	Europe.....	-30,222	27,191	2,534	-13,736	-11,959	-7,061	-12,378	10,642	6,803	22,124
	Of which: United Kingdom.....	13,162	39,958	11,669	2,461	-1,229	261	1,494	12,253	10,692	15,519
35	Canada.....	-4,405	2,511	-1,443	-1,700	-1,006	-256	1,749	198	-268	832
36	Caribbean financial centers <sup>1</sup> .....	11,187	20,392	-6,244	17,297	-4,176	4,310	8,264	4,875	842	6,411
37	Latin America, excluding Caribbean financial centers.....	5,146	2,097	1,252	1,006	1,583	1,305	1,228	-1,769	1,528	1,110
38	Asia.....	6,787	50,834	8,005	9,054	-14,583	4,311	7,909	21,045	-3,296	25,176
	Of which: Japan.....	-15,171	19,354	547	2,757	-18,101	-374	-1,947	8,184	-5,589	18,706
40	Africa.....	853	286	671	-10	168	24	-70	891	-340	-195
41	Other.....	-2,711	311	-603	-1,165	-984	41	-18	39	448	-158
C1	<b>U.S. Treasury bonds and notes, excluding transactions of foreign official agencies, net purchases (+) or net sales (-) by foreign residents (table 1, part of line 65)</b> .....	<b>115,371</b>	<b>95,697</b>	<b>11,754</b>	<b>53,738</b>	<b>45,978</b>	<b>3,901</b>	<b>60,956</b>	<b>34,584</b>	<b>-2,468</b>	<b>2,625</b>
2	U.S. Treasury bonds and notes, gross purchases by foreign residents.....	8,264,749	8,435,680	1,682,277	2,178,956	2,443,409	1,960,107	2,067,635	2,276,325	1,993,714	2,098,006
3	U.S. Treasury bonds and notes, gross sales by foreign residents.....	8,149,378	8,339,983	1,670,523	2,125,218	2,397,431	1,956,206	2,006,679	2,241,741	1,996,182	2,095,381
	Net purchases by foreign residents, by area:										
4	Europe.....	20,544	73,807	-10,134	21,719	17,351	-8,392	45,614	-418	-520	29,131
5	Canada.....	11,759	15,889	-694	3,972	6,521	1,960	4,152	1,078	3,000	7,659
6	Caribbean financial centers <sup>1</sup> .....	12,849	5,258	10,184	-940	3,688	-83	12,182	21,569	1,490	-29,983
7	Latin America, excluding Caribbean financial centers.....	6,955	929	1,921	-116	3,614	1,536	-171	5,977	-4,464	-413
8	Asia.....	57,242	-136	9,892	26,782	12,982	7,586	875	5,731	-2,005	-4,737
9	Africa.....	-67	642	33	46	-43	-103	-31	331	129	213
10	Other.....	6,089	-692	552	2,275	1,865	1,397	-1,665	316	-98	755
	<b>Memoranda:</b>										
	<b>Net purchases of marketable long-term U.S. securities by foreign official agencies included elsewhere in the international transactions accounts, net purchases (+) or net sales (-) (lines in table 4):</b>										
1	U.S. Treasury marketable bonds and notes (line B4).....	148,259	246,999	13,406	38,850	27,004	68,999	83,186	62,660	44,108	57,045
2	Other U.S. Government securities (line B6).....	24,883	25,955	9,568	3,290	3,340	8,685	13,016	2,261	7,140	3,538
3	U.S. corporate and other bonds (part of line B16).....	5,519	11,288	1,201	731	1,316	2,271	1,898	1,794	3,167	4,429
4	U.S. stocks (part of line B16).....	-370	1,341	52	20	76	-518	-456	215	149	1,433

See the footnotes on pages 67-68.

**Table 8a. Claims on and Liabilities to Unaffiliated Foreigners Reported by U.S. Nonbanking Concerns Except Securities Brokers <sup>1</sup>**  
 (Millions of dollars)

Line	(Credits +; decrease in U.S. assets or increase in U.S. liabilities. Debits -; increase in U.S. assets or decrease in U.S. liabilities.)	2003	2004 <sup>P</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 2004
				2003				2004				
				I	II	III	IV	I	II	III <sup>F</sup>	IV <sup>2</sup>	
A1	<b>Claims, total (table 1, line 53)</b>	<b>-28,932</b>	<b>-128,589</b>	<b>-11,207</b>	<b>-22,480</b>	<b>35,845</b>	<b>-31,090</b>	<b>-56,761</b>	<b>12,122</b>	<b>-9,447</b>	<b>-74,503</b>	<b>770,317</b>
2	<b>Financial claims</b>	<b>-26,582</b>	<b>-130,039</b>	<b>-12,191</b>	<b>-19,998</b>	<b>34,709</b>	<b>-29,102</b>	<b>-56,206</b>	<b>12,805</b>	<b>-12,135</b>	<b>-74,503</b>	<b>738,522</b>
3	Denominated in U.S. dollars	-22,663	-99,677	2,111	-26,072	37,755	-36,457	-47,953	20,439	-17,307	-54,856	583,849
4	Denominated in foreign currencies	-3,919	-30,362	-14,302	6,074	-3,046	7,355	-8,253	-7,634	5,172	-19,647	154,673
	By instrument: <sup>3</sup>											
5	Resale agreements	1,628	-7,854	-1,162	2,869	-1,480	1,401	1,884	-6,093	376	-4,021	11,966
6	Negotiable certificates of deposit	44	54	-41	108	-24	1	151	-123	59	-33	103
7	Other short-term instruments (including money market instruments)	2,074	-6,730	1,578	469	69	-42	583	-2,876	-2,184	-2,253	9,789
8	Deposits	14,621	-114,026	2,784	-23,276	64,982	-29,869	-41,356	11,168	-26,243	-57,595	506,394
9	Other claims	-44,949	-1,483	-15,350	-168	-28,838	-593	-17,468	10,729	15,857	-10,601	210,270
10	Of which: Financial intermediaries' accounts <sup>4</sup>	-44,459	14,190	-12,068	-165	-27,238	-4,988	-11,306	16,412	16,177	-7,093	168,845
	By area:											
11	Europe	-40,544	-30,795	-32,316	-16,849	15,968	-7,347	-45,119	16,941	20,956	-23,573	395,208
	Of which:											
12	United Kingdom	-30,041	-39,961	-25,824	-7,706	12,429	-8,940	-31,730	11,118	-199	-19,150	216,610
13	Germany	2,388	6,847	3,800	713	-435	-1,690	5,568	3,220	1,805	-3,746	81,376
14	Caribbean financial centers <sup>5</sup>	21,906	-90,096	26,857	-7,911	23,476	-20,516	-6,972	-9,844	-29,918	-43,362	296,594
15	Other	-7,944	-9,148	-6,732	4,762	-4,735	-1,239	-4,115	5,708	-3,173	-7,568	46,720
16	<b>Commercial claims</b>	<b>-2,350</b>	<b>1,450</b>	<b>984</b>	<b>-2,482</b>	<b>1,136</b>	<b>-1,988</b>	<b>-555</b>	<b>-683</b>	<b>2,688</b>		<b>31,795</b>
17	Denominated in U.S. dollars	120	-2,639	5,054	-2,381	-1,291	-1,262	-929	-1,208	-502		27,919
18	Denominated in foreign currencies	-2,470	4,089	-4,070	-101	2,427	-726	374	525	3,190		3,876
	By instrument:											
19	Trade receivables	-2,296	946	892	-998	403	-2,593	-280	-1,366	2,592		27,357
20	Advance payments and other claims	-54	504	92	-1,484	733	605	-275	683	96		4,438
	By area:											
21	Europe	-190	1,227	693	-1,808	1,225	-300	-62	728	561		13,010
22	Canada	-315	797	114	-310	241	-360	-207	970	34		2,261
23	Asia	-67	-1,250	1,103	-404	52	-818	107	-926	-431		8,607
24	Other	-1,778	676	-926	40	-382	-510	-393	-1,455	2,524		7,917
B1	<b>Liabilities, total (table 1, line 68)</b>	<b>84,014</b>	<b>87,113</b>	<b>69,410</b>	<b>-2,257</b>	<b>12,721</b>	<b>4,140</b>	<b>40,723</b>	<b>-3,603</b>	<b>13,275</b>	<b>36,718</b>	<b>627,828</b>
2	<b>Financial liabilities</b>	<b>84,270</b>	<b>83,811</b>	<b>69,681</b>	<b>-703</b>	<b>13,827</b>	<b>1,465</b>	<b>36,212</b>	<b>-3,028</b>	<b>13,909</b>	<b>36,718</b>	<b>598,452</b>
3	Denominated in U.S. dollars	88,435	68,311	54,385	4,573	23,127	6,350	45,343	-5,282	3,413	24,837	488,385
4	Denominated in foreign currencies	-4,165	15,500	15,296	-5,276	-9,300	-4,885	-9,131	2,254	10,496	11,881	110,067
	By instrument: <sup>3</sup>											
5	Repurchase agreements	6,785	11,580	5,753	-659	206	1,485	-1,717	11,046	-1,142	3,393	37,849
6	Short-term instruments	-8,589	-2,603	749	-3,861	-1,171	-4,306	-3,649	1,069	425	-448	11,759
7	Other liabilities	86,074	74,834	63,179	3,817	14,792	4,286	41,578	-15,143	14,626	33,773	548,844
8	Of which: Financial intermediaries' accounts <sup>4</sup>	56,966	12,568	35,497	-701	21,403	767	9,996	-7,897	9,970	499	300,732
	By area:											
9	Europe	86,199	65,899	66,335	-912	19,291	1,485	33,311	-11,364	15,884	28,068	459,685
	Of which:											
10	United Kingdom	64,380	64,569	59,088	-2,422	17,727	-10,013	34,216	-14,940	11,216	34,077	283,964
11	Germany	14,634	-2,207	10,432	5,604	-6,067	4,665	-2,313	200	-121	27	79,053
12	Caribbean financial centers <sup>5</sup>	-4,538	13,994	-2,186	2,087	-6,813	2,374	-2,390	8,711	-1,150	8,823	116,533
13	Other	2,609	3,918	5,532	-1,878	1,349	-2,394	5,291	-375	-825	-173	22,234
14	<b>Commercial liabilities</b>	<b>-256</b>	<b>3,302</b>	<b>-271</b>	<b>-1,554</b>	<b>-1,106</b>	<b>2,675</b>	<b>4,511</b>	<b>-575</b>	<b>-634</b>		<b>29,376</b>
15	Denominated in U.S. dollars	-564	2,453	-1,961	-1,136	165	2,368	4,711	-830	-1,428		26,080
16	Denominated in foreign currencies	308	849	1,690	-418	-1,271	307	-200	255	794		3,296
	By instrument:											
17	Trade payables	2,513	1,528	425	405	824	859	654	921	-47		18,352
18	Advance receipts and other liabilities	-2,769	1,774	-696	-1,959	-1,930	1,816	3,857	-1,496	-587		11,024
	By area:											
19	Europe	1,916	262	-1,788	2,420	-1,486	2,770	2,179	-1,181	-736		8,842
20	Canada	-1,500	1,080	1,366	-1,502	-290	-1,074	260	344	476		1,990
21	Asia	-216	1,075	188	-1,815	55	1,356	949	-194	320		12,705
22	Other	-456	885	-37	-657	615	-377	1,123	456	-694		5,839

See the footnotes on pages 67-68.

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

[Millions of dollars]

Line	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)	2003	2004 <sup>P</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 2004
				2003				2004				
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>P</sup>	
1	<b>Claims reported by U.S. banks and securities brokers, total (table 1, line 54)</b>	<b>-10,406</b>	<b>-353,813</b>	<b>-24,138</b>	<b>-63,002</b>	<b>29,663</b>	<b>47,071</b>	<b>-187,120</b>	<b>-36,951</b>	<b>-55,010</b>	<b>-74,732</b>	<b>2,156,950</b>
2	<b>Claims for own accounts</b> .....	<b>2,044</b>	<b>-345,194</b>	<b>-4,098</b>	<b>-52,831</b>	<b>16,655</b>	<b>42,318</b>	<b>-183,528</b>	<b>-15,803</b>	<b>-64,306</b>	<b>-81,557</b>	<b>1,743,441</b>
3	Denominated in dollars .....	-7,941	-343,767	266	-51,728	5,166	38,355	-182,027	-8,739	-66,153	-86,848	1,650,004
	By instrument: <sup>2</sup>											
4	Resale agreements .....	-78,178	-157,431	-20,468	-23,274	-33,768	-668	-70,840	7,122	-61,069	-32,644	471,887
5	Negotiable certificates of deposit .....	1,261	-5,869	-275	1,850	-239	-75	-3,390	-1,178	-259	-1,042	3,970
6	Other short-term instruments (including money market instruments) .....	15,647	663	12,755	-3,169	5,098	963	120	-303	112	734	4,472
7	Deposits and brokerage balances .....	-24,903	-105,152	-12,353	-12,092	-4,365	3,907	-52,883	-12,504	5,932	-45,697	606,595
8	Other claims (including loans) .....	78,232	-75,978	20,607	-15,043	38,440	34,228	-55,034	-1,876	-10,869	-8,199	563,080
	By foreign borrower:											
	Claims on:											
9	Foreign banks .....	12,713	-210,840	-7,241	-40,817	11,666	49,105	-138,317	6,805	-49,192	-30,136	1,189,311
10	Foreign nonbanks, excluding foreign official institutions .....	-7,144	-118,063	15,411	-16,903	1,553	-7,205	-29,706	-15,151	-23,025	-50,181	385,749
11	Foreign official institutions <sup>3</sup> .....	-13,510	-14,864	-7,904	5,992	-8,053	-3,545	-14,004	-393	6,064	-6,531	74,944
	By type of U.S. reporting institution: <sup>4</sup>											
	U.S.-owned banks' claims on:											
12	Foreign banks .....	30,838	-49,752	-11,185	8,518	24,841	8,664	-41,102	-3,082	-11,489	5,921	343,935
13	Foreign nonbanks and foreign official institutions .....	19,875	4,560	14,911	2,882	2,360	-278	1,112	2,016	2,255	-823	45,092
	Foreign-owned banks' claims on:											
14	Foreign banks .....	-3,107	-142,558	-2,693	-42,045	8,309	33,322	-84,581	-3,698	-5,952	-48,327	741,776
15	Foreign nonbanks and foreign official institutions .....	58	-4,730	-767	-5,504	3,654	2,675	-4,526	-7,337	6,155	978	73,156
	Brokers' and dealers' claims on:											
16	Foreign banks .....	-15,018	-18,530	6,637	-7,290	-21,484	7,119	-12,634	13,585	-31,751	12,270	103,600
17	Foreign nonbanks and foreign official institutions .....	-40,587	-132,757	-6,637	-8,289	-12,514	-13,147	-40,296	-10,223	-25,371	-56,867	342,445
18	Denominated in foreign currencies .....	9,985	-1,427	-4,364	-1,103	11,489	3,963	-1,501	-7,064	1,847	5,291	93,437
	By instrument: <sup>2</sup>											
19	Deposits and brokerage balances .....	2,089	2,574	-2,325	-3,649	6,921	1,142	22	-1,682	1,797	2,437	37,917
20	Other claims (including loans) .....	7,896	-4,001	-2,039	2,546	4,568	2,821	-1,523	-5,382	50	2,854	55,520
21	<b>Claims for customers' accounts</b> .....	<b>-12,450</b>	<b>-8,619</b>	<b>-20,040</b>	<b>-10,171</b>	<b>13,008</b>	<b>4,753</b>	<b>-3,592</b>	<b>-21,148</b>	<b>9,296</b>	<b>6,825</b>	<b>413,509</b>
22	Denominated in dollars .....	-14,133	6,053	-15,905	-14,615	10,933	5,454	-6,001	-13,652	13,551	12,155	380,106
	By instrument: <sup>2</sup>											
23	Commercial paper <sup>5</sup> .....	-2,176	1,244	-2,115	-4,320	13,235	-8,976	-9,412	8,395	-1,600	3,861	138,925
24	Negotiable certificates of deposit .....	9,387	13,141	2,437	6,119	-10,696	11,527	-1,027	-7,108	18,343	2,933	90,087
25	Other short-term instruments (including money market instruments) <sup>6</sup> .....	-5,011	-914	-1,103	-3,989	-2,675	2,756	-2,331	-4,551	2,783	3,185	3,723
26	Deposits and brokerage balances (including sweep accounts) <sup>7</sup> .....	-19,146	-3,518	-15,110	-14,659	8,973	1,650	5,123	-11,574	-5,377	8,310	133,457
27	Other claims .....	2,813	-3,900	-14	2,234	2,096	-1,503	1,646	1,186	-598	-6,134	13,914
28	Denominated in foreign currencies .....	1,683	-14,672	-4,135	4,444	2,075	-701	2,409	-7,496	-4,255	-5,330	33,403
	By instrument: <sup>2</sup>											
29	Deposits and brokerage balances .....	1,749	284	3,654	-69	459	-2,295	1,491	-4,479	2,365	907	7,343
30	Other claims .....	-66	-14,956	-7,789	4,513	1,616	1,594	918	-3,017	-6,620	-6,237	26,060
	<b>Claims, total (line 1), by area:</b>											
31	Europe .....	-2,351	-199,647	2,851	-48,979	6,383	37,394	-124,362	-21,884	-39,940	-13,461	1,053,384
	Of which:											
32	United Kingdom .....	-41,234	-112,280	-8,478	-39,708	-10,954	17,906	-55,281	-12,024	-45,272	297	564,640
33	Switzerland .....	54,122	-33,714	23,768	2,418	11,356	16,580	-26,192	10,643	-15,184	-2,981	117,460
34	Canada .....	11,950	2,072	6,384	11,202	-5,118	-518	-1,031	-1,028	6,951	-2,820	84,516
35	Caribbean financial centers <sup>8</sup> .....	10,030	-127,853	-8,281	-28,580	33,221	13,670	-51,483	-17,913	-14,174	-44,283	772,716
36	Latin America, excluding Caribbean financial centers .....	5,199	2,797	-562	1,046	2,121	2,594	-1,168	552	2,888	525	50,667
37	Asia .....	-32,309	-29,205	-23,475	3,931	-5,031	-7,734	-3,930	-4,998	-9,594	-10,683	168,269
38	Of which: Japan .....	-21,694	-28,754	-12,642	-6,743	1,041	-3,350	6,855	-13,159	-10,698	-11,752	104,283
39	Africa .....	367	140	-115	371	-115	226	76	200	85	-221	1,086
40	Other .....	-3,292	-2,117	-940	-1,993	-1,798	1,439	-5,222	8,120	-1,226	-3,789	26,312
	<b>Memoranda:</b>											
1	International banking facilities' (IBFs) own claims, denominated in dollars (in lines 1-15 above) .....	19,552	-71,608	12,428	-18,310	6,452	18,982	-45,443	-1,988	-33,585	9,408	365,500
	By bank ownership: <sup>4</sup>											
2	U.S.-owned IBFs .....	16,008	7,371	5,010	-3,140	6,476	7,662	-15,099	-7,376	2,438	27,408	47,174
3	Foreign-owned IBFs .....	3,544	-78,979	7,418	-15,170	-24	11,320	-30,344	5,388	-36,023	-18,000	318,326

See the footnotes on pages 67-68.

**Table 10a. Liabilities to Foreigners, Except Foreign Official Agencies, Reported by U.S. Banks and Securities Brokers<sup>1</sup>**  
 (Millions of dollars)

Line	(Credits +; increase in U.S. liabilities. Debits -; decrease in U.S. liabilities.)	2003	2004 <sup>P</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 2004
				2003				2004				
				I	II	III	IV	I	II	III <sup>F</sup>	IV <sup>P</sup>	
1	<b>Liabilities reported by U.S. banks and securities brokers, total (table 1, part of line 65 and table 1, line 69)</b> .....	<b>73,704</b>	<b>350,668</b>	<b>21,782</b>	<b>8,506</b>	<b>6,792</b>	<b>36,624</b>	<b>145,316</b>	<b>36,250</b>	<b>42,030</b>	<b>127,072</b>	<b>2,351,020</b>
2	<b>U.S. Treasury bills and certificates (table 1, part of line 65)</b> .....	<b>-1,939</b>	<b>12,441</b>	<b>-2,780</b>	<b>-484</b>	<b>512</b>	<b>813</b>	<b>4,482</b>	<b>-4,900</b>	<b>3,376</b>	<b>9,483</b>	<b>68,485</b>
3	<b>Other U.S. liabilities, total (table 1, line 69)</b> .....	<b>75,643</b>	<b>338,227</b>	<b>24,562</b>	<b>8,990</b>	<b>6,280</b>	<b>35,811</b>	<b>140,834</b>	<b>41,150</b>	<b>38,654</b>	<b>117,589</b>	<b>2,282,535</b>
4	<b>Liabilities for own accounts</b> .....	<b>88,451</b>	<b>332,452</b>	<b>38,058</b>	<b>-8,830</b>	<b>38,661</b>	<b>20,562</b>	<b>137,883</b>	<b>23,816</b>	<b>40,486</b>	<b>130,267</b>	<b>1,921,152</b>
5	Denominated in dollars.....	118,877	332,526	34,079	8,974	45,298	30,526	135,610	25,950	39,183	131,783	1,853,357
	By instrument: <sup>2</sup>											
6	Repurchase agreements.....	131,328	167,506	53,016	-765	38,877	40,200	65,847	8,217	41,508	51,934	535,984
7	Deposits and brokerage balances.....	23,668	138,150	1,912	49,575	-28,573	754	8,979	39,295	155	89,721	963,794
8	Other liabilities (including loans).....	-36,119	26,870	-20,849	-39,836	34,994	-10,428	60,784	-21,562	-2,480	-9,872	353,579
	By foreign holder:											
	Liabilities to:											
9	Foreign banks.....	13,618	142,862	-9,355	11,617	5,759	5,597	78,169	10,339	-2,968	57,322	1,268,706
10	Foreign nonbanks, including international organizations.....	105,259	189,664	43,434	-2,643	39,539	24,929	57,441	15,611	42,151	74,461	584,651
	By type of U.S. reporting institution: <sup>3</sup>											
	U.S.-owned banks' liabilities to:											
11	Foreign banks.....	-11,388	65,070	5,896	-34,353	-8,995	26,064	17,852	29,012	-11,533	29,739	549,513
12	Foreign nonbanks, including international organizations.....	23,969	17,183	11,467	5,735	-2,135	8,902	-1,048	4,472	2,075	11,684	94,998
	Foreign-owned banks' liabilities to:											
13	Foreign banks.....	-48,211	72,081	-52,264	43,063	-13,902	-25,108	30,602	-10,792	4,889	47,382	538,306
14	Foreign nonbanks, including international organizations.....	-10,805	6,111	-4,924	-1,664	2,775	-6,992	6,090	-2,648	4,211	-1,542	68,699
	Brokers' and dealers' liabilities to:											
15	Foreign banks.....	73,217	5,711	37,013	2,907	28,656	4,641	29,715	-7,881	3,676	-19,799	180,887
16	Foreign nonbanks, including international organizations.....	92,095	166,370	36,891	-6,714	38,899	23,019	52,399	13,787	35,865	64,319	420,954
17	Denominated in foreign currencies.....	-30,426	-74	3,979	-17,804	-6,637	-9,964	2,273	-2,134	1,303	-1,516	67,795
	By instrument: <sup>2</sup>											
18	Deposits and brokerage balances.....	-18,722	-1,685	1,796	-8,925	-4,574	-7,019	2,342	-7,133	4,558	-1,452	38,055
19	Other liabilities (including loans).....	-11,704	1,611	2,183	-8,879	-2,063	-2,945	-69	4,999	-3,255	-64	29,740
20	<b>Liabilities for customers' accounts</b> .....	<b>-12,808</b>	<b>5,775</b>	<b>-13,496</b>	<b>17,820</b>	<b>-32,381</b>	<b>15,249</b>	<b>2,951</b>	<b>17,334</b>	<b>-1,832</b>	<b>-12,678</b>	<b>361,383</b>
21	Denominated in dollars.....	-12,783	4,758	-14,346	17,800	-31,443	15,206	2,896	18,092	-1,432	-14,798	353,530
	By instrument: <sup>2</sup>											
22	Negotiable certificates of deposit and other short-term instruments.....	-7,206	13,469	-3,349	8,738	-16,610	4,015	-335	6,575	1,529	5,700	187,036
23	Other liabilities (including loans).....	-5,577	-8,711	-10,997	9,062	-14,833	11,191	3,231	11,517	-2,961	-20,498	166,494
24	Denominated in foreign currencies.....	-25	1,017	850	20	-938	43	55	-758	-400	2,120	7,853
	<b>Other U.S. liabilities, total (line 3), by area:</b>											
25	Europe.....	2,479	121,827	-11,812	-22,142	24,566	11,867	90,177	16,126	40,373	-24,849	785,632
26	Canada.....	2,716	-5,235	2,683	2,680	-2,551	-96	-4,148	928	-320	-1,695	27,873
27	Caribbean financial centers <sup>4</sup> .....	81,708	223,735	43,215	37,072	-21,327	22,748	50,123	37,551	-1,665	137,726	1,199,447
28	Latin America, excluding Caribbean financial centers.....	-697	2,539	301	-2,016	-2,336	3,354	1,411	-1,392	-284	2,804	83,093
29	Asia.....	-10,651	-124	-7,122	-11,205	7,133	543	2,466	-12,503	4,651	5,262	160,510
30	Africa.....	2,850	-351	1,050	-269	108	1,961	204	406	-609	-352	8,366
31	Other.....	-2,762	-4,164	-3,753	4,870	687	-4,566	601	34	-3,492	-1,307	17,614
	<b>Memoranda:</b>											
1	International banking facilities' (IBFs) own liabilities, denominated in dollars (in lines 3-14 above).....	-41,951	1,711	-62,045	5,960	6,181	7,953	40,031	-15,726	6,092	-28,686	369,576
	By bank ownership: <sup>3</sup>											
2	U.S.-owned IBFs.....	7,007	1,829	-4,731	6,904	-9,388	14,222	13,493	938	10,489	-23,091	77,043
3	Foreign-owned IBFs.....	-48,958	-118	-57,314	-944	15,569	-6,269	26,538	-16,664	-4,397	-5,595	292,533

See the footnotes on pages 67-68.

Table 11. U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	Europe					European Union <sup>14</sup>		
		2003	2004 <sup>P</sup>	2004				2003	2004 <sup>P</sup>
				I	II	III <sup>F</sup>	IV <sup>P</sup>		
<b>Current account</b>									
1	Exports of goods and services and income receipts .....	422,230	487,651	114,985	121,279	119,800	131,587	363,531	424,900
2	Exports of goods and services .....	289,781	322,787	77,251	80,303	79,458	85,775	251,837	283,203
3	Goods, balance of payments basis <sup>2</sup> .....	168,220	189,347	46,358	47,807	44,754	50,428	147,391	167,636
4	Services <sup>3</sup> .....	121,561	133,440	30,893	32,496	34,704	35,347	104,446	115,567
5	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	3,921	3,762	1,066	969	879	848	3,053	2,561
6	Travel .....	21,976	25,469	5,158	6,400	7,510	6,401	19,124	23,075
7	Passenger fares .....	5,699	6,900	1,374	1,673	2,086	1,767	5,392	6,451
8	Other transportation .....	10,754	12,576	2,882	3,118	3,329	3,247	9,245	11,087
9	Royalties and license fees <sup>5</sup> .....	23,268	24,993	5,850	6,009	6,081	7,053	19,844	21,271
10	Other private services <sup>5</sup> .....	55,768	59,590	14,526	14,288	14,781	15,995	47,661	51,019
11	U.S. Government miscellaneous services .....	175	150	37	39	38	36	127	103
12	Income receipts .....	132,449	164,864	37,734	40,976	40,342	45,812	111,694	141,697
13	Income receipts on U.S.-owned assets abroad .....	132,069	164,469	37,638	40,878	40,242	45,711	111,418	141,389
14	Direct investment receipts .....	82,282	101,465	24,299	26,294	23,753	27,119	67,084	84,790
15	Other private receipts .....	48,491	61,767	12,953	14,428	16,115	18,271	43,550	55,802
16	U.S. Government receipts .....	1,296	1,237	386	156	374	321	784	797
17	Compensation of employees .....	380	395	96	98	100	101	276	308
18	Imports of goods and services and income payments .....	-531,836	-620,450	-137,722	-157,917	-156,338	-168,473	-456,995	-540,756
19	Imports of goods and services .....	-398,356	-447,277	-102,423	-114,069	-112,047	-118,738	-341,395	-387,585
20	Goods, balance of payments basis <sup>2</sup> .....	-284,679	-321,699	-74,766	-81,344	-78,488	-87,101	-245,002	-278,906
21	Services <sup>3</sup> .....	-113,677	-125,578	-27,657	-32,725	-33,559	-31,637	-96,393	-108,679
22	Direct defense expenditures .....	-11,140	-11,819	-2,963	-2,909	-3,047	-2,900	-9,551	-10,435
23	Travel .....	-19,923	-22,108	-3,868	-7,056	-6,754	-4,430	-17,160	-19,968
24	Passenger fares .....	-11,063	-11,564	-2,303	-3,221	-3,457	-2,583	-10,046	-10,812
25	Other transportation .....	-17,030	-19,969	-4,573	-4,887	-5,071	-5,438	-13,893	-17,177
26	Royalties and license fees <sup>5</sup> .....	-11,114	-12,377	-2,676	-3,004	-3,227	-3,470	-8,549	-9,413
27	Other private services <sup>5</sup> .....	-42,181	-46,455	-10,957	-11,330	-11,675	-12,493	-36,203	-39,831
28	U.S. Government miscellaneous services .....	-1,226	-1,286	-317	-318	-328	-323	-991	-1,043
29	Income payments .....	-133,480	-173,173	-35,299	-43,848	-44,291	-49,735	-115,600	-153,171
30	Income payments on foreign-owned assets in the United States .....	-133,029	-172,713	-35,173	-43,742	-44,189	-49,609	-115,274	-152,820
31	Direct investment payments .....	-45,461	-66,533	-12,744	-18,269	-17,725	-17,795	-37,536	-58,754
32	Other private payments .....	-66,361	-84,739	-17,407	-20,233	-21,045	-26,054	-60,560	-76,857
33	U.S. Government payments .....	-21,207	-21,441	-5,022	-5,240	-5,419	-5,760	-17,178	-17,209
34	Compensation of employees .....	-451	-460	-126	-106	-102	-126	-326	-351
35	Unilateral current transfers, net .....	-1,759	-1,514	-733	-528	703	-956	667	445
36	U.S. Government grants <sup>4</sup> .....	-2,301	-2,181	-612	-485	-493	-591	-51	-77
37	U.S. Government pensions and other transfers .....	-1,672	-1,784	-435	-415	-425	-509	-1,373	-1,463
38	Private remittances and other transfers <sup>6</sup> .....	2,214	2,451	314	372	1,621	144	2,091	1,985
<b>Capital and financial account</b>									
<b>Capital account</b>									
39	Capital account transactions, net .....	-518	-578	-144	-140	-152	-142	-210	-297
<b>Financial account</b>									
40	U.S.-owned assets abroad, net (increase/financial outflow (-)) .....	-157,026	-426,154	-208,240	-69,099	-54,174	-94,641	-182,044	-394,457
41	U.S. official reserve assets, net .....	-572	-621	-158	-132	-148	-183	-386	-465
42	Gold <sup>7</sup> .....	.....	.....	.....	.....	.....	.....	.....	.....
43	Special drawing rights .....	.....	.....	.....	.....	.....	.....	.....	.....
44	Reserve position in the International Monetary Fund .....	.....	.....	.....	.....	.....	.....	.....	.....
45	Foreign currencies .....	-572	-621	-158	-132	-148	-183	-386	-465
46	U.S. Government assets, other than official reserve assets, net .....	719	1,284	648	95	312	229	505	551
47	U.S. credits and other long-term assets .....	-523	-190	-25	-24	-63	-78	.....	.....
48	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	1,255	1,425	685	84	382	274	480	548
49	U.S. foreign currency holdings and U.S. short-term assets, net .....	-13	49	-12	35	-7	33	25	3
50	U.S. private assets, net .....	-157,173	-426,817	-208,730	-69,062	-54,338	-94,687	-182,163	-394,543
51	Direct investment .....	-99,191	-92,384	-22,086	-36,057	-13,729	-20,512	-81,437	-83,329
52	Foreign securities .....	-14,895	-105,219	-17,101	-28,971	-22,186	-37,141	-14,536	-104,543
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-40,736	-29,567	-45,181	17,670	21,517	-23,573	-34,887	-49,972
54	U.S. claims reported by U.S. banks, not included elsewhere .....	-2,351	-199,647	-124,362	-21,884	-39,940	-13,461	-51,303	-156,699
55	Foreign-owned assets in the United States, net (increase/financial inflow (+)) .....	244,036	549,680	189,622	64,824	147,403	147,831	217,744	463,867
56	Foreign official assets in the United States, net .....	5,118	43,089	4,549	22,534	4,545	11,461	<sup>(18)</sup>	<sup>(18)</sup>
57	U.S. Government securities .....	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(18)</sup>	<sup>(18)</sup>
58	U.S. Treasury securities <sup>9</sup> .....	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(18)</sup>	<sup>(18)</sup>
59	Other <sup>10</sup> .....	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(18)</sup>	<sup>(18)</sup>
60	Other U.S. Government liabilities <sup>11</sup> .....	-635	-491	-80	-277	-93	-41	-951	-574
61	U.S. liabilities reported by U.S. banks, not included elsewhere .....	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(18)</sup>	<sup>(18)</sup>
62	Other foreign official assets <sup>12</sup> .....	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(18)</sup>	<sup>(18)</sup>
63	Other foreign assets in the United States, net .....	238,918	506,591	185,073	42,290	142,858	136,370	<sup>(18)</sup>	<sup>(18)</sup>
64	Direct investment .....	6,572	52,719	153	5,924	28,916	17,726	11,516	48,219
65	U.S. Treasury securities .....	17,619	80,157	45,944	-2,438	3,704	32,947	<sup>(18)</sup>	<sup>(18)</sup>
66	U.S. securities other than U.S. Treasury securities .....	124,130	185,728	13,310	35,222	54,718	82,478	107,652	168,293
67	U.S. currency .....	.....	.....	.....	.....	.....	.....	.....	.....
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	88,118	66,160	35,489	-12,544	15,147	28,068	84,493	61,524
69	U.S. liabilities reported by U.S. banks, not included elsewhere .....	2,479	121,827	90,177	16,126	40,373	-24,849	<sup>18</sup> 15,034	<sup>18</sup> 186,405
70	Statistical discrepancy (sum of above items with sign reversed) .....	24,873	11,365	42,232	41,581	-57,242	-15,206	57,307	46,298
<b>Memoranda:</b>									
71	Balance on goods (lines 3 and 20) .....	-116,459	-132,352	-28,408	-33,537	-33,734	-36,673	-97,611	-111,270
72	Balance on services (lines 4 and 21) .....	7,884	7,862	3,236	-229	1,145	3,710	8,053	6,888
73	Balance on goods and services (lines 2 and 19) .....	-108,575	-124,490	-25,172	-33,766	-32,589	-32,963	-89,558	-104,382
74	Balance on income (lines 12 and 29) .....	-1,031	-8,309	2,435	-2,872	-3,949	-3,923	-3,906	-11,474
75	Unilateral current transfers, net (line 35) .....	-1,759	-1,514	-733	-528	703	-956	667	445
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup> .....	-111,365	-134,313	-23,470	-37,166	-35,835	-37,842	-92,797	-115,411

See the footnotes on pages 67-68.



Table 11. U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	Latin America and Other Western Hemisphere					Mexico <sup>15</sup>		
		2003	2004 <sup>P</sup>	2004				2003	2004 <sup>P</sup>
				I	II	III <sup>F</sup>	IV <sup>P</sup>		
<b>Current account</b>									
1	<b>Exports of goods and services and income receipts</b>	<b>251,612</b>	<b>296,214</b>	<b>68,161</b>	<b>72,008</b>	<b>75,468</b>	<b>80,577</b>	<b>121,545</b>	<b>139,954</b>
2	Exports of goods and services	203,065	231,051	53,793	56,918	58,916	61,424	113,853	129,127
3	Goods, balance of payments basis <sup>2</sup>	148,802	171,761	40,531	42,606	42,915	45,709	97,221	110,586
4	Services <sup>3</sup>	54,263	59,290	13,262	14,312	16,001	15,715	16,632	18,541
5	Transfers under U.S. military agency sales contracts <sup>4</sup>	415	398	114	118	84	82	7	7
6	Travel	17,088	19,083	3,820	4,605	5,514	5,144	5,861	6,512
7	Passenger fares	4,275	4,972	1,046	1,215	1,338	1,373	1,158	1,423
8	Other transportation	3,623	4,304	959	1,071	1,159	1,115	862	1,058
9	Royalties and license fees <sup>5</sup>	3,964	3,842	860	941	982	1,059	1,224	1,265
10	Other private services <sup>5</sup>	24,722	26,516	6,418	6,319	6,879	6,900	7,481	8,257
11	U.S. Government miscellaneous services	176	175	45	43	45	42	19	19
12	Income receipts	48,547	65,163	14,368	15,090	16,552	19,153	7,692	10,827
13	Income receipts on U.S.-owned assets abroad	48,343	64,955	14,316	15,038	16,500	19,101	7,666	10,799
14	Direct investment receipts	24,671	34,792	8,412	8,508	8,596	9,276	5,764	8,639
15	Other private receipts	23,347	29,882	5,860	6,440	7,855	9,727	1,884	2,144
16	U.S. Government receipts	325	281	44	90	49	98	18	16
17	Compensation of employees	204	208	52	52	52	52	26	28
18	<b>Imports of goods and services and income payments</b>	<b>-307,067</b>	<b>-364,618</b>	<b>-81,576</b>	<b>-89,493</b>	<b>-93,943</b>	<b>-99,606</b>	<b>-159,819</b>	<b>-179,754</b>
19	Imports of goods and services	-267,626	-311,188	-71,353	-77,431	-79,821	-82,583	-150,892	-169,925
20	Goods, balance of payments basis <sup>2</sup>	-217,826	-255,723	-58,128	-63,513	-65,353	-68,729	-138,992	-157,013
21	Services <sup>3</sup>	-49,800	-55,465	-13,225	-13,918	-14,468	-13,854	-11,900	-12,912
22	Direct defense expenditures	-285	-327	-56	-60	-121	-90	-8	-15
23	Travel	-18,760	-20,046	-4,754	-4,987	-5,369	-4,936	-7,404	-8,417
24	Passenger fares	-2,896	-3,489	-649	-1,025	-1,063	-752	-862	-849
25	Other transportation	-3,696	-4,615	-1,069	-1,152	-1,158	-1,236	-1,040	-1,023
26	Royalties and license fees <sup>5</sup>	-1,212	-1,328	-287	-367	-329	-345	-122	-137
27	Other private services <sup>5</sup>	-22,410	-25,028	-6,268	-6,149	-6,263	-6,348	-2,253	-2,263
28	U.S. Government miscellaneous services	-541	-632	-142	-178	-165	-147	-211	-208
29	Income payments	-39,441	-53,430	-10,223	-12,062	-14,122	-17,023	-8,927	-9,829
30	Income payments on foreign-owned assets in the United States	-32,559	-46,310	-8,597	-10,298	-12,255	-15,160	-2,208	-2,894
31	Direct investment payments	-1,324	-4,245	-601	-1,082	-1,132	-1,430	-193	-259
32	Other private payments	-24,212	-33,197	-6,196	-7,097	-8,727	-11,177	-657	-1,187
33	U.S. Government payments	-7,023	-8,868	-1,800	-2,119	-2,396	-2,553	-1,358	-1,448
34	Compensation of employees	-6,882	-7,120	-1,626	-1,764	-1,867	-1,863	-6,719	-6,935
35	<b>Unilateral current transfers, net</b>	<b>-26,132</b>	<b>-28,609</b>	<b>-7,337</b>	<b>-7,427</b>	<b>-5,885</b>	<b>-7,960</b>	<b>-7,308</b>	<b>-7,739</b>
36	U.S. Government grants <sup>4</sup>	-1,986	-2,039	-521	-466	-689	-363	-33	-30
37	U.S. Government pensions and other transfers	-842	-925	-221	-202	-212	-290	-250	-250
38	Private remittances and other transfers <sup>6</sup>	-23,304	-25,645	-6,595	-6,759	-4,984	-7,307	-7,025	-7,709
<b>Capital and financial account</b>									
<b>Capital account</b>									
39	<b>Capital account transactions, net</b>	<b>-94</b>	<b>-109</b>	<b>-15</b>	<b>-12</b>	<b>-18</b>	<b>-64</b>		<b>-17</b>
<b>Financial account</b>									
40	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b>	<b>8,505</b>	<b>-212,029</b>	<b>-62,127</b>	<b>-20,947</b>	<b>-43,424</b>	<b>-85,531</b>	<b>-3,536</b>	<b>-4,115</b>
41	U.S. official reserve assets, net								
42	Gold <sup>7</sup>								
43	Special drawing rights								
44	Reserve position in the International Monetary Fund								
45	Foreign currencies								
46	U.S. Government assets, other than official reserve assets, net	373	470	99	95	201	75	45	36
47	U.S. credits and other long-term assets	-279	-354	-36	-128	-90	-100	-2	-8
48	Repayments on U.S. credits and other long-term assets <sup>8</sup>	738	738	147	122	307	162	44	44
49	U.S. foreign currency holdings and U.S. short-term assets, net	-86	86	-12	101	-16	13	3	
50	U.S. private assets, net	8,132	-212,499	-62,226	-21,042	-43,625	-85,606	-3,581	-4,151
51	Direct investment	-13,170	-18,603	-9,623	-2,263	-8,445	1,728	-5,667	-8,415
52	Foreign securities	-16,634	21,381	6,968	6,420	7,498	495	-1,236	4,092
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	22,707	-90,694	-7,634	-9,284	-30,510	-43,266	1,124	-301
54	U.S. claims reported by U.S. banks, not included elsewhere	15,229	-124,583	-51,937	-15,915	-12,168	-44,563	2,198	473
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b>	<b>191,242</b>	<b>368,395</b>	<b>96,987</b>	<b>94,528</b>	<b>15,365</b>	<b>161,515</b>	<b>11,850</b>	<b>28,579</b>
56	Foreign official assets in the United States, net	12,290	20,336	4,448	7,786	3,841	4,261	<sup>(18)</sup>	<sup>(18)</sup>
57	U.S. Government securities	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(18)</sup>	<sup>(18)</sup>
58	U.S. Treasury securities <sup>9</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(18)</sup>	<sup>(18)</sup>
59	Other <sup>10</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(18)</sup>	<sup>(18)</sup>
60	Other U.S. Government liabilities <sup>11</sup>	70	250	44	60	51	95		-7
61	U.S. liabilities reported by U.S. banks, not included elsewhere	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(18)</sup>	<sup>(18)</sup>
62	Other foreign official assets <sup>12</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(18)</sup>	<sup>(18)</sup>
63	Other foreign assets in the United States, net	178,952	348,059	92,539	86,742	11,524	157,254	<sup>(18)</sup>	<sup>(18)</sup>
64	Direct investment	3,526	2,501	3,144	1,736	-2,324	-55	1,944	346
65	U.S. Treasury securities	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(18)</sup>	<sup>(18)</sup>
66	U.S. securities other than U.S. Treasury securities	76,289	90,730	23,495	13,472	19,995	33,768	4,144	14,896
67	U.S. currency								
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	<sup>(17)</sup>	196	693
69	U.S. liabilities reported by U.S. banks, not included elsewhere	81,011	228,920	54,180	36,159	-1,949	140,530	<sup>18</sup> 5,566	<sup>18</sup> 12,651
70	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	<b>-118,066</b>	<b>-59,244</b>	<b>-14,093</b>	<b>-48,657</b>	<b>52,437</b>	<b>-48,931</b>	<b>37,268</b>	<b>23,092</b>
<b>Memoranda:</b>									
71	Balance on goods (lines 3 and 20)	-69,024	-83,962	-17,597	-20,907	-22,438	-23,020	-41,771	-46,427
72	Balance on services (lines 4 and 21)	4,463	3,825	37	394	1,533	1,861	4,732	5,629
73	Balance on goods and services (lines 2 and 19)	-64,561	-80,137	-17,560	-20,513	-20,905	-21,159	-37,039	-40,798
74	Balance on income (lines 12 and 29)	9,106	11,733	4,145	3,028	2,430	2,130	-1,235	998
75	Unilateral current transfers, net (line 35)	-26,132	-28,609	-7,337	-7,427	-5,885	-7,960	-7,308	-7,739
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>15</sup>	-81,587	-97,013	-20,752	-24,912	-24,360	-26,989	-45,582	-47,539

See the footnotes on pages 67-68.





Table 11. U.S. International Transactions, by Area
[Millions of dollars]

Table with 14 columns: Line, (Credits +; debits -) 1, 2003, 2004 P, 2004 (I, II, III', IV P), 2003, 2004 P, 2004 (I, II, III', IV P). Rows include Current account (Exports/Imports of goods and services, Current transfers), Capital and financial account (Capital account transactions, Financial account), and Memoranda.

See the footnotes on pages 67-68.

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

**General notes for all tables:** <sup>P</sup> Preliminary, <sup>r</sup> Revised, <sup>\*</sup> Less than \$500,000 (+/-) <sup>D</sup> Suppressed to avoid disclosure of data of individual companies. Quarterly estimates are not annualized and are expressed at quarterly rates.

**Table 1:**

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

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

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

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

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

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

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

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

8. Includes sales of foreign obligations to foreigners.

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

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

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

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

13. Conceptually, the sum of line 76 and line 39 is equal to "net lending or net borrowing" in the national income and product accounts (NIPAs). However, the foreign transactions account in the NIPAs (a) includes adjustments to the international transactions accounts for the treatment of gold, (b) includes adjustments for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (c) includes services furnished without payment by financial pension plans except life insurance carriers and private noninsured pension plans. A reconciliation of the balance on goods and services from the international accounts and the NIPA net exports appears in reconciliation table 2 in appendix A in this issue of the SURVEY OF CURRENT BUSINESS. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.3B of the full set of NIPA tables.

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

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

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

16. Break in series. See Technical Notes in the June 1989–90, 1992–95, and July 1996–2004 issues of the SURVEY.

**Table 2:**

1. Exports, Census basis, represent transactions values, f.a.s. U.S. port of exportation, for all years; imports, Census basis, represent Customs values (see Technical Notes in the June 1982 SURVEY), except for 1974–81, when they represent transactions values, f.a.s. foreign port of exportation (see July issues of the SURVEY for historical data). From 1983 forward, both unadjusted and seasonally adjusted data have been prepared by BEA from "actual" and "revised statistical" monthly data supplied by the Census Bureau (see Techni-

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

2. Adjustments in lines A5 and A13, B12, B47, and B82 reflect the Census Bureau's reconciliation of discrepancies between the goods statistics published by the United States and the counterpart statistics published in Canada. These adjustments are distributed to the affected end-use categories in section C. Beginning in 1986, estimates for undocumented exports to Canada, the largest item in the U.S.-Canadian reconciliation, are included in Census basis data shown in line A1.

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

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

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

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

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

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

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

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

**Table 3:**

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

2. Includes royalties, license fees, and other fees associated with the use of

copyrights, trademarks, franchises, rights to broadcast live events, software licensing fees, and other intangible property rights.

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

4. These reflect the amount of premiums explicitly charged by, or paid to, insurers and reinsurers.

**Table 4:**

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

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

**Table 5:**

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

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

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

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

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

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

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

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

**Table 6a:**

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

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

**Table 7a:**

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

2. Includes all redemptions and early retirements.

**Table 8a:**

1. Prior to 2003, securities brokers' claims on and liabilities to their foreign affiliates are included in the estimates. They are excluded begin-

ning in 2003.

2. Estimates of commercial claims and liabilities with unaffiliated foreigners are not available.

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

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

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

**Table 9a:**

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

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

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

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

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

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

7. Prior to 2003, includes only deposits.

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

**Table 10a:**

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

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

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

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

**Table 11:**

For footnotes 1–13, see table 1.

14. The "European Union" includes Belgium, Denmark, France, Germany (includes the former German Democratic Republic (East Germany) beginning in the fourth quarter of 1990), Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, United Kingdom; beginning with the first quarter of 1995, also includes Austria, Finland, and Sweden; and beginning with the second quarter of 2004, also includes Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia. The "European Union" also includes the European Atomic Energy Community, the European Coal and Steel Community (through the third quarter of 2002), and the European Investment Bank.

15. Quarterly estimates for Mexico are available beginning with 2004.

16. Includes, as part of international and unallocated, taxes withheld; current-cost adjustments associated with U.S. and foreign direct investment; and net U.S. currency flows. Before 1999, also includes the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment internationally, and in petroleum trading. Before 1996, also includes small transactions in business services that are not reported by country.

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

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

19. Details for lines 51 and 53 are combined and shown in line 53 for the fourth quarter of 2004 and the year 2004.

# State Personal Income for the Fourth Quarter of 2004 and State Per Capita Personal Income for 2004

By David G. Lenze

PERSONAL income grew 2.6 percent in the fourth quarter of 2004, the fastest pace since the 3.4-percent growth in the first quarter of 2000.<sup>1</sup> The surge in personal income mainly reflected a special dividend by the Microsoft Corporation in December 2004 (see the box “The Microsoft Dividend”), but strong earnings growth in finance, professional services, and health care also contributed.<sup>2</sup> Excluding the Microsoft dividend, personal income grew 1.5 percent after growing 1.1 percent in the third quarter.

The fourth-quarter surge capped a year in which per capita personal income growth more than doubled, to 4.7 percent from 2.2 percent in 2003. The 2004 growth rate was the fastest since the 6.8-percent growth in 2000 and approaches the pace of the late 1990s. Per

capita personal income growth accelerated in all states except South Dakota, Nebraska, and Michigan.

Highlights from the quarterly and annual personal income estimates include the following:

- In the fourth quarter, finance, professional services, and health care accounted for a third of the earnings growth by industry.
- Quarterly personal income growth accelerated in all the states except Rhode Island.
- In 2004, per capita personal income ranged from \$24,650 in Mississippi to \$45,398 in Connecticut.
- In 2004, personal current taxes in every state increased for the first time since 1999.

The release of the preliminary estimates of state personal income for 2004 marks the first time that the Bureau of Economic Analysis (BEA) has released preliminary annual estimates 3 months after the end of the year; previously, the estimates were released 4 months after the end of the year. These accelerated

1. Percent changes from the preceding quarter are expressed at quarterly rates. Estimates of personal income are only available in current dollars.

2. Personal income is calculated as the sum of net earnings, dividends, interest, and rent, and personal current transfer receipts.

## The Microsoft Dividend

BEA estimates that \$24.85 billion (\$99.4 billion at an annual rate) of the \$32 billion Microsoft dividend was paid to persons in the United States—either to shareholders, investors in mutual funds or stakeholders in pension funds. This dividend contributed significantly to personal income growth in the fourth quarter.

The state distribution of the average dividend per person was roughly correlated with state per capita personal income. High per capita income states, such as Connecticut and Massachusetts, received more than low per capita income states, such as Mississippi and Utah.

Overall, the state of Washington was the greatest beneficiary of the dividend, reflecting the concentration of Microsoft insiders (directors and employees) who owned shares received as compensation or as benefits.

BEA assumes that most of the personal income taxes that result from the dividend will be paid as estimated taxes due in January 2005 or as final settlements due by April 15, 2005.

	2004:IV	2004		2004:IV	2004
	Billions of dollars (annual rate)	Dollars per capita <sup>1</sup>		Billions of dollars (annual rate)	Dollars per capita <sup>1</sup>
Washington .....	22.5	905	Nevada .....	0.6	60
Connecticut .....	1.6	116	Nebraska .....	0.4	59
District of Columbia ..	0.2	111	Arizona .....	1.4	59
Massachusetts .....	2.5	96	Montana .....	0.2	59
Delaware .....	0.3	92	Michigan .....	2.3	58
New Jersey .....	3.2	91	North Dakota .....	0.1	57
Florida .....	6.1	88	Oregon .....	0.8	57
Vermont .....	0.2	88	Iowa .....	0.7	56
Wyoming .....	0.2	84	Kansas .....	0.6	55
New Hampshire .....	0.4	84	North Carolina .....	1.9	54
New York .....	6.3	81	South Dakota .....	0.2	51
Pennsylvania .....	3.9	78	Indiana .....	1.2	48
California .....	10.8	75	New Mexico .....	0.4	48
Maryland .....	1.7	75	South Carolina .....	0.8	48
Illinois .....	3.7	73	Texas .....	4.2	47
Colorado .....	1.3	72	Idaho .....	0.3	47
Alaska .....	0.2	72	Kentucky .....	0.8	46
Georgia .....	2.5	71	Arkansas .....	0.5	46
Minnesota .....	1.4	69	Tennessee .....	1.0	43
Virginia .....	2.1	69	Alabama .....	0.8	43
Ohio .....	3.1	67	Louisiana .....	0.7	40
Maine .....	0.3	66	West Virginia .....	0.3	39
Rhode Island .....	0.3	64	Oklahoma .....	0.5	38
Missouri .....	1.5	64	Utah .....	0.3	36
Wisconsin .....	1.4	62	Mississippi .....	0.4	34
Hawaii .....	0.3	60	United States <sup>2</sup> .....	99.4	84

1. Microsoft dividend divided by population on July 1, 2004.

2. State estimates do not sum to the national estimate because of rounding.

estimates reflect BEA's commitment to provide users with more timely information that they can use for analytical purposes.

### Fourth-Quarter Estimates

In the fourth quarter, three industries contributed disproportionately to national personal income growth—finance, professional services, and health care. These industries accounted for a third of the earnings growth by place of work. Strong earnings growth in finance and in health care was widespread across states. In professional services, the strong earnings growth was notable in the area around the Nation's capital (Virginia, Maryland, and the District of Columbia) and in such populous states as California, New York, Pennsylvania, and Massachusetts.

Other sectors made important contributions to personal income growth in specific states. For example, in Florida, Nevada, and Hawaii, earnings in leisure and

hospitality contributed significantly to personal income growth.<sup>3</sup> In Montana, Idaho, Nevada, Colorado, and Arizona, earnings in construction contributed significantly. In Wyoming, West Virginia, Louisiana, Texas, New Mexico, Alaska, Colorado, Montana, and Oklahoma, earnings in mining contributed substantially, partly reflecting rising energy and copper prices.

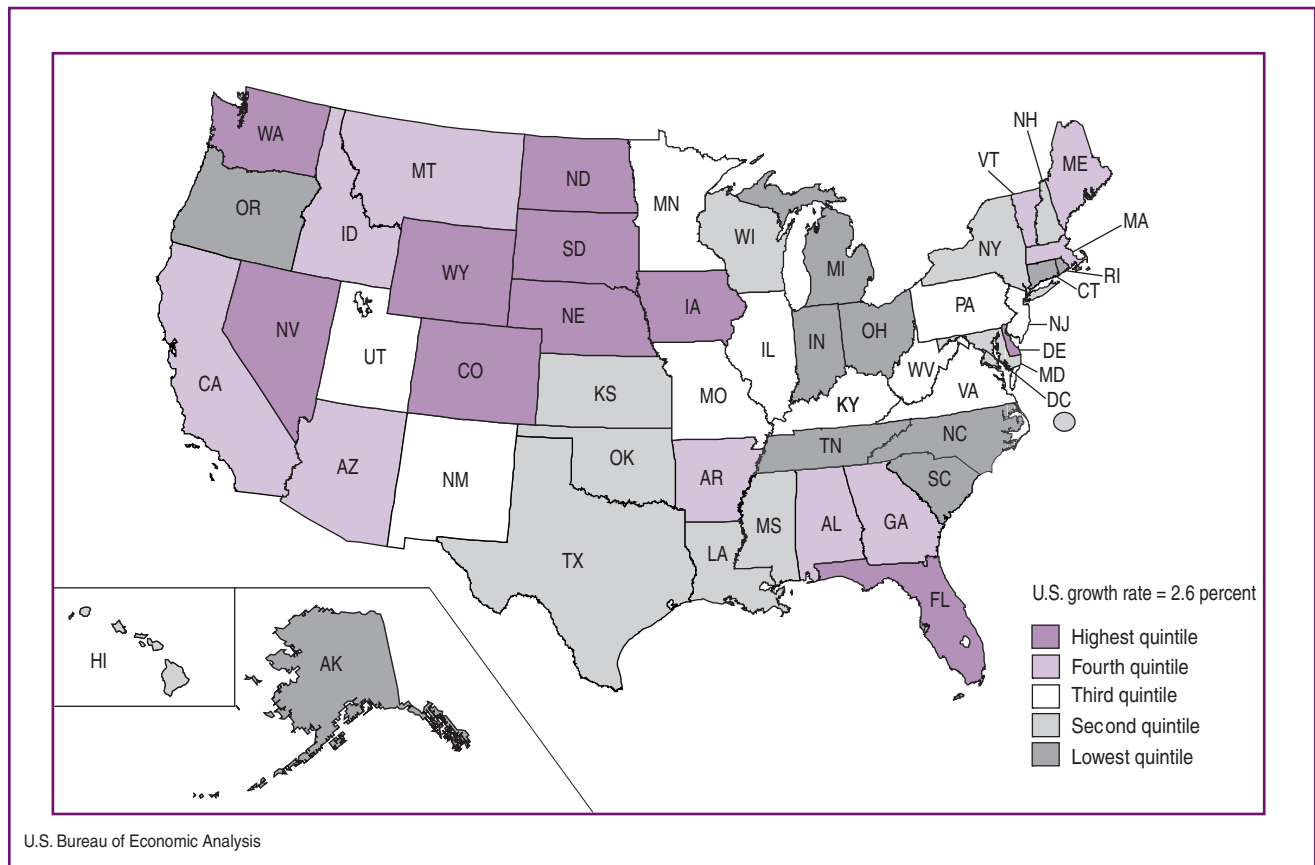
### State rankings

The fourth-quarter rankings of states by personal income growth were mainly determined by the Microsoft dividend, farm sector economics, and the third-quarter hurricanes (chart 1).

First-ranked Washington state's 10.4-percent growth in personal income was almost three times higher than second-ranked South Dakota's and reflected Washing-

3. The leisure and hospitality sector includes the arts, entertainment, and recreation and the accommodation and food services industries.

**Chart 1. Personal Income: Percent Change, 2004:III–2004:IV**





from first place to sixth place.

Rhode Island was the only state where personal income growth was lower in the fourth quarter than the third quarter, partly because of large bonuses paid in the third quarter to workers in the durable-goods manufacturing and professional services industries. Rhode Island's slow growth was emblematic of weak earnings growth across the New England region. None of the states in the region had faster earnings growth than the national average, and none of the region's largest private-sector industries grew faster than the national average.

of personal current taxes from the Census Bureau and other sources.<sup>5</sup>

**Per capita personal income**

Per capita personal income—the average income received by persons—grew 4.7 percent in 2004, more than double the 2.2-percent growth in 2003 and at the fastest pace since 2000, when it grew 6.8 percent. Per capita growth accelerated in all the states except South Dakota, Nebraska, and Michigan (chart 2).

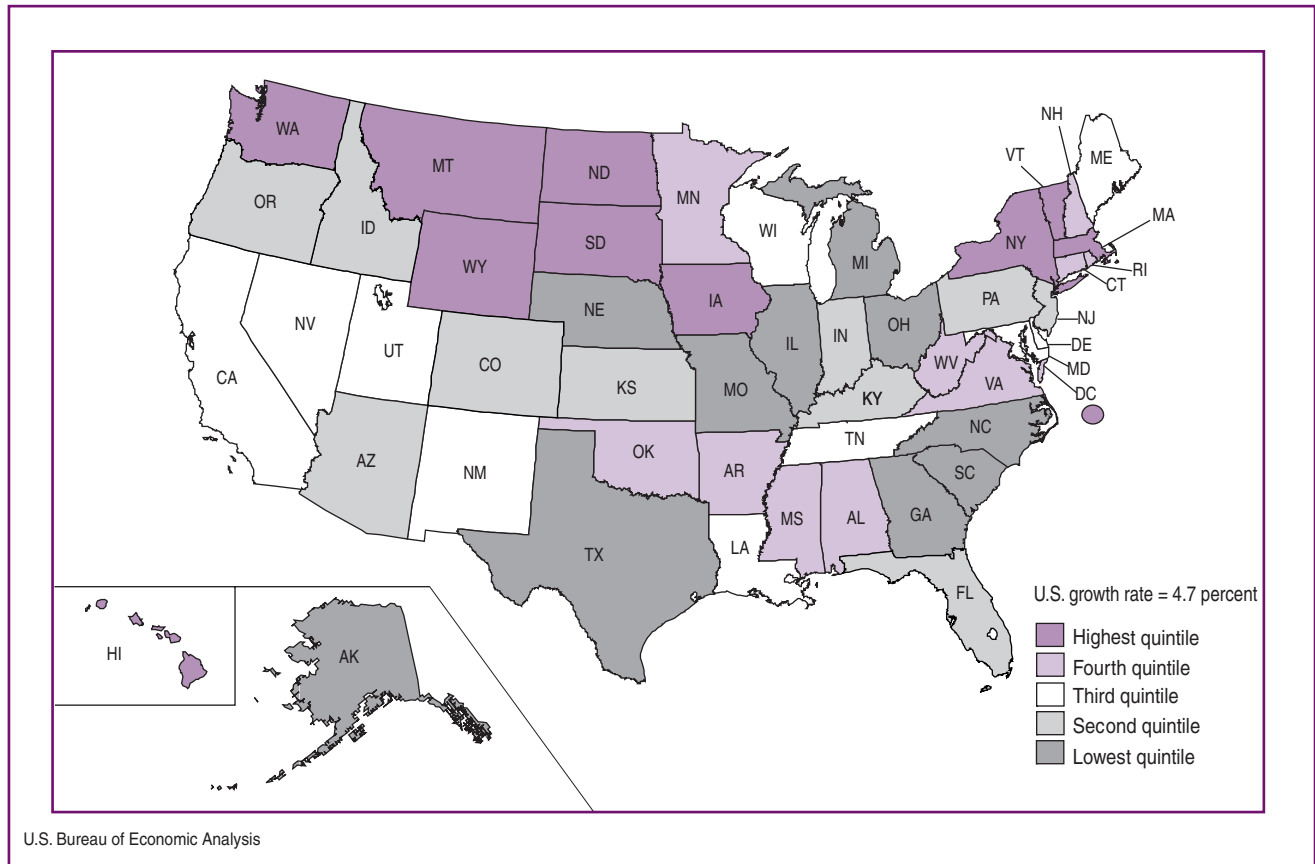
In addition to the Microsoft dividend, two other factors significantly affected growth in per capita per-

**Annual Estimates**

The accelerated preliminary estimates of state per capita personal income and disposable personal income for 2004 were based on newly available population estimates as of July 1, 2004, and on preliminary estimates

5. According to the preliminary estimates, U.S. personal income—the sum of state estimates—increased 5.7 percent in 2004, 0.1 percentage point higher than personal income in the estimates from the national income and product accounts that was released on February 28, 2005. The difference is due to the incorporation of more recent annual national and state data from the U.S. Department of Agriculture into the state estimates of farm proprietors' income.

**Chart 2. Per Capita Personal Income: Percent Change, 2003–2004**



U.S. Bureau of Economic Analysis





rate reflected the large contributions in 2003 by auto-makers to the pension funds of their workers. Similarly, these contributions tempered per capita personal income growth in Ohio and Indiana and in other states where motor vehicle manufacturing is relatively important.

**Per capita income rankings**

Connecticut led the Nation in 2004 with an average per capita personal income of \$45,398, which exceeded the national average by 38 percent. All 10 states with the highest per capita income were ranked in the top 10 in 2003, but some of these states traded places: Connecticut, Massachusetts, New Jersey, Maryland, New York, New Hampshire, Colorado, Minnesota, Delaware, and Virginia.

Mississippi's average income of \$24,650 was the lowest of all the states, 25 percent below the national average. Ranking above it were Arkansas, West Virginia, New Mexico, Utah, Montana, Idaho, South Carolina, Louisiana, and Kentucky. All these states except Kentucky were also ranked in the bottom 10 in 2003.

BEA's estimates suggest a gradual tendency for convergence in state per capita personal income (chart 3). States with above-average incomes tended to grow more slowly than states with below-average incomes. In 1969, above-average Delaware had a per capita income of \$4,512; it then averaged 6.1 percent growth from 1969 to 2004. Alabama's per capita income was \$2,728 in 1969, and its income growth averaged 6.8 percent.

**Personal current taxes**

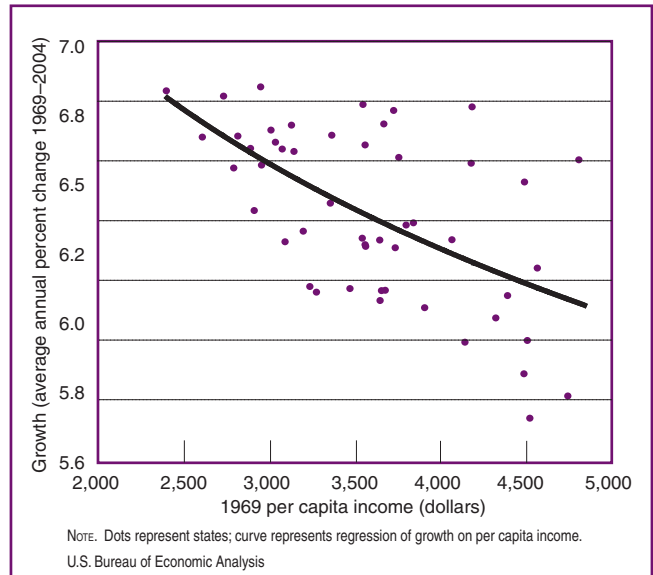
Personal current taxes in 2004 increased in every state for the first time since 1999.<sup>6</sup> The increase mainly reflected growth in personal income, because tax rates in most states were unchanged. However, New York and New Jersey raised their top marginal income tax rates, Pennsylvania raised its flat tax rate, and California adopted a tax amnesty.

6. Personal current taxes consists of Federal income taxes, state and local income taxes, licenses, and fees.

**Acknowledgments**

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**Chart 3. Per Capita Income Convergence, 1969–2004**



### Alternative Measures of Household Income

Three of the most widely used measures of household income are BEA's measure of personal income, the Census Bureau's measure of money income, and the Internal Revenue Service's measure of adjusted gross income of individuals.<sup>1</sup>

Personal income, in general, is a more comprehensive measure. For both the national and regional accounts, personal income is defined as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance. These measures of personal income include the incomes of individuals, of nonprofit institutions that primarily serve individuals, of private noninsured welfare funds, and of private trust funds.

Money income consists of income in cash and its equivalents that is received by individuals. It excludes, but personal income includes, employer contributions for employee pension and insurance funds, lump-sum payments except those received as part of earnings, certain in-kind personal current transfer receipts—such as Medicaid, Medicare, and food stamps—and imputed income.<sup>2</sup> Money income includes, but personal income excludes, personal contributions for government social insurance, income from government employee retirement plans and from private pensions and annuities, and income from regular interpersonal transfers, such as child support.

In addition, personal income at the national, state, and local area levels is presented annually on a per capita (or simple average per person) basis. Money income at the

national level is presented annually both on a per capita basis and on a median household basis; median money income for states from the Current Population Survey is presented annually as 2- and 3-year averages.<sup>3</sup> State personal income is not adjusted for inflation, but the national estimates of money income are available in inflation-adjusted dollars, using the consumer price index.<sup>4</sup>

Adjusted gross income (AGI) is taxable income prior to exemptions and the standard or itemized deductions that is reported by individuals on their Federal income tax returns. It includes, but personal income excludes, personal contributions for social insurance, gains and losses on the sale of assets, and income from government employee retirement plans and from private pensions and annuities. AGI excludes, but personal income includes, the income of the recipients of taxable incomes who, legally or illegally, did not file an individual income tax return. In particular, AGI excludes the income of many individuals with low incomes who are exempt from filing tax returns. Additionally, adjusted gross income excludes certain types of income that are not taxed—such as tax-exempt interest and nontaxable transfer payments, including Medicare, Medicaid, and welfare benefit payments—and it includes the taxable portion of social security benefit payments.

3. For local areas, the most recent estimates of money income, for 2002, are median household income estimates from the Small Area Income and Poverty Estimates.

4. At the national level, BEA also presents real per capita disposable personal income (DPI). (DPI is personal income less personal tax payments; real DPI is DPI divided by the implicit price deflator for personal consumption expenditures.) For the sources of the prices used for this deflator, see "Updated Summary of NIPA Methodologies," SURVEY OF CURRENT BUSINESS 84 (November 2004): 28–29.

#### Alternative Measures of Per Capita Income

	[Dollars]		
	2002	2003	2004
State personal income <sup>1</sup> .....	30,804	31,472	32,937
Money income <sup>2</sup> .....	22,794	23,276	n.a.
Adjusted gross income (AGI) <sup>3</sup> .....	20,974	21,366	n.a.

n.a. Not available

1. Bureau of Economic Analysis; <www.bea.gov>.

2. Census Bureau, Current Population Survey (CPS); <www.census.gov>. Uses the total civilian noninstitutional population on March of the following year.

3. The Internal Revenue Service (IRS) does not prepare per capita AGI, which is calculated as aggregate IRS AGI (less deficit) divided by Census Bureau total population; <www.irs.gov>.

1. See John Ruser, Adrienne Pilot, and Charles Nelson, "Alternative Measures of Household Income: BEA Personal Income, CPS Money Income, and Beyond" at <www.bea.gov/bea/about/fesac/AlternativemeasuresHHincomeFESAC121404.pdf>; the Census Bureau's *Income, Poverty and Health Insurance in the United States: 2003*; the Internal Revenue Service's annual *Individual Income Tax Returns*; and Mark A. Ledbetter, "Comparison of BEA Estimates of Personal Income and IRS Estimates of Adjusted Gross Income," SURVEY OF CURRENT BUSINESS 84 (November 2004): 9–14.

2. Imputations are added to personal income in both the national and regional measures so that a comprehensive account of total production and its distribution can be presented. For a description of these imputations, see *State Personal Income Methodology, 1998–2003* at <www.bea.gov/bea/regional/articles/spi2003/12.%20Technical%20Notes.pdf>.

Tables 1 through 5 follow.







Table 4. Personal Income by Major Source and [Millions of

Table with columns: Item, Line, United States (2002, 2003, 2004), Alabama (2002, 2003, 2004), Alaska (2002, 2003, 2004), Arizona (2002, 2003, 2004). Rows include Income by place of residence, Derivation of personal income, Earnings by place of work, and Earnings by industry.

See the footnotes at the end of the table.









Table 4. Personal Income by Major Source and [Millions of

Table with 13 columns: Item, Line, and years for Maine, Maryland, Massachusetts, and Michigan (2002, 2003, 2004P). Rows include categories like Income by place of residence, Derivation of personal income, Earnings by place of work, and Earnings by industry.

See the footnotes at the end of the table.















Earnings by Industry, 2002-2004<sup>1</sup>

dollars]

Table with 18 columns for years (2002', 2003', 2004P) and 18 rows for regions (Great Lakes, Plains, Southeast, Southwest, Rocky Mountain, Far West) plus a 'Line' column. Contains earnings data for various industries.

5. The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers: Wage and salary disbursements to U.S. residents commuting to Canada less wage and salary disbursements to Canadian and Mexican residents commuting into the United States.

6. Rental income of persons includes the capital consumption adjustment.
7. Proprietors' income includes the inventory valuation adjustment and the capital consumption adjustment.

8. "Other" consists of the wage and salary disbursements of U.S. residents employed by international organizations and foreign embassies and consulates in the United States.

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 because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data.









**Table 5. Personal Income by Major Source and**  
[Millions of dollars,

Item	Line	Florida								Georgia							
		2003			2004					2003			2004				
		II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>		
<b>Income by place of residence</b>																	
Personal income (lines 2-11).....	1	507,533	513,828	522,866	532,003	543,677	547,030	566,177	249,819	252,447	256,014	259,884	263,076	265,911	272,450		
<b>Derivation of personal income</b>																	
Earnings by place of work (lines 12-18 or 19-46).....	2	342,264	348,672	355,779	362,315	371,613	373,991	383,999	203,101	205,564	208,285	211,669	214,017	216,975	220,138		
Less: Contributions for government social insurance <sup>2</sup> .....	3	38,558	39,132	39,849	41,005	41,911	42,537	43,227	20,889	21,010	21,140	21,788	21,930	22,300	22,509		
Employee and self-employed contributions for government social insurance.....	4	20,597	20,927	21,336	21,889	22,402	22,753	23,138	11,025	11,108	11,195	11,502	11,589	11,791	11,909		
Employer contributions for government social insurance.....	5	17,961	18,205	18,513	19,116	19,510	19,784	20,089	9,864	9,902	9,945	10,286	10,341	10,509	10,599		
Plus: Adjustment for residence <sup>3</sup> .....	6	1,525	1,535	1,550	1,560	1,563	1,598	1,610	-735	-732	-711	-758	-734	-747	-750		
Equals: Net earnings by place of residence.....	7	305,231	311,075	317,480	322,870	331,265	333,051	342,382	181,477	183,823	186,434	189,123	191,354	193,928	196,880		
Plus: Dividends, interest, and rent <sup>4</sup> .....	8	118,194	117,712	119,884	121,473	123,088	112,843	132,450	35,779	35,637	36,498	36,950	37,315	37,120	40,455		
Plus: Personal current transfer receipts.....	9	84,108	85,041	85,503	87,661	89,324	101,135	91,346	32,563	32,987	33,083	33,812	34,407	34,863	35,115		
State unemployment insurance benefits.....	10	1,625	1,627	1,596	1,272	1,037	1,006	1,062	1,051	1,062	939	718	585	562	528		
Personal current transfer receipts excluding state unemployment insurance benefits.....	11	82,483	83,414	83,907	86,389	88,287	100,129	90,284	31,512	31,925	32,143	33,094	33,821	34,301	34,586		
<b>Earnings by place of work</b>																	
Components of earnings:																	
Wage and salary disbursements.....	12	255,810	259,958	265,144	268,893	275,387	279,855	284,773	146,567	147,734	148,960	151,279	152,532	155,285	156,934		
Supplements to wages and salaries.....	13	55,698	56,854	58,189	60,685	62,100	62,898	63,953	33,102	33,572	33,989	35,258	35,598	36,098	36,465		
Employer contributions for employee pension and insurance funds.....	14	37,737	38,649	39,676	41,569	42,590	43,114	43,864	23,238	23,670	24,044	24,972	25,257	25,589	25,865		
Employer contributions for government social insurance.....	15	17,961	18,205	18,513	19,116	19,510	19,784	20,089	9,864	9,902	9,945	10,286	10,341	10,509	10,599		
Proprietors' income <sup>5</sup> .....	16	30,756	31,860	32,446	32,737	34,127	31,237	35,273	23,432	24,258	25,335	25,132	25,887	25,592	26,740		
Farm proprietors' income.....	17	441	504	611	295	334	319	388	1,931	1,985	2,662	2,102	2,109	1,660	2,181		
Nonfarm proprietors' income.....	18	30,315	31,356	31,835	32,442	33,793	30,918	34,885	21,501	22,273	22,673	23,030	23,778	23,932	24,559		
<b>Earnings by industry</b>																	
Farm earnings.....	19	1,565	1,640	1,761	1,462	1,512	1,509	1,590	2,222	2,279	2,960	2,404	2,414	1,967	2,492		
Nonfarm earnings.....	20	340,699	347,033	354,018	360,853	370,100	372,481	382,409	200,879	203,285	205,325	209,265	211,604	215,008	217,647		
Private earnings.....	21	284,243	290,252	296,434	301,375	310,257	311,635	321,024	166,401	168,756	170,782	173,829	175,789	179,167	181,589		
Forestry, fishing, related activities, and other <sup>6</sup> .....	22	1,665	1,722	1,717	1,783	1,825	1,797	1,794	735	759	728	729	743	756	747		
Mining.....	23	435	438	445	455	465	465	476	501	506	524	527	528	536	559		
Utilities.....	24	3,042	3,052	3,241	2,656	2,889	3,144	3,170	2,761	2,823	2,838	2,938	2,861	2,933	2,936		
Construction.....	25	23,213	23,833	24,736	25,788	27,015	27,810	28,314	11,609	11,942	12,241	12,410	12,509	12,877	12,945		
Manufacturing.....	26	22,290	22,285	22,882	22,976	23,415	23,382	23,758	23,998	24,413	25,093	24,840	25,233	26,097	26,073		
Durable goods.....	27	15,189	15,150	15,557	15,720	15,810	15,916	16,278	11,531	11,855	12,291	11,970	12,059	12,490	12,544		
Non-durable goods.....	28	7,100	7,135	7,326	7,257	7,605	7,465	7,480	12,466	12,558	12,802	12,870	13,173	13,607	13,529		
Wholesale trade.....	29	18,757	19,116	19,739	20,163	20,507	20,650	20,925	13,728	13,771	13,869	14,288	14,556	14,650	14,740		
Retail trade.....	30	28,145	28,729	29,278	29,540	30,114	29,871	30,569	13,629	13,767	13,879	13,845	14,007	14,127	14,303		
Transportation and warehousing.....	31	10,846	10,864	10,960	11,203	11,443	11,491	11,655	9,091	9,060	9,334	9,413	9,561	9,683	9,873		
Information.....	32	11,753	11,994	12,363	12,428	12,996	12,785	13,168	11,967	12,111	12,535	12,693	12,754	12,734	13,011		
Finance and insurance.....	33	24,012	24,655	24,510	25,392	26,531	26,181	26,860	12,619	12,732	12,454	13,169	13,271	13,463	13,931		
Real estate and rental and leasing.....	34	10,425	11,080	11,245	11,308	12,149	10,535	12,482	5,037	5,292	5,238	5,425	5,681	5,935	5,855		
Professional and technical services.....	35	28,996	29,572	30,301	30,648	31,854	32,825	33,408	17,360	17,512	17,447	17,687	17,536	18,384	18,744		
Management of companies and enterprises.....	36	4,988	5,390	5,482	5,649	5,756	6,471	6,725	3,963	3,902	3,959	4,439	4,774	4,529	4,649		
Administrative and waste services.....	37	23,943	24,414	24,794	25,122	25,496	26,180	26,982	8,113	8,379	8,441	8,825	8,838	9,155	9,372		
Educational services.....	38	3,502	3,604	3,665	3,768	3,853	3,923	4,000	2,421	2,447	2,463	2,496	2,508	2,565	2,603		
Health care and social assistance.....	39	36,762	37,480	37,935	38,912	39,514	39,708	41,028	15,980	16,273	16,444	16,806	17,064	17,295	17,600		
Arts, entertainment, and recreation.....	40	6,477	6,720	7,107	6,887	7,181	7,377	7,900	1,676	1,666	1,632	1,571	1,663	1,732	1,878		
Accommodation and food services.....	41	12,862	13,130	13,617	14,004	14,356	14,109	14,759	5,421	5,567	5,714	5,780	5,814	5,896	5,964		
Other services, except public administration.....	42	12,130	12,173	12,417	12,693	12,897	12,932	13,052	5,791	5,834	5,950	5,949	5,888	5,819	5,809		
Government and government enterprises.....	43	56,456	56,781	57,584	59,478	59,844	60,847	61,385	34,478	34,529	34,543	35,436	35,814	35,841	36,057		
Federal, civilian.....	44	9,521	9,511	9,651	9,762	9,909	9,921	10,151	7,410	7,301	7,142	7,289	7,404	7,313	7,320		
Military.....	45	6,368	6,302	6,273	6,744	6,636	6,578	6,466	5,336	5,425	5,412	5,725	5,709	5,683	5,700		
State and local.....	46	40,567	40,968	41,660	42,973	43,299	44,348	44,768	21,732	21,803	21,989	22,422	22,701	22,845	23,037		

See the footnotes at the end of the table.



**Table 5. Personal Income by Major Source and**

[Millions of dollars,

Item	Line	Indiana							Iowa						
		2003			2004				2003			2004			
		II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Income by place of residence</b>															
Personal income (lines 2–11)	1	177,342	179,219	182,996	183,125	186,907	188,499	192,326	82,708	83,720	85,053	88,352	89,693	90,034	93,078
<b>Derivation of personal income</b>															
Earnings by place of work (lines 12–18 or 19–46)	2	135,376	137,142	140,798	140,165	143,490	144,862	146,649	62,005	63,046	64,301	67,390	68,468	68,789	70,900
Less: Contributions for government social insurance <sup>2</sup>	3	14,925	15,028	15,386	15,586	15,904	16,053	16,196	7,269	7,370	7,519	7,705	7,783	7,882	7,981
Employee and self-employed contributions for government social insurance	4	7,790	7,839	8,024	8,105	8,281	8,362	8,444	3,799	3,846	3,921	4,007	4,049	4,102	4,157
Employer contributions for government social insurance	5	7,135	7,189	7,362	7,481	7,624	7,691	7,752	3,471	3,524	3,598	3,698	3,734	3,780	3,825
Plus: Adjustment for residence <sup>3</sup>	6	3,315	3,337	3,320	3,404	3,406	3,469	3,530	821	817	795	813	827	835	845
Equals: Net earnings by place of residence	7	123,765	125,451	128,732	127,984	130,991	132,279	133,983	55,557	56,494	57,577	60,498	61,512	61,743	63,764
Plus: Dividends, interest, and rent <sup>4</sup>	8	27,674	27,561	28,011	28,314	28,615	28,858	30,417	14,387	14,335	14,553	14,668	14,768	14,834	15,609
Plus: Personal current transfer receipts	9	25,903	26,207	26,252	26,827	27,300	27,361	27,926	12,764	12,890	12,922	13,185	13,413	13,457	13,706
State unemployment insurance benefits	10	976	1,013	917	743	643	658	665	477	481	447	341	287	308	283
Personal current transfer receipts excluding state unemployment insurance benefits	11	24,927	25,194	25,335	26,085	26,658	26,704	27,261	12,287	12,410	12,475	12,844	13,126	13,149	13,423
<b>Earnings by place of work</b>															
Components of earnings:															
Wage and salary disbursements	12	97,760	98,376	100,719	100,573	102,822	103,891	104,976	44,897	45,460	46,359	46,836	47,362	48,008	48,679
Supplements to wages and salaries	13	25,511	26,295	27,500	26,449	27,043	27,290	27,576	10,650	10,912	11,233	11,539	11,725	11,855	12,024
Employer contributions for employee pension and insurance funds	14	18,376	19,107	20,138	18,968	19,419	19,600	19,824	7,180	7,388	7,635	7,841	7,991	8,075	8,199
Employer contributions for government social insurance	15	7,135	7,189	7,362	7,481	7,624	7,691	7,752	3,471	3,524	3,598	3,698	3,734	3,780	3,825
Proprietors' income <sup>5</sup>	16	12,105	12,470	12,579	13,144	13,625	13,681	14,097	6,458	6,674	6,709	9,014	9,380	8,927	10,198
Farm proprietors' income	17	472	470	401	815	779	670	881	865	912	838	3,039	3,222	2,700	3,851
Nonfarm proprietors' income	18	11,633	12,000	12,178	12,328	12,847	13,011	13,216	5,593	5,762	5,871	5,975	6,158	6,227	6,347
<b>Earnings by industry</b>															
Farm earnings	19	687	688	622	1,039	1,004	898	1,111	1,228	1,279	1,210	3,416	3,603	3,084	4,238
Nonfarm earnings	20	134,689	136,454	140,176	139,126	142,486	143,964	145,538	60,777	61,767	63,092	63,974	64,866	65,705	66,662
Private earnings	21	116,246	117,760	121,326	119,840	123,210	124,695	126,227	50,293	51,204	52,379	53,073	53,867	54,730	55,648
Forestry, fishing, related activities, and other <sup>6</sup>	22	193	195	198	202	205	203	206	226	229	229	239	242	242	243
Mining	23	517	518	538	539	559	571	589	126	129	129	135	141	145	148
Utilities	24	1,451	1,487	1,534	1,542	1,606	1,600	1,625	798	813	839	879	904	852	869
Construction	25	8,537	8,669	8,839	8,777	9,248	9,209	9,367	3,747	3,866	3,996	4,079	4,175	4,201	4,270
Manufacturing	26	37,350	37,809	40,141	37,865	38,833	39,659	40,168	11,754	12,077	12,647	12,398	12,817	12,970	13,135
Durable goods	27	27,809	28,449	30,392	28,140	28,672	29,408	29,872	7,304	7,594	8,046	7,783	8,111	8,160	8,306
Non-durable goods	28	9,541	9,359	9,749	9,726	10,161	10,250	10,296	4,450	4,483	4,602	4,615	4,705	4,810	4,829
Wholesale trade	29	6,504	6,612	6,718	6,785	6,988	7,010	7,081	3,285	3,291	3,379	3,460	3,514	3,566	3,576
Retail trade	30	9,091	9,174	9,272	9,218	9,283	9,381	9,375	4,775	4,849	4,877	4,879	4,914	4,962	5,027
Transportation and warehousing	31	5,155	5,113	5,248	5,276	5,345	5,484	5,572	2,389	2,426	2,461	2,553	2,583	2,627	2,662
Information	32	2,220	2,274	2,318	2,495	2,533	2,415	2,482	1,658	1,622	1,653	1,729	1,758	1,765	1,818
Finance and insurance	33	6,307	6,368	6,435	6,548	6,591	6,554	6,757	4,921	5,001	5,080	5,346	5,276	5,485	5,677
Real estate and rental and leasing	34	2,536	2,726	2,657	2,698	2,918	3,013	2,988	909	974	964	970	1,024	1,047	1,044
Professional and technical services	35	6,521	6,570	6,649	6,726	6,916	7,077	7,167	2,735	2,753	2,800	2,843	2,867	2,913	2,961
Management of companies and enterprises	36	1,934	1,926	2,076	2,070	2,176	2,451	2,303	546	562	598	586	606	640	665
Administrative and waste services	37	4,078	4,152	4,252	4,356	4,513	4,622	4,695	1,594	1,634	1,653	1,660	1,702	1,729	1,763
Educational services	38	1,436	1,449	1,489	1,495	1,501	1,552	1,550	803	819	831	842	851	862	860
Health care and social assistance	39	13,372	13,593	13,726	13,930	14,105	14,352	14,569	6,260	6,356	6,393	6,560	6,535	6,718	6,836
Arts, entertainment, and recreation	40	1,633	1,653	1,680	1,676	1,767	1,667	1,798	570	571	580	590	594	602	649
Accommodation and food services	41	3,249	3,273	3,318	3,385	3,385	3,469	3,506	1,378	1,388	1,409	1,434	1,439	1,476	1,501
Other services, except public administration	42	4,161	4,194	4,238	4,256	4,337	4,406	4,431	1,819	1,845	1,860	1,891	1,926	1,930	1,945
Government and government enterprises	43	18,443	18,694	18,850	19,287	19,276	19,270	19,311	10,484	10,563	10,712	10,901	10,999	10,976	11,014
Federal, civilian	44	2,710	2,652	2,646	2,702	2,742	2,707	2,710	1,301	1,278	1,254	1,274	1,290	1,286	1,289
Military	45	780	762	758	807	811	814	789	479	475	472	513	535	558	567
State and local	46	14,953	15,280	15,445	15,778	15,723	15,748	15,811	8,703	8,810	8,986	9,114	9,174	9,131	9,158

See the footnotes at the end of the table.





Table 5. Personal Income by Major Source and

[Millions of dollars,

Item	Line	Maine							Maryland						
		2003			2004				2003			2004			
		II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Income by place of residence</b>															
Personal income (lines 2-11).....	1	37,837	38,260	39,061	39,356	39,984	40,373	41,341	205,509	207,467	210,181	213,981	216,918	218,375	223,276
<b>Derivation of personal income</b>															
Earnings by place of work (lines 12-18 or 19-46).....	2	26,666	27,046	27,760	27,827	28,270	28,606	29,040	143,905	145,761	147,497	150,215	152,136	153,091	155,289
Less: Contributions for government social insurance <sup>2</sup> .....	3	2,903	2,930	3,001	3,038	3,075	3,113	3,152	15,903	16,049	16,208	16,666	16,806	16,873	17,093
Employee and self-employed contributions for government social insurance.....	4	1,568	1,586	1,628	1,642	1,666	1,687	1,709	8,211	8,299	8,393	8,604	8,686	8,734	8,855
Employer contributions for government social insurance.....	5	1,335	1,344	1,373	1,396	1,410	1,426	1,444	7,691	7,750	7,815	8,062	8,120	8,139	8,238
Plus: Adjustment for residence <sup>3</sup> .....	6	700	714	724	732	748	771	779	21,816	21,957	22,373	22,946	23,221	23,376	23,607
Equals: Net earnings by place of residence.....	7	24,464	24,830	25,483	25,521	25,943	26,264	26,667	149,818	151,670	153,662	156,495	158,552	159,594	161,803
Plus: Dividends, interest, and rent <sup>4</sup> .....	8	6,391	6,364	6,490	6,564	6,629	6,676	7,100	32,972	32,830	33,429	33,880	34,348	34,749	36,959
Plus: Personal current transfer receipts.....	9	6,982	7,067	7,087	7,271	7,413	7,433	7,574	22,719	22,967	23,090	23,606	24,018	24,033	24,514
State unemployment insurance benefits.....	10	160	170	152	131	115	123	112	757	758	751	606	513	487	477
Personal current transfer receipts excluding state unemployment insurance benefits.....	11	6,822	6,896	6,935	7,140	7,297	7,310	7,462	21,962	22,209	22,339	23,000	23,505	23,546	24,037
<b>Earnings by place of work</b>															
Components of earnings:															
Wage and salary disbursements.....	12	19,011	19,234	19,745	19,691	19,984	20,249	20,527	105,526	106,667	107,917	109,361	110,480	111,153	112,757
Supplements to wages and salaries.....	13	4,704	4,771	4,908	5,021	5,093	5,129	5,203	24,622	24,897	25,144	26,203	26,479	26,483	26,852
Employer contributions for employee pension and insurance funds.....	14	3,369	3,427	3,535	3,625	3,683	3,703	3,759	16,931	17,147	17,329	18,142	18,359	18,344	18,615
Employer contributions for government social insurance.....	15	1,335	1,344	1,373	1,396	1,410	1,426	1,444	7,691	7,750	7,815	8,062	8,120	8,139	8,238
Proprietors' income <sup>5</sup> .....	16	2,951	3,042	3,107	3,115	3,193	3,229	3,310	13,757	14,198	14,436	14,651	15,178	15,455	15,679
Farm proprietors' income.....	17	-18	-16	-6	-52	-53	-63	-41	111	114	123	128	132	131	139
Nonfarm proprietors' income.....	18	2,969	3,057	3,113	3,167	3,245	3,292	3,352	13,646	14,084	14,313	14,523	15,045	15,343	15,540
<b>Earnings by industry</b>															
Farm earnings.....	19	95	98	108	63	64	55	78	291	295	305	313	319	300	329
Nonfarm earnings.....	20	26,571	26,949	27,652	27,764	28,206	28,552	28,962	143,614	145,467	147,192	149,903	151,817	152,791	154,960
Private earnings.....	21	21,490	21,846	22,429	22,495	22,841	23,246	23,608	110,438	112,250	114,155	116,372	117,407	119,825	121,775
Forestry, fishing, related activities, and other <sup>6</sup> .....	22	348	353	351	362	374	360	369	128	133	130	135	141	142	139
Mining.....	23	9	9	9	9	9	9	9	110	111	122	114	118	122	
Utilities.....	24	286	286	296	297	305	298	302	2,388	2,421	2,533	2,560	2,514	2,538	2,556
Construction.....	25	1,791	1,840	1,880	1,935	1,910	1,954	1,987	10,508	10,777	11,157	11,401	11,505	12,068	12,233
Manufacturing.....	26	3,540	3,602	3,710	3,637	3,620	3,758	3,778	10,281	10,353	10,516	10,485	10,523	10,796	10,931
Durable goods.....	27	1,802	1,840	1,917	1,847	1,881	1,940	1,966	6,089	6,223	6,219	6,307	6,212	6,501	6,630
Non-durable goods.....	28	1,738	1,762	1,793	1,790	1,739	1,818	1,813	4,191	4,130	4,298	4,178	4,311	4,295	4,301
Wholesale trade.....	29	1,113	1,127	1,174	1,170	1,194	1,234	1,252	6,241	6,334	6,456	6,621	6,605	6,745	6,828
Retail trade.....	30	2,440	2,499	2,556	2,560	2,583	2,609	2,649	9,641	9,743	9,975	9,750	10,005	10,179	10,329
Transportation and warehousing.....	31	676	684	705	703	719	723	739	3,288	3,304	3,385	3,466	3,531	3,648	3,706
Information.....	32	602	611	638	642	649	683	705	4,028	4,163	4,327	4,650	4,289	4,510	4,633
Finance and insurance.....	33	1,667	1,667	1,703	1,740	1,767	1,725	1,759	9,264	9,520	9,277	9,871	9,743	9,519	9,801
Real estate and rental and leasing.....	34	434	464	464	467	508	518	514	3,989	4,214	4,198	4,387	4,589	4,720	4,725
Professional and technical services.....	35	1,540	1,570	1,631	1,632	1,668	1,661	1,708	18,331	18,543	18,799	19,252	19,751	20,117	20,521
Management of companies and enterprises.....	36	376	354	385	389	414	373	387	686	735	778	908	936	868	914
Administrative and waste services.....	37	714	720	720	726	714	726	738	5,225	5,292	5,392	5,444	5,528	5,680	5,760
Educational services.....	38	375	378	385	386	394	398	400	2,393	2,403	2,446	2,514	2,568	2,639	2,685
Health care and social assistance.....	39	3,731	3,800	3,906	3,931	4,065	4,219	4,276	14,012	14,233	14,382	14,547	14,699	14,990	15,197
Arts, entertainment, and recreation.....	40	257	264	274	257	267	276	291	1,252	1,211	1,217	1,342	1,253	1,286	1,338
Accommodation and food services.....	41	864	885	897	910	919	938	949	3,924	3,921	4,202	4,026	4,172	4,189	4,223
Other services, except public administration.....	42	729	734	745	742	763	785	797	4,750	4,837	4,860	4,899	4,938	5,068	5,128
Government and government enterprises.....	43	5,082	5,102	5,223	5,269	5,364	5,306	5,354	33,177	33,217	33,037	33,531	34,411	32,966	33,185
Federal, civilian.....	44	1,067	1,062	1,062	1,098	1,118	1,111	1,119	14,115	14,029	13,852	14,066	14,243	14,281	14,368
Military.....	45	469	466	464	503	490	468	489	2,904	2,883	2,840	3,057	3,003	2,983	3,012
State and local.....	46	3,545	3,574	3,698	3,667	3,757	3,727	3,747	16,157	16,305	16,345	16,407	17,164	15,702	15,804

See the footnotes at the end of the table.



**Table 5. Personal Income by Major Source and**  
 [Millions of dollars,

Item	Line	Mississippi							Missouri						
		2003			2004				2003			2004			
		II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Income by place of residence</b>															
Personal income (lines 2–11) .....	1	67,082	67,917	68,963	69,998	71,024	71,801	73,408	167,726	169,229	170,581	172,454	174,832	176,589	180,673
<b>Derivation of personal income</b>															
Earnings by place of work (lines 12–18 or 19–46) .....	2	46,474	47,203	47,970	48,563	49,194	49,930	50,754	128,608	130,068	130,852	132,090	133,826	135,546	137,539
Less: Contributions for government social insurance <sup>2</sup> .....	3	5,171	5,225	5,292	5,380	5,427	5,522	5,577	13,980	14,078	14,121	14,438	14,569	14,758	14,934
Employee and self-employed contributions for government social insurance .....	4	2,756	2,791	2,832	2,871	2,899	2,951	2,983	7,302	7,355	7,382	7,523	7,600	7,702	7,800
Employer contributions for government social insurance .....	5	2,415	2,434	2,460	2,509	2,528	2,572	2,594	6,678	6,723	6,739	6,915	6,969	7,056	7,134
Plus: Adjustment for residence <sup>3</sup> .....	6	1,823	1,844	1,880	1,904	1,936	1,967	1,991	-4,015	-4,050	-4,029	-4,014	-4,019	-4,063	-4,142
Equals: Net earnings by place of residence .....	7	43,127	43,823	44,558	45,086	45,703	46,375	47,169	110,613	111,940	112,702	113,639	115,237	116,725	118,462
Plus: Dividends, interest, and rent <sup>4</sup> .....	8	9,588	9,556	9,799	9,935	10,048	10,092	10,637	29,898	29,775	30,238	30,525	30,800	31,012	32,802
Plus: Personal current transfer receipts .....	9	14,367	14,538	14,606	14,976	15,273	15,334	15,602	27,215	27,513	27,640	28,290	28,795	28,852	29,409
State unemployment insurance benefits .....	10	269	270	249	195	167	172	154	786	786	755	609	506	514	480
Personal current transfer receipts excluding state unemployment insurance benefits .....	11	14,098	14,267	14,357	14,782	15,106	15,162	15,448	26,428	26,727	26,886	27,681	28,289	28,338	28,929
<b>Earnings by place of work</b>															
Components of earnings:															
Wage and salary disbursements .....	12	32,557	32,953	33,425	33,501	33,854	34,474	34,872	93,564	94,226	94,582	95,278	96,322	97,679	98,980
Supplements to wages and salaries .....	13	8,395	8,585	8,772	8,901	8,994	9,142	9,221	22,210	22,613	22,910	23,158	23,485	23,710	23,986
Employer contributions for employee pension and insurance funds .....	14	5,980	6,151	6,312	6,391	6,466	6,570	6,627	15,533	15,890	16,171	16,243	16,516	16,654	16,852
Employer contributions for government social insurance .....	15	2,415	2,434	2,460	2,509	2,528	2,572	2,594	6,678	6,723	6,739	6,915	6,969	7,056	7,134
Proprietors' income <sup>5</sup> .....	16	5,523	5,666	5,772	6,161	6,346	6,314	6,662	12,834	13,229	13,359	13,654	14,018	14,158	14,573
Farm proprietors' income .....	17	732	740	761	1,109	1,139	1,026	1,261	566	560	498	593	542	531	653
Nontfarm proprietors' income .....	18	4,791	4,925	5,011	5,052	5,207	5,288	5,401	12,268	12,669	12,861	13,061	13,476	13,626	13,920
<b>Earnings by industry</b>															
Farm earnings .....	19	939	950	973	1,324	1,355	1,245	1,482	796	791	731	829	781	772	896
Nontfarm earnings .....	20	45,535	46,254	46,996	47,239	47,839	48,685	49,272	127,813	129,277	130,121	131,261	133,045	134,774	136,643
Private earnings .....	21	34,598	35,218	35,822	35,744	36,276	37,031	37,600	107,610	109,046	109,832	110,686	112,230	114,052	115,852
Forestry, fishing, related activities, and other <sup>6</sup> .....	22	546	564	556	561	552	562	566	381	392	390	404	393	397	402
Mining .....	23	468	483	500	493	506	510	530	342	387	387	404	374	439	436
Utilities .....	24	558	555	563	664	598	601	609	1,090	1,076	1,131	1,082	1,225	1,125	1,143
Construction .....	25	2,477	2,478	2,485	2,379	2,448	2,547	2,580	8,481	8,711	8,700	8,758	8,994	9,120	9,241
Manufacturing .....	26	7,710	7,905	8,168	7,863	8,047	8,381	8,468	18,404	18,735	19,178	18,558	19,164	19,569	19,675
Durable goods .....	27	4,938	5,040	5,335	5,049	5,178	5,475	5,556	11,925	12,241	12,715	11,923	12,425	12,715	12,810
Nondurable goods .....	28	2,773	2,865	2,832	2,815	2,868	2,906	2,912	6,479	6,494	6,462	6,634	6,739	6,855	6,865
Wholesale trade .....	29	1,760	1,779	1,813	1,853	1,868	1,904	1,937	6,831	6,916	6,972	7,149	7,240	7,374	7,490
Retail trade .....	30	3,691	3,756	3,873	3,748	3,824	3,886	3,909	9,120	9,238	9,395	9,164	9,391	9,429	9,524
Transportation and warehousing .....	31	1,734	1,764	1,800	1,791	1,839	1,862	1,893	5,172	5,137	5,086	5,079	5,103	5,175	5,244
Information .....	32	822	852	854	859	867	887	909	4,863	4,965	5,062	5,229	5,217	5,236	5,354
Finance and insurance .....	33	1,772	1,775	1,769	1,808	1,862	1,863	1,921	7,831	7,863	7,725	7,881	7,971	8,119	8,407
Real estate and rental and leasing .....	34	622	671	660	667	714	741	738	2,348	2,487	2,436	2,486	2,624	2,691	2,712
Professional and technical services .....	35	2,146	2,190	2,160	2,259	2,313	2,344	2,384	9,637	9,677	9,752	9,784	10,007	10,143	10,252
Management of companies and enterprises .....	36	661	637	640	641	634	645	661	5,231	5,161	5,127	5,748	5,288	5,445	5,610
Administrative and waste services .....	37	955	982	1,023	1,072	1,067	1,085	1,131	3,707	3,789	3,835	3,938	4,069	4,139	4,209
Educational services .....	38	371	369	385	389	395	402	408	2,088	2,138	2,161	2,208	2,225	2,248	2,301
Health care and social assistance .....	39	4,517	4,620	4,679	4,761	4,805	4,886	4,934	12,629	12,802	12,935	13,058	13,223	13,500	13,699
Arts, entertainment, and recreation .....	40	415	405	402	439	434	436	460	1,727	1,764	1,723	1,838	1,769	1,749	1,896
Accommodation and food services .....	41	1,934	1,991	2,024	2,039	2,046	2,036	2,091	3,458	3,513	3,534	3,578	3,600	3,680	3,761
Other services, except public administration .....	42	1,438	1,441	1,468	1,458	1,458	1,453	1,470	4,270	4,296	4,304	4,340	4,352	4,474	4,495
Government and government enterprises .....	43	10,937	11,036	11,174	11,495	11,563	11,654	11,672	20,202	20,231	20,289	20,575	20,815	20,722	20,791
Federal, civilian .....	44	1,827	1,801	1,793	1,831	1,881	1,888	1,870	4,165	4,119	4,061	4,175	4,208	4,111	4,113
Military .....	45	1,710	1,704	1,696	1,821	1,781	1,796	1,757	1,698	1,676	1,706	1,839	1,824	1,796	1,761
State and local .....	46	7,401	7,531	7,686	7,844	7,901	7,970	8,046	14,339	14,437	14,522	14,561	14,783	14,814	14,917

See the footnotes at the end of the table.

Earnings by Industry, 2003:II-2004:IV<sup>1</sup>—Continues

seasonally adjusted at annual rates]

Montana							Nebraska							Nevada							Line
2003			2004				2003			2004				2003			2004				
II'	III'	IV'	I'	II'	III'	IV <sup>P</sup>	II'	III'	IV'	I'	II'	III'	IV <sup>P</sup>	II'	III'	IV'	I'	II'	III'	IV <sup>P</sup>	
23,283	23,460	23,823	24,348	24,688	24,932	25,601	52,196	52,674	53,502	53,559	54,259	54,819	56,388	70,545	72,096	73,902	75,403	77,101	78,529	80,945	1
17,098	17,261	17,518	17,960	18,210	18,473	18,839	41,122	41,608	42,309	42,233	42,748	43,301	44,268	54,193	55,902	57,566	58,877	60,398	61,818	63,480	2
2,047	2,066	2,087	2,151	2,165	2,203	2,233	4,522	4,552	4,591	4,706	4,754	4,829	4,897	5,465	5,621	5,776	5,961	6,105	6,252	6,414	3
1,050	1,062	1,076	1,105	1,114	1,133	1,149	2,352	2,369	2,392	2,443	2,472	2,512	2,549	2,770	2,850	2,933	3,021	3,094	3,170	3,254	4
997	1,003	1,011	1,046	1,052	1,069	1,083	2,170	2,183	2,200	2,263	2,283	2,317	2,349	2,695	2,770	2,843	2,941	3,011	3,082	3,160	5
28	29	29	30	30	30	30	-885	-895	-895	-921	-934	-953	-970	-365	-396	-426	-435	-457	-474	-499	6
15,079	15,225	15,460	15,839	16,075	16,301	16,637	35,716	36,161	36,823	36,606	37,059	37,520	38,400	48,363	49,885	51,364	52,481	53,836	55,092	56,567	7
4,324	4,314	4,423	4,474	4,508	4,521	4,772	9,183	9,135	9,268	9,359	9,456	9,538	10,071	14,081	14,007	14,318	14,525	14,728	14,892	15,690	8
3,881	3,922	3,940	4,036	4,106	4,110	4,192	7,297	7,379	7,412	7,594	7,744	7,761	7,917	8,101	8,205	8,220	8,397	8,536	8,545	8,688	9
97	100	97	80	63	60	58	167	172	165	133	119	123	120	411	405	363	307	269	263	233	10
3,784	3,822	3,842	3,956	4,043	4,050	4,134	7,130	7,206	7,246	7,461	7,625	7,638	7,797	7,690	7,799	7,857	8,090	8,268	8,282	8,455	11
11,437	11,573	11,721	11,904	12,007	12,224	12,407	28,868	29,084	29,373	29,663	30,030	30,536	31,000	39,830	41,071	42,325	43,085	44,161	45,278	46,498	12
2,933	2,989	3,034	3,177	3,194	3,244	3,284	6,687	6,772	6,877	7,104	7,191	7,289	7,397	8,509	8,794	9,105	9,542	9,791	10,012	10,273	13
1,935	1,986	2,023	2,130	2,143	2,174	2,201	4,517	4,589	4,677	4,841	4,909	4,972	5,048	5,813	6,024	6,262	6,601	6,780	6,929	7,112	14
997	1,003	1,011	1,046	1,052	1,069	1,083	2,170	2,183	2,200	2,263	2,283	2,317	2,349	2,695	2,770	2,843	2,941	3,011	3,082	3,160	15
2,728	2,699	2,763	2,879	3,009	3,006	3,149	5,567	5,752	6,060	5,467	5,526	5,476	5,871	5,855	6,037	6,136	6,250	6,446	6,529	6,709	16
101	-13	21	95	98	42	140	1,584	1,659	1,878	1,214	1,141	1,062	1,380	32	34	38	17	18	17	21	17
2,627	2,712	2,742	2,784	2,911	2,964	3,008	3,984	4,100	4,182	4,253	4,385	4,414	4,491	5,822	6,003	6,098	6,233	6,428	6,512	6,688	18
272	160	195	272	276	222	322	1,968	2,041	2,271	1,612	1,543	1,468	1,790	99	102	106	87	88	87	92	19
16,825	17,101	17,323	17,689	17,934	18,251	18,517	39,154	39,567	40,038	40,621	41,204	41,833	42,477	54,095	55,801	57,460	58,791	60,310	61,731	63,388	20
12,942	13,116	13,324	13,578	13,911	14,134	14,404	31,864	32,395	32,669	33,089	33,654	34,210	34,821	45,946	47,673	49,059	50,093	51,567	52,693	54,227	21
199	199	199	203	206	203	207	147	150	152	151	154	153	155	34	36	36	36	37	37	37	22
457	447	467	514	535	547	575	128	133	137	139	141	143	151	755	729	853	805	811	879	906	23
280	272	277	287	283	280	283	483	499	516	499	534	534	542	505	538	604	597	651	576	588	24
1,323	1,310	1,345	1,375	1,412	1,439	1,504	2,509	2,564	2,616	2,668	2,729	2,671	2,663	5,780	5,923	6,350	6,497	6,831	7,327	7,687	25
1,015	1,023	1,033	1,043	1,060	1,093	1,102	4,885	4,996	5,027	4,963	5,035	5,160	5,213	2,522	2,677	2,720	2,633	2,792	2,853	2,919	26
584	574	570	573	588	603	614	2,310	2,331	2,405	2,400	2,391	2,446	2,459	1,795	1,928	1,961	1,858	1,994	2,043	2,099	27
431	449	463	470	473	490	489	2,575	2,665	2,622	2,563	2,645	2,714	2,754	727	749	759	776	798	810	819	28
680	691	700	726	736	754	759	2,133	2,127	2,149	2,214	2,256	2,332	2,362	2,070	2,104	2,161	2,229	2,260	2,310	2,345	29
1,557	1,585	1,614	1,637	1,662	1,659	1,680	2,818	2,869	2,884	2,886	2,921	2,944	2,980	4,180	4,297	4,410	4,480	4,612	4,678	4,792	30
667	676	677	687	703	708	717	2,704	2,729	2,790	2,855	2,856	2,893	2,984	1,689	1,721	1,790	1,830	1,865	1,884	1,957	31
370	371	388	401	410	421	428	1,223	1,220	1,210	1,188	1,254	1,283	1,325	1,088	1,138	1,156	1,105	1,145	1,150	1,181	32
771	781	811	822	835	832	864	2,851	2,879	2,903	2,994	3,057	3,070	3,194	3,475	3,603	3,552	3,740	3,897	3,806	3,981	33
619	677	661	674	744	776	761	558	590	583	599	647	650	646	1,524	1,625	1,628	1,658	1,807	1,869	1,875	34
1,041	1,054	1,070	1,075	1,097	1,130	1,144	2,334	2,422	2,449	2,485	2,496	2,580	2,648	3,848	3,909	3,965	4,189	4,074	4,195	4,272	35
64	62	64	58	56	58	60	891	955	941	982	1,010	1,073	1,098	973	1,348	1,477	1,636	1,790	1,596	1,700	36
390	404	406	414	428	442	444	1,257	1,260	1,240	1,286	1,293	1,327	1,380	2,183	2,279	2,311	2,341	2,412	2,528	2,645	37
94	95	96	98	100	103	105	460	462	483	489	492	494	486	160	168	174	183	187	202	208	38
2,050	2,078	2,115	2,143	2,194	2,219	2,276	4,115	4,150	4,185	4,258	4,314	4,392	4,461	3,875	3,992	4,062	4,160	4,235	4,372	4,463	39
211	219	208	219	222	219	236	248	258	262	258	260	264	274	1,119	1,151	1,189	1,164	1,191	1,215	1,283	40
609	625	631	631	651	663	667	899	904	911	909	919	930	947	8,954	9,200	9,349	9,480	9,612	9,824	9,971	41
545	547	562	572	576	588	592	1,222	1,229	1,232	1,266	1,286	1,318	1,313	1,210	1,235	1,271	1,327	1,358	1,391	1,416	42
3,883	3,986	3,998	4,111	4,023	4,117	4,113	7,290	7,172	7,369	7,532	7,551	7,624	7,656	8,148	8,127	8,401	8,697	8,743	9,038	9,161	43
946	970	967	973	999	971	978	1,129	1,130	1,139	1,138	1,169	1,162	1,153	1,215	1,245	1,323	1,338	1,402	1,416	1,394	44
410	412	413	444	441	440	438	853	858	864	922	909	905	913	801	804	809	872	866	869	877	45
2,528	2,604	2,618	2,694	2,583	2,706	2,697	5,308	5,184	5,366	5,472	5,472	5,557	5,590	6,132	6,079	6,269	6,487	6,475	6,753	6,890	46

Table 5. Personal Income by Major Source and

[Millions of dollars,

Item	Line	New Hampshire							New Jersey						
		2003			2004				2003			2004			
		II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Income by place of residence</b>															
Personal income (lines 2-11).....	1	44,905	45,505	46,212	46,780	47,650	48,520	49,585	340,410	344,746	347,255	351,150	356,140	361,169	369,721
<b>Derivation of personal income</b>															
Earnings by place of work (lines 12-18 or 19-46).....	2	32,252	32,816	33,343	33,750	34,413	35,431	35,879	252,918	257,232	257,442	259,960	264,546	268,567	272,734
Less: Contributions for government social insurance <sup>2</sup> .....	3	3,517	3,561	3,610	3,689	3,747	3,861	3,902	29,100	29,395	29,246	29,795	30,196	30,647	31,054
Employee and self-employed contributions for government social insurance.....	4	1,891	1,916	1,945	1,982	2,015	2,078	2,101	15,059	15,269	15,235	15,471	15,702	15,949	16,173
Employer contributions for government social insurance.....	5	1,625	1,644	1,665	1,707	1,732	1,783	1,801	14,041	14,126	14,011	14,323	14,494	14,698	14,881
Plus: Adjustment for residence <sup>3</sup> .....	6	3,707	3,769	3,822	3,881	3,990	3,930	3,979	23,510	23,689	24,595	25,212	25,023	26,194	26,331
Equals: Net earnings by place of residence.....	7	32,443	33,025	33,555	33,941	34,655	35,500	35,956	247,328	251,525	252,791	255,377	259,373	264,114	268,010
Plus: Dividends, interest, and rent <sup>4</sup> .....	8	7,416	7,384	7,539	7,613	7,670	7,701	8,204	50,325	50,059	51,076	51,615	52,086	52,393	56,154
Plus: Personal current transfer receipts.....	9	5,045	5,096	5,118	5,226	5,325	5,319	5,425	42,757	43,162	43,388	44,158	44,681	44,663	45,556
State unemployment insurance benefits.....	10	151	153	149	110	96	81	78	2,674	2,663	2,669	2,234	1,836	1,736	1,742
Personal current transfer receipts excluding state unemployment insurance benefits.....	11	4,895	4,943	4,969	5,116	5,229	5,238	5,347	40,083	40,499	40,719	41,924	42,845	42,927	43,814
<b>Earnings by place of work</b>															
Components of earnings:															
Wage and salary disbursements.....	12	23,305	23,629	23,996	24,174	24,599	25,376	25,673	185,445	188,199	187,930	188,650	191,600	194,723	197,579
Supplements to wages and salaries.....	13	5,001	5,105	5,212	5,387	5,477	5,638	5,709	38,828	39,415	39,425	40,744	41,379	41,900	42,486
Employer contributions for employee pension and insurance funds.....	14	3,376	3,461	3,547	3,680	3,745	3,855	3,908	24,787	25,288	25,414	26,421	26,885	27,202	27,604
Employer contributions for government social insurance.....	15	1,625	1,644	1,665	1,707	1,732	1,783	1,801	14,041	14,126	14,011	14,323	14,494	14,698	14,881
Proprietors' income <sup>5</sup> .....	16	3,946	4,082	4,134	4,189	4,336	4,417	4,498	28,645	29,617	30,087	30,567	31,567	31,944	32,670
Farm proprietors' income.....	17	-11	-9	-4	-17	-16	-18	-12	4	4	5	-48	-43	-49	-31
Nonfarm proprietors' income.....	18	3,957	4,091	4,138	4,206	4,352	4,435	4,510	28,641	29,613	30,082	30,615	31,610	31,993	32,701
<b>Earnings by industry</b>															
Farm earnings.....	19	39	40	46	34	35	34	40	264	266	269	218	226	223	244
Nonfarm earnings.....	20	32,214	32,776	33,297	33,716	34,377	35,397	35,840	252,653	256,966	257,174	259,742	264,319	268,344	272,490
Private earnings.....	21	28,305	28,812	29,230	29,754	30,270	31,251	31,681	216,688	219,972	220,595	222,363	226,288	229,433	233,255
Forestry, fishing, related activities, and other <sup>6</sup> .....	22	125	128	128	130	132	136	134	137	142	138	134	142	140	140
Mining.....	23	39	41	42	41	44	48	50	196	196	196	216	216	215	225
Utilities.....	24	343	365	395	511	367	400	408	2,182	2,176	2,244	2,214	2,341	2,265	2,306
Construction.....	25	2,251	2,325	2,324	2,372	2,421	2,502	2,567	13,082	13,403	13,777	14,023	14,250	14,651	14,923
Manufacturing.....	26	5,253	5,318	5,425	5,390	5,504	5,762	5,820	28,149	28,387	28,787	29,071	29,223	29,459	29,645
Durable goods.....	27	3,976	4,026	4,143	4,115	4,204	4,436	4,494	11,153	11,401	11,375	11,367	11,305	11,468	11,585
Non-durable goods.....	28	1,277	1,292	1,282	1,275	1,300	1,326	1,326	16,996	16,985	17,413	17,704	17,918	17,990	18,060
Wholesale trade.....	29	2,007	2,036	2,065	2,111	2,164	2,188	2,220	19,590	19,442	18,638	18,898	18,920	19,414	19,662
Retail trade.....	30	3,260	3,336	3,385	3,338	3,402	3,457	3,497	18,031	18,197	18,314	18,012	18,155	18,488	18,756
Transportation and warehousing.....	31	595	605	623	602	616	631	644	8,726	8,785	8,907	8,974	9,168	9,302	9,399
Information.....	32	842	846	876	910	953	958	997	10,995	11,360	11,361	11,585	11,552	11,444	11,773
Finance and insurance.....	33	2,302	2,294	2,308	2,412	2,423	2,442	2,512	22,393	23,239	22,563	23,011	24,401	23,841	24,663
Real estate and rental and leasing.....	34	754	844	786	803	881	938	899	6,086	6,482	6,427	6,491	6,966	7,206	7,159
Professional and technical services.....	35	2,505	2,519	2,546	2,619	2,677	2,753	2,792	27,866	27,779	28,144	28,458	28,753	29,541	30,055
Management of companies and enterprises.....	36	539	552	553	693	711	824	769	7,517	7,712	7,612	7,659	7,625	7,719	7,896
Administrative and waste services.....	37	942	983	994	1,035	1,030	1,069	1,093	9,744	9,903	9,868	10,302	10,329	10,496	10,612
Educational services.....	38	801	797	818	836	841	851	870	3,366	3,402	3,488	3,030	3,190	3,146	3,192
Health care and social assistance.....	39	3,461	3,504	3,572	3,566	3,679	3,829	3,888	23,516	23,886	24,328	24,479	24,881	25,738	26,152
Arts, entertainment, and recreation.....	40	350	348	393	368	379	387	406	2,055	2,109	2,187	2,214	2,235	2,220	2,368
Accommodation and food services.....	41	973	986	1,006	1,016	1,038	1,055	1,088	6,479	6,697	6,710	6,700	6,875	6,964	7,060
Other services, except public administration.....	42	964	984	993	1,002	1,009	1,022	1,025	6,578	6,674	6,907	6,892	7,069	7,184	7,270
Government and government enterprises.....	43	3,909	3,964	4,066	3,962	4,107	4,146	4,158	35,965	36,994	36,579	37,379	38,031	38,912	39,235
Federal, civilian.....	44	608	605	604	618	629	638	638	5,088	5,005	4,967	5,047	5,114	5,137	5,099
Military.....	45	163	171	174	169	170	165	171	1,218	1,206	1,207	1,287	1,270	1,272	1,267
State and local.....	46	3,138	3,188	3,288	3,175	3,309	3,343	3,349	29,660	30,783	30,405	31,046	31,647	32,503	32,868

See the footnotes at the end of the table.



**Table 5. Personal Income by Major Source and**

[Millions of dollars,

Item	Line	North Dakota							Ohio						
		2003			2004				2003			2004			
		II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Income by place of residence</b>															
Personal income (lines 2-11)	1	18,210	18,482	18,668	19,537	19,783	19,834	20,517	342,811	344,704	350,758	350,388	357,099	360,504	367,690
<b>Derivation of personal income</b>															
Earnings by place of work (lines 12-18 or 19-46)	2	14,279	14,603	14,747	15,587	15,783	15,797	16,243	261,676	263,030	268,679	266,552	272,443	275,861	278,560
Less: Contributions for government social insurance <sup>2</sup>	3	1,711	1,743	1,759	1,822	1,857	1,860	1,876	27,338	27,278	27,772	27,903	28,471	28,858	29,044
Employee and self-employed contributions for government social insurance	4	850	868	876	905	922	925	934	13,644	13,648	13,910	13,953	14,234	14,421	14,520
Employer contributions for government social insurance	5	861	876	883	918	935	935	942	13,695	13,629	13,861	13,950	14,237	14,437	14,524
Plus: Adjustment for residence <sup>3</sup>	6	-492	-509	-520	-544	-561	-560	-566	-1,450	-1,415	-1,479	-1,368	-1,438	-1,461	-1,438
Equals: Net earnings by place of residence	7	12,076	12,351	12,469	13,221	13,366	13,377	13,802	232,888	234,338	239,429	237,280	242,535	245,542	248,078
Plus: Dividends, interest, and rent <sup>4</sup>	8	3,421	3,406	3,464	3,509	3,555	3,596	3,795	54,099	53,916	54,716	55,208	55,668	55,925	59,604
Plus: Personal current transfer receipts	9	2,713	2,725	2,735	2,807	2,863	2,862	2,921	55,823	56,450	56,612	57,900	58,896	59,037	60,008
State unemployment insurance benefits	10	64	54	54	47	41	35	36	1,774	1,868	1,749	1,413	1,168	1,117	974
Personal current transfer receipts excluding state unemployment insurance benefits	11	2,649	2,670	2,681	2,761	2,821	2,826	2,885	54,050	54,582	54,864	56,487	57,728	57,920	59,034
<b>Earnings by place of work</b>															
Components of earnings:															
Wage and salary disbursements	12	9,519	9,720	9,822	10,024	10,229	10,267	10,366	192,714	192,824	196,592	194,933	198,999	201,728	203,234
Supplements to wages and salaries	13	2,421	2,486	2,524	2,658	2,711	2,705	2,726	46,028	46,655	48,249	46,976	48,119	48,598	49,018
Employer contributions for employee pension and insurance funds	14	1,560	1,610	1,641	1,741	1,776	1,770	1,784	32,334	33,025	34,388	33,025	33,882	34,160	34,493
Employer contributions for government social insurance	15	861	876	883	918	935	935	942	13,695	13,629	13,861	13,950	14,237	14,437	14,524
Proprietors' income <sup>5</sup>	16	2,339	2,397	2,401	2,904	2,843	2,825	3,151	22,934	23,552	23,838	24,643	25,325	25,536	26,308
Farm proprietors' income	17	824	836	812	1,284	1,162	1,130	1,421	484	489	456	859	776	666	968
Nonfarm proprietors' income	18	1,515	1,561	1,589	1,620	1,681	1,695	1,730	22,450	23,063	23,383	23,784	24,549	24,849	25,340
<b>Earnings by industry</b>															
Farm earnings	19	967	979	957	1,431	1,310	1,279	1,572	815	825	795	1,204	1,124	1,038	1,323
Nonfarm earnings	20	13,313	13,624	13,790	14,156	14,473	14,518	14,671	260,861	262,206	267,884	265,348	271,319	274,824	277,237
Private earnings	21	10,115	10,402	10,538	10,768	11,061	11,170	11,336	221,351	222,627	227,870	224,701	230,653	234,416	236,695
Forestry, fishing, related activities, and other <sup>6</sup>	22	92	95	93	98	98	94	97	282	288	284	289	300	299	299
Mining	23	261	262	265	285	281	293	310	950	933	977	1,062	996	1,037	1,081
Utilities	24	322	336	351	371	361	365	373	2,185	2,163	2,141	2,133	2,238	2,088	2,119
Construction	25	816	863	877	916	994	969	986	14,191	14,110	14,374	14,647	14,757	14,884	15,297
Manufacturing	26	1,168	1,218	1,247	1,263	1,340	1,333	1,356	54,969	54,807	57,820	53,166	55,623	56,290	56,864
Durable goods	27	741	776	798	798	859	846	858	39,521	39,414	42,094	37,757	39,756	40,065	40,506
Non-durable goods	28	427	442	449	465	481	487	497	15,448	15,393	15,726	15,409	15,868	16,225	16,357
Wholesale trade	29	827	847	866	889	907	918	926	13,929	14,067	14,213	14,234	14,724	14,774	14,913
Retail trade	30	1,067	1,085	1,108	1,094	1,119	1,125	1,136	18,360	18,456	18,713	18,337	18,480	18,579	18,670
Transportation and warehousing	31	552	558	568	579	588	596	619	8,497	8,611	8,673	8,744	8,892	9,074	9,205
Information	32	375	394	392	407	411	446	418	5,821	6,006	5,976	6,083	6,222	6,248	6,317
Finance and insurance	33	736	747	764	779	799	788	817	15,883	15,952	16,047	16,598	16,841	17,434	17,884
Real estate and rental and leasing	34	171	183	181	183	197	202	198	4,896	5,192	5,099	5,188	5,573	5,680	5,644
Professional and technical services	35	639	654	639	669	677	713	723	18,596	18,597	18,762	19,067	19,365	19,848	20,128
Management of companies and enterprises	36	165	162	164	181	172	183	189	7,204	7,116	7,614	7,795	8,020	8,814	8,398
Administrative and waste services	37	266	271	271	284	289	283	287	8,728	8,881	8,912	9,115	9,382	9,430	9,434
Educational services	38	80	87	96	98	100	99	101	2,731	2,760	2,808	2,858	2,876	2,888	2,922
Health care and social assistance	39	1,737	1,771	1,791	1,799	1,842	1,869	1,894	27,765	28,194	28,804	28,602	29,434	29,912	30,188
Arts, entertainment, and recreation	40	72	74	74	74	78	76	81	2,270	2,237	2,302	2,264	2,220	2,291	2,404
Accommodation and food services	41	351	359	361	366	367	376	380	6,189	6,291	6,333	6,409	6,456	6,509	6,552
Other services, except public administration	42	418	437	430	436	441	441	446	7,906	7,966	8,018	8,112	8,255	8,337	8,375
Government and government enterprises	43	3,198	3,222	3,253	3,388	3,412	3,348	3,335	39,509	39,579	40,014	40,647	40,666	40,408	40,542
Federal, civilian	44	603	605	603	620	636	630	618	6,353	6,208	6,084	6,166	6,243	6,225	6,224
Military	45	683	691	694	749	743	737	736	1,738	1,740	1,739	1,857	1,858	1,861	1,875
State and local	46	1,912	1,926	1,955	2,018	2,033	1,980	1,982	31,419	31,631	32,192	32,623	32,565	32,321	32,443

See the footnotes at the end of the table.





Table 5. Personal Income by Major Source and

[Millions of dollars,

Item	Line	Rhode Island							South Carolina						
		2003			2004				2003			2004			
		II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Income by place of residence</b>															
Personal income (lines 2-11).....	1	34,140	34,582	35,114	35,524	36,085	36,885	37,319	107,556	108,719	110,472	111,410	113,384	114,632	116,851
<b>Derivation of personal income</b>															
Earnings by place of work (lines 12-18 or 19-46).....	2	24,387	24,827	25,256	25,455	25,810	26,671	26,515	79,423	80,430	81,655	82,053	83,618	84,819	85,674
Less: Contributions for government social insurance <sup>2</sup> .....	3	2,965	3,009	3,056	3,106	3,140	3,252	3,219	8,960	9,031	9,129	9,317	9,468	9,601	9,671
Employee and self-employed contributions for government social insurance.....	4	1,586	1,614	1,642	1,664	1,685	1,746	1,730	4,624	4,666	4,721	4,806	4,888	4,960	5,000
Employer contributions for government social insurance.....	5	1,378	1,396	1,414	1,442	1,455	1,505	1,489	4,337	4,365	4,408	4,512	4,580	4,641	4,671
Plus: Adjustment for residence <sup>3</sup> .....	6	1,281	1,298	1,311	1,357	1,398	1,350	1,416	1,408	1,442	1,468	1,487	1,493	1,542	1,560
Equals: Net earnings by place of residence.....	7	22,703	23,115	23,511	23,706	24,067	24,769	24,712	71,871	72,841	73,994	74,222	75,642	76,761	77,563
Plus: Dividends, interest, and rent <sup>4</sup> .....	8	5,414	5,392	5,496	5,579	5,666	5,741	6,117	16,603	16,570	17,065	17,331	17,534	17,607	18,657
Plus: Personal current transfer receipts.....	9	6,023	6,074	6,107	6,239	6,352	6,374	6,490	19,082	19,308	19,413	19,857	20,207	20,264	20,631
State unemployment insurance benefits.....	10	261	254	257	216	197	208	195	565	563	547	432	356	335	331
Personal current transfer receipts excluding state unemployment insurance benefits.....	11	5,763	5,820	5,850	6,023	6,156	6,166	6,295	18,517	18,745	18,866	19,424	19,851	19,929	20,300
<b>Earnings by place of work</b>															
Components of earnings:															
Wage and salary disbursements.....	12	17,860	18,162	18,476	18,512	18,759	19,455	19,287	57,920	58,443	59,143	59,508	60,569	61,499	62,037
Supplements to wages and salaries.....	13	4,072	4,136	4,212	4,341	4,392	4,531	4,485	14,228	14,489	14,776	15,018	15,262	15,469	15,601
Employer contributions for employee pension and insurance funds.....	14	2,694	2,741	2,798	2,899	2,936	3,026	2,996	9,892	10,123	10,369	10,506	10,682	10,828	10,930
Employer contributions for government social insurance.....	15	1,378	1,396	1,414	1,442	1,455	1,505	1,489	4,337	4,365	4,408	4,512	4,580	4,641	4,671
Proprietors' income <sup>5</sup> .....	16	2,454	2,528	2,568	2,602	2,659	2,685	2,743	7,275	7,499	7,735	7,527	7,787	7,851	8,037
Farm proprietors' income.....	17	-2	-2	-1	0	0	0	0	412	414	521	220	215	180	241
Nonfarm proprietors' income.....	18	2,456	2,530	2,569	2,602	2,659	2,685	2,743	6,863	7,085	7,214	7,306	7,572	7,671	7,796
<b>Earnings by industry</b>															
Farm earnings.....	19	17	17	19	20	20	20	21	530	534	643	344	339	306	368
Nonfarm earnings.....	20	24,370	24,809	25,237	25,435	25,790	26,651	26,495	78,892	79,896	81,012	81,709	83,278	84,513	85,307
Private earnings.....	21	20,066	20,524	20,863	21,041	21,345	22,152	21,996	62,499	63,462	64,502	64,677	66,269	67,188	67,902
Forestry, fishing, related activities, and other <sup>6</sup> .....	22	57	60	59	60	61	63	61	362	374	371	385	392	392	389
Mining.....	23	19	19	20	19	21	20	21	96	98	101	98	100	106	108
Utilities.....	24	278	282	285	281	277	278	279	992	1,026	1,071	1,175	1,082	1,060	1,069
Construction.....	25	1,426	1,512	1,534	1,508	1,473	1,495	1,518	5,502	5,601	5,853	5,814	5,938	6,039	6,048
Manufacturing.....	26	3,209	3,214	3,254	3,234	3,197	3,387	3,239	14,916	14,996	15,385	14,879	15,142	15,626	15,739
Durable goods.....	27	2,080	2,072	2,111	2,057	2,085	2,234	2,098	7,495	7,579	7,843	7,481	7,615	7,804	7,929
Non-durable goods.....	28	1,129	1,142	1,143	1,177	1,112	1,153	1,141	7,421	7,417	7,542	7,398	7,527	7,821	7,810
Wholesale trade.....	29	1,082	1,101	1,098	1,090	1,126	1,145	1,157	3,407	3,424	3,532	3,625	3,717	3,805	3,811
Retail trade.....	30	1,694	1,709	1,741	1,745	1,733	1,753	1,770	6,371	6,511	6,612	6,587	6,745	6,802	6,895
Transportation and warehousing.....	31	437	440	449	446	448	443	438	2,248	2,258	2,296	2,301	2,333	2,378	2,447
Information.....	32	801	843	933	964	1,001	922	948	1,540	1,573	1,611	1,648	1,750	1,688	1,719
Finance and insurance.....	33	1,930	1,948	1,941	2,034	2,079	2,054	2,134	3,808	3,848	3,834	3,908	4,037	4,032	4,112
Real estate and rental and leasing.....	34	407	428	426	432	473	482	479	1,674	1,787	1,746	1,721	1,886	2,000	1,947
Professional and technical services.....	35	1,802	1,825	1,804	1,842	1,872	2,241	1,993	4,627	4,625	4,633	4,726	4,803	4,944	5,017
Management of companies and enterprises.....	36	602	691	792	822	887	948	957	564	684	662	606	934	627	639
Administrative and waste services.....	37	686	702	714	761	770	792	809	3,536	3,558	3,635	3,786	3,822	3,895	3,887
Educational services.....	38	778	797	812	817	825	847	841	618	618	623	631	634	644	648
Health care and social assistance.....	39	3,152	3,215	3,222	3,242	3,313	3,443	3,465	6,269	6,395	6,396	6,562	6,642	6,749	6,862
Arts, entertainment, and recreation.....	40	250	259	270	246	259	271	291	685	700	698	711	720	734	772
Accommodation and food services.....	41	753	772	792	769	796	823	843	2,736	2,794	2,832	2,875	2,916	2,968	3,076
Other services, except public administration.....	42	703	705	718	728	734	747	752	2,548	2,592	2,611	2,639	2,676	2,701	2,719
Government and government enterprises.....	43	4,304	4,286	4,374	4,394	4,445	4,499	4,499	16,393	16,434	16,510	17,032	17,010	17,326	17,404
Federal, civilian.....	44	860	839	832	849	851	834	829	1,992	1,946	1,946	1,974	2,023	2,027	2,035
Military.....	45	469	429	414	448	450	450	441	2,844	2,812	2,798	3,019	3,022	3,025	3,008
State and local.....	46	2,975	3,017	3,129	3,097	3,144	3,214	3,229	11,557	11,676	11,766	12,039	11,965	12,273	12,361

See the footnotes at the end of the table.



Table 5. Personal Income by Major Source and

[Millions of dollars,

Item	Line	Utah							Vermont						
		2003			2004				2003			2004			
		II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Income by place of residence</b>															
Personal income (lines 2-11).....	1	59,430	60,031	60,807	61,757	63,167	63,905	65,419	18,964	19,196	19,617	19,688	20,218	20,513	21,032
<b>Derivation of personal income</b>															
Earnings by place of work (lines 12-18 or 19-46).....	2	48,961	49,579	50,206	51,008	52,312	53,026	54,006	13,705	13,951	14,340	14,287	14,777	15,061	15,257
Less: Contributions for government social insurance <sup>2</sup> .....	3	5,279	5,324	5,377	5,527	5,646	5,720	5,816	1,572	1,592	1,632	1,634	1,684	1,720	1,736
Employee and self-employed contributions for government social insurance.....	4	2,636	2,660	2,689	2,756	2,819	2,858	2,907	839	851	874	873	900	919	929
Employer contributions for government social insurance.....	5	2,643	2,664	2,687	2,771	2,827	2,862	2,908	733	741	758	762	783	800	807
Plus: Adjustment for residence <sup>3</sup> .....	6	21	24	25	28	26	27	27	268	270	267	283	275	290	294
Equals: Net earnings by place of residence.....	7	43,703	44,279	44,854	45,509	46,692	47,333	48,217	12,401	12,629	12,974	12,935	13,369	13,631	13,814
Plus: Dividends, interest, and rent <sup>4</sup> .....	8	8,914	8,886	9,090	9,226	9,353	9,451	9,934	3,564	3,547	3,607	3,649	3,692	3,729	3,998
Plus: Personal current transfer receipts.....	9	6,812	6,866	6,863	7,022	7,122	7,122	7,268	2,998	3,020	3,036	3,104	3,156	3,153	3,220
State unemployment insurance benefits.....	10	300	278	234	197	147	135	136	126	114	112	93	80	71	73
Personal current transfer receipts excluding state unemployment insurance benefits.....	11	6,513	6,588	6,628	6,825	6,975	6,987	7,132	2,872	2,906	2,924	3,010	3,077	3,082	3,146
<b>Earnings by place of work</b>															
Components of earnings:															
Wage and salary disbursements.....	12	34,858	35,188	35,590	36,048	36,901	37,437	38,105	9,833	9,981	10,252	10,123	10,447	10,678	10,796
Supplements to wages and salaries.....	13	8,370	8,495	8,614	8,877	9,091	9,173	9,329	2,279	2,326	2,405	2,427	2,506	2,558	2,585
Employer contributions for employee pension and insurance funds.....	14	5,727	5,832	5,927	6,106	6,264	6,310	6,421	1,546	1,585	1,647	1,666	1,723	1,758	1,778
Employer contributions for government social insurance.....	15	2,643	2,664	2,687	2,771	2,827	2,862	2,908	733	741	758	762	783	800	807
Proprietors' income <sup>5</sup> .....	16	5,732	5,895	6,002	6,082	6,321	6,416	6,572	1,593	1,644	1,682	1,737	1,824	1,825	1,875
Farm proprietors' income.....	17	131	137	155	111	115	102	128	46	49	54	80	100	80	100
Nonfarm proprietors' income.....	18	5,601	5,758	5,847	5,971	6,206	6,314	6,443	1,546	1,594	1,628	1,657	1,724	1,745	1,775
<b>Earnings by industry</b>															
Farm earnings.....	19	263	270	290	248	253	242	269	130	133	138	166	186	167	188
Nonfarm earnings.....	20	48,698	49,309	49,916	50,760	52,060	52,784	53,736	13,576	13,818	14,202	14,121	14,591	14,893	15,069
Private earnings.....	21	39,185	39,831	40,390	41,054	42,270	43,008	43,910	11,188	11,387	11,723	11,618	12,065	12,211	12,372
Forestry, fishing, related activities, and other <sup>6</sup> .....	22	50	55	51	53	54	56	54	81	83	82	84	86	86	86
Mining.....	23	520	507	535	587	599	572	609	53	54	57	54	54	54	56
Utilities.....	24	399	391	398	284	425	404	413	190	200	220	244	229	218	222
Construction.....	25	3,557	3,572	3,639	3,789	3,958	4,071	4,189	932	970	1,009	1,035	1,105	1,110	1,128
Manufacturing.....	26	6,033	6,120	6,256	6,194	6,371	6,434	6,598	2,262	2,259	2,398	2,191	2,358	2,399	2,427
Durable goods.....	27	4,081	4,113	4,224	4,114	4,207	4,262	4,388	1,706	1,701	1,818	1,632	1,781	1,787	1,811
Non-durable goods.....	28	1,953	2,007	2,032	2,080	2,164	2,172	2,210	556	558	579	559	576	612	616
Wholesale trade.....	29	2,164	2,196	2,238	2,289	2,342	2,400	2,432	564	594	592	587	590	591	596
Retail trade.....	30	3,805	3,871	3,971	4,013	4,095	4,170	4,238	1,191	1,201	1,223	1,242	1,262	1,278	1,291
Transportation and warehousing.....	31	2,123	2,146	2,144	2,204	2,270	2,272	2,320	314	316	324	324	328	328	334
Information.....	32	1,523	1,555	1,567	1,648	1,653	1,670	1,707	320	328	335	343	341	352	355
Finance and insurance.....	33	2,973	3,071	2,953	2,973	3,139	3,221	3,320	672	690	693	697	702	719	741
Real estate and rental and leasing.....	34	1,048	1,108	1,085	1,103	1,199	1,246	1,297	207	224	221	226	244	250	250
Professional and technical services.....	35	3,946	4,022	4,083	4,106	4,191	4,337	4,377	936	952	1,012	981	1,028	1,025	1,029
Management of companies and enterprises.....	36	1,080	1,093	1,088	1,146	1,180	1,171	1,220	21	19	20	22	26	22	23
Administrative and waste services.....	37	1,593	1,644	1,697	1,787	1,804	1,836	1,867	277	286	288	312	353	313	321
Educational services.....	38	713	738	741	741	762	793	813	380	381	382	391	402	404	409
Health care and social assistance.....	39	3,780	3,832	3,931	4,009	4,079	4,120	4,212	1,679	1,706	1,738	1,733	1,782	1,866	1,892
Arts, entertainment, and recreation.....	40	450	449	481	477	466	490	523	122	126	122	127	130	138	146
Accommodation and food services.....	41	1,285	1,308	1,313	1,335	1,348	1,388	1,410	577	582	585	598	613	623	627
Other services, except public administration.....	42	2,141	2,153	2,219	2,317	2,334	2,357	2,372	409	414	422	425	430	436	437
Government and government enterprises.....	43	9,514	9,478	9,526	9,706	9,790	9,776	9,826	2,388	2,430	2,478	2,504	2,526	2,683	2,697
Federal, civilian.....	44	2,480	2,474	2,408	2,435	2,439	2,422	2,424	428	440	454	459	465	462	459
Military.....	45	816	810	811	859	846	850	846	150	149	148	158	158	157	155
State and local.....	46	6,218	6,194	6,307	6,412	6,505	6,505	6,556	1,810	1,842	1,877	1,887	1,903	2,064	2,082

See the footnotes at the end of the table.



Table 5. Personal Income by Major Source and

[Millions of dollars,

Item	Line	Wisconsin							Wyoming						
		2003			2004				2003			2004			
		II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Income by place of residence</b>															
Personal income (lines 2-11).....	1	166,962	168,632	170,788	172,657	175,191	178,476	182,292	16,107	16,401	16,725	16,943	17,253	17,413	17,900
<b>Derivation of personal income</b>															
Earnings by place of work (lines 12-18 or 19-46).....	2	127,825	129,472	131,247	132,575	134,596	138,097	139,873	11,496	11,811	12,070	12,226	12,457	12,583	12,820
Less: Contributions for government social insurance <sup>2</sup> .....	3	14,379	14,504	14,676	14,938	15,109	15,539	15,681	1,218	1,241	1,260	1,302	1,321	1,334	1,356
Employee and self-employed contributions for government social insurance.....	4	7,387	7,455	7,547	7,660	7,754	7,974	8,053	636	649	659	679	690	697	709
Employer contributions for government social insurance.....	5	6,992	7,049	7,129	7,278	7,356	7,565	7,628	582	592	600	623	631	637	647
Plus: Adjustment for residence <sup>3</sup> .....	6	3,025	3,057	3,053	3,113	3,154	3,169	3,217	4	3	1	-1	-1	0	0
Equals: Net earnings by place of residence.....	7	116,471	118,024	119,623	120,750	122,640	125,727	127,409	10,283	10,573	10,811	10,923	11,136	11,249	11,463
Plus: Dividends, interest, and rent <sup>4</sup> .....	8	27,100	26,984	27,444	27,720	27,980	28,175	29,840	3,713	3,697	3,775	3,828	3,880	3,922	4,152
Plus: Personal current transfer receipts.....	9	23,391	23,623	23,721	24,186	24,571	24,575	25,043	2,112	2,131	2,139	2,192	2,237	2,242	2,284
State unemployment insurance benefits.....	10	1,180	1,169	1,138	935	809	772	744	63	59	55	46	43	44	41
Personal current transfer receipts excluding state unemployment insurance benefits.....	11	22,211	22,454	22,583	23,251	23,762	23,803	24,299	2,049	2,072	2,085	2,146	2,193	2,197	2,243
<b>Earnings by place of work</b>															
Components of earnings:															
Wage and salary disbursements.....	12	93,657	94,559	95,777	96,095	97,337	100,161	101,209	7,796	7,954	8,084	8,233	8,367	8,461	8,612
Supplements to wages and salaries.....	13	22,483	22,891	23,343	23,751	24,134	24,844	25,104	1,827	1,881	1,922	2,014	2,047	2,068	2,101
Employer contributions for employee pension and insurance funds.....	14	15,492	15,842	16,214	16,474	16,778	17,279	17,476	1,245	1,289	1,321	1,391	1,416	1,431	1,454
Employer contributions for government social insurance.....	15	6,992	7,049	7,129	7,278	7,356	7,565	7,628	582	592	600	623	631	637	647
Proprietors' income <sup>5</sup> .....	16	11,685	12,022	12,126	12,729	13,125	13,092	13,560	1,873	1,976	2,064	1,978	2,043	2,055	2,106
Farm proprietors' income.....	17	517	514	453	835	898	733	951	80	114	164	49	51	49	56
Nonfarm proprietors' income.....	18	11,168	11,508	11,673	11,893	12,227	12,358	12,609	1,793	1,862	1,900	1,929	1,991	2,006	2,050
<b>Earnings by industry</b>															
Farm earnings.....	19	1,147	1,148	1,092	1,483	1,553	1,394	1,618	173	208	259	145	149	147	156
Nonfarm earnings.....	20	126,678	128,324	130,155	131,092	133,043	136,702	138,254	11,323	11,604	11,811	12,080	12,308	12,436	12,664
Private earnings.....	21	107,641	109,440	111,158	111,925	113,829	116,663	118,143	8,553	8,799	8,973	9,167	9,386	9,467	9,685
Forestry, fishing, related activities, and other <sup>6</sup> .....	22	430	434	428	450	452	452	454	48	48	46	49	49	48	49
Mining.....	23	219	223	231	237	244	247	262	1,573	1,613	1,664	1,716	1,788	1,843	1,945
Utilities.....	24	1,052	1,050	999	1,173	1,132	1,091	1,127	188	189	202	199	202	204	209
Construction.....	25	7,927	8,112	8,158	8,325	8,413	8,531	8,607	971	1,035	1,057	1,048	1,036	1,000	1,022
Manufacturing.....	26	29,227	29,475	30,234	29,723	30,587	31,700	31,882	569	599	612	604	628	652	648
Durable goods.....	27	18,660	18,967	19,446	19,030	19,618	20,505	20,596	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Non-durable goods.....	28	10,567	10,508	10,788	10,693	10,969	11,195	11,287	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Wholesale trade.....	29	6,409	6,504	6,622	6,698	6,829	6,974	7,157	378	376	391	408	432	420	430
Retail trade.....	30	8,559	8,789	8,854	8,732	8,761	9,117	9,191	824	834	846	849	869	871	883
Transportation and warehousing.....	31	4,519	4,634	4,683	4,701	4,720	4,804	4,885	578	585	599	614	629	639	652
Information.....	32	2,830	2,906	3,013	3,122	3,139	3,259	3,336	159	162	161	175	177	185	190
Finance and insurance.....	33	8,338	8,472	8,622	8,899	8,906	8,835	9,174	370	375	375	377	405	387	402
Real estate and rental and leasing.....	34	1,768	1,879	1,851	1,877	2,019	2,102	2,101	313	337	331	340	371	387	378
Professional and technical services.....	35	7,041	7,090	7,089	7,198	7,367	7,406	7,497	538	548	535	568	583	594	604
Management of companies and enterprises.....	36	3,077	3,301	3,566	3,494	3,559	4,059	3,945	38	45	72	87	77	64	67
Administrative and waste services.....	37	3,204	3,229	3,268	3,339	3,414	3,486	3,594	225	232	230	221	222	221	224
Educational services.....	38	1,412	1,436	1,443	1,473	1,481	1,486	1,523	41	42	45	46	47	46	45
Health care and social assistance.....	39	14,036	14,232	14,345	14,686	14,899	15,129	15,308	853	868	880	901	915	949	962
Arts, entertainment, and recreation.....	40	1,077	1,058	1,064	1,022	1,026	1,049	1,123	142	147	149	151	158	156	161
Accommodation and food services.....	41	2,879	2,930	2,979	3,021	3,053	3,077	3,116	436	446	460	494	476	477	486
Other services, except public administration.....	42	3,637	3,685	3,710	3,754	3,830	3,857	3,861	307	317	319	321	321	324	331
Government and government enterprises.....	43	19,036	18,884	18,997	19,167	19,214	20,040	20,111	2,770	2,804	2,838	2,913	2,922	2,968	2,979
Federal, civilian.....	44	2,039	2,016	2,002	2,017	2,057	2,055	2,042	501	511	512	537	539	532	535
Military.....	45	665	658	658	709	755	786	799	325	326	330	352	348	349	350
State and local.....	46	16,332	16,209	16,337	16,442	16,402	17,199	17,270	1,944	1,967	1,995	2,023	2,035	2,087	2,095

See the footnotes at the end of the table.

Earnings by Industry, 2003:II-2004:IV<sup>1</sup>—Continuesseasonally adjusted at annual rates<sup>1</sup>

New England							Midwest							Line
2003			2004				2003			2004				
II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	
536,618	542,508	549,975	558,842	568,131	575,070	587,892	1,683,268	1,700,833	1,722,682	1,746,245	1,766,715	1,793,076	1,833,510	1
414,553	420,891	426,948	434,500	442,238	448,659	453,593	1,326,376	1,344,027	1,362,870	1,382,320	1,397,495	1,425,165	1,443,548	2
43,719	44,158	44,662	45,896	46,555	47,254	47,644	147,933	149,201	150,808	154,320	155,434	158,606	160,188	3
22,617	22,890	23,197	23,774	24,140	24,510	24,730	74,652	75,430	76,424	78,001	78,614	80,328	81,188	4
21,102	21,268	21,464	22,122	22,415	22,744	22,914	73,280	73,771	74,384	76,319	76,820	78,278	78,999	5
5,362	5,409	5,626	5,634	5,616	5,857	5,929	-16,405	-16,438	-16,783	-17,083	-17,117	-17,322	-17,464	6
376,197	382,142	387,912	394,237	401,299	407,262	411,878	1,162,039	1,178,388	1,195,280	1,210,916	1,224,945	1,249,238	1,265,897	7
87,992	87,458	89,290	90,465	91,627	92,556	99,329	258,237	257,117	261,339	263,818	266,129	267,508	286,161	8
72,429	72,908	72,773	74,140	75,204	75,252	76,685	262,992	265,327	266,063	271,510	275,641	276,331	281,452	9
4,217	4,071	3,606	2,927	2,426	2,349	2,261	11,465	11,362	10,808	8,704	7,061	6,949	6,797	10
68,213	68,837	69,167	71,213	72,778	72,904	74,424	251,527	253,965	255,254	262,805	268,580	269,382	274,655	11
301,600	305,485	309,755	313,951	319,006	323,920	327,094	965,613	975,913	989,425	998,546	1,006,933	1,029,540	1,041,133	12
65,370	66,414	67,522	70,094	71,246	72,193	72,853	210,913	213,640	216,625	224,187	226,379	230,311	232,882	13
44,269	45,146	46,058	47,972	48,831	49,449	49,939	137,633	139,869	142,241	147,868	149,560	152,033	153,883	14
21,102	21,268	21,464	22,122	22,415	22,744	22,914	73,280	73,771	74,384	76,319	76,820	78,278	78,999	15
47,582	48,992	49,670	50,455	51,986	52,546	53,645	149,851	154,474	156,821	159,587	164,183	165,314	169,533	16
-5	7	38	-80	-49	-86	-15	762	801	896	997	1,107	902	1,170	17
47,588	48,986	49,632	50,535	52,035	52,632	53,661	149,089	153,673	155,925	158,590	163,076	164,412	168,363	18
577	592	628	518	556	524	601	2,485	2,531	2,639	2,764	2,892	2,704	2,990	19
413,976	420,299	426,319	433,981	441,682	448,135	452,992	1,323,891	1,341,496	1,360,232	1,379,556	1,394,604	1,422,461	1,440,559	20
360,714	366,984	371,876	379,103	385,909	392,542	397,066	1,106,625	1,122,589	1,142,025	1,157,370	1,168,638	1,196,592	1,213,452	21
1,110	1,142	1,122	1,150	1,197	1,182	1,180	3,080	3,103	3,785	3,504	3,558	3,565	3,625	22
593	612	640	638	663	670	704	2,984	3,004	3,153	3,149	3,326	3,353	3,512	23
3,748	3,790	3,987	4,248	3,992	4,541	4,130	14,386	14,543	14,886	15,117	15,141	14,944	15,156	24
24,146	24,702	25,010	25,416	26,079	26,652	26,960	65,994	67,300	68,712	69,079	70,053	71,467	72,430	25
56,134	56,914	57,921	56,947	58,042	59,794	60,234	129,707	130,241	132,353	130,708	132,067	134,621	135,424	26
39,230	39,791	40,581	39,812	40,842	42,343	42,757	69,435	70,288	71,321	69,937	70,318	72,576	73,223	27
16,905	17,123	17,339	17,135	17,200	17,451	17,477	60,272	59,953	61,032	60,771	61,749	62,046	62,201	28
20,994	21,342	21,920	22,172	22,511	22,397	22,589	67,611	67,831	67,811	69,162	69,711	72,031	72,688	29
28,051	28,481	28,985	28,826	29,227	29,536	29,851	79,068	79,794	80,893	80,075	81,047	82,656	83,665	30
7,893	7,966	8,051	8,046	8,195	8,263	8,364	34,879	35,281	35,718	36,030	36,847	37,346	37,924	31
13,843	14,181	14,705	14,872	15,122	15,523	15,759	59,682	61,474	63,304	63,706	63,702	64,322	65,976	32
46,624	47,704	46,822	52,339	52,664	51,562	52,635	148,070	150,543	153,887	163,634	159,815	166,208	168,735	33
8,274	8,806	8,582	8,731	9,430	9,740	9,619	32,218	34,039	33,892	34,230	36,700	38,228	37,965	34
43,731	44,125	44,362	45,834	46,758	47,560	48,109	147,884	149,079	151,059	154,119	156,414	160,152	163,080	35
10,204	10,505	10,687	11,330	11,278	11,774	12,026	30,238	30,294	31,352	32,338	32,367	32,966	33,992	36
12,556	12,745	13,020	13,287	13,402	13,479	13,708	42,894	43,531	44,056	45,081	45,628	46,681	47,414	37
11,648	11,707	12,083	12,070	12,217	12,327	12,427	27,485	27,893	28,348	28,137	28,634	29,054	29,209	38
45,798	46,484	47,724	46,943	48,322	50,386	51,006	135,879	138,574	141,328	141,193	144,093	147,849	149,830	39
3,798	3,886	4,051	4,026	4,139	4,097	4,396	14,311	14,519	14,579	15,187	14,980	15,271	16,250	40
10,511	10,703	10,873	10,869	11,164	11,375	11,585	31,007	31,709	32,297	32,215	33,027	33,735	34,125	41
11,057	11,190	11,330	11,358	11,507	11,685	11,785	39,247	39,837	40,611	40,707	41,527	42,143	42,452	42
53,262	53,315	54,444	54,878	55,773	55,593	55,926	217,265	218,907	218,206	222,185	225,966	225,869	227,107	43
8,754	8,647	8,590	8,762	8,837	8,569	8,468	57,617	56,975	56,354	57,679	58,441	58,146	58,140	44
2,953	2,885	2,848	3,019	3,016	3,005	3,043	10,421	10,321	10,223	10,912	10,893	10,996	11,160	45
41,554	41,782	43,006	43,097	43,920	44,019	44,415	149,228	151,612	151,629	153,594	156,633	156,727	157,807	46

Table 5. Personal Income by Major Source and

[Millions of dollars,

Item	Line	Great Lakes							Plains						
		2003			2004				2003			2004			
		II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>r</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Income by place of residence</b>															
Personal income (lines 2-11) .....	1	1,414,413	1,426,836	1,448,280	1,450,275	1,473,575	1,489,468	1,521,327	593,939	600,659	606,332	618,553	627,428	632,946	649,448
<b>Derivation of personal income</b>															
Earnings by place of work (lines 12-18 or 19-46) .....	2	1,100,521	1,112,089	1,130,394	1,127,371	1,147,481	1,163,469	1,178,241	461,194	468,004	471,996	482,792	489,855	495,274	504,749
Less: Contributions for government social insurance <sup>2</sup> .....	3	118,990	119,457	121,051	122,412	124,192	125,965	127,170	52,300	52,886	53,179	54,652	55,255	55,986	56,635
Employee and self-employed contributions for government social insurance .....	4	60,426	60,706	61,524	62,074	63,024	63,933	64,581	27,092	27,380	27,531	28,206	28,549	28,941	29,299
Employer contributions for government social insurance .....	5	58,564	58,751	59,527	60,338	61,167	62,032	62,589	25,208	25,506	25,648	26,445	26,706	27,044	27,336
Plus: Adjustment for residence <sup>3</sup> .....	6	4,762	4,894	4,866	5,120	5,123	5,202	5,324	-5,075	-5,156	-5,166	-5,269	-5,332	-5,400	-5,480
Equals: Net earnings by place of residence .....	7	986,293	997,526	1,014,210	1,010,079	1,028,412	1,042,705	1,056,395	403,818	409,962	413,650	422,871	429,268	433,889	442,635
Plus: Dividends, interest, and rent <sup>4</sup> .....	8	222,310	221,417	225,084	227,217	229,169	230,496	244,565	104,135	103,774	105,498	106,580	107,596	108,369	114,380
Plus: Personal current transfer receipts .....	9	205,810	207,893	208,986	212,979	215,993	216,267	220,368	85,986	86,923	87,184	89,102	90,564	90,688	92,433
State unemployment insurance benefits .....	10	9,413	9,595	9,684	7,781	6,286	6,105	5,917	3,119	3,155	2,939	2,365	1,921	1,891	1,785
Personal current transfer receipts excluding state unemployment insurance benefits .....	11	196,397	198,297	199,302	205,198	209,707	210,163	214,450	82,867	83,768	84,245	86,737	88,643	88,797	90,648
<b>Earnings by place of work</b>															
Components of earnings:															
Wage and salary disbursements .....	12	801,415	805,365	816,571	814,448	827,538	839,889	848,884	334,518	338,128	340,050	344,375	348,801	353,807	358,397
Supplements to wages and salaries .....	13	195,788	200,097	206,164	201,278	204,876	207,568	210,011	78,121	79,702	80,822	83,282	84,488	85,465	86,490
Employer contributions for employee pension and insurance funds .....	14	137,224	141,346	146,638	140,940	143,709	145,536	147,423	52,913	54,196	55,174	56,837	57,783	58,421	59,154
Employer contributions for government social insurance .....	15	58,564	58,751	59,527	60,338	61,167	62,032	62,589	25,208	25,506	25,648	26,445	26,706	27,044	27,336
Proprietors' income <sup>5</sup> .....	16	103,318	106,627	107,659	111,645	115,067	116,013	119,345	48,555	50,174	51,124	55,135	56,566	56,002	59,862
Farm proprietors' income .....	17	2,009	2,078	1,963	4,230	3,901	3,423	4,840	5,520	5,768	5,996	9,286	9,211	8,143	11,043
Nonfarm proprietors' income .....	18	101,309	104,549	105,696	107,415	111,165	112,590	114,505	43,035	44,407	45,128	45,850	47,355	47,859	48,819
<b>Earnings by industry</b>															
Farm earnings .....	19	4,299	4,389	4,299	6,600	6,295	5,839	7,280	7,643	7,908	8,159	11,477	11,425	10,378	13,300
Nonfarm earnings .....	20	1,096,222	1,107,700	1,126,095	1,120,771	1,141,186	1,157,630	1,170,961	453,550	460,096	463,837	471,315	478,430	484,896	491,449
Private earnings .....	21	941,271	951,729	969,769	962,051	981,785	997,947	1,010,441	378,936	385,346	388,366	394,228	401,057	406,861	412,987
Forestry, fishing, related activities, and other <sup>6</sup> .....	22	1,573	1,594	1,585	1,631	1,659	1,669	1,664	1,500	1,531	1,524	1,570	1,579	1,577	1,590
Mining .....	23	3,816	3,846	3,987	4,115	4,135	4,198	4,382	2,059	2,106	2,210	2,204	2,243	2,384	2,466
Utilities .....	24	10,207	10,321	10,308	10,575	10,817	10,844	10,972	4,898	4,890	5,132	5,223	5,464	5,166	5,267
Construction .....	25	64,172	64,994	65,160	65,768	66,622	67,354	68,261	28,480	29,275	29,578	29,837	30,683	30,818	31,196
Manufacturing .....	26	228,133	230,371	241,830	224,924	230,966	236,035	238,897	69,568	70,998	72,668	72,097	73,846	75,775	76,211
Durable goods .....	27	164,513	166,604	176,414	160,845	165,024	168,737	171,273	44,149	45,236	46,586	45,977	47,104	48,433	48,663
Non-durable goods .....	28	63,620	63,766	65,416	64,079	65,942	67,298	67,623	25,419	25,762	26,081	26,120	26,741	27,342	27,548
Wholesale trade .....	29	59,129	59,636	60,447	60,929	62,337	62,916	63,556	25,901	26,307	26,551	27,189	27,717	28,296	28,699
Retail trade .....	30	70,918	71,564	72,146	71,686	72,036	73,096	73,360	32,214	32,654	32,989	32,916	33,376	33,560	33,872
Transportation and warehousing .....	31	37,531	37,848	38,364	38,590	39,134	40,005	40,581	18,461	18,534	18,704	18,888	19,075	19,438	19,747
Information .....	32	26,502	27,128	27,301	27,570	27,784	27,779	28,278	15,926	16,036	16,375	16,864	16,951	16,921	17,266
Finance and insurance .....	33	73,319	73,549	73,410	75,951	77,607	77,514	79,859	32,829	33,419	32,790	34,034	34,525	34,420	35,472
Real estate and rental and leasing .....	34	23,857	25,445	24,995	25,245	27,354	28,105	27,838	8,058	8,531	8,380	8,421	9,079	9,282	9,263
Professional and technical services .....	35	92,082	91,896	92,639	93,836	94,994	96,591	98,026	30,303	30,562	30,701	31,096	31,806	32,325	32,883
Management of companies and enterprises .....	36	26,787	27,263	28,761	30,146	30,900	32,719	32,546	13,221	13,694	13,410	14,594	14,622	14,799	15,226
Administrative and waste services .....	37	37,309	37,708	37,989	38,767	39,778	40,751	41,328	12,978	13,135	13,244	13,513	13,798	13,976	14,247
Educational services .....	38	12,064	12,455	12,586	12,724	12,997	12,921	13,003	5,581	5,678	5,757	5,864	5,898	5,987	6,049
Health care and social assistance .....	39	105,948	107,525	109,010	109,543	111,709	113,912	115,249	47,038	47,816	48,040	49,091	49,317	50,710	51,501
Arts, entertainment, and recreation .....	40	10,172	10,249	10,348	10,355	10,511	10,528	11,207	4,455	4,504	4,455	4,635	4,565	4,572	4,883
Accommodation and food services .....	41	25,065	25,393	25,699	26,121	26,307	26,674	26,911	11,121	11,213	11,321	11,495	11,591	11,791	12,006
Other services, except public administration .....	42	32,687	32,946	33,204	33,576	34,138	34,338	34,522	14,345	14,464	14,539	14,696	14,922	15,063	15,142
Government and government enterprises .....	43	154,951	155,971	156,326	158,720	159,401	159,683	160,520	74,615	74,750	75,471	77,086	77,373	78,034	78,462
Federal, civilian .....	44	22,239	21,862	21,719	22,063	22,317	22,188	22,145	12,288	12,161	12,099	12,353	12,578	12,411	12,364
Military .....	45	6,549	6,524	6,444	6,763	6,889	6,907	7,044	6,419	6,433	6,474	6,930	6,905	6,828	6,811
State and local .....	46	126,163	127,585	128,163	129,894	130,195	130,588	131,331	55,908	56,157	56,898	57,802	57,889	58,795	59,287

See the footnotes at the end of the table.



**Earnings by Industry, 2003:II-2004:IV<sup>1</sup>—Continues**  
 seasonally adjusted at annual rates]

Southeast							Southwest							Line
2003			2004				2003			2004				
II'	III'	IV'	I'	II'	III'	IV'	II'	III'	IV'	I'	II'	III'	IV'	
2,033,661	2,057,574	2,091,668	2,121,594	2,156,835	2,178,558	2,234,258	929,649	939,973	954,625	970,015	985,015	994,735	1,017,721	1
1,511,730	1,535,251	1,562,876	1,583,990	1,611,225	1,632,467	1,660,935	745,415	755,376	767,375	780,501	792,662	802,420	815,835	2
166,612	168,557	171,097	175,337	177,701	180,583	182,760	75,564	76,259	77,305	79,574	80,366	81,457	82,508	3
86,912	87,961	89,349	91,297	92,644	94,203	95,403	39,082	39,385	39,906	40,948	41,408	41,983	42,549	4
79,700	80,596	81,748	84,040	85,057	86,380	87,357	36,482	36,874	37,399	38,627	38,958	39,473	39,959	5
10,026	9,947	10,065	10,231	10,325	10,244	10,257	422	448	456	441	467	475	481	6
1,355,144	1,376,640	1,401,844	1,418,884	1,443,850	1,462,128	1,488,432	670,273	679,565	690,526	701,367	712,763	721,438	733,808	7
348,016	346,801	354,422	359,031	363,143	352,921	388,473	130,246	129,792	132,845	134,515	135,894	136,768	144,748	8
330,502	334,132	335,402	343,679	349,842	363,509	357,354	129,130	130,616	131,254	134,133	136,359	136,529	139,165	9
8,656	8,566	7,868	6,456	5,210	5,006	4,925	4,080	4,053	3,890	3,002	2,346	2,284	2,122	10
321,845	325,566	327,534	337,223	344,633	358,502	352,428	125,051	126,563	127,363	131,131	134,012	134,245	137,044	11
1,095,325	1,108,726	1,126,511	1,137,993	1,155,443	1,175,499	1,191,192	511,880	515,878	522,795	530,299	536,616	544,347	552,043	12
258,887	263,940	269,542	277,295	281,379	285,283	288,988	117,035	119,080	121,387	126,132	127,743	129,058	130,789	13
179,187	183,344	187,794	193,256	196,322	198,904	201,631	80,553	82,206	83,987	87,506	88,785	89,585	90,830	14
79,700	80,596	81,748	84,040	85,057	86,380	87,357	36,482	36,874	37,399	38,627	38,958	39,473	39,959	15
157,518	162,585	166,823	168,702	174,403	171,684	180,754	116,500	120,418	123,194	124,069	128,302	129,014	133,003	16
7,430	7,714	9,271	8,701	8,873	7,588	9,628	4,689	5,078	5,748	4,647	5,108	4,460	5,536	17
150,088	154,871	157,552	160,001	165,530	164,096	171,126	111,811	115,341	117,445	119,422	123,194	124,555	127,467	18
11,089	11,406	13,003	12,487	12,697	11,449	13,527	6,222	6,631	7,323	6,243	6,720	6,087	7,180	19
1,500,640	1,523,844	1,549,873	1,571,503	1,598,529	1,621,018	1,647,408	739,193	748,745	760,053	774,258	785,941	796,332	808,655	20
1,218,199	1,240,314	1,263,973	1,277,242	1,302,911	1,322,810	1,346,845	613,731	623,052	633,679	644,757	655,285	665,579	677,008	21
6,838	7,016	6,946	7,063	7,180	7,228	7,192	2,175	2,234	2,171	2,240	2,243	2,289	2,261	22
11,002	10,931	11,251	11,277	11,582	11,623	12,166	26,072	26,347	27,719	29,044	29,156	29,582	30,907	23
14,406	14,424	15,045	15,108	15,041	15,091	15,224	11,969	12,077	12,096	12,145	13,034	12,648	12,822	24
93,817	95,957	99,232	100,785	103,232	105,820	107,840	48,912	49,377	50,597	50,830	51,289	52,537	53,454	25
196,176	198,310	203,725	199,536	203,303	208,449	210,263	91,885	93,148	95,508	95,353	96,316	98,251	99,371	26
111,199	112,807	116,836	113,049	115,354	118,323	120,114	56,719	57,397	58,968	58,129	58,426	60,130	61,114	27
84,977	85,503	86,888	86,487	87,949	90,126	90,150	35,165	35,751	36,541	37,224	37,891	38,121	38,257	28
77,058	78,183	79,882	81,771	83,338	84,720	85,643	41,577	41,795	42,414	43,468	43,683	44,551	45,055	29
111,133	113,077	115,496	114,646	116,899	117,464	119,012	53,021	53,930	54,920	54,484	55,134	55,858	56,596	30
56,915	57,473	58,539	58,965	59,828	60,880	61,712	30,127	30,255	30,464	31,216	31,940	32,889	33,449	31
50,087	51,223	52,750	53,274	54,199	53,705	54,844	25,463	25,939	26,710	27,061	27,416	27,153	27,887	32
86,588	88,972	88,488	91,018	93,334	94,303	97,170	46,690	47,879	47,604	49,300	50,426	50,059	51,989	33
34,708	36,932	36,786	37,221	39,895	39,115	40,998	21,520	22,900	22,595	22,892	24,770	25,758	25,478	34
121,092	123,171	124,679	127,144	130,094	133,646	136,014	61,296	61,452	62,228	63,162	65,058	66,367	67,358	35
27,121	27,864	28,814	30,459	30,933	31,606	32,136	5,603	5,844	6,230	7,523	7,417	7,102	7,294	36
63,495	64,536	65,475	67,270	68,226	70,179	71,783	29,231	29,483	30,014	31,270	31,855	32,701	33,401	37
15,301	15,570	15,786	16,103	16,519	16,683	16,834	5,898	5,947	6,127	6,327	6,375	6,519	6,607	38
142,472	145,122	147,165	149,998	152,157	154,558	157,625	64,625	66,038	67,021	68,346	68,957	70,505	71,570	39
16,528	16,839	17,247	17,363	17,714	17,857	18,997	5,546	5,654	5,891	5,995	5,766	5,869	6,200	40
44,977	45,942	47,033	47,954	48,573	48,784	50,069	20,483	20,892	21,189	21,652	21,771	22,040	22,310	41
48,487	48,770	49,634	50,286	50,864	51,100	51,324	21,639	21,860	22,182	22,451	22,677	22,900	22,999	42
282,441	283,530	285,900	294,261	295,618	298,208	300,563	125,462	125,692	126,374	129,500	130,656	130,754	131,647	43
55,556	54,911	54,622	55,621	56,597	56,403	56,690	22,909	22,691	22,699	23,166	23,631	23,565	23,709	44
43,045	42,889	42,661	45,668	45,157	44,875	45,062	14,671	14,780	14,770	15,830	15,725	15,569	15,541	45
183,841	185,730	188,618	192,973	193,865	196,930	198,811	87,882	88,221	88,905	90,505	91,300	91,619	92,397	46



## National Data

### A. Selected NIPA Tables

The tables in this section include the most recent estimates of gross domestic product and its components. These estimates were released on March 30, 2005, and they include the “final” estimates for the fourth quarter of 2004.

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

The news release on gross domestic product is available on BEA's Web site <www.bea.gov> within minutes of the time of release, and the “Selected NIPA Tables” are available later that day.

#### 1. Domestic Product and Income

**Table 1.1.1. Percent Change From Preceding Period in Real Gross Domestic Product**  
[Percent]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Gross domestic product ....</b>	<b>1</b>	<b>3.0</b>	<b>4.4</b>	<b>4.2</b>	<b>4.5</b>	<b>3.3</b>	<b>4.0</b>	<b>3.8</b>
<b>Personal consumption expenditures .....</b>	<b>2</b>	<b>3.3</b>	<b>3.8</b>	<b>3.6</b>	<b>4.1</b>	<b>1.6</b>	<b>5.1</b>	<b>4.2</b>
Durable goods .....	3	7.4	6.7	3.9	2.2	-0.3	17.2	3.9
Nondurable goods .....	4	3.7	4.6	5.1	6.7	0.1	4.7	5.9
Services .....	5	2.2	2.8	2.8	3.3	2.7	3.0	3.4
<b>Gross private domestic investment .....</b>	<b>6</b>	<b>4.4</b>	<b>13.2</b>	<b>13.9</b>	<b>12.3</b>	<b>19.0</b>	<b>2.4</b>	<b>13.3</b>
Fixed investment .....	7	5.1	10.3	10.5	4.5	13.9	8.8	10.5
Nonresidential .....	8	3.3	10.6	11.0	4.2	12.5	13.0	14.5
Structures .....	9	-5.6	1.4	7.9	-7.6	6.9	-1.1	2.1
Equipment and software .....	10	6.4	13.6	12.0	8.0	14.2	17.5	18.4
Residential .....	11	8.8	9.7	9.6	5.0	16.5	1.6	3.4
Change in private inventories .....	12							
<b>Net exports of goods and services .....</b>	<b>13</b>							
Exports .....	14	1.9	8.6	17.5	7.3	7.3	6.0	3.2
Goods .....	15	2.2	8.8	16.1	9.1	6.0	9.5	1.9
Services .....	16	1.4	8.0	20.6	3.4	10.2	-1.8	6.2
Imports .....	17	4.4	9.9	17.1	10.6	12.6	4.6	11.4
Goods .....	18	4.7	10.8	18.4	12.7	13.0	5.0	14.9
Services .....	19	3.1	5.8	11.1	1.2	10.6	2.8	-5.2
<b>Government consumption expenditures and gross investment .....</b>	<b>20</b>	<b>2.8</b>	<b>1.9</b>	<b>1.6</b>	<b>2.5</b>	<b>2.2</b>	<b>0.7</b>	<b>0.9</b>
Federal .....	21	6.6	4.7	4.8	7.1	2.7	4.8	1.2
National defense .....	22	9.0	7.3	11.6	10.6	1.9	10.1	-0.6
Nondefense .....	23	2.4	-0.5	-7.5	0.2	4.4	-5.3	5.3
State and local .....	24	0.7	0.4	-0.1	0.0	1.9	-1.7	0.6

**Table 1.1.2. Contributions to Percent Change in Real Gross Domestic Product**

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Percent change at annual rate: Gross domestic product ....</b>	<b>1</b>	<b>3.0</b>	<b>4.4</b>	<b>4.2</b>	<b>4.5</b>	<b>3.3</b>	<b>4.0</b>	<b>3.8</b>
<b>Percentage points at annual rates:</b>								
<b>Personal consumption expenditures .....</b>	<b>2</b>	<b>2.29</b>	<b>2.65</b>	<b>2.50</b>	<b>2.90</b>	<b>1.10</b>	<b>3.57</b>	<b>2.92</b>
Durable goods .....	3	0.63	0.57	0.33	0.19	-0.02	1.37	0.33
Nondurable goods .....	4	0.73	0.91	1.01	1.33	0.03	0.94	1.19
Services .....	5	0.93	1.17	1.15	1.39	1.10	1.26	1.41
<b>Gross private domestic investment .....</b>	<b>6</b>	<b>0.66</b>	<b>2.00</b>	<b>2.04</b>	<b>1.86</b>	<b>2.85</b>	<b>0.40</b>	<b>2.11</b>
Fixed investment .....	7	0.76	1.56	1.57	0.69	2.07	1.37	1.65
Nonresidential .....	8	0.33	1.05	1.07	0.42	1.21	1.27	1.46
Structures .....	9	-0.15	0.03	0.18	-0.19	0.16	-0.03	0.05
Equipment and software .....	10	0.48	1.01	0.89	0.61	1.05	1.30	1.41
Residential .....	11	0.43	0.51	0.50	0.27	0.86	0.09	0.19
Change in private inventories .....	12	-0.10	0.44	0.47	1.17	0.78	-0.97	0.46
<b>Net exports of goods and services .....</b>	<b>13</b>	<b>-0.43</b>	<b>-0.59</b>	<b>-0.66</b>	<b>-0.76</b>	<b>-1.06</b>	<b>-0.10</b>	<b>-1.35</b>
Exports .....	14	0.18	0.82	1.55	0.70	0.70	0.59	0.32
Goods .....	15	0.14	0.59	1.00	0.60	0.41	0.64	0.14
Services .....	16	0.04	0.23	0.56	0.10	0.30	-0.06	0.18
Imports .....	17	-0.61	-1.40	-2.22	-1.46	-1.77	-0.69	-1.67
Goods .....	18	-0.54	-1.27	-1.96	-1.43	-1.52	-0.62	-1.80
Services .....	19	-0.07	-0.14	-0.26	-0.03	-0.25	-0.07	0.13
<b>Government consumption expenditures and gross investment .....</b>	<b>20</b>	<b>0.52</b>	<b>0.37</b>	<b>0.31</b>	<b>0.48</b>	<b>0.41</b>	<b>0.13</b>	<b>0.16</b>
Federal .....	21	0.43	0.32	0.33	0.48	0.18	0.33	0.09
National defense .....	22	0.38	0.33	0.50	0.47	0.09	0.45	-0.03
Nondefense .....	23	0.06	-0.01	-0.18	0.00	0.10	-0.12	0.11
State and local .....	24	0.09	0.05	-0.02	0.00	0.23	-0.20	0.07





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

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Gross domestic product ....</b>	1	3.0	4.4	4.2	4.5	3.3	4.0	3.8
Final sales of domestic product .....	2	3.1	4.0	3.7	3.3	2.5	5.0	3.4
Change in private inventories .....	3							
<b>Goods</b> .....	4	4.3	7.4	5.8	8.2	2.5	8.3	6.1
Final sales .....	5	4.7	6.0	4.3	4.6	0.1	11.7	4.7
Change in private inventories .....	6							
Durable goods .....	7	5.8	10.3	11.9	8.7	2.6	10.6	10.0
Final sales .....	8	6.6	8.5	4.6	4.7	-1.1	19.4	8.2
Change in private inventories <sup>1</sup> .....	9							
Nondurable goods .....	10	3.2	5.0	0.9	7.8	2.4	6.5	3.0
Final sales .....	11	3.1	4.0	4.1	4.4	1.0	5.8	1.9
Change in private inventories <sup>1</sup> .....	12							
<b>Services</b> <sup>2</sup> .....	13	2.3	2.7	3.1	3.0	2.3	2.8	3.0
<b>Structures</b> .....	14	3.0	5.3	5.4	0.7	12.7	-2.5	1.4
<b>Addenda:</b>								
Motor vehicle output .....	15	4.2	5.6	2.9	8.8	-15.2	10.4	27.6
Gross domestic product excluding motor vehicle output .....	16	3.0	4.4	4.2	4.3	4.0	3.8	3.1
Final sales of computers <sup>3</sup> .....	17	41.0	22.7	29.0	0.1	0.1	20.7	74.6
Gross domestic product excluding final sales of computers .....	18	2.8	4.3	4.0	4.5	3.3	3.9	3.3
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	19	3.0	4.5	4.3	5.0	4.0	3.6	4.5

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

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Percent change at annual rate:</b>								
<b>Gross domestic product ....</b>	1	3.0	4.4	4.2	4.5	3.3	4.0	3.8
<b>Percentage points at annual rates:</b>								
Final sales of domestic product .....	2	3.14	3.99	3.71	3.32	2.52	4.97	3.38
Change in private inventories .....	3	-0.10	0.44	0.47	1.17	0.78	-0.97	0.46
<b>Goods</b> .....	4	1.41	2.38	1.90	2.65	0.82	2.67	1.99
Final sales .....	5	1.51	1.93	1.42	1.49	0.03	3.63	1.53
Change in private inventories .....	6	-0.10	0.44	0.47	1.17	0.78	-0.97	0.46
Durable goods .....	7	0.85	1.48	1.71	1.28	0.39	1.53	1.45
Final sales .....	8	0.96	1.23	0.70	0.70	-0.15	2.62	1.18
Change in private inventories <sup>1</sup> .....	9	-0.11	0.26	1.02	0.58	0.54	-1.09	0.27
Nondurable goods .....	10	0.56	0.89	0.18	1.37	0.42	1.14	0.54
Final sales .....	11	0.55	0.71	0.73	0.79	0.18	1.01	0.35
Change in private inventories <sup>1</sup> .....	12	0.01	0.19	-0.54	0.58	0.25	0.12	0.19
<b>Services</b> <sup>2</sup> .....	13	1.35	1.54	1.77	1.76	1.30	1.59	1.71
<b>Structures</b> .....	14	0.29	0.52	0.52	0.07	1.19	-0.25	0.14
<b>Addenda:</b>								
Motor vehicle output .....	15	0.19	0.20	0.11	0.30	-0.58	0.34	0.86
Gross domestic product excluding motor vehicle output .....	16	2.85	4.24	4.08	4.18	3.88	3.66	2.99
Final sales of computers <sup>3</sup> .....	17	0.31	0.20	0.26	0.00	0.00	0.18	0.56
Gross domestic product excluding final sales of computers .....	18	2.73	4.23	3.93	4.48	3.30	3.82	3.28

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	2003	2004	Seasonally adjusted				
				2003		2004		
				IV	I	II	III	IV
<b>Gross domestic product ....</b>	1	105.749	110.440	107.780	108.969	109.858	110.941	111.993
Final sales of domestic product .....	2	106.346	110.595	108.290	109.173	109.854	111.211	112.141
Change in private inventories .....	3							
<b>Goods</b> .....	4	103.840	111.509	107.331	109.477	110.142	112.367	114.050
Final sales .....	5	105.526	111.874	108.771	109.988	110.003	113.099	114.407
Change in private inventories .....	6							
Durable goods .....	7	101.797	112.244	107.357	109.632	110.325	113.146	115.873
Final sales .....	8	103.950	112.759	108.676	109.931	109.632	114.602	116.871
Change in private inventories <sup>1</sup> .....	9							
Nondurable goods .....	10	105.827	111.142	107.543	109.586	110.228	111.965	112.788
Final sales .....	11	107.017	111.294	108.988	110.174	110.448	112.013	112.540
Change in private inventories <sup>1</sup> .....	12							
<b>Services</b> <sup>2</sup> .....	13	107.839	110.698	108.836	109.656	110.269	111.022	111.845
<b>Structures</b> .....	14	100.891	106.288	103.985	104.164	107.319	106.651	107.018
<b>Addenda:</b>								
Motor vehicle output .....	15	110.849	117.029	114.894	117.344	112.620	115.444	122.707
Gross domestic product excluding motor vehicle output .....	16	105.570	110.210	107.531	108.676	109.758	110.782	111.624
Final sales of computers <sup>3</sup> .....	17	174.608	214.285	201.418	201.489	201.553	211.262	242.835
Gross domestic product excluding final sales of computers .....	18	105.248	109.742	107.136	108.329	109.221	110.258	111.158
Gross domestic purchases excluding final sales of computers to domestic purchasers .....	19	106.238	111.058	108.120	109.444	110.524	111.519	112.744

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	2003	2004	Seasonally adjusted				
				2003		2004		
				IV	I	II	III	IV
<b>Gross domestic product ....</b>	1	106.003	108.298	106.586	107.314	108.169	108.551	109.159
Final sales of domestic product .....	2	106.025	108.310	106.608	107.332	108.178	108.561	109.168
Change in private inventories .....	3							
<b>Goods</b> .....	4	99.533	99.934	99.533	99.733	100.325	99.742	99.937
Final sales .....	5	99.592	99.952	99.593	99.778	100.344	99.748	99.937
Change in private inventories .....	6							
Durable goods .....	7	94.128	92.362	93.086	92.741	92.630	92.068	92.009
Final sales .....	8	94.159	92.350	93.139	92.791	92.635	92.028	91.947
Change in private inventories <sup>1</sup> .....	9							
Nondurable goods .....	10	104.499	106.951	105.469	106.191	107.457	106.856	107.299
Final sales .....	11	104.616	107.016	105.570	106.259	107.507	106.924	107.375
Change in private inventories <sup>1</sup> .....	12							
<b>Services</b> <sup>2</sup> .....	13	109.124	112.010	109.971	110.943	111.699	112.370	113.028
<b>Structures</b> .....	14	110.979	116.882	112.146	113.408	115.849	118.188	120.081
<b>Addenda:</b>								
Motor vehicle output .....	15	96.462	95.914	96.048	96.266	96.347	95.086	95.959
Gross domestic product excluding motor vehicle output .....	16	106.372	108.781	106.995	107.744	108.630	109.078	109.674
Final sales of computers <sup>3</sup> .....	17	53.457	48.822	51.321	50.327	49.946	48.608	46.407
Gross domestic product excluding final sales of computers .....	18	106.710	109.140	107.344	108.106	108.983	109.401	110.071

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Gross domestic product ....</b>	<b>1</b>	<b>11,004.0</b>	<b>11,735.0</b>	<b>11,270.9</b>	<b>11,472.6</b>	<b>11,657.5</b>	<b>11,814.9</b>	<b>11,994.8</b>
Final sales of domestic product .....	2	11,005.3	11,691.6	11,267.4	11,436.4	11,598.5	11,783.3	11,948.2
Change in private inventories .....	3	-1.2	43.4	3.5	36.2	59.0	31.6	46.7
<b>Goods</b> .....	<b>4</b>	<b>3,564.5</b>	<b>3,837.2</b>	<b>3,679.0</b>	<b>3,759.7</b>	<b>3,804.0</b>	<b>3,859.1</b>	<b>3,925.8</b>
Final sales .....	5	3,565.7	3,793.8	3,675.4	3,723.4	3,745.0	3,827.6	3,879.2
Change in private inventories .....	6	-1.2	43.4	3.5	36.2	59.0	31.6	46.7
Durable goods .....	7	1,618.8	1,752.0	1,689.1	1,718.4	1,727.2	1,760.5	1,801.8
Final sales .....	8	1,618.2	1,722.2	1,674.2	1,687.2	1,679.8	1,744.4	1,777.4
Change in private inventories <sup>1</sup> .....	9	0.6	29.8	14.9	31.2	47.4	16.1	24.4
Nondurable goods .....	10	1,945.7	2,085.2	1,989.9	2,041.3	2,076.9	2,098.7	2,124.1
Final sales .....	11	1,947.5	2,071.6	2,001.3	2,036.2	2,065.3	2,083.2	2,101.8
Change in private inventories <sup>1</sup> .....	12	-1.8	13.6	-11.4	5.0	11.6	15.5	22.3
<b>Services</b> <sup>2</sup> .....	<b>13</b>	<b>6,384.7</b>	<b>6,727.5</b>	<b>6,493.6</b>	<b>6,600.3</b>	<b>6,682.5</b>	<b>6,768.5</b>	<b>6,858.6</b>
<b>Structures</b> .....	<b>14</b>	<b>1,054.8</b>	<b>1,170.3</b>	<b>1,098.4</b>	<b>1,112.6</b>	<b>1,171.0</b>	<b>1,187.2</b>	<b>1,210.4</b>
<b>Addenda:</b>								
Motor vehicle output .....	15	390.2	409.7	402.9	412.3	396.1	400.7	429.8
Gross domestic product excluding motor vehicle output .....	16	10,613.8	11,325.2	10,868.0	11,060.3	11,261.4	11,414.2	11,565.0
Final sales of computers <sup>3</sup> .....	17	102.6	115.2	114.1	111.9	111.1	113.4	124.4
Gross domestic product excluding final sales of computers .....	18	10,901.4	11,619.7	11,156.8	11,360.7	11,546.4	11,701.5	11,870.4

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Gross domestic product ....</b>	<b>1</b>	<b>10,381.3</b>	<b>10,841.9</b>	<b>10,580.7</b>	<b>10,697.5</b>	<b>10,784.7</b>	<b>10,891.0</b>	<b>10,994.3</b>
Final sales of domestic product .....	2	10,379.9	10,794.6	10,569.6	10,655.8	10,722.3	10,854.7	10,945.5
Change in private inventories .....	3	-0.8	45.7	8.6	40.0	61.1	34.5	47.2
Residual .....	4	2.2	1.6	2.5	1.7	1.3	1.8	1.6
<b>Goods</b> .....	<b>5</b>	<b>3,581.8</b>	<b>3,846.3</b>	<b>3,702.2</b>	<b>3,776.2</b>	<b>3,799.2</b>	<b>3,875.9</b>	<b>3,934.0</b>
Final sales .....	6	3,580.3	3,795.7	3,690.4	3,731.7	3,732.2	3,837.3	3,881.7
Change in private inventories .....	7	-0.8	45.7	8.6	40.0	61.1	34.5	47.2
Durable goods .....	8	1,719.7	1,896.2	1,813.7	1,852.1	1,863.8	1,911.5	1,957.5
Final sales .....	9	1,718.6	1,864.3	1,796.8	1,817.5	1,812.6	1,894.7	1,932.2
Change in private inventories <sup>1</sup> .....	10	0.4	29.3	14.9	31.3	46.8	15.6	23.5
Nondurable goods .....	11	1,862.5	1,956.1	1,892.7	1,928.7	1,940.0	1,970.5	1,985.0
Final sales .....	12	1,861.6	1,936.0	1,895.9	1,916.5	1,921.3	1,948.5	1,957.7
Change in private inventories <sup>1</sup> .....	13	-1.1	17.1	-5.5	9.8	16.1	18.9	23.8
<b>Services</b> <sup>2</sup> .....	<b>14</b>	<b>5,850.9</b>	<b>6,006.0</b>	<b>5,905.0</b>	<b>5,949.5</b>	<b>5,982.7</b>	<b>6,023.6</b>	<b>6,068.2</b>
<b>Structures</b> .....	<b>15</b>	<b>950.4</b>	<b>1,001.3</b>	<b>979.6</b>	<b>981.3</b>	<b>1,011.0</b>	<b>1,004.7</b>	<b>1,008.2</b>
Residual .....	16	0.5	-12.1	-6.0	-8.4	-5.8	-15.0	-19.3
<b>Addenda:</b>								
Motor vehicle output .....	17	404.6	427.1	419.3	428.3	411.0	421.3	447.8
Gross domestic product excluding motor vehicle output .....	18	9,978.5	10,417.1	10,163.8	10,272.1	10,374.3	10,471.1	10,550.7
Final sales of computers <sup>3</sup> .....	19	192.0	235.6	221.4	221.5	221.6	232.3	267.0
Gross domestic product excluding final sales of computers .....	20	10,216.5	10,652.6	10,399.7	10,515.5	10,602.1	10,702.8	10,790.1

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Gross domestic product ....</b>	<b>1</b>	<b>3.0</b>	<b>4.4</b>	<b>4.2</b>	<b>4.5</b>	<b>3.3</b>	<b>4.0</b>	<b>3.8</b>
<b>Business</b> <sup>1</sup> .....	<b>2</b>	<b>3.8</b>	<b>5.1</b>	<b>4.2</b>	<b>5.3</b>	<b>3.9</b>	<b>4.5</b>	<b>4.3</b>
Nonfarm <sup>2</sup> .....	3	3.8	5.3	4.6	5.7	4.2	4.2	3.7
Farm .....	4	4.0	-9.8	-30.6	-31.3	-21.3	36.4	77.1
<b>Households and institutions</b> .....	<b>5</b>	<b>-0.3</b>	<b>3.3</b>	<b>7.7</b>	<b>3.0</b>	<b>2.8</b>	<b>3.0</b>	<b>2.9</b>
Households .....	6	-0.9	4.7	11.4	4.4	3.6	3.8	4.1
Nonprofit institutions serving households <sup>3</sup> .....	7	0.5	1.5	3.0	1.2	1.6	1.9	1.3
<b>General government</b> <sup>4</sup> .....	<b>8</b>	<b>1.1</b>	<b>0.9</b>	<b>0.8</b>	<b>0.9</b>	<b>0.1</b>	<b>1.7</b>	<b>1.8</b>
Federal .....	9	2.6	0.8	-0.3	1.8	-0.7	1.3	1.7
State and local .....	10	0.5	0.9	1.3	0.5	0.5	1.9	1.8
<b>Addendum:</b>								
Gross housing value added .....	11	-1.8	3.4	9.4	3.5	2.8	3.0	3.3

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.

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

	Line	2003	2004	Seasonally adjusted				
				2003		2004		
				IV	I	II	III	IV
<b>Gross domestic product ....</b>	<b>1</b>	<b>105.749</b>	<b>110.440</b>	<b>107.780</b>	<b>108.969</b>	<b>109.858</b>	<b>110.941</b>	<b>111.993</b>
<b>Business</b> <sup>1</sup> .....	<b>2</b>	<b>106.071</b>	<b>111.518</b>	<b>108.428</b>	<b>109.826</b>	<b>110.870</b>	<b>112.095</b>	<b>113.279</b>
Nonfarm <sup>2</sup> .....	3	106.115	111.758	108.550	110.077	111.205	112.358	113.394
Farm .....	4	101.633	91.623	97.378	88.652	83.502	90.240	104.097
<b>Households and institutions</b> .....	<b>5</b>	<b>104.793</b>	<b>108.294</b>	<b>106.378</b>	<b>107.156</b>	<b>107.887</b>	<b>108.677</b>	<b>109.456</b>
Households .....	6	104.599	109.567	106.911	108.056	109.027	110.038	111.146
Nonprofit institutions serving households <sup>3</sup> .....	7	105.039	106.652	105.688	105.992	106.415	106.922	107.277
<b>General government</b> <sup>4</sup> .....	<b>8</b>	<b>104.718</b>	<b>105.612</b>	<b>105.017</b>	<b>105.247</b>	<b>105.281</b>	<b>105.730</b>	<b>106.190</b>
Federal .....	9	105.174	106.000	105.385	105.856	105.681	106.015	106.450
State and local .....	10	104.514	105.437	104.851	104.976	105.102	105.599	106.070
<b>Addendum:</b>								
Gross housing value added .....	11	103.364	106.928	104.862	105.769	106.500	107.287	108.157

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	2003	2004	Seasonally adjusted				
				2003	2004			
					IV	I	II	III
<b>Gross domestic product ....</b>	1	106.003	108.298	106.586	107.314	108.169	108.551	109.159
<b>Business<sup>1</sup> .....</b>	2	104.226	106.095	104.594	105.144	106.020	106.302	106.915
Nonfarm <sup>2</sup> .....	3	104.112	105.768	104.281	104.795	105.557	106.038	106.682
Farm .....	4	116.649	142.277	139.298	144.434	160.638	133.627	130.409
<b>Households and institutions .....</b>	5	112.440	116.571	114.189	115.341	116.146	117.058	117.739
Households .....	6	111.344	115.355	113.096	114.211	115.165	115.859	116.186
Nonprofit institutions serving households <sup>3</sup> .....	7	113.887	118.180	115.632	116.835	117.437	118.643	119.806
<b>General government<sup>4</sup> .....</b>	8	112.072	115.620	113.035	114.640	115.391	115.982	116.466
Federal .....	9	114.086	117.713	114.406	117.357	117.617	117.753	118.127
State and local .....	10	111.239	114.753	112.472	113.511	114.469	115.251	115.782
<b>Addendum:</b>								
Gross housing value added.....	11	111.081	115.134	112.938	113.981	114.909	115.624	116.021

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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Gross domestic product ....</b>	1	11,004.0	11,735.0	11,270.9	11,472.6	11,657.5	11,814.9	11,994.8
<b>Business<sup>1</sup> .....</b>	2	8,472.3	9,061.3	8,685.4	8,843.3	9,000.7	9,125.2	9,276.0
Nonfarm <sup>2</sup> .....	3	8,387.5	8,974.6	8,593.7	8,757.8	8,911.8	9,044.6	9,184.2
Farm .....	4	84.8	86.7	91.7	85.5	88.9	80.6	91.9
<b>Households and institutions .....</b>	5	1,276.5	1,367.6	1,315.8	1,338.8	1,357.4	1,378.0	1,396.0
Households .....	6	717.0	778.1	744.3	759.7	772.9	784.8	794.9
Nonprofit institutions serving households <sup>3</sup> .....	7	559.5	589.5	571.5	579.1	584.4	593.3	601.1
<b>General government<sup>4</sup> .....</b>	8	1,255.3	1,306.1	1,269.7	1,290.5	1,299.4	1,311.6	1,322.8
Federal .....	9	378.4	393.5	380.2	391.8	392.0	393.7	396.6
State and local .....	10	876.9	912.6	889.4	898.7	907.4	917.9	926.3
<b>Addendum:</b>								
Gross housing value added.....	11	912.0	977.8	940.6	957.5	972.0	985.2	996.6

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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Gross domestic product ....</b>	1	10,381.3	10,841.9	10,580.7	10,697.5	10,784.7	10,891.0	10,994.3
<b>Business<sup>1</sup> .....</b>	2	8,132.1	8,549.7	8,312.8	8,420.0	8,500.0	8,594.0	8,684.7
Nonfarm <sup>2</sup> .....	3	8,059.6	8,488.2	8,244.5	8,360.5	8,446.2	8,533.8	8,612.4
Farm .....	4	72.7	65.5	69.7	63.4	59.7	64.5	74.5
<b>Households and institutions .....</b>	5	1,132.5	1,170.3	1,149.6	1,158.0	1,165.9	1,174.5	1,182.9
Households .....	6	644.0	674.5	658.2	665.2	671.2	677.4	684.3
Nonprofit institutions serving households <sup>3</sup> .....	7	488.5	496.0	491.5	492.9	494.9	497.3	498.9
<b>General government<sup>4</sup> .....</b>	8	1,120.1	1,129.6	1,123.2	1,125.7	1,126.1	1,130.9	1,135.8
Federal .....	9	331.7	334.3	332.3	333.8	333.3	334.3	335.7
State and local .....	10	788.3	795.2	790.8	791.8	792.7	796.5	800.0
Residual .....	11	-3.5	-11.8	-6.3	-10.1	-13.3	-12.8	-11.5
<b>Addendum:</b>								
Gross housing value added.....	12	821.0	849.3	832.9	840.1	845.9	852.2	859.1

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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Gross domestic product .....</b>	1	3.0	4.4	4.2	4.5	3.3	4.0	3.8
Less: Exports of goods and services .....	2	1.9	8.6	17.5	7.3	7.3	6.0	3.2
Plus: Imports of goods and services .....	3	4.4	9.9	17.1	10.6	12.6	4.6	11.4
<b>Equals: Gross domestic purchases .....</b>	4	3.3	4.8	4.7	5.0	4.2	3.9	5.0
Less: Change in private inventories .....	5							
<b>Equals: Final sales to domestic purchasers .....</b>	6	3.4	4.4	4.2	3.9	3.5	4.9	4.5
<b>Addendum:</b>								
Final sales of domestic product .....	7	3.1	4.0	3.7	3.3	2.5	5.0	3.4



**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	2003	2004	Seasonally adjusted				
				2003	2004			
					IV	I	II	III
<b>Gross domestic product</b> .....	1	105.749	110.440	107.780	108.969	109.858	110.941	111.993
Less: Exports of goods and services .....	2	94.116	102.195	98.170	99.924	101.690	103.176	103.991
Plus: Imports of goods and services .....	3	105.048	115.468	108.725	111.504	114.862	116.167	119.340
<b>Equals: Gross domestic purchases</b> .....	4	106.858	111.988	108.904	110.253	111.393	112.465	113.840
Less: Change in private inventories .....	5							
<b>Equals: Final sales to domestic purchasers</b> .....	6	107.438	112.143	109.401	110.455	111.396	112.731	113.991
<b>Addendum:</b>								
Final sales of domestic product	7	106.346	110.595	108.290	109.173	109.854	111.211	112.141

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

[Index numbers, 2000=100]

	Line	2003	2004	Seasonally adjusted				
				2003	2004			
					IV	I	II	III
<b>Gross domestic product</b> .....	1	106.003	108.298	106.586	107.314	108.169	108.551	109.159
Less: Exports of goods and services .....	2	101.395	104.919	102.146	103.565	104.746	105.175	106.189
Plus: Imports of goods and services .....	3	99.615	104.508	99.837	102.163	103.760	105.066	107.042
<b>Equals: Gross domestic purchases</b> .....	4	105.571	108.131	106.086	106.980	107.913	108.429	109.203
Less: Change in private inventories .....	5							
<b>Equals: Final sales to domestic purchasers</b> .....	6	105.592	108.143	106.107	106.997	107.923	108.440	109.214
<b>Addendum:</b>								
Final sales of domestic product	7	106.025	108.310	106.608	107.332	108.178	108.561	109.168

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

[Billions of dollars]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Gross domestic product</b> .....	1	11,004.0	11,735.0	11,270.9	11,472.6	11,657.5	11,814.9	11,994.8
Less: Exports of goods and services .....	2	1,046.2	1,175.5	1,099.2	1,134.3	1,167.6	1,189.5	1,210.4
Plus: Imports of goods and services .....	3	1,544.3	1,781.6	1,602.0	1,681.2	1,758.9	1,801.2	1,885.2
<b>Equals: Gross domestic purchases</b> .....	4	11,502.2	12,341.1	11,773.7	12,019.4	12,248.8	12,426.6	12,669.7
Less: Change in private inventories .....	5	-1.2	43.4	3.5	36.2	59.0	31.6	46.7
<b>Equals: Final sales to domestic purchasers</b> .....	6	11,503.4	12,297.8	11,770.1	11,983.2	12,189.8	12,395.1	12,623.0
<b>Addendum:</b>								
Final sales of domestic product	7	11,005.3	11,691.6	11,267.4	11,436.4	11,598.5	11,783.3	11,948.2

**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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Gross domestic product</b> .....	1	10,381.3	10,841.9	10,580.7	10,697.5	10,784.7	10,891.0	10,994.3
Less: Exports of goods and services .....	2	1,031.8	1,120.3	1,076.2	1,095.4	1,114.8	1,131.1	1,140.0
Plus: Imports of goods and services .....	3	1,550.3	1,704.0	1,604.5	1,645.5	1,695.1	1,714.3	1,761.2
<b>Equals: Gross domestic purchases</b> .....	4	10,895.7	11,418.8	11,104.3	11,241.9	11,358.1	11,467.4	11,607.6
Less: Change in private inventories .....	5	-0.8	45.7	8.6	40.0	61.1	34.5	47.2
<b>Equals: Final sales to domestic purchasers</b> .....	6	10,894.2	11,371.3	11,093.2	11,200.1	11,295.5	11,430.9	11,558.6
<b>Addendum:</b>								
Final sales of domestic product	7	10,379.9	10,794.6	10,569.6	10,655.8	10,722.3	10,854.7	10,945.5

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.











**Table 1.7.5. Relation of Gross Domestic Product, Gross National Product, Net National Product, National Income, and Personal Income**  
[Billions of dollars]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Gross domestic product</b> .....	1	11,004.0	11,735.0	11,270.9	11,472.6	11,657.5	11,814.9	11,994.8
Plus: Income receipts from the rest of the world.....	2	329.0	405.8	371.8	373.8	388.0	406.8	454.7
Less: Income payments to the rest of the world.....	3	273.9	361.9	284.6	300.3	351.9	368.6	426.7
<b>Equals: Gross national product</b> .....	4	11,059.2	11,778.9	11,358.1	11,546.1	11,693.6	11,853.0	12,022.8
Less: Consumption of fixed capital.....	5	1,353.9	1,407.3	1,374.2	1,355.0	1,375.2	1,497.9	1,401.2
Private.....	6	1,135.9	1,178.3	1,153.8	1,132.4	1,148.1	1,266.8	1,165.7
Domestic business.....	7	942.6	967.3	955.0	936.4	948.8	1,021.8	962.3
Capital consumption allowances.....	8	1,225.6	1,351.7	1,278.4	1,319.8	1,327.7	1,378.0	1,381.4
Less: Capital consumption adjustment.....	9	283.0	384.4	323.3	383.4	378.9	356.2	419.1
Households and institutions.....	10	193.3	211.0	198.8	196.0	199.4	245.1	203.5
Government.....	11	218.1	229.0	220.4	222.6	227.0	231.1	235.5
General government.....	12	183.6	192.4	185.4	187.2	190.8	194.0	197.4
Government enterprises.....	13	34.5	36.7	35.0	35.4	36.2	37.1	38.1
<b>Equals: Net national product</b> .....	14	9,705.2	10,371.6	9,983.9	10,191.1	10,318.4	10,355.1	10,621.6
<b>Less: Statistical discrepancy</b> .....	15	25.6	50.9	12.8	63.0	56.4	60.4	24.0
<b>Equals: National income</b> .....	16	9,679.6	10,320.6	9,971.1	10,128.1	10,262.0	10,294.7	10,597.6
Less: Corporate profits with inventory valuation and capital consumption adjustments.....	17	1,021.1	1,181.6	1,129.1	1,165.6	1,173.9	1,118.0	1,268.8
Taxes on production and imports less subsidies.....	18	751.3	800.6	769.4	782.9	796.3	803.5	819.9
Contributions for government social insurance.....	19	773.2	820.2	785.0	803.9	814.0	826.9	835.7
Net interest and miscellaneous payments on assets.....	20	543.0	549.5	545.3	554.5	548.5	546.7	548.2
Business current transfer payments (net).....	21	77.7	82.1	80.1	82.7	83.5	76.0	86.3
Current surplus of government enterprises.....	22	9.5	6.9	8.7	8.1	7.4	6.5	5.7
Wage accruals less disbursements.....	23	0.0	0.0	0.0	1.5	-1.5	0.0	0.0
Plus: Personal income receipts on assets.....	24	1,322.7	1,387.3	1,325.8	1,337.1	1,352.3	1,367.8	1,491.9
Personal current transfer receipts.....	25	1,335.4	1,405.9	1,350.7	1,379.0	1,400.4	1,415.4	1,428.9
<b>Equals: Personal income</b> .....	26	9,161.8	9,673.0	9,330.0	9,445.0	9,592.7	9,700.4	9,953.8
<b>Addenda:</b>								
Gross domestic income.....	27	10,978.5	11,684.0	11,258.1	11,409.6	11,601.1	11,754.5	11,970.9
Gross national income.....	28	11,033.6	11,728.0	11,345.2	11,483.1	11,637.2	11,792.6	11,998.8
Gross national factor income <sup>1</sup> .....	29	10,195.1	10,838.3	10,487.0	10,609.5	10,750.0	10,906.7	11,086.9
Net domestic product.....	30	9,650.1	10,327.6	9,896.7	10,117.6	10,282.3	10,316.9	10,593.6
Net domestic income.....	31	9,624.5	10,276.7	9,883.9	10,054.6	10,225.9	10,256.6	10,569.6
Net national factor income <sup>2</sup> .....	32	8,841.1	9,430.9	9,112.8	9,254.5	9,374.9	9,408.8	9,685.7

1. Consists of compensation of employees, proprietors' income with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj), rental income of persons with CCAj, corporate profits with IVA and CCAdj, 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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Gross domestic product</b> .....	1	10,381.3	10,841.9	10,580.7	10,697.5	10,784.7	10,891.0	10,994.3
Plus: Income receipts from the rest of the world.....	2	311.9	375.5	350.7	349.6	359.8	375.5	416.9
Less: Income payments to the rest of the world.....	3	259.2	334.3	268.0	280.3	325.8	339.9	391.0
<b>Equals: Gross national product</b> .....	4	10,433.9	10,883.0	10,663.3	10,766.7	10,818.7	10,926.5	11,020.1
Less: Consumption of fixed capital.....	5	1,336.3	1,389.7	1,352.6	1,352.6	1,359.7	1,470.6	1,375.7
Private.....	6	1,124.0	1,172.2	1,138.2	1,137.0	1,142.7	1,253.1	1,156.1
Government.....	7	212.4	217.6	214.4	215.7	217.0	218.3	219.5
General government.....	8	179.4	183.8	181.1	182.2	183.3	184.4	185.4
Government enterprises.....	9	32.9	33.8	33.3	33.5	33.7	33.9	34.1
<b>Equals: Net national product</b> .....	10	9,098.3	9,494.0	9,310.7	9,413.2	9,458.2	9,462.1	9,642.7
<b>Addenda:</b>								
Gross domestic income <sup>1</sup> .....	11	10,357.2	10,794.8	10,568.7	10,638.7	10,732.5	10,835.4	10,972.4
Gross national income <sup>2</sup> .....	12	10,409.8	10,835.9	10,651.2	10,707.9	10,766.5	10,870.9	10,998.1
Net domestic product.....	13	9,045.8	9,452.8	9,228.4	9,344.1	9,424.1	9,426.4	9,616.7
Net domestic income <sup>3</sup> .....	14	9,021.8	9,406.2	9,216.4	9,285.9	9,372.3	9,371.2	9,595.0

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

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

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	2003	2004	Seasonally adjusted				
				2003		2004		
				IV	I	II	III	IV
<b>Gross national product</b> .....	1	105.865	110.421	108.192	109.241	109.769	110.863	111.812
Less: Exports of goods and services and income receipts from the rest of the world.....	2	90.825	101.179	96.507	97.721	99.727	101.904	105.363
Plus: Command-basis exports of goods and services and income receipts from the rest of the world <sup>1</sup> .....	3	92.380	101.609	98.550	98.953	100.611	102.104	104.770
<b>Equals: Command-basis gross national product</b> .....	4	106.098	110.486	108.498	109.426	109.901	110.893	111.723
<b>Addendum:</b>								
Percent change from preceding period in command-basis real gross national product ...	5	3.1	4.1	5.8	3.5	1.8	3.7	3.0

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

**Table 1.8.6. Command-Basis Real Gross National Product, Chained Dollars**  
[Billions of chained (2000) dollars]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Gross national product</b> .....	1	10,433.9	10,883.0	10,663.3	10,766.7	10,818.7	10,926.5	11,020.1
Less: Exports of goods and services and income receipts from the rest of the world.....	2	1,343.2	1,496.4	1,427.3	1,445.2	1,474.9	1,507.1	1,558.3
Plus: Command-basis exports of goods and services and income receipts from the rest of the world <sup>1</sup> .....	3	1,366.2	1,502.8	1,457.5	1,463.5	1,488.0	1,510.1	1,549.5
<b>Equals: Command-basis gross national product</b> .....	4	10,456.9	10,889.4	10,693.6	10,784.9	10,831.9	10,929.5	11,011.4
<b>Addendum:</b>								
Terms of trade <sup>2</sup> .....	5	101.712	100.448	102.120	101.263	100.891	100.199	99.440

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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Gross domestic income</b> .....	<b>1</b>	<b>10,978.5</b>	<b>11,684.0</b>	<b>11,258.1</b>	<b>11,409.6</b>	<b>11,601.1</b>	<b>11,754.5</b>	<b>11,970.9</b>
<b>Compensation of employees, paid</b> .....	<b>2</b>	<b>6,294.5</b>	<b>6,637.7</b>	<b>6,412.2</b>	<b>6,495.0</b>	<b>6,584.7</b>	<b>6,693.0</b>	<b>6,778.1</b>
Wage and salary accruals .....	3	5,109.1	5,361.5	5,194.4	5,246.3	5,317.5	5,408.6	5,473.4
Disbursements .....	4	5,109.1	5,361.5	5,194.4	5,244.8	5,319.0	5,408.6	5,473.4
To persons .....	5	5,100.5	5,352.6	5,185.8	5,236.1	5,309.9	5,399.8	5,464.6
To the rest of the world .....	6	8.5	8.9	8.7	8.6	9.1	8.8	8.9
Wage accruals less disbursements .....	7	0.0	0.0	0.0	1.5	-1.5	0.0	0.0
Supplements to wages and salaries .....	8	1,185.5	1,276.3	1,217.8	1,248.8	1,267.2	1,284.4	1,304.7
<b>Taxes on production and imports</b> .....	<b>9</b>	<b>798.1</b>	<b>841.1</b>	<b>813.9</b>	<b>823.3</b>	<b>835.7</b>	<b>843.1</b>	<b>862.2</b>
<b>Less: Subsidies</b> .....	<b>10</b>	<b>46.7</b>	<b>40.4</b>	<b>44.4</b>	<b>40.4</b>	<b>39.4</b>	<b>39.7</b>	<b>42.3</b>
<b>Net operating surplus</b> .....	<b>11</b>	<b>2,578.7</b>	<b>2,838.3</b>	<b>2,702.3</b>	<b>2,776.7</b>	<b>2,844.9</b>	<b>2,760.1</b>	<b>2,971.6</b>
Private enterprises .....	12	2,569.2	2,831.4	2,693.6	2,768.6	2,837.5	2,753.6	2,965.9
Net interest and miscellaneous payments, domestic industries .....	13	659.3	691.8	668.5	680.7	691.6	691.6	703.2
Business current transfer payments (net) .....	14	77.7	82.1	80.1	82.7	83.5	76.0	86.3
Proprietors' income with inventory valuation and capital consumption adjustments .....	15	834.1	902.8	864.7	872.1	901.4	902.9	934.9
Rental income of persons with capital consumption adjustment .....	16	153.8	165.1	167.1	172.8	172.6	153.8	161.3
Corporate profits with inventory valuation and capital consumption adjustments, domestic industries .....	17	844.2	989.6	913.3	960.3	988.6	929.3	1,080.1
Taxes on corporate income .....	18	234.9	269.2	252.3	256.5	271.2	253.3	295.7
Profits after tax with inventory valuation and capital consumption adjustments .....	19	609.3	720.4	660.9	703.8	717.4	676.0	784.4
Net dividends .....	20	374.8	403.7	371.5	367.5	360.5	378.4	508.6
Undistributed corporate profits with inventory valuation and capital consumption adjustments .....	21	234.5	316.7	289.5	336.3	356.9	297.6	275.8
Current surplus of government enterprises .....	22	9.5	6.9	8.7	8.1	7.4	6.5	5.7
<b>Consumption of fixed capital</b> .....	<b>23</b>	<b>1,353.9</b>	<b>1,407.3</b>	<b>1,374.2</b>	<b>1,355.0</b>	<b>1,375.2</b>	<b>1,497.9</b>	<b>1,401.2</b>
Private .....	24	1,135.9	1,178.3	1,153.8	1,132.4	1,148.1	1,266.8	1,165.7
Government .....	25	218.1	229.0	220.4	222.6	227.0	231.1	235.5
<b>Addendum:</b>								
Statistical discrepancy .....	26	25.6	50.9	12.8	63.0	56.4	60.4	24.0



Table 1.12. National Income by Type of Income

[Billions of dollars]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>National income</b> .....	1	<b>9,679.6</b>	<b>10,320.6</b>	<b>9,971.1</b>	<b>10,128.1</b>	<b>10,262.0</b>	<b>10,294.7</b>	<b>10,597.6</b>
<b>Compensation of employees</b> .....	2	<b>6,289.0</b>	<b>6,632.0</b>	<b>6,406.7</b>	<b>6,489.4</b>	<b>6,578.5</b>	<b>6,687.4</b>	<b>6,772.5</b>
Wage and salary accruals .....	3	5,103.6	5,355.7	5,188.9	5,240.7	5,311.4	5,403.0	5,467.8
Government .....	4	897.9	925.6	905.0	918.8	922.0	928.2	933.3
Other .....	5	4,205.6	4,430.1	4,283.9	4,321.8	4,389.3	4,474.7	4,534.6
Supplements to wages and salaries .....	6	1,185.5	1,276.3	1,217.8	1,248.8	1,267.2	1,284.4	1,304.7
Employer contributions for employee pension and insurance funds .....	7	808.9	876.6	835.9	856.5	870.4	881.6	897.9
Employer contributions for government social insurance .....	8	376.6	399.7	381.9	392.3	396.8	402.8	406.8
<b>Proprietors' income with IVA and CCAAdj</b> .....	9	<b>834.1</b>	<b>902.8</b>	<b>864.7</b>	<b>872.1</b>	<b>901.4</b>	<b>902.9</b>	<b>934.9</b>
Farm .....	10	21.8	18.2	24.7	17.9	18.9	13.6	22.4
Nonfarm .....	11	812.3	884.6	840.0	854.2	882.5	889.3	912.5
<b>Rental income of persons with CCAAdj</b> .....	12	<b>153.8</b>	<b>165.1</b>	<b>167.1</b>	<b>172.8</b>	<b>172.6</b>	<b>153.8</b>	<b>161.3</b>
<b>Corporate profits with IVA and CCAAdj</b> .....	13	<b>1,021.1</b>	<b>1,181.6</b>	<b>1,129.1</b>	<b>1,165.6</b>	<b>1,173.9</b>	<b>1,118.0</b>	<b>1,268.8</b>
Taxes on corporate income .....	14	234.9	269.2	252.3	256.5	271.2	253.3	295.7
Profits after tax with IVA and CCAAdj .....	15	786.2	912.4	876.8	909.1	902.7	864.7	973.0
Net dividends .....	16	395.3	443.9	396.4	403.4	413.2	424.0	534.7
Undistributed profits with IVA and CCAAdj .....	17	390.9	468.5	480.4	505.7	489.5	440.7	438.3
<b>Net interest and miscellaneous payments</b> .....	18	<b>543.0</b>	<b>549.5</b>	<b>545.3</b>	<b>554.5</b>	<b>548.5</b>	<b>546.7</b>	<b>548.2</b>
<b>Taxes on production and imports</b> .....	19	<b>798.1</b>	<b>841.1</b>	<b>813.9</b>	<b>823.3</b>	<b>835.7</b>	<b>843.1</b>	<b>862.2</b>
<b>Less: Subsidies</b> .....	20	<b>46.7</b>	<b>40.4</b>	<b>44.4</b>	<b>40.4</b>	<b>39.4</b>	<b>39.7</b>	<b>42.3</b>
<b>Business current transfer payments (net)</b> .....	21	<b>77.7</b>	<b>82.1</b>	<b>80.1</b>	<b>82.7</b>	<b>83.5</b>	<b>76.0</b>	<b>86.3</b>
To persons (net) .....	22	28.9	32.7	28.8	29.3	29.3	42.9	29.2
To government (net) .....	23	46.6	49.2	47.5	49.4	50.1	44.0	53.5
To the rest of the world (net) .....	24	2.2	0.2	3.8	4.0	4.0	-10.9	3.7
<b>Current surplus of government enterprises</b> .....	25	<b>9.5</b>	<b>6.9</b>	<b>8.7</b>	<b>8.1</b>	<b>7.4</b>	<b>6.5</b>	<b>5.7</b>
<b>Cash flow:</b>								
Net cash flow with IVA and CCAAdj .....	26	1,173.4	1,264.6	1,273.2	1,279.1	1,273.4	1,271.8	1,234.1
Undistributed profits with IVA and CCAAdj .....	27	390.9	468.5	480.4	505.7	489.5	440.7	438.3
Consumption of fixed capital .....	28	782.5	796.1	792.9	773.4	783.9	831.2	795.8
Less: Inventory valuation adjustment .....	29	-14.1	-42.9	-24.3	-37.0	-47.8	-37.8	-49.1
Equals: Net cash flow .....	30	1,187.5	1,307.5	1,297.6	1,316.1	1,321.2	1,309.6	1,283.2
<b>Addenda:</b>								
Proprietors' income with IVA and CCAAdj .....	31	834.1	902.8	864.7	872.1	901.4	902.9	934.9
Farm .....	32	21.8	18.2	24.7	17.9	18.9	13.6	22.4
Proprietors' income with IVA .....	33	27.8	24.0	30.7	23.6	24.7	19.5	28.1
Capital consumption adjustment .....	34	-5.9	-5.8	-6.1	-5.6	-5.8	-5.9	-5.7
Nonfarm .....	35	812.3	884.6	840.0	854.2	882.5	889.3	912.5
Proprietors' income (without IVA and CCAAdj) .....	36	673.9	724.7	688.1	697.9	725.0	734.6	741.3
Inventory valuation adjustment .....	37	-1.9	-5.1	-2.6	-4.5	-5.8	-4.5	-5.6
Capital consumption adjustment .....	38	140.2	165.0	154.5	160.8	163.3	159.2	176.8
Rental income of persons with CCAAdj .....	39	153.8	165.1	167.1	172.8	172.6	153.8	161.3
Rental income of persons (without CCAAdj) .....	40	165.9	179.1	179.4	184.7	184.6	173.9	173.3
Capital consumption adjustment .....	41	-12.1	-14.0	-12.3	-11.9	-12.0	-20.1	-12.0
Corporate profits with IVA and CCAAdj .....	42	1,021.1	1,181.6	1,129.1	1,165.6	1,173.9	1,118.0	1,268.8
Corporate profits with IVA .....	43	860.4	942.4	941.9	925.4	940.6	895.0	1,008.8
Profits before tax (without IVA and CCAAdj) .....	44	874.5	985.3	966.2	962.4	988.3	932.8	1,057.9
Taxes on corporate income .....	45	234.9	269.2	252.3	256.5	271.2	253.3	295.7
Profits after tax (without IVA and CCAAdj) .....	46	639.6	716.2	713.9	705.9	717.1	679.5	762.1
Net dividends .....	47	395.3	443.9	396.4	403.4	413.2	424.0	534.7
Undistributed profits (without IVA and CCAAdj) .....	48	244.2	272.3	317.5	302.5	303.9	255.5	227.4
Inventory valuation adjustment .....	49	-14.1	-42.9	-24.3	-37.0	-47.8	-37.8	-49.1
Capital consumption adjustment .....	50	160.8	239.1	187.2	240.2	233.3	223.0	260.0

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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Gross value added of corporate business<sup>1</sup></b> .....	1	<b>6,518.0</b>	<b>6,977.6</b>	<b>6,702.1</b>	<b>6,793.6</b>	<b>6,911.3</b>	<b>7,024.6</b>	<b>7,180.6</b>
Consumption of fixed capital .....	2	782.5	796.1	792.9	773.4	783.9	831.2	795.8
Net value added .....	3	5,735.5	6,181.5	5,909.3	6,020.3	6,127.4	6,193.4	6,384.8
Compensation of employees .....	4	4,147.6	4,390.7	4,231.5	4,284.2	4,352.1	4,431.9	4,494.7
Wage and salary accruals .....	5	3,380.8	3,561.3	3,443.7	3,474.2	3,528.8	3,597.0	3,645.0
Supplements to wages and salaries .....	6	766.8	829.5	787.8	810.0	823.3	834.9	849.8
Taxes on production and imports less subsidies .....	7	523.2	553.4	535.7	542.2	550.1	553.8	567.4
Net operating surplus .....	8	1,064.7	1,237.4	1,142.1	1,193.9	1,225.2	1,207.8	1,322.7
Net interest and miscellaneous payments .....	9	155.5	164.7	159.7	162.2	164.4	164.5	167.5
Business current transfer payments .....	10	65.0	83.2	69.1	71.4	72.2	114.0	75.0
Corporate profits with IVA and CCAAdj .....	11	844.2	989.6	913.3	960.3	988.6	929.3	1,080.1
Taxes on corporate income .....	12	234.9	269.2	252.3	256.5	271.2	253.3	295.7
Profits after tax with IVA and CCAAdj .....	13	609.3	720.4	660.9	703.8	717.4	676.0	784.4
Net dividends .....	14	374.8	403.7	371.5	367.5	360.5	378.4	508.6
Undistributed profits with IVA and CCAAdj .....	15	234.5	316.7	289.5	336.3	356.9	297.6	275.8
<b>Gross value added of financial corporate business<sup>1</sup></b> .....	16	<b>911.2</b>	<b>966.6</b>	<b>934.6</b>	<b>954.2</b>	<b>955.8</b>	<b>966.4</b>	<b>989.8</b>
<b>Gross value added of nonfinancial corporate business<sup>1</sup></b> .....	17	<b>5,606.8</b>	<b>6,011.0</b>	<b>5,767.5</b>	<b>5,839.4</b>	<b>5,955.5</b>	<b>6,058.2</b>	<b>6,190.8</b>
Consumption of fixed capital .....	18	676.4	692.6	684.3	671.8	680.9	726.8	691.0
Net value added .....	19	4,930.5	5,318.4	5,083.3	5,167.6	5,274.7	5,331.4	5,499.8
Compensation of employees .....	20	3,696.2	3,913.0	3,771.0	3,818.1	3,878.6	3,949.7	4,005.7
Wage and salary accruals .....	21	3,006.9	3,167.4	3,062.8	3,089.9	3,138.5	3,199.1	3,241.8
Supplements to wages and salaries .....	22	689.3	745.7	708.3	728.1	740.1	750.5	763.9
Taxes on production and imports less subsidies .....	23	483.4	511.4	495.0	501.1	508.4	511.7	524.4
Net operating surplus .....	24	750.8	893.9	817.2	848.5	887.6	870.0	969.7
Net interest and miscellaneous payments .....	25	170.8	177.5	172.1	174.8	177.2	177.3	180.5
Business current transfer payments .....	26	63.5	63.3	67.8	69.0	69.6	42.5	72.2
Corporate profits with IVA and CCAAdj .....	27	516.4	653.1	577.3	604.6	640.8	650.2	716.9
Taxes on corporate income .....	28	130.0	165.8	146.8	147.7	164.9	167.5	183.3
Profits after tax with IVA and CCAAdj .....	29	386.4	487.3	430.5	456.9	475.9	482.7	533.6
Net dividends .....	30	275.4	303.9	273.6	270.6	265.5	278.7	400.8
Undistributed profits with IVA and CCAAdj .....	31	111.0	183.4	156.9	186.2	210.5	204.0	132.9
<b>Addenda:</b>								
<b>Corporate business:</b>								
Profits before tax (without IVA and CCAAdj) .....	32	697.6	793.3	750.4	757.0	803.0	744.1	869.2
Profits after tax (without IVA and CCAAdj) .....	33	462.6	524.2	498.1	500.6	531.8	490.8	573.5
Inventory valuation adjustment .....	34	-14.1	-42.9	-24.3	-37.0	-47.8	-37.8	-49.1
Capital consumption adjustment .....	35	160.8	239.1	187.2	240.2	233.3	223.0	260.0
<b>Nonfinancial corporate business:</b>								
Profits before tax (without IVA and CCAAdj) .....	36	397.7	499.4	445.0	443.4	496.5	506.5	551.0
Profits after tax (without IVA and CCAAdj) .....	37	267.7	333.5	298.2	295.6	331.7	338.9	367.8
Inventory valuation adjustment .....	38	-14.1	-42.9	-24.3	-37.0	-47.8	-37.8	-49.1
Capital consumption adjustment .....	39	132.9	196.7	156.6	198.3	192.0	181.5	215.0
				Value added, in billions of chained (2000) dollars				
<b>Gross value added of nonfinancial corporate business<sup>2</sup></b> .....	40	<b>5,423.0</b>	<b>5,713.6</b>	<b>5,552.0</b>	<b>5,598.7</b>	<b>5,657.4</b>	<b>5,752.2</b>	<b>5,846.0</b>
Consumption of fixed capital <sup>3</sup> .....	41	647.2	668.3	655.1	654.1	657.2	697.3	664.7
Net value added <sup>4</sup> .....	42	4,775.8	5,045.2	4,897.0	4,944.6	5,000.2	5,054.8	5,181.3

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 22, 2004, chained-dollar gross value added of nonfinancial corporate business was revised beginning with 1929. The current-dollar gross value added is 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 of 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	2003	2004	Seasonally adjusted				
				2003	2004			
					IV	I	II	III
<b>Price per unit of real gross value added of nonfinancial corporate business<sup>1</sup></b> .....	1	<b>1.034</b>	<b>1.052</b>	<b>1.039</b>	<b>1.043</b>	<b>1.053</b>	<b>1.053</b>	<b>1.059</b>
<b>Compensation of employees (unit labor cost)</b> .....	2	<b>0.682</b>	<b>0.685</b>	<b>0.679</b>	<b>0.682</b>	<b>0.686</b>	<b>0.687</b>	<b>0.685</b>
<b>Unit nonlabor cost</b> .....	3	<b>0.258</b>	<b>0.253</b>	<b>0.255</b>	<b>0.253</b>	<b>0.253</b>	<b>0.253</b>	<b>0.251</b>
Consumption of fixed capital .....	4	0.125	0.121	0.123	0.120	0.120	0.126	0.118
Taxes on production and imports less subsidies plus business current transfer payments .....	5	0.101	0.101	0.101	0.102	0.102	0.096	0.102
Net interest and miscellaneous payments .....	6	0.032	0.031	0.031	0.031	0.031	0.031	0.031
<b>Corporate profits with IVA and CCAAdj (unit profits from current production)</b> .....	7	<b>0.095</b>	<b>0.114</b>	<b>0.104</b>	<b>0.108</b>	<b>0.113</b>	<b>0.113</b>	<b>0.123</b>
Taxes on corporate income .....	8	0.024	0.029	0.026	0.026	0.029	0.029	0.031
Profits after tax with IVA and CCAAdj .....	9	0.071	0.085	0.078	0.082	0.084	0.084	0.091

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 22, 2004, chained-dollar gross value added of nonfinancial corporate business was revised beginning with 1929. The current-dollar gross value added is 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 of 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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Personal income</b> .....	1	<b>9,161.8</b>	<b>9,673.0</b>	<b>9,330.0</b>	<b>9,445.0</b>	<b>9,592.7</b>	<b>9,700.4</b>	<b>9,953.8</b>
Compensation of employees, received .....	2	6,289.0	6,632.0	6,406.7	6,487.9	6,580.0	6,687.4	6,772.5
Wage and salary disbursements .....	3	5,103.6	5,355.7	5,188.9	5,239.2	5,312.8	5,403.0	5,467.8
Private industries .....	4	4,205.6	4,430.1	4,283.9	4,321.8	4,389.3	4,474.7	4,534.6
Government .....	5	897.9	925.6	905.0	917.3	923.5	928.2	933.3
Supplements to wages and salaries .....	6	1,185.5	1,276.3	1,217.8	1,248.8	1,267.2	1,284.4	1,304.7
Employer contributions for employee pension and insurance funds .....	7	808.9	876.6	835.9	856.5	870.4	881.6	897.9
Employer contributions for government social insurance .....	8	376.6	399.7	381.9	392.3	396.8	402.8	406.8
Proprietors' income with inventory valuation and capital consumption adjustments .....	9	834.1	902.8	864.7	872.1	901.4	902.9	934.9
Farm .....	10	21.8	18.2	24.7	17.9	18.9	13.6	22.4
Nonfarm .....	11	812.3	884.6	840.0	854.2	882.5	889.3	912.5
Rental income of persons with capital consumption adjustment .....	12	153.8	165.1	167.1	172.8	172.6	153.8	161.3
Personal income receipts on assets .....	13	1,322.7	1,387.3	1,325.8	1,337.1	1,352.3	1,367.8	1,491.9
Personal interest income .....	14	929.9	946.2	932.0	936.2	941.7	946.5	960.5
Personal dividend income .....	15	392.8	441.1	393.8	400.9	410.6	421.3	531.4
Personal current transfer receipts .....	16	1,335.4	1,405.9	1,350.7	1,379.0	1,400.4	1,415.4	1,428.9
Government social benefits to persons .....	17	1,306.4	1,373.2	1,322.0	1,349.6	1,371.1	1,372.5	1,399.7
Old-age, survivors, disability, and health insurance benefits .....	18	733.8	779.2	744.9	762.1	774.0	782.4	798.1
Government unemployment insurance benefits .....	19	52.8	34.6	51.6	41.4	33.5	32.4	31.1
Veterans benefits .....	20	32.3	33.8	32.4	33.6	33.6	33.8	34.1
Family assistance <sup>1</sup> .....	21	18.3	18.7	18.5	18.6	18.6	18.7	18.8
Other .....	22	469.2	507.0	474.6	494.0	511.4	505.2	517.6
Other current transfer receipts, from business (net) .....	23	28.9	32.7	28.8	29.3	29.3	42.9	29.2
Less: Contributions for government social insurance .....	24	773.2	820.2	785.0	803.9	814.0	826.9	835.7
<b>Less: Personal current taxes</b> .....	25	<b>1,001.9</b>	<b>1,038.9</b>	<b>1,009.4</b>	<b>1,006.6</b>	<b>1,030.6</b>	<b>1,048.9</b>	<b>1,069.5</b>
<b>Equals: Disposable personal income</b> .....	26	<b>8,159.9</b>	<b>8,634.0</b>	<b>8,320.5</b>	<b>8,438.4</b>	<b>8,562.1</b>	<b>8,651.5</b>	<b>8,884.2</b>
<b>Less: Personal outlays</b> .....	27	<b>8,049.3</b>	<b>8,531.9</b>	<b>8,209.4</b>	<b>8,351.6</b>	<b>8,448.7</b>	<b>8,588.1</b>	<b>8,739.3</b>
Personal consumption expenditures .....	28	7,760.9	8,229.9	7,914.9	8,060.2	8,153.8	8,282.5	8,423.3
Personal interest payments <sup>2</sup> .....	29	185.3	188.5	185.9	181.1	182.6	190.6	199.5
Personal current transfer payments .....	30	103.1	113.5	108.6	110.3	112.2	115.0	116.5
To government .....	31	64.9	71.0	67.0	68.6	70.2	71.8	73.5
To the rest of the world (net) .....	32	38.2	42.5	41.6	41.7	42.1	43.2	43.0
<b>Equals: Personal saving</b> .....	33	<b>110.6</b>	<b>102.1</b>	<b>111.1</b>	<b>86.8</b>	<b>113.4</b>	<b>63.4</b>	<b>145.0</b>
<b>Personal saving as a percentage of disposable personal income</b> .....	34	<b>1.4</b>	<b>1.2</b>	<b>1.3</b>	<b>1.0</b>	<b>1.3</b>	<b>0.7</b>	<b>1.6</b>
<b>Addenda:</b>								
Disposable personal income:								
Total, billions of chained (2000) dollars <sup>3</sup> .....	35	7,733.8	8,007.3	7,849.6	7,897.0	7,951.5	8,009.5	8,170.9
Per capita:								
Current dollars .....	36	28,034	29,372	28,474	28,813	29,168	29,395	30,108
Chained (2000) dollars .....	37	26,570	27,240	26,862	26,964	27,088	27,214	27,691
Population (midperiod, thousands) .....	38	291,073	293,951	292,217	292,872	293,540	294,315	295,077
Percent change from preceding period:								
<b>Disposable personal income, current dollars</b> .....	39	<b>4.2</b>	<b>5.8</b>	<b>2.6</b>	<b>5.8</b>	<b>6.0</b>	<b>4.2</b>	<b>11.2</b>
<b>Disposable personal income, chained (2000) dollars</b> .....	40	<b>2.3</b>	<b>3.5</b>	<b>1.4</b>	<b>2.4</b>	<b>2.8</b>	<b>2.9</b>	<b>8.3</b>

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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Wage and salary disbursements</b> .....	1	<b>5,103.6</b>	<b>5,355.7</b>	<b>5,188.9</b>	<b>5,239.2</b>	<b>5,312.8</b>	<b>5,403.0</b>	<b>5,467.8</b>
<b>Private industries</b> .....	2	<b>4,205.6</b>	<b>4,430.1</b>	<b>4,283.9</b>	<b>4,321.8</b>	<b>4,389.3</b>	<b>4,474.7</b>	<b>4,534.6</b>
Goods-producing industries .....	3	1,007.7	1,045.4	1,025.6	1,019.0	1,034.9	1,058.4	1,069.4
Manufacturing .....	4	668.8	687.2	680.1	669.9	680.5	697.0	701.2
Services-producing industries .....	5	3,198.0	3,384.7	3,258.3	3,302.9	3,354.4	3,416.3	3,465.2
Trade, transportation, and utilities .....	6	858.6	891.3	872.0	872.4	886.2	899.6	906.9
Other services-producing industries <sup>1</sup> .....	7	2,339.4	2,493.4	2,386.4	2,430.5	2,468.3	2,516.7	2,558.3
<b>Government</b> .....	8	<b>897.9</b>	<b>925.6</b>	<b>905.0</b>	<b>917.3</b>	<b>923.5</b>	<b>928.2</b>	<b>933.3</b>

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	1	3.3	3.8	3.6	4.1	1.6	5.1	4.2
<b>Durable goods</b> .....	2	7.4	6.7	3.9	2.2	-0.3	17.2	3.9
Motor vehicles and parts.....	3	5.5	3.0	-1.8	-5.8	-6.0	28.7	-0.5
Furniture and household equipment.....	4	9.1	11.7	9.8	11.1	7.4	11.6	7.3
Other.....	5	9.1	6.5	7.4	6.2	-0.2	3.5	8.3
<b>Nondurable goods</b> .....	6	3.7	4.6	5.1	6.7	0.1	4.7	5.9
Food.....	7	3.8	4.8	2.6	8.1	2.3	4.4	7.7
Clothing and shoes.....	8	4.3	6.7	3.9	16.3	-5.3	6.0	10.2
Gasoline, fuel oil, and other energy goods.....	9	0.7	0.0	19.1	-2.3	-13.2	2.6	-1.1
Gasoline and oil.....	10	0.7	-0.4	17.3	-0.8	-14.2	1.7	1.0
Fuel oil and coal.....	11	0.3	4.4	41.4	-16.5	-1.5	13.9	-21.3
Other.....	12	4.1	4.7	5.8	3.1	4.5	5.3	3.5
<b>Services</b> .....	13	2.2	2.8	2.8	3.3	2.7	3.0	3.4
Housing.....	14	1.3	1.7	0.8	2.1	2.0	2.4	2.3
Household operation.....	15	1.5	2.6	7.5	3.2	-0.9	1.3	5.4
Electricity and gas.....	16	1.7	2.3	17.5	3.5	-8.0	-0.9	12.7
Other household operation.....	17	1.4	2.8	1.6	3.1	4.0	2.7	0.9
Transportation.....	18	-0.8	1.1	-0.5	2.0	2.9	1.7	4.2
Medical care.....	19	4.0	3.7	3.1	3.2	4.4	5.0	4.3
Recreation.....	20	3.1	3.1	4.0	5.9	0.3	2.7	-1.3
Other.....	21	2.0	3.3	3.2	4.4	3.3	2.5	4.1
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> .....	22	1.1	0.9	18.4	0.2	-11.1	1.2	4.4
Personal consumption expenditures excluding food and energy.....	23	3.3	3.8	2.9	3.7	2.3	5.5	3.6

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Percent change at annual rate:</b>								
<b>Personal consumption expenditures</b> .....	1	3.3	3.8	3.6	4.1	1.6	5.1	4.2
<b>Percentage points at annual rates:</b>								
<b>Durable goods</b> .....	2	0.90	0.80	0.48	0.27	-0.03	1.97	0.47
Motor vehicles and parts.....	3	0.31	0.17	-0.10	-0.33	-0.34	1.40	-0.03
Furniture and household equipment.....	4	0.38	0.48	0.41	0.45	0.31	0.48	0.31
Other.....	5	0.21	0.15	0.17	0.15	-0.01	0.08	0.19
<b>Nondurable goods</b> .....	6	1.04	1.29	1.45	1.90	0.04	1.35	1.71
Food.....	7	0.52	0.67	0.36	1.10	0.32	0.61	1.07
Clothing and shoes.....	8	0.17	0.26	0.16	0.62	-0.22	0.24	0.39
Gasoline, fuel oil, and other energy goods.....	9	0.02	-0.01	0.47	-0.06	-0.42	0.08	-0.03
Gasoline and oil.....	10	0.02	-0.02	0.40	-0.02	-0.41	0.05	0.03
Fuel oil and coal.....	11	0.00	0.01	0.08	-0.04	0.00	0.03	-0.06
Other.....	12	0.33	0.37	0.46	0.25	0.35	0.43	0.28
<b>Services</b> .....	13	1.32	1.67	1.64	1.98	1.56	1.82	2.02
Housing.....	14	0.21	0.27	0.13	0.33	0.30	0.37	0.34
Household operation.....	15	0.09	0.14	0.41	0.18	-0.05	0.07	0.30
Electricity and gas.....	16	0.04	0.05	0.35	0.08	-0.18	-0.02	0.26
Other household operation.....	17	0.05	0.09	0.05	0.10	0.13	0.09	0.03
Transportation.....	18	-0.03	0.04	-0.02	0.07	0.11	0.06	0.15
Medical care.....	19	0.65	0.63	0.52	0.55	0.74	0.85	0.72
Recreation.....	20	0.13	0.13	0.16	0.24	0.01	0.11	-0.05
Other.....	21	0.28	0.45	0.44	0.61	0.45	0.35	0.56
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> .....	22	0.05	0.04	0.83	0.01	-0.60	0.06	0.23
Personal consumption expenditures excluding food and energy.....	23	2.68	3.06	2.38	3.03	1.84	4.46	2.90

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	2003	2004	Seasonally adjusted				
				2003		2004		
				IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	1	109.143	113.253	110.794	111.925	112.360	113.776	114.951
<b>Durable goods</b> .....	2	119.378	127.338	123.902	124.572	124.482	129.529	130.768
Motor vehicles and parts.....	3	116.971	120.529	119.929	118.149	116.320	123.901	123.745
Furniture and household equipment.....	4	125.771	140.426	132.505	136.028	138.480	142.327	144.870
Other.....	5	113.772	121.222	118.345	120.152	120.082	121.106	123.549
<b>Nondurable goods</b> .....	6	108.481	113.417	110.517	112.331	112.367	113.659	115.310
Food.....	7	107.556	112.765	109.018	111.160	111.793	112.992	115.117
Clothing and shoes.....	8	110.914	118.356	113.595	117.960	116.374	118.093	120.997
Gasoline, fuel oil, and other energy goods.....	9	103.062	103.040	106.147	105.544	101.862	102.524	102.231
Gasoline and oil.....	10	103.587	103.185	106.110	105.886	101.915	102.340	102.601
Fuel oil and coal.....	11	97.397	101.690	106.512	101.828	101.439	104.787	98.704
Other.....	12	110.646	115.804	112.986	113.848	115.111	116.620	117.639
<b>Services</b> .....	13	107.418	110.423	108.346	109.237	109.955	110.782	111.717
Housing.....	14	106.915	108.785	107.334	107.906	108.445	109.090	109.701
Household operation.....	15	102.597	105.255	104.080	104.914	104.677	105.014	106.416
Electricity and gas.....	16	102.729	105.046	105.112	106.021	103.820	103.597	106.746
Other household operation.....	17	102.496	105.362	103.394	104.181	105.205	105.907	106.156
Transportation.....	18	95.346	96.439	95.009	95.470	96.160	96.567	97.557
Medical care.....	19	115.340	119.647	116.703	117.632	118.915	120.386	121.653
Recreation.....	20	108.225	111.551	109.631	111.211	111.286	112.040	111.667
Other.....	21	104.731	108.152	105.751	106.899	107.768	108.428	109.514
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> .....	22	102.952	103.913	105.714	105.779	102.722	103.017	104.136
Personal consumption expenditures excluding food and energy.....	23	109.787	113.919	111.398	112.422	113.060	114.591	115.603

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	2003	2004	Seasonally adjusted				
				2003		2004		
				IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	1	105.511	107.824	106.005	106.860	107.683	108.021	108.734
<b>Durable goods</b> .....	2	92.244	90.378	90.747	90.741	90.725	90.008	90.039
Motor vehicles and parts.....	3	97.340	96.088	95.768	95.966	96.166	95.697	96.522
Furniture and household equipment.....	4	83.345	79.889	81.451	80.963	80.367	79.368	78.858
Other.....	5	97.924	98.077	97.447	97.999	98.760	98.098	97.450
<b>Nondurable goods</b> .....	6	104.154	107.626	104.564	105.914	107.616	107.869	109.106
Food.....	7	106.979	110.257	108.265	108.950	109.989	110.687	111.403
Clothing and shoes.....	8	93.045	92.660	92.976	92.533	93.191	92.502	92.413
Gasoline, fuel oil, and other energy goods.....	9	105.517	124.250	103.679	113.693	124.711	125.030	133.565
Gasoline and oil.....	10	105.154	124.049	103.317	113.541	125.424	124.725	132.507
Fuel oil and coal.....	11	109.634	126.199	107.675	115.313	116.528	128.027	144.929
Other.....	12	105.175	106.193	105.166	105.752	106.136	106.152	106.732
<b>Services</b> .....	13	109.237	111.999	110.266	111.085	111.667	112.314	112.932
Housing.....	14	110.437	113.156	111.344	111.912	112.941	113.608	114.164
Household operation.....	15	107.766	110.069	107.886	108.879	109.598	110.703	111.094
Electricity and gas.....	16	113.651	118.155	113.642	115.595	117.118	119.488	120.421
Other household operation.....	17	104.367	105.392	104.566	104.993	105.243	105.627	105.705
Transportation.....	18	105.880	107.405	107.140	107.109	107.281	107.572	107.656
Medical care.....	19	109.858	113.285	111.335	112.340	112.955	113.617	114.226
Recreation.....	20	109.248	111.980	109.958	110.875	111.559	112.268	113.217
Other.....	21	108.826	111.383	109.852	110.851	110.944	111.450	112.285
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> .....	22	108.958	121.565	107.898	114.463	121.386	122.590	127.819
Personal consumption expenditures excluding food and energy.....	23	105.072	106.643	105.527	106.081	106.523	106.753	107.217

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	1	7,760.9	8,229.9	7,914.9	8,060.2	8,153.8	8,282.5	8,423.3
<b>Durable goods</b> .....	2	950.7	993.9	971.1	976.3	975.5	1,007.0	1,017.0
Motor vehicles and parts.....	3	440.1	447.8	444.1	438.4	432.5	458.4	461.8
Furniture and household equipment.....	4	328.0	351.3	338.0	345.0	348.6	353.8	357.8
Other.....	5	182.6	194.9	189.0	193.0	194.4	194.7	197.4
<b>Nondurable goods</b> .....	6	2,200.1	2,377.0	2,250.1	2,316.6	2,354.6	2,387.2	2,449.7
Food.....	7	1,064.5	1,150.3	1,091.8	1,120.3	1,137.5	1,157.0	1,186.3
Clothing and shoes.....	8	307.2	326.5	314.4	325.0	322.9	325.2	332.9
Gasoline, fuel oil, and other energy goods.....	9	208.2	244.9	210.7	229.7	243.2	245.4	261.4
Gasoline and oil.....	10	191.3	224.6	192.5	211.1	224.5	224.2	238.7
Fuel oil and coal.....	11	16.9	20.3	18.2	18.6	18.7	21.3	22.7
Other.....	12	620.1	655.3	633.1	641.5	651.0	659.6	669.0
<b>Services</b> .....	13	4,610.1	4,859.0	4,693.6	4,767.3	4,823.8	4,888.2	4,956.6
Housing.....	14	1,188.4	1,239.0	1,202.8	1,215.4	1,232.7	1,247.3	1,260.5
Household operation.....	15	431.3	452.0	438.1	445.6	447.6	453.5	461.2
Electricity and gas.....	16	167.3	177.9	171.2	175.7	174.3	177.4	184.3
Other household operation.....	17	264.0	274.1	266.8	270.0	273.3	276.1	277.0
Transportation.....	18	294.0	301.7	296.5	297.8	300.5	302.6	305.9
Medical care.....	19	1,301.1	1,391.7	1,334.0	1,356.8	1,379.1	1,404.4	1,426.7
Recreation.....	20	317.2	335.1	323.4	330.8	333.0	337.4	339.1
Other.....	21	1,078.1	1,139.5	1,098.8	1,120.9	1,130.9	1,143.1	1,163.2
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> ....	22	375.5	422.8	381.9	405.4	417.5	422.8	445.7
Personal consumption expenditures excluding food and energy.....	23	6,320.8	6,656.8	6,441.1	6,534.5	6,598.9	6,702.7	6,791.3

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	1	7,355.6	7,632.5	7,466.8	7,543.0	7,572.4	7,667.8	7,747.0
<b>Durable goods</b> .....	2	1,030.6	1,099.3	1,069.7	1,075.5	1,074.7	1,118.3	1,129.0
Motor vehicles and parts.....	3	452.1	465.9	463.5	456.7	449.6	478.9	478.3
Furniture and household equipment.....	4	393.5	439.4	414.6	425.6	433.3	445.4	453.3
Other.....	5	186.5	198.7	194.0	196.9	196.8	198.5	202.5
<b>Nondurable goods</b> .....	6	2,112.4	2,208.5	2,152.0	2,187.3	2,188.0	2,213.2	2,245.3
Food.....	7	995.1	1,043.3	1,008.6	1,028.4	1,034.3	1,045.4	1,065.0
Clothing and shoes.....	8	330.2	352.4	338.2	351.2	346.5	351.6	360.2
Gasoline, fuel oil, and other energy goods.....	9	197.3	197.3	203.3	202.1	195.0	196.3	195.8
Gasoline and oil.....	10	182.0	181.3	186.4	186.0	179.0	179.8	180.2
Fuel oil and coal.....	11	15.4	16.1	16.9	16.1	16.1	16.6	15.6
Other.....	12	589.6	617.1	602.1	606.6	613.4	621.4	626.8
<b>Services</b> .....	13	4,220.3	4,338.3	4,256.7	4,291.7	4,320.0	4,352.4	4,389.2
Housing.....	14	1,076.1	1,094.9	1,080.3	1,086.0	1,091.5	1,097.9	1,104.1
Household operation.....	15	400.2	410.6	406.0	409.3	408.4	409.7	415.1
Electricity and gas.....	16	147.2	150.5	150.6	151.9	148.8	148.5	153.0
Other household operation.....	17	253.0	260.0	255.2	257.1	259.7	261.4	262.0
Transportation.....	18	277.7	280.9	276.7	278.1	280.1	281.3	284.1
Medical care.....	19	1,184.3	1,228.5	1,198.3	1,207.9	1,221.0	1,236.1	1,249.1
Recreation.....	20	290.3	299.3	294.1	298.3	298.5	300.6	299.6
Other.....	21	990.7	1,023.1	1,000.3	1,011.2	1,019.4	1,025.7	1,035.9
Residual.....	22	-8.1	-18.9	-13.0	-15.0	-15.6	-21.3	-22.7
<b>Addenda:</b>								
Energy goods and services <sup>1</sup> ....	23	344.7	347.9	353.9	354.1	343.9	344.9	348.6
Personal consumption expenditures excluding food and energy.....	24	6,015.7	6,242.1	6,104.0	6,160.1	6,195.0	6,278.9	6,334.4

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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Current receipts</b> .....	1	<b>3,032.0</b>	<b>3,200.6</b>	<b>3,089.2</b>	<b>3,120.0</b>	<b>3,181.1</b>	<b>3,198.5</b>	<b>3,302.9</b>
Current tax receipts.....	2	2,033.8	2,147.2	2,073.7	2,084.9	2,134.6	2,142.9	2,226.2
Personal current taxes.....	3	1,001.9	1,038.9	1,009.4	1,006.6	1,030.6	1,048.9	1,069.5
Taxes on production and imports.....	4	798.1	841.1	813.9	823.3	835.7	843.1	862.2
Taxes on corporate income.....	5	225.8	258.3	242.5	246.4	260.0	242.6	284.2
Taxes from the rest of the world.....	6	8.1	8.9	7.9	8.6	8.3	8.2	10.3
Contributions for government social insurance.....	7	773.2	820.2	785.0	803.9	814.0	826.9	835.7
Income receipts on assets.....	8	104.0	106.1	107.2	105.1	104.8	106.4	108.2
Interest and miscellaneous receipts.....	9	101.4	103.3	104.5	102.5	102.2	103.7	104.9
Dividends.....	10	2.5	2.8	2.7	2.6	2.6	2.7	3.4
Current transfer receipts.....	11	111.5	120.2	114.6	118.0	120.3	115.8	126.9
From business (net).....	12	46.6	49.2	47.5	49.4	50.1	44.0	53.5
From persons.....	13	64.9	71.0	67.0	68.6	70.2	71.8	73.5
Current surplus of government enterprises.....	14	9.5	6.9	8.7	8.1	7.4	6.5	5.7
<b>Current expenditures</b> .....	15	<b>3,399.7</b>	<b>3,558.6</b>	<b>3,433.0</b>	<b>3,499.2</b>	<b>3,542.8</b>	<b>3,568.9</b>	<b>3,623.5</b>
Consumption expenditures.....	16	1,717.1	1,804.2	1,737.6	1,770.9	1,792.1	1,818.5	1,835.2
Current transfer payments.....	17	1,332.9	1,402.4	1,345.7	1,386.3	1,397.0	1,397.8	1,428.3
Government social benefits.....	18	1,309.3	1,376.2	1,324.9	1,352.5	1,374.1	1,375.4	1,402.8
To persons.....	19	1,306.4	1,373.2	1,322.0	1,349.6	1,371.1	1,372.5	1,399.7
To the rest of the world.....	20	2.8	3.0	2.9	2.9	2.9	3.0	3.1
Other current transfer payments to the rest of the world (net).....	21	23.7	26.2	20.8	33.7	23.0	22.4	25.5
Interest payments.....	22	303.0	311.6	305.3	303.1	312.8	312.9	317.8
To persons and business.....	23	231.0	227.3	232.0	226.4	230.4	226.3	225.9
To the rest of the world.....	24	72.0	84.4	73.3	76.6	82.4	86.5	91.9
Subsidies.....	25	46.7	40.4	44.4	40.4	39.4	39.7	42.3
Less: Wage accruals less disbursements.....	26	0.0	0.0	0.0	1.5	-1.5	0.0	0.0
<b>Net government saving</b> .....	27	<b>-367.8</b>	<b>-358.0</b>	<b>-343.9</b>	<b>-379.2</b>	<b>-361.7</b>	<b>-370.5</b>	<b>-320.6</b>
Social insurance funds.....	28	46.6	67.4	48.4	60.5	67.2	73.4	68.3
Other.....	29	-414.4	-425.4	-392.3	-439.7	-429.0	-443.9	-389.0
<b>Addenda:</b>								
<b>Total receipts</b> .....	30	<b>3,060.4</b>	<b>3,230.1</b>	<b>3,118.2</b>	<b>3,150.1</b>	<b>3,209.8</b>	<b>3,230.2</b>	<b>3,330.5</b>
Current receipts.....	31	3,032.0	3,200.6	3,089.2	3,120.0	3,181.1	3,198.5	3,302.9
Capital transfer receipts.....	32	28.4	29.5	29.0	30.1	28.7	31.7	27.6
<b>Total expenditures</b> .....	33	<b>3,566.7</b>	<b>3,735.8</b>	<b>3,601.1</b>	<b>3,671.5</b>	<b>3,723.5</b>	<b>3,744.7</b>	<b>3,803.3</b>
Current expenditures.....	34	3,399.7	3,558.6	3,433.0	3,499.2	3,542.8	3,568.9	3,623.5
Gross government investment.....	35	358.5	379.7	362.4	368.6	382.2	378.7	389.3
Capital transfer payments.....	36	16.8	16.5	16.7	16.3	16.3	16.3	16.9
Net purchases of nonproduced assets.....	37	9.7	10.1	9.3	10.0	9.3	11.9	9.1
Less: Consumption of fixed capital.....	38	218.1	229.0	220.4	222.6	227.0	231.1	235.5
<b>Net lending or net borrowing (-)</b> .....	39	<b>-506.3</b>	<b>-505.6</b>	<b>-483.0</b>	<b>-521.4</b>	<b>-513.7</b>	<b>-514.5</b>	<b>-472.9</b>

Table 3.2. Federal Government Current Receipts and Expenditures

[Billions of dollars]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Current receipts</b> .....	1	<b>1,877.0</b>	<b>1,965.7</b>	<b>1,900.6</b>	<b>1,915.3</b>	<b>1,949.1</b>	<b>1,965.8</b>	<b>2,032.5</b>
Current tax receipts.....	2	1,064.5	1,108.0	1,074.9	1,073.9	1,098.5	1,101.9	1,157.6
Personal current taxes.....	3	775.8	790.9	772.5	768.3	781.5	799.6	814.3
Taxes on production and imports...	4	89.4	90.1	89.6	89.0	89.3	89.2	92.7
Excise taxes.....	5	67.9	66.8	68.1	66.5	66.2	66.2	68.4
Customs duties.....	6	21.4	23.3	21.5	22.6	23.1	23.1	24.3
Taxes on corporate income.....	7	191.4	218.1	204.9	207.9	219.5	204.9	240.2
Federal Reserve banks.....	8	22.0	21.9	20.1	20.9	20.8	21.8	24.1
Other.....	9	169.3	196.3	184.8	187.0	198.7	183.1	216.1
Taxes from the rest of the world....	10	8.1	8.9	7.9	8.6	8.3	8.2	10.3
Contributions for government social insurance.....	11	758.2	803.6	769.5	787.9	797.6	810.1	818.8
Income receipts on assets.....	12	23.0	22.9	25.5	22.9	22.2	22.9	23.7
Interest receipts.....	13	16.5	16.4	17.9	16.0	15.8	16.6	17.1
Rents and royalties.....	14	6.5	6.6	7.6	6.9	6.5	6.3	6.6
Current transfer receipts.....	15	25.5	26.8	25.6	26.1	26.2	26.6	28.4
From business.....	16	14.4	15.4	14.4	14.7	14.8	15.1	16.8
From persons.....	17	11.1	11.5	11.2	11.3	11.4	11.5	11.6
Current surplus of government enterprises.....	18	5.8	4.4	5.0	4.6	4.5	4.3	4.1
<b>Current expenditures</b> .....	19	<b>2,241.6</b>	<b>2,341.2</b>	<b>2,279.8</b>	<b>2,306.3</b>	<b>2,329.1</b>	<b>2,340.8</b>	<b>2,388.7</b>
Consumption expenditures.....	20	658.6	704.5	671.3	691.1	700.3	713.0	713.6
Current transfer payments.....	21	1,322.5	1,378.0	1,350.6	1,365.9	1,367.9	1,368.8	1,409.4
Government social benefits.....	22	958.9	1,001.4	972.5	986.2	993.0	1,004.3	1,022.3
To persons.....	23	956.1	998.5	969.6	983.3	990.1	1,001.3	1,019.2
To the rest of the world.....	24	2.8	3.0	2.9	2.9	2.9	3.0	3.1
Other current transfer payments....	25	363.6	376.6	378.0	379.7	374.9	364.5	387.1
Grants-in-aid to state and local governments.....	26	339.9	350.4	357.2	346.0	351.9	342.1	361.6
To the rest of the world (net).....	27	23.7	26.2	20.8	33.7	23.0	22.4	25.5
Interest payments.....	28	214.1	219.0	214.7	211.1	220.7	220.0	224.2
To persons and business.....	29	142.1	134.6	141.4	134.5	138.3	133.5	132.3
To the rest of the world.....	30	72.0	84.4	73.3	76.6	82.4	86.5	91.9
Subsidies.....	31	46.4	39.7	43.2	39.7	38.7	39.0	41.6
Less: Wage accruals less disbursements.....	32	0.0	0.0	0.0	1.5	-1.5	0.0	0.0
<b>Net Federal Government saving</b> .....	33	<b>-364.5</b>	<b>-375.6</b>	<b>-379.2</b>	<b>-391.0</b>	<b>-380.0</b>	<b>-375.0</b>	<b>-356.2</b>
Social insurance funds.....	34	45.5	66.0	47.2	59.2	65.9	72.0	67.0
Other.....	35	-410.0	-441.6	-426.4	-450.2	-445.9	-446.9	-423.2
<b>Addenda:</b>								
<b>Total receipts</b> .....	36	<b>1,899.0</b>	<b>1,989.5</b>	<b>1,923.5</b>	<b>1,939.5</b>	<b>1,972.0</b>	<b>1,991.9</b>	<b>2,054.5</b>
Current receipts.....	37	1,877.0	1,965.7	1,900.6	1,915.3	1,949.1	1,965.8	2,032.5
Capital transfer receipts.....	38	22.0	23.8	22.9	24.2	23.0	26.1	22.0
<b>Total expenditures</b> .....	39	<b>2,306.6</b>	<b>2,415.0</b>	<b>2,346.0</b>	<b>2,376.9</b>	<b>2,397.2</b>	<b>2,420.4</b>	<b>2,465.3</b>
Current expenditures.....	40	2,241.6	2,341.2	2,279.8	2,306.3	2,329.1	2,340.8	2,388.7
Gross government investment....	41	93.6	105.4	96.2	102.2	104.1	104.4	111.0
Capital transfer payments.....	42	61.9	61.4	61.5	60.0	57.5	66.9	61.2
Net purchases of nonproduced assets.....	43	-0.2	0.0	-0.7	0.0	-0.8	1.8	-1.1
Less: Consumption of fixed capital.....	44	90.2	93.0	90.7	91.6	92.8	93.4	94.5
<b>Net lending or net borrowing (-)</b>	45	<b>-407.6</b>	<b>-425.5</b>	<b>-422.6</b>	<b>-437.4</b>	<b>-425.1</b>	<b>-428.5</b>	<b>-410.8</b>

Table 3.3. State and Local Government Current Receipts and Expenditures

[Billions of dollars]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Current receipts</b> .....	1	<b>1,494.9</b>	<b>1,585.3</b>	<b>1,545.8</b>	<b>1,550.6</b>	<b>1,583.9</b>	<b>1,574.7</b>	<b>1,632.0</b>
Current tax receipts.....	2	969.2	1,039.2	998.8	1,011.1	1,036.0	1,041.0	1,068.7
Personal current taxes.....	3	226.1	248.0	236.9	238.3	249.1	249.3	255.2
Income taxes.....	4	204.6	225.1	214.6	215.9	226.4	226.2	231.9
Other.....	5	21.6	22.9	22.3	22.5	22.7	23.2	23.4
Taxes on production and imports....	6	708.7	751.0	724.3	734.2	746.4	753.9	769.4
Sales taxes.....	7	343.9	364.4	352.3	358.2	362.4	364.3	372.8
Property taxes.....	8	305.0	321.6	309.6	313.7	319.0	324.2	329.4
Other.....	9	59.7	65.0	62.4	62.4	65.0	65.5	67.2
Taxes on corporate income.....	10	34.4	40.2	37.6	38.5	40.5	37.7	44.0
Contributions for government social insurance.....	11	15.0	16.5	15.5	16.0	16.4	16.8	17.0
Income receipts on assets.....	12	81.0	83.2	81.7	82.2	82.6	83.5	84.6
Interest receipts.....	13	71.3	72.3	71.5	71.8	72.0	72.5	72.7
Dividends.....	14	2.5	2.8	2.7	2.6	2.6	2.7	3.4
Rents and royalties.....	15	7.1	8.1	7.6	7.8	8.0	8.3	8.5
Current transfer receipts.....	16	425.9	443.8	446.1	437.9	446.0	431.3	460.1
Federal grants-in-aid.....	17	339.9	350.4	357.2	346.0	351.9	342.1	361.6
From business (net).....	18	32.2	33.9	33.1	34.6	35.3	28.9	36.7
From persons.....	19	53.8	59.6	55.8	57.3	58.8	60.3	61.9
Current surplus of government enterprises.....	20	3.7	2.6	3.7	3.5	2.9	2.2	1.6
<b>Current expenditures</b> .....	21	<b>1,498.1</b>	<b>1,567.8</b>	<b>1,510.5</b>	<b>1,538.8</b>	<b>1,565.7</b>	<b>1,570.2</b>	<b>1,596.4</b>
Consumption expenditures.....	22	1,058.5	1,099.7	1,066.3	1,079.8	1,091.8	1,105.5	1,121.6
Government social benefit payments to persons.....	23	350.3	374.7	352.3	366.3	381.0	371.1	380.5
Interest payments.....	24	88.9	92.6	90.7	92.0	92.1	92.9	93.6
Subsidies.....	25	0.3	0.7	1.2	0.7	0.7	0.7	0.7
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>17.6</b>	<b>35.3</b>	<b>11.8</b>	<b>18.3</b>	<b>4.5</b>	<b>35.6</b>
Social insurance funds.....	28	1.1	1.4	1.2	1.3	1.4	1.5	1.4
Other.....	29	-4.3	16.2	34.1	10.6	16.9	3.0	34.2
<b>Addenda:</b>								
<b>Total receipts</b> .....	30	<b>1,546.4</b>	<b>1,636.0</b>	<b>1,596.7</b>	<b>1,600.2</b>	<b>1,630.9</b>	<b>1,630.9</b>	<b>1,681.8</b>
Current receipts.....	31	1,494.9	1,585.3	1,545.8	1,550.6	1,583.9	1,574.7	1,632.0
Capital transfer receipts.....	32	51.5	50.7	50.9	49.6	47.0	56.2	49.8
<b>Total expenditures</b> .....	33	<b>1,645.0</b>	<b>1,716.1</b>	<b>1,657.0</b>	<b>1,684.2</b>	<b>1,719.5</b>	<b>1,716.9</b>	<b>1,743.8</b>
Current expenditures.....	34	1,498.1	1,567.8	1,510.5	1,538.8	1,565.7	1,570.2	1,596.4
Gross government investment....	35	264.9	274.3	266.2	266.4	278.0	274.3	278.3
Capital transfer payments.....	36	.....	.....	.....	.....	.....	.....	.....
Net purchases of nonproduced assets.....	37	10.0	10.1	10.0	10.0	10.1	10.1	10.1
Less: Consumption of fixed capital.....	38	127.9	136.0	129.7	131.0	134.3	137.7	141.0
<b>Net lending or net borrowing (-)</b>	39	<b>-98.7</b>	<b>-80.1</b>	<b>-60.4</b>	<b>-84.0</b>	<b>-88.6</b>	<b>-86.0</b>	<b>-62.0</b>





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

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
				IV	I	II	III	IV
<b>Government consumption expenditures and gross investment</b> .....	<b>1</b>	<b>2,075.5</b>	<b>2,183.9</b>	<b>2,100.0</b>	<b>2,139.5</b>	<b>2,174.3</b>	<b>2,197.2</b>	<b>2,224.5</b>
Consumption expenditures <sup>1</sup> .....	2	1,717.1	1,804.2	1,737.6	1,770.9	1,792.1	1,818.5	1,835.2
Gross investment <sup>2</sup> .....	3	358.5	379.7	362.4	368.6	382.2	378.7	389.3
Structures .....	4	228.9	237.3	229.6	230.5	240.9	237.7	240.2
Equipment and software .....	5	129.6	142.3	132.8	138.1	141.3	140.9	149.1
<b>Federal</b> .....	<b>6</b>	<b>752.2</b>	<b>809.9</b>	<b>767.5</b>	<b>793.3</b>	<b>804.4</b>	<b>817.4</b>	<b>824.6</b>
Consumption expenditures .....	7	658.6	704.5	671.3	691.1	700.3	713.0	713.6
Gross investment .....	8	93.6	105.4	96.2	102.2	104.1	104.4	111.0
Structures .....	9	15.5	15.5	15.4	15.6	14.9	15.9	15.6
Equipment and software .....	10	78.1	89.9	80.8	86.6	89.2	88.5	95.4
<b>National defense</b> .....	<b>11</b>	<b>496.4</b>	<b>547.9</b>	<b>513.6</b>	<b>534.1</b>	<b>541.2</b>	<b>557.0</b>	<b>559.4</b>
Consumption expenditures .....	12	436.1	477.5	450.2	465.2	473.6	487.1	484.0
Gross investment .....	13	60.4	70.4	63.4	69.0	67.6	69.8	75.3
Structures .....	14	5.3	5.4	5.7	5.9	4.9	5.6	5.4
Equipment and software .....	15	55.1	65.0	57.7	63.1	62.8	64.3	70.0
<b>Nondefense</b> .....	<b>16</b>	<b>255.7</b>	<b>262.0</b>	<b>253.9</b>	<b>259.1</b>	<b>263.2</b>	<b>260.4</b>	<b>265.2</b>
Consumption expenditures .....	17	222.5	227.0	221.1	225.9	226.6	225.9	229.5
Gross investment .....	18	33.2	35.0	32.8	33.2	36.5	34.5	35.7
Structures .....	19	10.2	10.1	9.7	9.7	10.1	10.4	10.3
Equipment and software .....	20	23.0	24.9	23.1	23.5	26.4	24.2	25.4
<b>State and local</b> .....	<b>21</b>	<b>1,323.3</b>	<b>1,373.9</b>	<b>1,332.6</b>	<b>1,346.3</b>	<b>1,369.9</b>	<b>1,379.8</b>	<b>1,399.9</b>
Consumption expenditures .....	22	1,058.5	1,099.7	1,066.3	1,079.8	1,091.8	1,105.5	1,121.6
Gross investment .....	23	264.9	274.3	266.2	266.4	278.0	274.3	278.3
Structures .....	24	213.4	221.8	214.2	214.9	226.0	221.8	224.6
Equipment and software .....	25	51.5	52.4	52.0	51.5	52.1	52.5	53.7

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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
				IV	I	II	III	IV
<b>Government consumption expenditures and gross investment</b> .....	<b>1</b>	<b>1,909.4</b>	<b>1,946.5</b>	<b>1,923.7</b>	<b>1,935.8</b>	<b>1,946.5</b>	<b>1,949.9</b>	<b>1,954.0</b>
Consumption expenditures <sup>1</sup> .....	2	1,563.7	1,590.9	1,574.8	1,582.4	1,586.2	1,597.7	1,597.4
Gross investment <sup>2</sup> .....	3	345.7	355.9	349.0	353.7	360.8	352.2	356.9
Structures .....	4	210.4	208.7	210.0	209.9	214.4	206.4	204.0
Equipment and software .....	5	135.8	149.0	139.8	145.1	147.7	147.5	155.8
<b>Federal</b> .....	<b>6</b>	<b>689.6</b>	<b>721.7</b>	<b>701.2</b>	<b>713.3</b>	<b>718.1</b>	<b>726.6</b>	<b>728.8</b>
Consumption expenditures .....	7	594.5	616.8	603.6	610.6	614.3	622.7	619.6
Gross investment .....	8	95.1	105.7	97.8	103.4	104.4	104.4	110.4
Structures .....	9	14.2	13.5	14.0	14.0	13.2	13.7	13.2
Equipment and software .....	10	80.9	92.5	84.0	89.6	91.7	91.0	97.8
<b>National defense</b> .....	<b>11</b>	<b>451.8</b>	<b>484.9</b>	<b>465.7</b>	<b>477.6</b>	<b>479.9</b>	<b>491.5</b>	<b>490.7</b>
Consumption expenditures .....	12	390.3	415.0	401.4	408.5	412.5	422.1	417.0
Gross investment .....	13	61.6	70.6	64.6	69.9	67.7	69.8	74.9
Structures .....	14	4.8	4.7	5.1	5.3	4.3	4.8	4.5
Equipment and software .....	15	56.8	66.1	59.5	64.7	63.7	65.2	70.6
<b>Nondefense</b> .....	<b>16</b>	<b>237.6</b>	<b>236.4</b>	<b>235.2</b>	<b>235.4</b>	<b>237.9</b>	<b>234.7</b>	<b>237.7</b>
Consumption expenditures .....	17	204.0	201.4	202.0	201.8	201.5	200.2	202.3
Gross investment .....	18	33.5	35.2	33.2	33.6	36.8	34.6	35.6
Structures .....	19	9.4	8.8	8.8	8.7	8.9	9.0	8.7
Equipment and software .....	20	24.1	26.5	24.4	24.9	28.0	25.8	27.1
<b>State and local</b> .....	<b>21</b>	<b>1,219.8</b>	<b>1,224.8</b>	<b>1,222.5</b>	<b>1,222.4</b>	<b>1,228.3</b>	<b>1,223.2</b>	<b>1,225.1</b>
Consumption expenditures .....	22	969.0	973.7	970.9	971.5	971.5	974.6	977.3
Gross investment .....	23	250.9	251.1	251.6	251.0	257.1	248.6	247.8
Structures .....	24	196.1	195.1	196.1	195.8	201.2	192.7	190.8
Equipment and software .....	25	54.8	56.3	55.7	55.3	55.8	56.3	57.7
Residual .....	26	0.1	-1.1	-0.2	-0.7	-0.9	-0.8	-2.0

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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Government consumption expenditures<sup>1</sup></b> .....	1	<b>2.9</b>	<b>1.7</b>	<b>2.0</b>	<b>1.9</b>	<b>1.0</b>	<b>2.9</b>	<b>-0.1</b>
Gross output of general government .....	2	3.1	2.1	2.0	2.3	1.7	3.5	0.5
Value added .....	3	1.1	0.9	0.8	0.9	0.1	1.7	1.8
Compensation of general government employees .....	4	0.9	0.6	0.6	0.6	-0.3	1.6	1.7
Consumption of general government fixed capital <sup>2</sup> .....	5	2.5	2.4	2.6	2.4	2.4	2.3	2.2
Intermediate goods and services purchased <sup>3</sup> .....	6	6.4	4.2	4.0	4.5	4.2	6.3	-1.4
Durable goods .....	7	4.8	7.9	5.1	3.9	16.7	6.8	8.3
Nondurable goods .....	8	2.8	2.1	3.1	4.7	0.4	-0.9	4.9
Services .....	9	7.7	4.6	4.1	4.5	4.4	8.7	-4.3
Less: Own-account investment <sup>4</sup> .....	10	-1.3	2.7	3.4	-1.4	14.9	-4.2	1.8
Sales to other sectors .....	11	4.5	4.4	2.0	4.3	4.9	7.2	3.4
<b>Federal consumption expenditures<sup>1</sup></b> .....	12	<b>6.7</b>	<b>3.8</b>	<b>3.9</b>	<b>4.7</b>	<b>2.5</b>	<b>5.6</b>	<b>-2.0</b>
Gross output of general government .....	13	6.5	3.8	3.1	4.6	2.7	6.9	-2.5
Value added .....	14	2.6	0.8	-0.3	1.8	-0.7	1.3	1.7
Compensation of general government employees.....	15	3.1	0.7	-0.7	2.1	-1.1	1.4	2.0
Consumption of general government fixed capital <sup>2</sup> .....	16	1.0	1.0	1.3	0.9	1.0	0.8	0.6
Intermediate goods and services purchased <sup>3</sup> .....	17	12.0	7.6	7.5	8.3	7.1	14.0	-7.2
Durable goods.....	18	7.5	12.6	7.9	5.4	28.3	11.0	13.0
Nondurable goods.....	19	1.6	1.4	10.4	23.3	-12.4	-18.4	25.9
Services.....	20	13.7	7.7	7.2	7.3	7.0	18.1	-12.1
Less: Own-account investment <sup>4</sup> .....	21	-4.3	6.7	36.8	5.7	9.9	9.9	-7.9
Sales to other sectors.....	22	-7.0	1.0	-77.3	-11.3	44.4	521.3	-48.8
<b>Defense consumption expenditures<sup>1</sup></b> .....	23	<b>9.0</b>	<b>6.3</b>	<b>10.9</b>	<b>7.2</b>	<b>4.1</b>	<b>9.6</b>	<b>-4.8</b>
Gross output of general government .....	24	8.7	6.3	9.7	7.4	4.3	10.5	-5.9
Value added .....	25	2.8	1.6	0.1	3.7	-1.1	2.8	1.9
Compensation of general government employees.....	26	3.6	1.8	-0.3	4.6	-1.8	3.5	2.4
Consumption of general government fixed capital <sup>2</sup> .....	27	0.7	0.9	1.2	0.8	1.0	0.6	0.6
Intermediate goods and services purchased <sup>3</sup> .....	28	16.9	12.1	22.5	11.9	10.8	19.7	-13.9
Durable goods.....	29	8.2	12.7	7.5	5.1	31.4	9.4	11.7
Nondurable goods.....	30	8.0	4.6	8.7	101.4	-24.8	4.7	-8.0
Services.....	31	19.2	12.7	26.3	8.3	11.1	22.6	-17.8
Less: Own-account investment <sup>4</sup> .....	32	-2.5	4.0	19.3	8.4	3.1	2.4	2.4
Sales to other sectors.....	33	-27.2	-9.0	-96.7	88.2	171.7	965.4	-98.7
<b>Nondefense consumption expenditures<sup>1</sup></b> .....	34	<b>2.5</b>	<b>-1.3</b>	<b>-8.7</b>	<b>-0.3</b>	<b>-0.7</b>	<b>-2.6</b>	<b>4.3</b>
Gross output of general government .....	35	2.5	-1.1	-8.8	-0.7	-0.4	-0.4	5.1
Value added .....	36	2.3	-0.6	-1.0	-1.5	0.1	-1.4	1.1
Compensation of general government employees.....	37	2.4	-1.0	-1.5	-2.0	-0.1	-2.0	1.3
Consumption of general government fixed capital <sup>2</sup> .....	38	1.8	1.2	1.4	1.2	1.0	1.4	0.5
Intermediate goods and services purchased <sup>3</sup> .....	39	2.7	-1.8	-19.3	0.4	-1.2	1.1	11.2
Durable goods.....	40	0.2	12.2	13.2	9.0	-4.1	32.0	29.3
Nondurable goods.....	41							
Commodity Credit Corporation inventory change.....	42							
Other nondurable goods .....	43	-3.0	5.0	4.0	2.8	-13.1	-9.6	13.2
Services.....	44	4.0	-2.2	-24.0	5.2	-1.9	8.0	2.8
Less: Own-account investment <sup>4</sup> .....	45	-5.8	9.2	55.1	3.3	16.3	16.7	-15.9
Sales to other sectors.....	46	7.7	5.8	-45.4	-32.5	7.5	353.2	92.8
<b>State and local consumption expenditures<sup>1</sup></b> .....	47	<b>0.7</b>	<b>0.5</b>	<b>0.9</b>	<b>0.2</b>	<b>0.0</b>	<b>1.3</b>	<b>1.1</b>
Gross output of general government .....	48	1.5	1.4	1.5	1.1	1.2	1.9	2.0
Value added .....	49	0.5	0.9	1.3	0.5	0.5	1.9	1.8
Compensation of general government employees.....	50	0.1	0.5	1.0	0.1	0.1	1.7	1.6
Consumption of general government fixed capital <sup>2</sup> .....	51	3.8	3.7	3.7	3.7	3.6	3.6	3.5
Intermediate goods and services purchased <sup>3</sup> .....	52	3.4	2.2	1.9	2.2	2.5	1.8	2.3
Durable goods.....	53	1.7	2.1	1.6	2.0	3.1	1.3	2.1
Nondurable goods.....	54	3.0	2.2	2.0	2.0	2.5	1.9	2.1
Services.....	55	3.6	2.2	1.9	2.3	2.4	1.7	2.3
Less: Own-account investment <sup>4</sup> .....	56	-0.5	1.7	-3.3	-3.1	16.1	-7.5	4.4
Sales to other sectors.....	57	4.7	4.5	4.2	4.5	4.5	4.4	4.7
Tuition and related educational charges .....	58	4.5	3.9	3.6	4.5	4.5	4.5	4.5
Health and hospital charges .....	59	5.5	5.1	6.0	4.5	4.5	4.5	4.5
Other sales .....	60	3.5	3.8	1.5	4.3	4.5	4.3	5.1

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.

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

[Index numbers, 2000=100]

	Line	2003	2004	Seasonally adjusted				
				2003	2004			
					IV	I	II	III
<b>Government consumption expenditures<sup>1</sup></b> .....	<b>1</b>	<b>110.346</b>	<b>112.269</b>	<b>111.130</b>	<b>111.665</b>	<b>111.937</b>	<b>112.748</b>	<b>112.724</b>
Gross output of general government .....	2	111.362	113.756	112.250	112.877	113.353	114.330	114.464
Value added .....	3	104.718	105.612	105.017	105.247	105.281	105.730	106.190
Compensation of general government employees.....	4	104.173	104.781	104.352	104.512	104.446	104.864	105.302
Consumption of general government fixed capital <sup>2</sup> .....	5	107.847	110.480	108.869	109.522	110.177	110.811	111.408
Intermediate goods and services purchased <sup>3</sup> .....	6	123.720	128.948	125.719	127.098	128.411	130.378	129.906
Durable goods.....	7	112.816	121.765	115.586	116.688	121.293	123.299	125.779
Nondurable goods.....	8	118.486	121.030	119.354	120.719	120.835	120.559	122.006
Services.....	9	126.849	132.451	128.964	130.377	131.785	134.560	133.083
Less: Own-account investment <sup>4</sup> .....	10	113.695	116.743	114.628	114.222	118.245	116.998	117.508
Sales to other sectors.....	11	117.478	122.668	119.002	120.253	121.695	123.836	124.889
<b>Federal consumption expenditures<sup>1</sup></b> .....	<b>12</b>	<b>119.064</b>	<b>123.532</b>	<b>120.884</b>	<b>122.281</b>	<b>123.038</b>	<b>124.712</b>	<b>124.097</b>
Gross output of general government .....	13	118.343	122.785	119.981	121.344	122.164	124.205	123.425
Value added .....	14	105.174	106.000	105.385	105.856	105.681	106.015	106.450
Compensation of general government employees.....	15	105.968	106.735	106.107	106.648	106.345	106.714	107.232
Consumption of general government fixed capital <sup>2</sup> .....	16	102.632	103.658	103.082	103.315	103.575	103.793	103.948
Intermediate goods and services purchased <sup>3</sup> .....	17	140.457	151.191	144.563	147.481	150.049	155.060	152.173
Durable goods.....	18	115.081	129.632	119.506	121.076	128.856	132.251	136.343
Nondurable goods.....	19	131.608	133.471	131.226	138.270	133.778	127.147	134.688
Services.....	20	145.347	156.556	149.929	152.593	155.193	161.780	156.657
Less: Own-account investment <sup>4</sup> .....	21	122.134	130.353	125.437	127.189	130.238	133.344	130.641
Sales to other sectors.....	22	61.811	62.416	48.619	47.186	51.728	61.669	69.082
<b>Defense consumption expenditures<sup>1</sup></b> .....	<b>23</b>	<b>121.413</b>	<b>129.094</b>	<b>124.845</b>	<b>127.048</b>	<b>128.318</b>	<b>131.300</b>	<b>129.710</b>
Gross output of general government .....	24	121.241	128.835	124.474	126.708	128.048	131.290	129.295
Value added .....	25	105.213	106.865	105.638	106.591	106.301	107.029	107.540
Compensation of general government employees.....	26	107.114	109.036	107.548	108.771	108.288	109.222	109.862
Consumption of general government fixed capital <sup>2</sup> .....	27	100.394	101.306	100.798	100.999	101.250	101.409	101.567
Intermediate goods and services purchased <sup>3</sup> .....	28	147.732	165.537	155.761	160.198	164.371	171.937	165.640
Durable goods.....	29	113.683	128.098	117.936	119.400	127.831	130.746	134.415
Nondurable goods.....	30	135.682	141.888	125.506	149.517	139.245	140.845	137.946
Services.....	31	156.815	176.656	167.486	170.845	175.414	184.596	175.769
Less: Own-account investment <sup>4</sup> .....	32	167.268	173.951	168.728	172.179	173.507	174.533	175.584
Sales to other sectors.....	33	66.691	60.716	38.529	45.129	57.942	104.683	35.108
<b>Nondefense consumption expenditures<sup>1</sup></b> .....	<b>34</b>	<b>114.745</b>	<b>113.276</b>	<b>113.585</b>	<b>113.492</b>	<b>113.304</b>	<b>112.561</b>	<b>113.748</b>
Gross output of general government .....	35	113.173	111.948	111.940	111.738	111.625	111.512	112.914
Value added .....	36	105.099	104.456	104.933	104.544	104.573	104.205	104.501
Compensation of general government employees.....	37	104.237	103.201	103.920	103.393	103.372	102.858	103.182
Consumption of general government fixed capital <sup>2</sup> .....	38	108.939	110.288	109.521	109.846	110.128	110.516	110.662
Intermediate goods and services purchased <sup>3</sup> .....	39	127.107	124.851	123.987	124.119	123.754	124.092	127.438
Durable goods.....	40	132.825	149.085	139.582	142.627	141.131	151.269	161.311
Nondurable goods.....	41	.....	.....	.....	.....	.....	.....	.....
Commodity Credit Corporation inventory change.....	42	.....	.....	.....	.....	.....	.....	.....
Other nondurable goods.....	43	141.593	148.656	152.270	153.333	148.046	144.353	148.894
Services.....	44	126.808	123.999	121.498	123.034	122.440	124.821	125.699
Less: Own-account investment <sup>4</sup> .....	45	97.830	106.861	102.119	102.960	106.922	111.140	106.421
Sales to other sectors.....	46	60.014	63.514	53.335	48.346	49.233	71.834	84.642
<b>State and local consumption expenditures<sup>1</sup></b> .....	<b>47</b>	<b>105.581</b>	<b>106.096</b>	<b>105.790</b>	<b>105.851</b>	<b>105.854</b>	<b>106.190</b>	<b>106.490</b>
Gross output of general government .....	48	108.270	109.751	108.822	109.121	109.445	109.950	110.487
Value added .....	49	104.514	105.437	104.851	104.976	105.102	105.599	106.070
Compensation of general government employees.....	50	103.510	104.059	103.704	103.723	103.745	104.181	104.589
Consumption of general government fixed capital <sup>2</sup> .....	51	112.811	116.967	114.374	115.427	116.458	117.485	118.497
Intermediate goods and services purchased <sup>3</sup> .....	52	115.580	118.156	116.556	117.196	117.908	118.428	119.092
Durable goods.....	53	110.161	112.515	110.979	111.530	112.398	112.771	113.361
Nondurable goods.....	54	116.567	119.177	117.593	118.191	118.912	119.487	120.116
Services.....	55	115.510	118.085	116.473	117.140	117.836	118.339	119.026
Less: Own-account investment <sup>4</sup> .....	56	111.873	113.760	112.276	111.382	115.629	113.395	114.632
Sales to other sectors.....	57	119.133	124.461	121.080	122.409	123.763	125.116	126.555
Tuition and related educational charges.....	58	118.219	122.792	119.439	120.765	122.106	123.462	124.834
Health and hospital charges.....	59	124.268	130.632	127.066	128.477	129.903	131.345	132.804
Other sales.....	60	111.922	116.164	113.050	114.254	115.505	116.716	118.182

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	2003	2004	Seasonally adjusted				
				2003	2004			
					IV	I	II	III
<b>Government consumption expenditures<sup>1</sup></b> .....	<b>1</b>	<b>109.807</b>	<b>113.397</b>	<b>110.339</b>	<b>111.913</b>	<b>112.977</b>	<b>113.817</b>	<b>114.883</b>
Gross output of general government .....	2	110.122	114.029	110.899	112.484	113.592	114.463	115.579
Value added .....	3	112.072	115.620	113.035	114.640	115.391	115.982	116.466
Compensation of general government employees .....	4	113.901	117.681	115.042	116.878	117.512	118.000	118.333
Consumption of general government fixed capital <sup>2</sup> .....	5	102.307	104.631	102.337	102.741	104.096	105.211	106.474
Intermediate goods and services purchased <sup>3</sup> .....	6	106.814	111.224	107.300	108.849	110.483	111.762	113.802
Durable goods .....	7	100.919	102.171	101.065	101.484	101.999	102.327	102.873
Nondurable goods .....	8	104.402	112.824	104.112	107.656	111.217	113.430	118.994
Services .....	9	108.326	111.741	109.119	110.115	111.221	112.292	113.335
Less: Own-account investment <sup>4</sup> .....	10	108.996	112.602	109.745	111.243	112.183	113.057	113.926
Sales to other sectors .....	11	112.086	117.868	114.303	115.958	117.332	118.381	119.799
<b>Federal consumption expenditures<sup>1</sup></b> .....	<b>12</b>	<b>110.779</b>	<b>114.206</b>	<b>111.217</b>	<b>113.189</b>	<b>113.983</b>	<b>114.496</b>	<b>115.159</b>
Gross output of general government .....	13	110.768	114.203	111.210	113.185	113.975	114.490	115.161
Value added .....	14	114.086	117.713	114.406	117.357	117.617	117.753	118.127
Compensation of general government employees.....	15	118.490	122.588	118.886	122.572	122.536	122.548	122.694
Consumption of general government fixed capital <sup>2</sup> .....	16	101.360	103.607	101.455	102.247	103.377	103.878	104.926
Intermediate goods and services purchased <sup>3</sup> .....	17	106.182	109.349	106.766	107.580	108.979	109.918	110.917
Durable goods.....	18	100.265	101.270	100.328	100.636	101.213	101.410	101.822
Nondurable goods.....	19	98.010	101.079	95.707	93.654	100.111	103.424	107.127
Services.....	20	108.047	111.540	109.031	110.239	111.179	111.971	112.772
Less: Own-account investment <sup>4</sup> .....	21	112.015	116.399	112.636	115.365	115.989	116.812	117.430
Sales to other sectors.....	22	108.393	111.884	109.335	110.990	111.287	111.760	113.498
<b>Defense consumption expenditures<sup>1</sup></b> .....	<b>23</b>	<b>111.711</b>	<b>115.036</b>	<b>112.169</b>	<b>113.879</b>	<b>114.805</b>	<b>115.393</b>	<b>116.067</b>
Gross output of general government .....	24	111.718	115.049	112.176	113.892	114.816	115.407	116.082
Value added .....	25	115.800	119.493	116.198	118.994	119.390	119.564	120.022
Compensation of general government employees.....	26	121.750	125.837	122.248	125.775	125.783	125.818	125.973
Consumption of general government fixed capital <sup>2</sup> .....	27	101.656	104.390	101.807	102.808	104.167	104.684	105.901
Intermediate goods and services purchased <sup>3</sup> .....	28	106.317	109.208	106.835	107.385	108.850	109.856	110.741
Durable goods.....	29	100.997	102.203	101.107	101.463	102.108	102.374	102.867
Nondurable goods.....	30	92.286	93.878	88.725	83.809	93.055	97.920	100.730
Services.....	31	108.911	112.282	109.924	111.033	111.901	112.701	113.492
Less: Own-account investment <sup>4</sup> .....	32	111.450	115.821	112.045	114.511	115.261	116.402	117.112
Sales to other sectors.....	33	112.690	116.548	112.916	115.501	116.169	117.033	117.489
<b>Nondefense consumption expenditures<sup>1</sup></b> .....	<b>34</b>	<b>109.065</b>	<b>112.689</b>	<b>109.455</b>	<b>111.953</b>	<b>112.481</b>	<b>112.840</b>	<b>113.480</b>
Gross output of general government .....	35	109.051	112.682	109.454	111.944	112.467	112.826	113.491
Value added .....	36	111.154	114.665	111.334	114.557	114.579	114.649	114.875
Compensation of general government employees.....	37	113.640	117.750	113.874	117.805	117.703	117.680	117.813
Consumption of general government fixed capital <sup>2</sup> .....	38	100.590	101.577	100.542	100.790	101.331	101.788	102.398
Intermediate goods and services purchased <sup>3</sup> .....	39	105.907	109.691	106.619	108.055	109.295	110.067	111.348
Durable goods.....	40	92.283	91.101	91.831	91.620	91.466	90.885	90.431
Nondurable goods.....	41	.....	.....	.....	.....	.....	.....	.....
Commodity Credit Corporation inventory change.....	42	.....	.....	.....	.....	.....	.....	.....
Other nondurable goods .....	43	105.519	111.306	106.465	108.274	110.100	111.222	115.627
Services.....	44	106.559	110.342	107.486	108.916	110.023	110.801	111.829
Less: Own-account investment <sup>4</sup> .....	45	112.445	116.841	113.085	116.049	116.560	117.109	117.647
Sales to other sectors.....	46	105.975	109.276	107.222	108.547	108.679	108.926	110.953
<b>State and local consumption expenditures<sup>1</sup></b> .....	<b>47</b>	<b>109.233</b>	<b>112.933</b>	<b>109.825</b>	<b>111.152</b>	<b>112.386</b>	<b>113.434</b>	<b>114.758</b>
Gross output of general government .....	48	109.820	113.962	110.761	112.155	113.420	114.467	115.805
Value added .....	49	111.239	114.753	112.472	113.511	114.469	115.251	115.782
Compensation of general government employees.....	50	112.301	115.967	113.708	114.882	115.756	116.415	116.814
Consumption of general government fixed capital <sup>2</sup> .....	51	103.186	105.571	103.158	103.229	104.776	106.417	107.862
Intermediate goods and services purchased <sup>3</sup> .....	52	107.196	112.380	107.630	109.626	111.405	112.897	115.591
Durable goods.....	53	101.685	103.260	101.934	102.497	102.928	103.439	104.175
Nondurable goods.....	54	105.442	114.776	105.486	110.001	113.055	115.088	120.959
Services.....	55	108.506	111.868	109.153	109.984	111.221	112.514	113.751
Less: Own-account investment <sup>4</sup> .....	56	108.266	111.679	109.043	110.238	111.257	112.144	113.076
Sales to other sectors.....	57	112.159	117.975	114.396	116.051	117.440	118.498	119.911
Tuition and related educational charges.....	58	121.709	133.228	126.314	129.270	131.915	134.527	137.199
Health and hospital charges .....	59	112.228	117.004	114.024	115.575	116.462	117.404	118.575
Other sales .....	60	105.848	109.617	107.240	108.209	109.606	109.832	110.821

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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Government consumption expenditures</b> <sup>1</sup> .....	1	<b>1,717.1</b>	<b>1,804.2</b>	<b>1,737.6</b>	<b>1,770.9</b>	<b>1,792.1</b>	<b>1,818.5</b>	<b>1,835.2</b>
Gross output of general government .....	2	2,038.6	2,156.4	2,069.4	2,110.7	2,140.4	2,175.4	2,199.2
Value added .....	3	1,255.3	1,306.1	1,269.7	1,290.5	1,299.4	1,311.6	1,322.8
Compensation of general government employees.....	4	1,071.7	1,113.7	1,084.3	1,103.3	1,108.5	1,117.6	1,125.4
Consumption of general government fixed capital <sup>2</sup> .....	5	183.6	192.4	185.4	187.2	190.8	194.0	197.4
Intermediate goods and services purchased <sup>3</sup> .....	6	783.4	850.4	799.7	820.2	841.1	863.8	876.4
Durable goods.....	7	50.2	54.9	51.5	52.2	54.5	55.6	57.0
Nondurable goods.....	8	179.7	198.5	180.6	188.9	195.3	198.8	211.0
Services.....	9	553.4	597.0	567.6	579.1	591.2	609.5	608.4
Less: Own-account investment <sup>4</sup> .....	10	22.4	23.8	22.8	23.0	24.0	23.9	24.2
Sales to other sectors.....	11	299.1	328.5	309.0	316.7	324.3	333.0	339.8
<b>Federal consumption expenditures</b> <sup>1</sup> .....	12	<b>658.6</b>	<b>704.5</b>	<b>671.3</b>	<b>691.1</b>	<b>700.3</b>	<b>713.0</b>	<b>713.6</b>
Gross output of general government .....	13	667.4	714.0	679.4	699.3	709.0	724.1	723.7
Value added .....	14	378.4	393.5	380.2	391.8	392.0	393.7	396.6
Compensation of general government employees.....	15	293.5	305.9	294.9	305.6	304.6	305.7	307.6
Consumption of general government fixed capital <sup>2</sup> .....	16	84.9	87.6	85.3	86.2	87.4	88.0	89.0
Intermediate goods and services purchased <sup>3</sup> .....	17	289.0	320.5	299.2	307.6	317.0	330.4	327.2
Durable goods.....	18	27.7	31.5	28.8	29.3	31.3	32.2	33.4
Nondurable goods.....	19	24.4	25.6	23.8	24.5	25.4	24.9	27.4
Services.....	20	236.9	263.4	246.6	253.7	260.3	273.2	266.5
Less: Own-account investment <sup>4</sup> .....	21	4.4	4.9	4.6	4.7	4.9	5.0	5.0
Sales to other sectors.....	22	4.4	4.6	3.5	3.5	3.8	6.0	5.2
<b>Defense consumption expenditures</b> <sup>1</sup> .....	23	<b>436.1</b>	<b>477.5</b>	<b>450.2</b>	<b>465.2</b>	<b>473.6</b>	<b>487.1</b>	<b>484.0</b>
Gross output of general government .....	24	439.6	481.2	453.2	468.4	477.2	491.8	487.2
Value added .....	25	242.7	254.3	244.5	252.6	252.8	254.9	257.1
Compensation of general government employees.....	26	181.2	190.6	182.7	190.1	189.3	190.9	192.3
Consumption of general government fixed capital <sup>2</sup> .....	27	61.5	63.7	61.8	62.5	63.5	63.9	64.8
Intermediate goods and services purchased <sup>3</sup> .....	28	197.0	226.8	208.7	215.8	224.4	236.9	230.1
Durable goods.....	29	25.6	29.2	26.5	27.0	29.1	29.8	30.8
Nondurable goods.....	30	13.1	13.8	11.6	13.0	13.5	14.4	14.5
Services.....	31	158.4	183.8	170.6	175.8	181.9	192.8	184.9
Less: Own-account investment <sup>4</sup> .....	32	2.1	2.3	2.1	2.2	2.3	2.3	2.3
Sales to other sectors.....	33	1.5	1.4	0.8	1.0	1.3	2.4	0.8
<b>Nondefense consumption expenditures</b> <sup>1</sup> .....	34	<b>222.5</b>	<b>227.0</b>	<b>221.1</b>	<b>225.9</b>	<b>226.6</b>	<b>225.9</b>	<b>229.5</b>
Gross output of general government .....	35	227.8	232.9	226.2	230.9	231.7	232.3	236.6
Value added .....	36	135.7	139.2	135.7	139.2	139.2	138.8	139.5
Compensation of general government employees.....	37	112.3	115.2	112.2	115.5	115.4	114.8	115.3
Consumption of general government fixed capital <sup>2</sup> .....	38	23.4	23.9	23.5	23.7	23.9	24.0	24.2
Intermediate goods and services purchased <sup>3</sup> .....	39	92.1	93.7	90.4	91.8	92.5	93.4	97.1
Durable goods.....	40	2.2	2.4	2.3	2.3	2.3	2.4	2.6
Nondurable goods.....	41	11.3	11.7	12.2	11.5	11.9	10.6	12.9
Commodity Credit Corporation inventory change.....	42	-0.1	-1.0	-0.2	-1.2	-0.6	-1.8	-0.3
Other nondurable goods.....	43	11.5	12.7	12.5	12.8	12.5	12.3	13.2
Services.....	44	78.6	79.6	76.0	77.9	78.4	80.4	81.6
Less: Own-account investment <sup>4</sup> .....	45	2.3	2.6	2.4	2.5	2.6	2.7	2.6
Sales to other sectors.....	46	3.0	3.2	2.7	2.5	2.5	3.7	4.4
<b>State and local consumption expenditures</b> <sup>1</sup> .....	47	<b>1,058.5</b>	<b>1,099.7</b>	<b>1,066.3</b>	<b>1,079.8</b>	<b>1,091.8</b>	<b>1,105.5</b>	<b>1,121.6</b>
Gross output of general government .....	48	1,371.2	1,442.4	1,390.0	1,411.3	1,431.5	1,451.4	1,475.5
Value added .....	49	876.9	912.6	889.4	898.7	907.4	917.9	926.3
Compensation of general government employees.....	50	778.2	807.9	789.4	797.7	803.9	811.9	817.9
Consumption of general government fixed capital <sup>2</sup> .....	51	98.7	104.7	100.0	101.0	103.5	106.0	108.4
Intermediate goods and services purchased <sup>3</sup> .....	52	494.3	529.9	500.5	512.6	524.1	533.5	549.2
Durable goods.....	53	22.5	23.3	22.7	22.9	23.2	23.4	23.7
Nondurable goods.....	54	155.3	172.9	156.8	164.3	169.9	173.8	183.7
Services.....	55	316.5	333.6	321.0	325.3	330.9	336.2	341.9
Less: Own-account investment <sup>4</sup> .....	56	18.0	18.9	18.2	18.3	19.1	18.9	19.3
Sales to other sectors.....	57	294.7	323.8	305.4	313.3	320.5	326.9	334.7
Tuition and related educational charges.....	58	63.8	72.5	66.9	69.2	71.4	73.6	75.9
Health and hospital charges.....	59	147.2	161.3	152.8	156.6	159.6	162.7	166.1
Other sales.....	60	83.8	90.1	85.7	87.4	89.5	90.7	92.6

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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>Government consumption expenditures</b> <sup>1</sup> .....	1	<b>1,563.7</b>	<b>1,590.9</b>	<b>1,574.8</b>	<b>1,582.4</b>	<b>1,586.2</b>	<b>1,597.7</b>	<b>1,597.4</b>
Gross output of general government .....	2	1,851.3	1,891.0	1,866.0	1,876.4	1,884.3	1,900.6	1,902.8
Value added .....	3	1,120.1	1,129.6	1,123.2	1,125.7	1,126.1	1,130.9	1,135.8
Compensation of general government employees.....	4	940.9	946.4	942.5	944.0	943.4	947.1	951.1
Consumption of general government fixed capital <sup>2</sup> .....	5	179.4	183.8	181.1	182.2	183.3	184.4	185.4
Intermediate goods and services purchased <sup>3</sup> .....	6	733.4	764.4	745.2	753.4	761.2	772.9	770.1
Durable goods.....	7	49.7	53.7	51.0	51.4	53.5	54.4	55.5
Nondurable goods.....	8	172.2	175.9	173.4	175.4	175.6	175.2	177.3
Services.....	9	510.9	534.3	520.2	525.9	531.6	542.8	536.8
Less: Own-account investment <sup>4</sup> .....	10	20.6	21.1	20.7	20.7	21.4	21.2	21.3
Sales to other sectors.....	11	266.9	278.7	270.4	273.2	276.5	281.3	283.7
<b>Federal consumption expenditures</b> <sup>1</sup> .....	12	<b>594.5</b>	<b>616.8</b>	<b>603.6</b>	<b>610.6</b>	<b>614.3</b>	<b>622.7</b>	<b>619.6</b>
Gross output of general government .....	13	602.6	625.2	610.9	617.8	622.0	632.4	628.4
Value added .....	14	331.7	334.3	332.3	333.8	333.3	334.3	335.7
Compensation of general government employees.....	15	247.7	249.5	248.0	249.3	248.6	249.5	250.7
Consumption of general government fixed capital <sup>2</sup> .....	16	83.7	84.6	84.1	84.3	84.5	84.7	84.8
Intermediate goods and services purchased <sup>3</sup> .....	17	272.2	293.0	280.2	285.8	290.8	300.5	294.9
Durable goods.....	18	27.7	31.1	28.7	29.1	31.0	31.8	32.8
Nondurable goods.....	19	24.9	25.2	24.8	26.2	25.3	24.0	25.5
Services.....	20	219.3	236.2	226.2	230.2	234.1	244.1	236.3
Less: Own-account investment <sup>4</sup> .....	21	3.9	4.2	4.1	4.1	4.2	4.3	4.2
Sales to other sectors.....	22	4.1	4.1	3.2	3.1	3.4	5.4	4.6
<b>Defense consumption expenditures</b> <sup>1</sup> .....	23	<b>390.3</b>	<b>415.0</b>	<b>401.4</b>	<b>408.5</b>	<b>412.5</b>	<b>422.1</b>	<b>417.0</b>
Gross output of general government .....	24	393.5	418.2	404.0	411.3	415.6	426.1	419.7
Value added .....	25	209.6	212.8	210.4	212.3	211.7	213.2	214.2
Compensation of general government employees.....	26	148.8	151.5	149.4	151.1	150.5	151.8	152.6
Consumption of general government fixed capital <sup>2</sup> .....	27	60.5	61.0	60.7	60.8	61.0	61.1	61.2
Intermediate goods and services purchased <sup>3</sup> .....	28	185.3	207.6	195.3	200.9	206.1	215.6	207.7
Durable goods.....	29	25.3	28.5	26.3	26.6	28.5	29.1	29.9
Nondurable goods.....	30	14.1	14.8	13.1	15.6	14.5	14.7	14.4
Services.....	31	145.4	163.8	155.3	158.4	162.6	171.2	163.0
Less: Own-account investment <sup>4</sup> .....	32	1.9	2.0	1.9	2.0	2.0	2.0	2.0
Sales to other sectors.....	33	1.3	1.2	0.8	0.9	1.1	2.0	0.7
<b>Nondefense consumption expenditures</b> <sup>1</sup> .....	34	<b>204.0</b>	<b>201.4</b>	<b>202.0</b>	<b>201.8</b>	<b>201.5</b>	<b>200.2</b>	<b>202.3</b>
Gross output of general government .....	35	208.9	206.6	206.6	206.3	206.1	205.8	208.4
Value added .....	36	122.1	121.4	121.9	121.5	121.5	121.1	121.4
Compensation of general government employees.....	37	98.8	97.9	98.5	98.0	98.0	97.5	97.8
Consumption of general government fixed capital <sup>2</sup> .....	38	23.3	23.6	23.4	23.5	23.5	23.6	23.7
Intermediate goods and services purchased <sup>3</sup> .....	39	86.9	85.4	84.8	84.9	84.7	84.9	87.2
Durable goods.....	40	2.3	2.6	2.5	2.5	2.5	2.7	2.8
Nondurable goods.....	41	10.7	10.6	11.6	10.7	10.8	9.5	11.3
Commodity Credit Corporation inventory change.....	42	-0.2	-0.8	-0.1	-1.0	-0.6	-1.6	-0.1
Other nondurable goods.....	43	10.9	11.4	11.7	11.8	11.4	11.1	11.4
Services.....	44	73.7	72.1	70.7	71.5	71.2	72.6	73.1
Less: Own-account investment <sup>4</sup> .....	45	2.1	2.2	2.1	2.2	2.2	2.3	2.2
Sales to other sectors.....	46	2.8	3.0	2.5	2.3	2.3	3.4	4.0
<b>State and local consumption expenditures</b> <sup>1</sup> .....	47	<b>969.0</b>	<b>973.7</b>	<b>970.9</b>	<b>971.5</b>	<b>971.5</b>	<b>974.6</b>	<b>977.3</b>
Gross output of general government .....	48	1,248.6	1,265.6	1,254.9	1,258.4	1,262.1	1,267.9	1,274.1
Value added .....	49	788.3	795.2	790.8	791.8	792.7	796.5	800.0
Compensation of general government employees.....	50	692.9	696.6	694.2	694.4	694.5	697.4	700.2
Consumption of general government fixed capital <sup>2</sup> .....	51	95.6	99.2	97.0	97.9	98.7	99.6	100.5
Intermediate goods and services purchased <sup>3</sup> .....	52	461.1	471.4	465.0	467.6	470.4	472.5	475.1
Durable goods.....	53	22.1	22.6	22.3	22.4	22.6	22.6	22.7
Nondurable goods.....	54	147.3	150.6	148.6	149.4	150.3	151.0	151.8
Services.....	55	291.7	298.2	294.1	295.8	297.6	298.8	300.6
Less: Own-account investment <sup>4</sup> .....	56	16.6	16.9	16.7	16.6	17.2	16.9	17.0
Sales to other sectors.....	57	262.8	274.5	267.1	270.0	273.0	276.0	279.1
Tuition and related educational charges.....	58	52.4	54.4	52.9	53.5	54.1	54.7	55.3
Health and hospital charges.....	59	131.1	137.8	134.1	135.6	137.1	138.6	140.1
Other sales.....	60	79.2	82.2	80.0	80.8	81.7	82.6	83.6
Residual.....	61	-1.4	-3.0	-1.9	-2.4	-2.9	-3.0	-3.3

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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
<b>National defense consumption expenditures and gross investment</b> .....	<b>1</b>	<b>9.0</b>	<b>7.3</b>	<b>11.6</b>	<b>10.6</b>	<b>1.9</b>	<b>10.1</b>	<b>-0.6</b>
<b>Consumption expenditures</b> ¹ .....	<b>2</b>	<b>9.0</b>	<b>6.3</b>	<b>10.9</b>	<b>7.2</b>	<b>4.1</b>	<b>9.6</b>	<b>-4.8</b>
Gross output of general government.....	3	8.7	6.3	9.7	7.4	4.3	10.5	-5.9
Value added .....	4	2.8	1.6	0.1	3.7	-1.1	2.8	1.9
Compensation of general government employees.....	5	3.6	1.8	-0.3	4.6	-1.8	3.5	2.4
Military .....	6	5.4	1.1	-2.6	6.8	-3.8	-0.3	3.8
Civilian .....	7	-0.2	3.2	5.1	0.0	2.9	12.3	-0.7
Consumption of general government fixed capital² .....	8	0.7	0.9	1.2	0.8	1.0	0.6	0.6
Intermediate goods and services purchased³ .....	9	16.9	12.1	22.5	11.9	10.8	19.7	-13.9
Durable goods.....	10	8.2	12.7	7.5	5.1	31.4	9.4	11.7
Aircraft .....	11	5.2	6.6	32.2	-25.5	33.3	33.2	1.8
Missiles .....	12	5.0	12.5	74.3	-37.8	144.4	-37.7	-24.9
Ships .....	13	-1.9	7.0	-29.3	-10.7	112.0	35.2	-54.7
Vehicles.....	14	7.8	-3.2	3.6	-16.1	-23.0	3.9	102.0
Electronics .....	15	19.7	25.1	-34.4	71.1	19.0	37.7	29.2
Other durable goods .....	16	10.8	19.1	-9.3	78.9	3.0	-13.2	50.9
Nondurable goods.....	17	8.0	4.6	8.7	101.4	-24.8	4.7	-8.0
Petroleum products.....	18	-4.4	-16.8	-17.6	609.8	-76.5	-9.9	-33.5
Ammunition .....	19	2.0	29.6	3.9	72.1	12.3	21.0	2.7
Other nondurable goods .....	20	25.2	12.3	30.7	4.4	22.2	5.6	6.4
Services .....	21	19.2	12.7	26.3	8.3	11.1	22.6	-17.8
Research and development .....	22	19.4	16.2	94.1	7.4	13.2	7.9	-14.6
Installation support .....	23	10.2	5.5	2.4	-0.6	2.6	23.4	-14.5
Weapons support.....	24	17.3	26.8	18.1	30.9	22.7	72.1	-31.7
Personnel support.....	25	19.6	14.8	20.7	9.5	11.9	30.1	-17.6
Transportation of material .....	26	72.7	-7.8	-33.4	3.9	2.6	-5.7	-19.5
Travel of persons.....	27	17.6	6.5	-28.1	4.3	16.4	5.3	-9.8
Less: Own-account investment⁴ .....	28	-2.5	4.0	19.3	8.4	3.1	2.4	2.4
Sales to other sectors .....	29	-27.2	-9.0	-96.7	88.2	171.7	965.4	-98.7
<b>Gross investment</b> ⁵ .....	<b>30</b>	<b>8.9</b>	<b>14.6</b>	<b>16.8</b>	<b>37.2</b>	<b>-12.0</b>	<b>13.1</b>	<b>32.0</b>
Structures.....	31	15.8	-2.3	-3.5	14.2	-58.1	55.2	-19.3
Equipment and software .....	32	8.3	16.2	19.0	39.7	-6.2	10.2	37.4
Aircraft.....	33	-0.5	33.9	118.8	130.4	-10.3	-29.5	130.0
Missiles .....	34	3.9	14.5	211.6	-47.1	-28.2	124.7	-28.5
Ships .....	35	8.4	-3.5	-25.2	12.9	-41.9	137.9	-55.5
Vehicles.....	36	20.8	-10.4	-46.0	32.8	72.2	-58.1	24.4
Electronics and software .....	37	8.7	27.2	24.5	38.1	-2.5	47.6	49.4
Other equipment .....	38	11.8	16.4	1.1	43.9	11.4	-17.2	86.3

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	2003	2004	Seasonally adjusted				
				2003		2004		
				IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment</b> .....	1	122.014	130.951	125.765	128.984	129.582	132.723	132.516
<b>Consumption expenditures</b> <sup>1</sup> .....	2	121.413	129.094	124.845	127.048	128.318	131.300	129.710
Gross output of general government .....	3	121.241	128.835	124.474	126.708	128.048	131.290	129.295
Value added .....	4	105.213	106.865	105.638	106.591	106.301	107.029	107.540
Compensation of general government employees .....	5	107.114	109.036	107.548	108.771	108.288	109.222	109.862
Military .....	6	111.549	112.831	111.592	113.440	112.340	112.242	113.300
Civilian .....	7	98.811	102.022	100.043	100.040	100.766	103.731	103.553
Consumption of general government fixed capital <sup>2</sup> .....	8	100.394	101.306	100.798	100.999	101.250	101.409	101.567
Intermediate goods and services purchased <sup>3</sup> .....	9	147.732	165.537	155.761	160.198	164.371	171.937	165.640
Durable goods .....	10	113.683	128.098	117.936	119.400	127.831	130.746	134.415
Aircraft .....	11	104.592	111.532	109.414	101.661	109.231	117.354	117.882
Missiles .....	12	107.630	121.094	124.097	110.217	137.806	122.412	113.941
Ships .....	13	95.963	102.713	92.376	89.795	108.355	116.836	95.867
Vehicles .....	14	111.719	108.185	112.755	107.907	101.092	102.063	121.679
Electronics .....	15	135.274	169.275	135.105	154.512	161.392	174.815	186.382
Other durable goods .....	16	127.652	152.027	129.588	149.875	150.994	145.725	161.514
Nondurable goods .....	17	135.682	141.888	125.506	149.517	139.245	140.845	137.946
Petroleum products .....	18	150.793	125.449	102.911	167.973	116.957	113.947	102.917
Ammunition .....	19	143.752	186.366	155.105	177.661	182.885	191.826	193.090
Other nondurable goods .....	20	118.810	133.374	125.679	127.036	133.556	135.392	137.513
Services .....	21	156.815	176.656	167.486	170.845	175.414	184.596	175.769
Research and development .....	22	171.371	199.112	191.116	194.564	200.693	204.555	196.636
Installation support .....	23	128.167	135.242	132.563	132.357	133.215	140.399	134.999
Weapons support .....	24	164.753	208.913	179.428	191.934	202.007	231.356	210.356
Personnel support .....	25	167.716	192.462	180.312	184.456	189.727	202.619	193.047
Transportation of material .....	26	199.089	183.647	184.764	186.555	187.749	185.017	175.265
Travel of persons .....	27	117.803	125.415	120.612	121.877	126.593	128.229	124.960
Less: Own-account investment <sup>4</sup> .....	28	167.268	173.951	168.728	172.179	173.507	174.533	175.584
Sales to other sectors ..	29	66.691	60.716	38.529	45.129	57.942	104.683	35.108
<b>Gross investment</b> <sup>5</sup> .....	30	126.207	144.618	132.347	143.249	138.750	143.091	153.381
Structures .....	31	97.119	94.866	103.291	106.774	85.912	95.893	90.886
Equipment and software .....	32	129.629	150.683	135.754	147.586	145.229	148.806	161.110
Aircraft .....	33	132.780	177.795	145.663	179.462	174.633	160.026	197.061
Missiles .....	34	126.818	145.205	166.794	142.215	130.917	160.281	147.407
Ships .....	35	142.087	137.136	138.478	142.752	124.614	154.764	126.415
Vehicles .....	36	166.266	148.938	137.332	147.426	168.890	135.912	143.523
Electronics and software .....	37	111.127	141.318	121.253	131.451	130.637	143.988	159.196
Other equipment .....	38	130.311	151.627	133.352	146.064	150.068	143.147	167.229

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	2003	2004	Seasonally adjusted				
				2003		2004		
				IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment</b> .....	1	109.875	112.980	110.278	111.825	112.790	113.317	113.986
<b>Consumption expenditures</b> <sup>1</sup> .....	2	111.711	115.036	112.169	113.879	114.805	115.393	116.067
Gross output of general government .....	3	111.718	115.049	112.176	113.892	114.816	115.407	116.082
Value added .....	4	115.800	119.493	116.198	118.994	119.390	119.564	120.022
Compensation of general government employees .....	5	121.750	125.837	122.248	125.775	125.783	125.818	125.973
Military .....	6	125.391	129.382	126.004	129.299	129.354	129.379	129.498
Civilian .....	7	114.687	118.950	114.924	118.932	118.845	118.898	119.125
Consumption of general government fixed capital <sup>2</sup> .....	8	101.656	104.390	101.807	102.808	104.167	104.684	105.901
Intermediate goods and services purchased <sup>3</sup> .....	9	106.317	109.208	106.835	107.385	108.850	109.856	110.741
Durable goods .....	10	100.997	102.203	101.107	101.463	102.108	102.374	102.867
Aircraft .....	11	102.498	103.949	102.850	103.364	103.842	104.113	104.476
Missiles .....	12	102.721	104.210	102.875	103.552	104.118	104.424	104.747
Ships .....	13	101.044	104.180	101.513	102.404	103.908	104.677	105.731
Vehicles .....	14	107.874	114.028	109.399	111.923	113.341	113.780	117.070
Electronics .....	15	94.449	93.677	93.837	93.482	93.823	93.746	93.657
Other durable goods .....	16	100.427	101.373	100.321	100.376	101.230	101.578	102.307
Nondurable goods .....	17	92.286	93.878	88.725	83.809	93.055	97.920	100.730
Petroleum products .....	18	80.162	84.069	72.589	56.668	80.237	95.522	103.850
Ammunition .....	19	100.644	107.703	101.782	105.265	107.690	108.426	109.432
Other nondurable goods .....	20	102.121	103.352	101.936	103.126	103.283	103.308	103.692
Services .....	21	108.911	112.282	109.924	111.033	111.901	112.701	113.492
Research and development .....	22	105.616	108.339	106.309	107.110	107.945	108.744	109.560
Installation support .....	23	109.028	113.788	110.277	112.196	113.184	114.243	115.530
Weapons support .....	24	107.093	109.707	107.953	108.774	109.449	110.606	110.545
Personnel support .....	25	110.995	114.576	112.114	113.528	114.161	114.995	115.621
Transportation of material .....	26	117.812	119.922	118.469	117.581	119.417	120.727	121.963
Travel of persons .....	27	113.280	116.388	115.354	115.906	117.383	116.417	115.845
Less: Own-account investment <sup>4</sup> .....	28	111.450	115.821	112.045	114.511	115.261	116.402	117.112
Sales to other sectors ..	29	112.690	116.548	112.916	115.501	116.169	117.033	117.489
<b>Gross investment</b> <sup>5</sup> .....	30	98.039	99.771	98.093	98.642	99.832	99.988	100.621
Structures .....	31	109.206	115.152	110.188	111.347	113.915	116.589	118.758
Equipment and software .....	32	96.995	98.401	96.968	97.466	98.551	98.530	99.058
Aircraft .....	33	90.459	90.314	90.130	90.440	90.846	89.736	90.233
Missiles .....	34	98.230	99.440	99.270	98.209	99.861	99.588	100.104
Ships .....	35	101.715	111.002	102.536	106.021	110.921	112.435	114.628
Vehicles .....	36	97.973	99.214	100.173	99.387	98.910	97.686	100.873
Electronics and software .....	37	92.043	89.734	90.781	90.355	90.161	89.682	88.740
Other equipment .....	38	101.242	102.533	101.203	101.510	102.368	102.846	103.410

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment</b> .....	1	496.4	547.9	513.6	534.1	541.2	557.0	559.4
<b>Consumption expenditures</b> <sup>1</sup> .....	2	436.1	477.5	450.2	465.2	473.6	487.1	484.0
Gross output of general government .....	3	439.6	481.2	453.2	468.4	477.2	491.8	487.2
Value added .....	4	242.7	254.3	244.5	252.6	252.8	254.9	257.1
Compensation of general government employees .....	5	181.2	190.6	182.7	190.1	189.3	190.9	192.3
Military .....	6	125.1	130.5	125.7	131.2	129.9	129.9	131.2
Civilian .....	7	56.1	60.1	56.9	58.9	59.3	61.1	61.1
Consumption of general government fixed capital <sup>2</sup> .....	8	61.5	63.7	61.8	62.5	63.5	63.9	64.8
Intermediate goods and services purchased <sup>3</sup> .....	9	197.0	226.8	208.7	215.8	224.4	236.9	230.1
Durable goods .....	10	25.6	29.2	26.5	27.0	29.1	29.8	30.8
Aircraft .....	11	10.5	11.4	11.1	10.3	11.1	12.0	12.1
Missiles .....	12	2.7	3.1	3.1	2.8	3.5	3.1	2.9
Ships .....	13	1.3	1.4	1.2	1.2	1.5	1.6	1.3
Vehicles .....	14	0.9	1.0	1.0	0.9	0.9	0.9	1.1
Electronics .....	15	3.7	4.6	3.7	4.2	4.4	4.8	5.1
Other durable goods .....	16	6.4	7.7	6.5	7.5	7.6	7.4	8.2
Nondurable goods .....	17	13.1	13.8	11.6	13.0	13.5	14.4	14.5
Petroleum products .....	18	4.9	3.9	2.9	3.7	3.6	4.2	4.1
Ammunition .....	19	2.6	3.6	2.9	3.4	3.6	3.8	3.8
Other nondurable goods .....	20	5.5	6.3	5.8	6.0	6.3	6.4	6.5
Services .....	21	158.4	183.8	170.6	175.8	181.9	192.8	184.9
Research and development .....	22	47.6	56.7	53.4	54.7	56.9	58.4	56.6
Installation support .....	23	34.8	38.3	36.4	37.0	37.6	40.0	38.9
Weapons support .....	24	16.9	22.0	18.6	20.0	21.2	24.4	22.3
Personnel support .....	25	42.7	50.6	46.4	48.0	49.7	53.4	51.2
Transportation of material .....	26	10.1	9.4	9.4	9.4	9.6	9.6	9.2
Travel of persons .....	27	6.3	6.8	6.5	6.6	7.0	7.0	6.8
Less: Own-account investment <sup>4</sup> .....	28	2.1	2.3	2.1	2.2	2.3	2.3	2.3
Sales to other sectors .....	29	1.5	1.4	0.8	1.0	1.3	2.4	0.8
<b>Gross investment</b> <sup>5</sup> .....	30	60.4	70.4	63.4	69.0	67.6	69.8	75.3
Structures .....	31	5.3	5.4	5.7	5.9	4.9	5.6	5.4
Equipment and software .....	32	55.1	65.0	57.7	63.1	62.8	64.3	70.0
Aircraft .....	33	9.3	12.5	10.2	12.6	12.3	11.1	13.8
Missiles .....	34	3.4	3.9	4.4	3.8	3.5	4.3	4.0
Ships .....	35	9.5	10.0	9.3	10.0	9.1	11.5	9.5
Vehicles .....	36	3.0	2.7	2.5	2.7	3.1	2.4	2.7
Electronics and software .....	37	10.3	12.8	11.1	12.0	11.9	13.1	14.3
Other equipment .....	38	19.6	23.1	20.1	22.1	22.8	21.9	25.7
Residual .....	39	-0.5	-2.6	-0.5	-2.3	-1.9	-2.3	-3.3

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

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment</b> .....	1	451.8	484.9	465.7	477.6	479.9	491.5	490.7
<b>Consumption expenditures</b> <sup>1</sup> .....	2	390.3	415.0	401.4	408.5	412.5	422.1	417.0
Gross output of general government .....	3	393.5	418.2	404.0	411.3	415.6	426.1	419.7
Value added .....	4	209.6	212.8	210.4	212.3	211.7	213.2	214.2
Compensation of general government employees .....	5	148.8	151.5	149.4	151.1	150.5	151.8	152.6
Military .....	6	99.8	100.9	99.8	101.4	100.5	100.4	101.3
Civilian .....	7	48.9	50.5	49.5	49.5	49.9	51.4	51.3
Consumption of general government fixed capital <sup>2</sup> .....	8	60.5	61.0	60.7	60.8	61.0	61.1	61.2
Intermediate goods and services purchased <sup>3</sup> .....	9	185.3	207.6	195.3	200.9	206.1	215.6	207.7
Durable goods .....	10	25.3	28.5	26.3	26.6	28.5	29.1	29.9
Aircraft .....	11	10.3	11.0	10.8	10.0	10.7	11.5	11.6
Missiles .....	12	2.6	3.0	3.0	2.7	3.4	3.0	2.8
Ships .....	13	1.3	1.4	1.2	1.2	1.4	1.5	1.3
Vehicles .....	14	0.9	0.8	0.9	0.8	0.8	0.8	0.9
Electronics .....	15	4.0	4.9	3.9	4.5	4.7	5.1	5.4
Other durable goods .....	16	6.3	7.6	6.4	7.5	7.5	7.2	8.0
Nondurable goods .....	17	14.1	14.8	13.1	15.6	14.5	14.7	14.4
Petroleum products .....	18	6.1	5.1	4.2	6.8	4.7	4.6	4.2
Ammunition .....	19	2.6	3.4	2.8	3.2	3.3	3.5	3.5
Other nondurable goods .....	20	5.4	6.1	5.7	5.8	6.1	6.2	6.3
Services .....	21	145.4	163.8	155.3	158.4	162.6	171.2	163.0
Research and development .....	22	45.0	52.3	50.2	51.1	52.7	53.7	51.7
Installation support .....	23	31.9	33.7	33.0	33.0	33.2	35.0	33.6
Weapons support .....	24	15.8	20.0	17.2	18.4	19.4	22.2	20.2
Personnel support .....	25	38.5	44.2	41.4	42.3	43.5	46.5	44.3
Transportation of material .....	26	8.6	7.9	7.9	8.0	8.1	8.0	7.5
Travel of persons .....	27	5.5	5.9	5.7	5.7	5.9	6.0	5.9
Less: Own-account investment <sup>4</sup> .....	28	1.9	2.0	1.9	2.0	2.0	2.0	2.0
Sales to other sectors .....	29	1.3	1.2	0.8	0.9	1.1	2.0	0.7
<b>Gross investment</b> <sup>5</sup> .....	30	61.6	70.6	64.6	69.9	67.7	69.8	74.9
Structures .....	31	4.8	4.7	5.1	5.3	4.3	4.8	4.5
Equipment and software .....	32	56.8	66.1	59.5	64.7	63.7	65.2	70.6
Aircraft .....	33	10.3	13.8	11.3	13.9	13.5	12.4	15.3
Missiles .....	34	3.4	3.9	4.5	3.8	3.5	4.3	4.0
Ships .....	35	9.4	9.0	9.1	9.4	8.2	10.2	8.3
Vehicles .....	36	3.0	2.7	2.5	2.7	3.1	2.5	2.6
Electronics and software .....	37	11.2	14.3	12.3	13.3	13.2	14.6	16.1
Other equipment .....	38	19.4	22.6	19.8	21.7	22.3	21.3	24.9
Residual .....	39	-0.5	-2.6	-0.5	-2.3	-1.9	-2.3	-3.3

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.

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	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
					IV	I	II	III
Current receipts from the rest of the world .....	1	1,375.2	1,581.3	1,471.0	1,508.2	1,555.6	1,596.3	1,665.1
<b>Exports of goods and services .....</b>	<b>2</b>	<b>1,046.2</b>	<b>1,175.5</b>	<b>1,099.2</b>	<b>1,134.3</b>	<b>1,167.6</b>	<b>1,189.5</b>	<b>1,210.4</b>
Goods <sup>1</sup> .....	3	726.4	820.3	761.3	790.3	812.2	833.4	845.5
Durable .....	4	497.1	562.0	523.7	541.7	556.2	573.3	576.7
Nondurable .....	5	229.3	258.4	237.6	248.6	256.0	260.1	268.8
Services <sup>1</sup> .....	6	319.8	355.1	337.9	344.1	355.4	356.1	365.0
<b>Income receipts .....</b>	<b>7</b>	<b>329.0</b>	<b>405.8</b>	<b>371.8</b>	<b>373.8</b>	<b>388.0</b>	<b>406.8</b>	<b>454.7</b>
Wage and salary receipts .....	8	3.0	3.1	3.2	3.0	3.0	3.1	3.3
Income receipts on assets .....	9	326.0	402.7	368.6	370.8	385.1	403.6	451.4
Interest .....	10	75.3	87.3	75.3	71.8	79.5	90.5	107.5
Dividends .....	11	82.1	101.0	81.9	101.0	106.0	99.5	97.6
Reinvested earnings on U.S. direct investment abroad .....	12	168.6	214.4	211.5	198.0	199.6	213.7	246.3
Current payments to the rest of the world .....	13	1,886.1	2,217.3	1,957.6	2,065.2	2,185.7	2,230.0	2,388.5
<b>Imports of goods and services .....</b>	<b>14</b>	<b>1,544.3</b>	<b>1,781.6</b>	<b>1,602.0</b>	<b>1,681.2</b>	<b>1,758.9</b>	<b>1,801.2</b>	<b>1,885.2</b>
Goods <sup>1</sup> .....	15	1,282.0	1,490.8	1,326.4	1,399.2	1,470.1	1,506.9	1,587.2
Durable .....	16	800.2	927.1	840.0	870.3	924.8	942.7	970.5
Nondurable .....	17	481.8	563.7	486.4	528.9	545.3	564.2	616.6
Services <sup>1</sup> .....	18	262.3	290.8	275.6	282.0	288.8	294.4	298.1
<b>Income payments .....</b>	<b>19</b>	<b>273.9</b>	<b>361.9</b>	<b>284.6</b>	<b>300.3</b>	<b>351.9</b>	<b>368.6</b>	<b>426.7</b>
Wage and salary payments .....	20	8.5	8.9	8.7	8.6	9.1	8.8	8.9
Income payments on assets .....	21	265.4	353.0	276.0	291.6	342.8	359.8	417.9
Interest .....	22	191.5	229.6	198.4	198.0	222.6	235.4	262.6
Dividends .....	23	61.6	60.9	57.0	65.0	53.3	53.8	71.5
Reinvested earnings on foreign direct investment in the United States .....	24	12.2	62.5	20.6	28.6	67.0	70.6	83.7
<b>Current taxes and transfer payments to the rest of the world (net) .....</b>	<b>25</b>	<b>67.9</b>	<b>73.8</b>	<b>71.0</b>	<b>83.8</b>	<b>74.9</b>	<b>60.1</b>	<b>76.5</b>
From persons (net) .....	26	38.2	42.5	41.6	41.7	42.1	43.2	43.0
From government (net) .....	27	18.4	20.3	15.8	28.0	17.6	17.1	18.3
From business (net) .....	28	11.3	11.1	13.6	14.1	15.2	-0.2	15.2
<b>Balance on current account, NIPAs .....</b>	<b>29</b>	<b>-510.9</b>	<b>-636.1</b>	<b>-486.6</b>	<b>-557.0</b>	<b>-630.1</b>	<b>-633.7</b>	<b>-723.4</b>
<b>Addenda:</b>								
Net lending or net borrowing (-), NIPAs .....	30	-514.0	-637.3	-487.8	-558.4	-631.2	-635.0	-724.7
Balance on current account, NIPAs .....	31	-510.9	-636.1	-486.6	-557.0	-630.1	-633.7	-723.4
Less: Capital account transactions (net) <sup>2</sup> .....	32	3.1	1.3	1.2	1.4	1.1	1.3	1.3

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	2003	2004	Seasonally adjusted at annual rates				
				2004				
				IV	I	II	III	IV
<b>Exports of goods and services</b> .....	1	1.9	8.6	17.5	7.3	7.3	6.0	3.2
<b>Exports of goods<sup>1</sup></b> .....	2	2.2	8.8	16.1	9.1	6.0	9.5	1.9
Foods, feeds, and beverages....	3	1.7	-8.7	-6.0	-30.0	-24.3	28.6	37.2
Industrial supplies and materials.....	4	2.6	6.1	5.2	14.4	6.9	-0.1	1.9
Durable goods.....	5	2.6	4.2	6.1	14.0	3.6	-5.5	7.6
Nondurable goods.....	6	2.5	7.0	4.8	14.7	8.7	2.8	-0.9
Capital goods, except automotive.....	7	2.2	12.8	31.0	13.1	6.2	6.2	0.3
Civilian aircraft, engines, and parts.....	8	-10.8	3.6	42.1	-14.0	-17.5	30.8	-4.9
Computers, peripherals, and parts.....	9	6.1	8.3	19.8	-8.3	-1.8	22.4	14.0
Other.....	10	4.9	15.8	30.8	25.2	13.5	-0.9	-0.9
Automotive vehicles, engines, and parts.....	11	1.5	8.7	14.8	5.1	8.2	34.8	-2.7
Consumer goods, except automotive.....	12	6.0	13.1	11.3	18.6	18.2	-0.7	21.9
Durable goods.....	13	4.4	15.9	21.6	6.8	27.7	10.1	18.3
Nondurable goods.....	14	7.7	10.1	1.2	32.7	8.8	-11.4	26.1
Other.....	15	-5.8	9.0	7.3	11.4	16.1	39.9	-42.1
<b>Exports of services<sup>1</sup></b> .....	16	1.4	8.0	20.6	3.4	10.2	-1.8	6.2
Transfers under U.S. military agency sales contracts.....	17	4.9	10.1	9.1	-6.3	61.4	-32.2	-3.3
Travel.....	18	-5.2	14.8	49.7	-4.1	17.3	2.9	17.7
Passenger fares.....	19	-17.7	6.0	20.4	-5.0	21.0	-12.2	-0.8
Other transportation.....	20	3.1	14.9	41.3	19.0	12.9	-2.2	5.4
Royalties and license fees.....	21	7.0	5.4	9.0	4.4	-2.3	9.4	9.0
Other private services.....	22	6.1	5.0	11.3	5.1	6.3	-2.6	2.1
Other.....	23	-8.9	-1.1	-2.2	6.3	1.6	-6.5	-2.1
<b>Imports of goods and services</b> .....	24	4.4	9.9	17.1	10.6	12.6	4.6	11.4
<b>Imports of goods<sup>1</sup></b> .....	25	4.7	10.8	18.4	12.7	13.0	5.0	14.9
Foods, feeds, and beverages....	26	7.7	5.8	18.9	2.3	7.4	-10.1	17.1
Industrial supplies and materials, except petroleum and products.....	27	1.6	15.6	0.7	16.9	38.2	23.6	0.7
Durable goods.....	28	1.1	20.9	21.7	21.4	47.2	23.8	10.9
Nondurable goods.....	29	2.1	10.3	-15.8	12.4	29.0	23.3	-9.9
Petroleum and products.....	30	6.4	6.9	16.5	39.1	-33.1	2.0	56.1
Capital goods, except automotive.....	31	6.0	17.1	26.0	13.4	30.6	14.0	9.3
Civilian aircraft, engines, and parts.....	32	-5.9	-1.8	67.0	-55.7	59.0	-8.8	70.8
Computers, peripherals, and parts.....	33	9.0	23.3	34.2	12.8	38.6	29.9	10.1
Other.....	34	6.4	17.1	18.7	26.4	25.1	11.0	3.8
Automotive vehicles, engines, and parts.....	35	2.6	6.7	21.7	6.0	10.1	3.2	-4.3
Consumer goods, except automotive.....	36	8.7	10.5	21.9	9.6	20.5	-9.8	27.8
Durable goods.....	37	7.3	15.1	33.2	11.6	25.0	-11.5	37.2
Nondurable goods.....	38	10.1	5.8	10.8	7.5	15.8	-7.8	17.8
Other.....	39	-7.0	-0.9	11.8	-2.2	-10.7	16.5	1.0
<b>Imports of services<sup>1</sup></b> .....	40	3.1	5.8	11.1	1.2	10.6	2.8	-5.2
Direct defense expenditures.....	41	12.1	-2.3	11.5	-20.2	11.9	-9.4	-30.3
Travel.....	42	-9.1	3.6	7.7	-12.6	29.7	-0.8	-20.8
Passenger fares.....	43	2.8	8.8	12.4	-11.9	18.7	10.8	-6.3
Other transportation.....	44	3.2	8.0	5.7	38.4	-7.6	2.3	32.1
Royalties and license fees.....	45	2.2	10.6	6.5	-3.5	18.2	52.8	-35.6
Other private services.....	46	11.1	7.3	18.5	6.6	6.4	-1.8	7.4
Other.....	47	-2.1	-1.9	-1.2	-5.6	6.3	-3.2	-9.7
<b>Addenda:</b>								
Exports of durable goods.....	48	2.0	11.3	23.4	11.3	8.4	10.3	0.1
Exports of nondurable goods.....	49	2.5	3.7	1.6	4.6	0.9	7.8	6.1
Exports of agricultural goods <sup>2</sup> .....	50	1.3	-7.3	-19.1	-23.2	-19.1	24.6	27.2
Exports of nonagricultural goods.....	51	2.2	10.5	20.1	12.7	8.5	8.4	0.2
Imports of durable goods.....	52	4.1	13.5	25.2	11.1	23.6	6.8	10.9
Imports of nondurable goods.....	53	5.7	6.3	7.6	15.3	-2.8	2.0	21.7
Imports of nonpetroleum goods.....	54	4.5	11.3	18.6	9.8	20.9	5.4	9.8

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

	Line	2003	2004	Seasonally adjusted at annual rates				
				2004				
				IV	I	II	III	IV
<b>Percent change at annual rate:</b>								
<b>Exports of goods and services</b> .....	1	1.9	8.6	17.5	7.3	7.3	6.0	3.2
<b>Percentage points at annual rates:</b>								
<b>Exports of goods<sup>1</sup></b> .....	2	1.50	6.14	11.21	6.30	4.19	6.52	1.36
Foods, feeds, and beverages....	3	0.09	-0.51	-0.32	-1.83	-1.35	1.21	1.48
Industrial supplies and materials.....	4	0.40	1.00	0.87	2.23	1.14	-0.02	0.33
Durable goods.....	5	0.14	0.24	0.34	0.74	0.21	-0.33	0.43
Nondurable goods.....	6	0.26	0.76	0.53	1.49	0.93	0.31	-0.10
Capital goods, except automotive.....	7	0.63	3.54	8.25	3.61	1.75	1.73	0.08
Civilian aircraft, engines, and parts.....	8	-0.55	0.16	1.73	-0.68	-0.82	1.16	-0.22
Computers, peripherals, and parts.....	9	0.23	0.31	0.76	-0.33	-0.06	0.75	0.48
Other.....	10	0.96	3.07	5.76	4.62	2.63	-0.18	-0.18
Automotive vehicles, engines, and parts.....	11	0.12	0.66	1.13	0.38	0.60	2.31	-0.21
Consumer goods, except automotive.....	12	0.50	1.11	0.99	1.50	1.49	-0.06	1.75
Durable goods.....	13	0.19	0.69	0.94	0.30	1.12	0.44	0.79
Nondurable goods.....	14	0.31	0.42	0.05	1.20	0.37	-0.50	0.96
Other.....	15	-0.23	0.34	0.28	0.41	0.57	1.35	-2.07
<b>Exports of services<sup>1</sup></b> .....	16	0.42	2.45	6.24	1.04	3.06	-0.54	1.83
Transfers under U.S. military agency sales contracts.....	17	0.05	0.11	0.11	-0.07	0.58	-0.46	-0.04
Travel.....	18	-0.34	0.91	2.79	-0.27	1.06	0.19	1.08
Passenger fares.....	19	-0.31	0.09	0.31	-0.08	0.31	-0.20	-0.01
Other transportation.....	20	0.09	0.45	1.15	0.56	0.40	-0.07	0.18
Royalties and license fees.....	21	0.31	0.25	0.43	0.20	-0.10	0.40	0.39
Other private services.....	22	0.75	0.64	1.48	0.63	0.79	-0.32	0.26
Other.....	23	-0.13	-0.01	-0.03	0.08	0.02	-0.08	-0.02
<b>Percent change at annual rate:</b>								
<b>Imports of goods and services</b> .....	24	4.4	9.9	17.1	10.6	12.6	4.6	11.4
<b>Percentage points at annual rates:</b>								
<b>Imports of goods<sup>1</sup></b> .....	25	3.90	8.94	15.11	10.41	10.82	4.15	12.22
Foods, feeds, and beverages....	26	0.27	0.21	0.68	0.08	0.27	-0.37	0.56
Industrial supplies and materials, except petroleum and products.....	27	0.18	1.83	0.16	1.87	3.97	2.76	0.14
Durable goods.....	28	0.06	1.23	1.17	1.17	2.48	1.49	0.76
Nondurable goods.....	29	0.12	0.60	-1.01	0.69	1.49	1.27	-0.63
Petroleum and products.....	30	0.50	0.61	1.33	3.13	-3.88	0.19	4.97
Capital goods, except automotive.....	31	1.15	3.19	4.83	2.55	5.43	2.59	1.80
Civilian aircraft, engines, and parts.....	32	-0.10	-0.03	0.87	-1.17	0.65	-0.13	0.79
Computers, peripherals, and parts.....	33	0.45	1.09	1.59	0.62	1.71	1.33	0.50
Other.....	34	0.81	2.13	2.37	3.10	3.06	1.38	0.50
Automotive vehicles, engines, and parts.....	35	0.37	0.90	2.88	0.82	1.33	0.42	-0.54
Consumer goods, except automotive.....	36	1.84	2.24	4.64	2.08	4.21	-2.13	5.25
Durable goods.....	37	0.81	1.64	3.48	1.30	2.64	-1.34	3.60
Nondurable goods.....	38	1.03	0.60	1.15	0.78	1.56	-0.80	1.65
Other.....	39	-0.40	-0.05	0.60	-0.11	-0.51	0.70	0.04
<b>Imports of services<sup>1</sup></b> .....	40	0.53	0.98	1.97	0.21	1.78	0.47	-0.84
Direct defense expenditures.....	41	0.17	-0.04	0.20	-0.38	0.19	-0.15	-0.54
Travel.....	42	-0.38	0.13	0.30	-0.50	0.99	-0.03	-0.82
Passenger fares.....	43	0.04	0.12	0.18	-0.17	0.23	0.13	-0.08
Other transportation.....	44	0.09	0.24	0.17	0.98	-0.23	0.07	0.84
Royalties and license fees.....	45	0.03	0.14	0.09	-0.05	0.22	0.57	-0.57
Other private services.....	46	0.59	0.41	1.03	0.36	0.35	-0.10	0.37
Other.....	47	-0.01	-0.01	-0.01	-0.03	0.03	-0.02	-0.05

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





## 5. Saving and Investment

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

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Gross saving</b> .....	1	1,487.7	1,620.0	1,621.7	1,568.3	1,616.3	1,631.5	1,663.9
<b>Net saving</b> .....	2	133.8	212.7	247.6	213.3	241.2	133.6	262.7
Net private saving.....	3	501.5	570.7	591.5	592.4	602.9	504.1	583.3
Personal saving.....	4	110.6	102.1	111.1	86.8	113.4	63.4	145.0
Undistributed corporate profits with inventory valuation and capital consumption adjustments.....	5	390.9	468.5	480.4	505.7	489.5	440.7	438.3
Undistributed profits.....	6	244.2	272.3	317.5	302.5	303.9	255.5	227.4
Inventory valuation adjustment.....	7	-14.1	-42.9	-24.3	-37.0	-47.8	-37.8	-49.1
Capital consumption adjustment.....	8	160.8	239.1	187.2	240.2	233.3	223.0	260.0
Wage accruals less disbursements.....	9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net government saving.....	10	-367.8	-358.0	-343.9	-379.2	-361.7	-370.5	-320.6
Federal.....	11	-364.5	-375.6	-379.2	-391.0	-380.0	-375.0	-356.2
State and local.....	12	-3.2	17.6	35.3	11.8	18.3	4.5	35.6
<b>Consumption of fixed capital</b> ....	13	1,353.9	1,407.3	1,374.2	1,355.0	1,375.2	1,497.9	1,401.2
Private.....	14	1,135.9	1,178.3	1,153.8	1,132.4	1,148.1	1,266.8	1,165.7
Domestic business.....	15	942.6	967.3	955.0	936.4	948.8	1,021.8	962.3
Households and institutions.....	16	193.3	211.0	198.8	196.0	199.4	245.1	203.5
Government.....	17	218.1	229.0	220.4	222.6	227.0	231.1	235.5
Federal.....	18	90.2	93.0	90.7	91.6	92.8	93.4	94.5
State and local.....	19	127.9	136.0	129.7	131.0	134.3	137.7	141.0
<b>Gross domestic investment, capital account transactions, and net lending, NIPAs...</b>	20	1,513.3	1,671.0	1,634.6	1,631.3	1,672.8	1,691.9	1,687.9
Gross domestic investment.....	21	2,024.2	2,307.0	2,121.2	2,188.3	2,302.9	2,325.6	2,411.2
Gross private domestic investment.....	22	1,665.8	1,927.3	1,758.8	1,819.7	1,920.7	1,947.0	2,021.9
Gross government investment.....	23	358.5	379.7	362.4	368.6	382.2	378.7	389.3
Capital account transactions (net) <sup>1</sup> .....	24	3.1	1.3	1.2	1.4	1.1	1.3	1.3
Net lending or net borrowing (-), NIPAs.....	25	-514.0	-637.3	-487.8	-558.4	-631.2	-635.0	-724.7
<b>Statistical discrepancy</b> .....	26	25.6	50.9	12.8	63.0	56.4	60.4	24.0
<b>Addenda:</b>								
Gross private saving.....	27	1,637.4	1,749.0	1,745.3	1,724.9	1,751.1	1,770.9	1,749.0
Gross government saving.....	28	-149.7	-129.0	-123.5	-156.6	-134.7	-139.4	-85.1
Federal.....	29	-274.3	-282.5	-288.5	-299.5	-287.2	-281.6	-261.8
State and local.....	30	124.7	153.6	165.0	142.9	152.5	142.2	176.6
Net domestic investment.....	31	670.3	899.7	747.0	833.3	927.7	827.7	1,010.0
<b>Gross saving as a percentage of gross national income</b> .....	32	13.5	13.8	14.3	13.7	13.9	13.8	13.9
<b>Net saving as a percentage of gross national income</b> .....	33	1.2	1.8	2.2	1.9	2.1	1.1	2.2

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Private fixed investment</b> .....	1	5.1	10.3	10.5	4.5	13.9	8.8	10.5
<b>Nonresidential</b> .....	2	3.3	10.6	11.0	4.2	12.5	13.0	14.5
<b>Structures</b> .....	3	-5.6	1.4	7.9	-7.6	6.9	-1.1	2.1
Commercial and health care.....	4	-7.0	-0.5	-6.3	-9.1	21.3	-1.8	-9.6
Manufacturing.....	5	-14.7	-1.2	-4.1	-16.8	-14.2	25.4	70.9
Power and communication.....	6	-19.9	-8.0	71.4	-13.4	-37.0	-20.9	15.0
Mining exploration, shafts, and wells.....	7	23.1	18.8	13.7	6.7	20.0	9.5	23.7
Other structures <sup>1</sup> .....	8	-2.7	1.7	2.3	-7.0	16.8	1.6	-8.6
<b>Equipment and software</b> .....	9	6.4	13.6	12.0	8.0	14.2	17.5	18.4
Information processing equipment and software.....	10	12.0	16.2	16.3	16.4	14.1	7.5	17.7
Computers and peripheral equipment.....	11	33.0	26.6	31.5	6.5	26.5	20.7	52.6
Software <sup>2</sup> .....	12	4.7	12.4	9.3	16.8	8.7	6.8	20.5
Other <sup>3</sup> .....	13	9.2	14.1	15.0	22.1	12.7	1.1	-1.7
Industrial equipment.....	14	0.1	5.1	-4.5	6.6	2.1	27.7	7.6
Transportation equipment.....	15	-3.1	12.5	11.9	-15.0	26.1	38.1	40.6
Other equipment <sup>4</sup> .....	16	5.4	15.2	16.5	8.3	16.1	22.6	12.1
<b>Residential</b> .....	17	8.8	9.7	9.6	5.0	16.5	1.6	3.4
<b>Structures</b> .....	18	8.8	9.7	9.5	4.9	16.7	1.5	3.3
Permanent site.....	19	10.5	10.5	21.6	6.7	9.0	2.7	0.5
Single family.....	20	11.3	11.3	24.8	7.1	8.9	3.0	0.0
Multifamily.....	21	3.5	3.1	-4.4	2.8	9.8	0.2	4.5
Other structures <sup>5</sup> .....	22	6.2	8.4	-7.2	2.1	30.5	-0.4	8.1
<b>Equipment</b> .....	23	9.2	11.1	12.7	11.9	3.7	9.1	8.3
<b>Addenda:</b>								
Private fixed investment in structures.....	24	3.7	7.0	9.0	0.9	13.7	0.7	2.9
Private fixed investment in equipment and software.....	25	6.4	13.6	12.0	8.1	14.1	17.4	18.3
Private fixed investment in new structures <sup>6</sup> .....	26	2.9	5.9	12.8	0.9	6.7	1.7	2.3
Nonresidential structures.....	27	-5.6	1.3	7.8	-7.6	6.8	-1.2	2.0
Residential structures.....	28	8.1	8.3	15.6	5.5	6.7	3.1	2.4

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Percent change at annual rate:</b>								
Private fixed investment ....	1	5.1	10.3	10.5	4.5	13.9	8.8	10.5
<b>Percentage points at annual rates:</b>								
<b>Nonresidential</b> .....	2	2.21	6.91	7.20	2.73	8.11	8.21	9.25
Structures .....	3	-0.98	0.22	1.22	-1.19	1.07	-0.16	0.32
Commercial and health care .....	4	-0.52	-0.04	-0.42	-0.60	1.24	-0.11	-0.62
Manufacturing .....	5	-0.15	-0.01	-0.03	-0.15	-0.12	0.17	0.44
Power and communication .....	6	-0.63	-0.20	1.30	-0.35	-1.03	-0.48	0.28
Mining exploration, shafts, and wells .....	7	0.43	0.40	0.29	0.14	0.42	0.21	0.52
Other structures <sup>1</sup> .....	8	-0.10	0.06	0.08	-0.25	0.55	0.05	-0.30
<b>Equipment and software</b> .....	9	3.19	6.69	5.97	3.92	7.05	8.37	8.93
Information processing equipment and software .....	10	3.00	4.08	4.11	4.01	3.67	1.92	4.34
Computers and peripheral equipment .....	11	1.61	1.45	1.70	0.37	1.47	1.14	2.63
Software <sup>2</sup> .....	12	0.47	1.20	0.91	1.54	0.87	0.66	1.87
Other <sup>3</sup> .....	13	0.91	1.43	1.50	2.10	1.33	0.11	-0.16
Industrial equipment .....	14	0.01	0.43	-0.36	0.52	0.17	2.03	0.62
Transportation equipment .....	15	-0.25	0.96	0.92	-1.26	1.88	2.64	2.95
Other equipment <sup>4</sup> .....	16	0.43	1.23	1.31	0.66	1.32	1.78	1.02
<b>Residential</b> .....	17	2.86	3.36	3.34	1.75	5.76	0.59	1.22
Structures .....	18	2.82	3.31	3.28	1.70	5.74	0.55	1.18
Permanent site .....	19	2.03	2.19	4.25	1.43	1.99	0.60	0.10
Single family .....	20	1.95	2.13	4.34	1.37	1.78	0.60	0.01
Multifamily .....	21	0.07	0.07	-0.09	0.06	0.21	0.00	0.10
Other structures <sup>5</sup> .....	22	0.79	1.11	-0.97	0.27	3.75	-0.05	1.08
<b>Equipment</b> .....	23	0.04	0.05	0.06	0.05	0.02	0.04	0.04
<b>Addenda:</b>								
Private fixed investment in structures .....	24	1.83	3.52	4.50	0.50	6.81	0.39	1.50
Private fixed investment in equipment and software .....	25	3.23	6.75	6.03	3.97	7.06	8.41	8.97
Private fixed investment in new structures <sup>6</sup> .....	26	1.29	2.66	5.61	0.45	3.13	0.77	1.04
Nonresidential structures .....	27	-0.98	0.21	1.21	-1.19	1.05	-0.17	0.31
Residential structures .....	28	2.27	2.45	4.40	1.64	2.09	0.94	0.74

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	2003	2004	Seasonally adjusted				
				2003		2004		
				IV	I	II	III	IV
<b>Private fixed investment</b> .....	1	96.924	106.877	101.412	102.529	105.913	108.170	110.897
<b>Nonresidential</b> .....	2	90.157	99.720	94.235	95.204	98.041	101.075	104.560
Structures .....	3	75.810	76.844	77.406	75.886	77.171	76.958	77.359
Commercial and health care .....	4	74.227	73.824	73.538	71.796	75.348	75.006	73.145
Manufacturing .....	5	41.256	40.743	41.163	39.318	37.839	40.038	45.776
Power and communication .....	6	79.852	73.466	84.585	81.600	72.699	68.565	71.000
Mining exploration, shafts, and wells .....	7	106.863	126.983	117.689	119.605	125.188	128.066	135.073
Other structures <sup>1</sup> .....	8	78.553	79.893	79.285	77.869	80.959	81.272	79.472
<b>Equipment and software</b> .....	9	95.679	108.670	100.735	102.699	106.157	110.524	115.299
Information processing equipment and software .....	10	105.291	122.299	112.621	116.982	120.907	123.101	128.208
Computers and peripheral equipment .....	11	151.298	191.516	171.109	173.806	184.318	193.210	214.730
Software <sup>2</sup> .....	12	97.197	109.225	101.347	105.355	107.579	109.374	114.590
Other <sup>3</sup> .....	13	94.409	107.766	100.200	105.333	108.535	108.828	108.366
Industrial equipment .....	14	86.411	90.840	85.923	87.305	87.752	93.289	95.014
Transportation equipment .....	15	75.618	85.057	79.468	76.298	80.847	87.643	95.440
Other equipment <sup>4</sup> .....	16	99.963	115.162	106.143	108.274	112.402	118.280	121.693
<b>Residential</b> .....	17	114.392	125.457	119.916	121.400	126.122	126.628	127.680
Structures .....	18	114.426	125.472	119.939	121.396	126.168	126.645	127.677
Permanent site .....	19	115.579	127.682	123.160	125.180	127.898	128.752	128.899
Single family .....	20	115.795	128.897	124.222	126.382	129.101	130.047	130.059
Multifamily .....	21	113.665	117.137	113.946	114.747	117.456	117.517	118.828
Other structures <sup>5</sup> .....	22	112.649	122.096	114.981	115.571	123.534	123.421	125.858
<b>Equipment</b> .....	23	112.240	124.716	118.530	121.900	123.005	125.711	128.248
<b>Addenda:</b>								
Private fixed investment in structures .....	24	98.345	105.273	102.240	102.480	105.817	106.012	106.783
Private fixed investment in equipment and software .....	25	95.814	108.801	100.880	102.855	106.294	110.649	115.406
Private fixed investment in new structures <sup>6</sup> .....	26	96.308	101.964	100.145	100.373	102.019	102.445	103.020
Nonresidential structures .....	27	75.950	76.944	77.537	76.014	77.278	77.051	77.435
Residential structures .....	28	112.870	122.235	118.507	120.115	122.073	123.013	123.740

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	2003	2004	Seasonally adjusted				
				2003		2004		
				IV	I	II	III	IV
<b>Private fixed investment ....</b>	<b>1</b>	<b>102.435</b>	<b>104.978</b>	<b>103.101</b>	<b>103.618</b>	<b>104.709</b>	<b>105.482</b>	<b>106.101</b>
<b>Nonresidential .....</b>	<b>2</b>	<b>98.546</b>	<b>99.328</b>	<b>98.729</b>	<b>98.793</b>	<b>99.220</b>	<b>99.449</b>	<b>99.850</b>
<b>Structures .....</b>	<b>3</b>	<b>110.176</b>	<b>115.578</b>	<b>110.633</b>	<b>111.926</b>	<b>113.984</b>	<b>116.677</b>	<b>119.726</b>
Commercial and health care	4	109.279	114.781	110.250	111.436	113.585	115.927	118.175
Manufacturing.....	5	108.466	113.680	109.194	110.371	112.497	114.814	117.039
Power and communication ...	6	107.935	115.704	108.932	110.582	114.409	117.479	120.348
Mining exploration, shafts, and wells .....	7	122.504	125.546	119.664	121.300	121.461	125.956	133.465
Other structures <sup>1</sup> .....	8	109.106	114.111	109.998	111.088	112.995	115.160	117.200
<b>Equipment and software .....</b>	<b>9</b>	<b>94.754</b>	<b>94.382</b>	<b>94.862</b>	<b>94.611</b>	<b>94.626</b>	<b>94.256</b>	<b>94.034</b>
Information processing equipment and software ...	10	87.570	84.638	86.283	85.604	85.016	84.434	83.498
Computers and peripheral equipment .....	11	62.100	57.113	60.053	59.030	58.015	56.548	54.857
Software <sup>2</sup> .....	12	96.862	94.789	95.459	95.229	94.929	94.921	94.076
Other <sup>3</sup> .....	13	94.763	93.137	94.348	93.613	93.189	92.952	92.793
Industrial equipment.....	14	101.641	104.192	101.950	102.970	103.750	104.515	105.533
Transportation equipment .....	15	104.064	109.482	109.654	109.754	110.286	108.675	109.214
Other equipment <sup>4</sup> .....	16	103.305	104.460	103.386	103.221	104.371	104.840	105.406
<b>Residential .....</b>	<b>17</b>	<b>111.951</b>	<b>118.338</b>	<b>113.675</b>	<b>115.179</b>	<b>117.710</b>	<b>119.674</b>	<b>120.787</b>
<b>Structures .....</b>	<b>18</b>	<b>112.202</b>	<b>118.737</b>	<b>113.972</b>	<b>115.511</b>	<b>118.093</b>	<b>120.104</b>	<b>121.239</b>
Permanent site .....	19	112.911	120.234	114.633	116.381	119.304	121.768	123.484
Single family .....	20	113.270	120.590	114.972	116.725	119.657	122.128	123.850
Multifamily .....	21	109.951	116.787	111.346	113.044	115.883	118.276	119.944
Other structures <sup>5</sup> .....	22	111.123	116.390	112.962	114.160	116.194	117.493	117.714
<b>Equipment .....</b>	<b>23</b>	<b>96.804</b>	<b>94.224</b>	<b>95.757</b>	<b>95.148</b>	<b>94.629</b>	<b>93.658</b>	<b>93.459</b>
<b>Addenda:</b>								
Private fixed investment in structures.....	24	111.569	117.734	112.920	114.382	116.803	119.020	120.732
Private fixed investment in equipment and software .....	25	94.770	94.377	94.867	94.612	94.623	94.247	94.026
Private fixed investment in new structures <sup>6</sup> .....	26	111.407	117.998	112.704	114.275	116.881	119.357	121.479
Nonresidential structures.....	27	110.212	115.656	110.676	111.979	114.055	116.761	119.829
Residential structures.....	28	112.003	119.213	113.753	115.463	118.343	120.702	122.343

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Private fixed investment.....</b>	<b>1</b>	<b>1,667.0</b>	<b>1,884.0</b>	<b>1,755.2</b>	<b>1,783.5</b>	<b>1,861.7</b>	<b>1,915.4</b>	<b>1,975.3</b>
<b>Nonresidential.....</b>	<b>2</b>	<b>1,094.7</b>	<b>1,220.5</b>	<b>1,146.3</b>	<b>1,158.8</b>	<b>1,198.5</b>	<b>1,238.5</b>	<b>1,286.3</b>
<b>Structures.....</b>	<b>3</b>	<b>261.6</b>	<b>278.2</b>	<b>268.2</b>	<b>266.0</b>	<b>275.5</b>	<b>281.2</b>	<b>290.0</b>
Commercial and health care.	4	111.6	116.6	111.5	110.0	117.7	119.6	118.9
Manufacturing.....	5	14.2	14.7	14.3	13.8	13.5	14.6	17.0
Power and communication....	6	40.3	39.7	43.1	42.2	38.9	37.7	40.0
Mining exploration, shafts, and wells.....	7	35.6	43.5	38.3	39.5	41.4	43.9	49.1
Other structures <sup>1</sup> .....	8	59.9	63.7	60.9	60.4	63.9	65.4	65.1
<b>Equipment and software.....</b>	<b>9</b>	<b>833.1</b>	<b>942.4</b>	<b>878.1</b>	<b>892.8</b>	<b>923.1</b>	<b>957.3</b>	<b>996.3</b>
Information processing equipment and software ...	10	431.2	484.2	454.7	468.5	480.9	486.3	500.9
Computers and peripheral equipment.....	11	95.3	111.0	104.5	104.4	108.8	111.1	119.8
Software <sup>2</sup> .....	12	165.8	182.4	170.5	176.8	180.0	182.9	190.0
Other <sup>3</sup> .....	13	170.0	190.7	179.7	187.4	192.2	192.2	191.1
Industrial equipment.....	14	139.8	150.7	139.5	143.1	145.0	155.2	159.6
Transportation equipment .....	15	126.6	149.6	140.0	134.5	143.2	153.0	167.5
Other equipment <sup>4</sup> .....	16	135.5	157.9	144.0	146.6	153.9	162.7	168.3
<b>Residential .....</b>	<b>17</b>	<b>572.3</b>	<b>663.4</b>	<b>609.0</b>	<b>624.6</b>	<b>663.2</b>	<b>677.0</b>	<b>688.9</b>
<b>Structures.....</b>	<b>18</b>	<b>564.3</b>	<b>654.8</b>	<b>600.6</b>	<b>616.1</b>	<b>654.6</b>	<b>668.3</b>	<b>680.1</b>
Permanent site .....	19	345.9	406.8	374.0	386.0	404.3	415.4	421.7
Single family .....	20	310.6	368.1	338.2	349.3	365.8	376.1	381.4
Multifamily .....	21	35.3	38.7	35.9	36.7	38.5	39.3	40.3
Other structures <sup>5</sup> .....	22	218.4	248.0	226.6	230.1	250.4	252.9	258.4
<b>Equipment .....</b>	<b>23</b>	<b>8.0</b>	<b>8.7</b>	<b>8.4</b>	<b>8.5</b>	<b>8.6</b>	<b>8.7</b>	<b>8.8</b>
<b>Addenda:</b>								
Private fixed investment in structures.....	24	825.9	933.0	868.8	882.1	930.1	949.5	970.2
Private fixed investment in equipment and software .....	25	841.1	951.0	886.5	901.4	931.6	965.9	1,005.1
Private fixed investment in new structures <sup>6</sup> .....	26	748.0	838.7	786.7	799.4	831.1	852.2	872.2
Nonresidential structures.....	27	261.3	277.8	267.8	265.7	275.1	280.8	289.6
Residential structures.....	28	486.7	561.0	518.8	533.8	556.0	571.4	582.6

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

[Billions of chained (2000) dollars]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Private fixed investment</b> ....	1	1,627.3	1,794.4	1,702.7	1,721.4	1,778.3	1,816.1	1,861.9
<b>Nonresidential</b> .....	2	1,110.8	1,228.6	1,161.0	1,173.0	1,207.9	1,245.3	1,288.3
<b>Structures</b> .....	3	237.4	240.7	242.4	237.7	241.7	241.0	242.3
Commercial and health care .....	4	102.1	101.5	101.2	98.8	103.6	103.2	100.6
Manufacturing .....	5	13.1	13.0	13.1	12.5	12.0	12.7	14.6
Power and communication .....	6	37.4	34.4	39.6	38.2	34.0	32.1	33.2
Mining exploration, shafts, and wells .....	7	29.0	34.5	32.0	32.5	34.0	34.8	36.7
Other structures <sup>1</sup> .....	8	54.9	55.8	55.4	54.4	56.6	56.8	55.5
<b>Equipment and software</b> .....	9	879.2	998.6	925.6	943.7	975.5	1,015.6	1,059.5
Information processing equipment and software .....	10	492.4	571.9	526.6	547.0	565.4	575.6	599.5
Computers and peripheral equipment <sup>2</sup> .....	11							
Software <sup>3</sup> .....	12	171.2	192.4	178.5	185.6	189.5	192.7	201.9
Other <sup>4</sup> .....	13	179.4	204.8	190.4	200.2	206.2	206.8	205.9
Industrial equipment .....	14	137.6	144.6	136.8	139.0	139.7	148.5	151.3
Transportation equipment .....	15	121.6	136.8	127.8	122.7	130.0	141.0	153.5
Other equipment <sup>5</sup> .....	16	131.2	151.1	139.3	142.1	147.5	155.2	159.7
<b>Residential</b> .....	17	511.2	560.7	535.9	542.5	563.6	565.9	570.6
<b>Structures</b> .....	18	503.0	551.5	527.2	533.6	554.6	556.7	561.2
Permanent site .....	19	306.3	338.4	326.4	331.8	339.0	341.3	341.6
Single family .....	20	274.2	305.2	294.1	299.3	305.7	307.9	308.0
Multifamily .....	21	32.1	33.1	32.2	32.4	33.2	33.2	33.6
Other structures <sup>6</sup> .....	22	196.6	213.1	200.6	201.7	215.6	215.4	219.6
<b>Equipment</b> .....	23	8.3	9.2	8.7	9.0	9.1	9.3	9.4
Residual .....	24	-14.9	-29.4	-20.6	-23.3	-25.4	-29.5	-39.4
<b>Addenda:</b>								
Private fixed investment in structures .....	25	740.3	792.4	769.6	771.4	796.5	798.0	803.8
Private fixed investment in equipment and software .....	26	887.5	1,007.8	934.4	952.7	984.5	1,024.9	1,068.9
Private fixed investment in new structures <sup>7</sup> .....	27	671.4	710.8	698.2	699.7	711.2	714.2	718.2
Nonresidential structures .....	28	237.1	240.2	242.0	237.3	241.2	240.5	241.7
Residential structures .....	29	434.6	470.6	456.3	462.4	470.0	473.6	476.4

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Change in private inventories</b> .....	1	-1.2	43.4	3.5	36.2	59.0	31.6	46.7
Farm .....	2	0.3	-1.1	-0.9	1.0	-2.4	-0.2	-2.6
Mining, utilities, and construction ..	3	0.2	-0.2	3.8	-5.2	-2.0	5.5	0.9
Manufacturing .....	4	-15.4	6.3	-13.5	3.2	9.6	7.2	5.2
Durable goods industries .....	5	-11.3	4.0	-1.9	-2.2	6.0	8.2	4.0
Nondurable goods industries .....	6	-4.1	2.3	-11.6	5.4	3.6	-1.0	1.2
Wholesale trade .....	7	-0.3	22.3	3.8	8.8	21.2	35.3	24.2
Durable goods industries .....	8	-0.3	17.8	9.6	11.1	16.7	28.1	15.5
Nondurable goods industries .....	9	0.0	4.5	-5.8	-2.3	4.5	7.2	8.6
Retail trade .....	10	13.0	12.8	9.5	25.6	30.2	-20.4	15.7
Motor vehicle and parts dealers .....	11	6.1	1.2	-0.8	17.9	16.4	-22.2	-7.1
Food and beverage stores .....	12	-0.5	0.7	-2.3	0.3	1.8	-0.1	0.8
General merchandise stores .....	13	0.7	3.4	3.3	3.0	2.8	0.3	7.4
Other retail stores .....	14	6.7	7.4	9.3	4.4	9.2	1.6	14.6
Other industries .....	15	1.0	3.2	0.8	2.8	2.3	4.2	3.4
<b>Addenda:</b>								
Change in private inventories ...	16	-1.2	43.4	3.5	36.2	59.0	31.6	46.7
Durable goods industries .....	17	0.6	29.8	14.9	31.2	47.4	16.1	24.4
Nondurable goods industries .....	18	-1.8	13.6	-11.4	5.0	11.6	15.5	22.3
Nonfarm industries .....	19	-1.5	44.4	4.5	35.2	61.4	31.8	49.3
Nonfarm change in book value <sup>1</sup> .....	20	16.9	97.4	31.7	82.0	119.2	73.8	114.5
Nonfarm inventory valuation adjustment <sup>2</sup> .....	21	-18.3	-53.0	-27.2	-46.8	-57.8	-42.0	-65.2
Wholesale trade .....	22	-0.3	22.3	3.8	8.8	21.2	35.3	24.2
Merchant wholesale trade .....	23	1.5	19.9	4.2	7.6	16.5	31.5	23.8
Durable goods industries ..	24	1.1	16.5	9.5	10.4	15.3	24.6	15.8
Nondurable goods industries .....	25	0.4	3.3	-5.3	-2.8	1.3	6.9	7.9
Nonmerchant wholesale trade .....	26	-1.8	2.5	-0.4	1.2	4.6	3.8	0.4

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Change in private inventories</b> .....	1	-0.8	45.7	8.6	40.0	61.1	34.5	47.2
Farm .....	2	0.3	3.4	3.5	5.1	3.0	3.8	1.7
Mining, utilities, and construction ..	3	0.3	-0.2	3.5	-4.5	-1.7	4.5	0.7
Manufacturing .....	4	-15.2	5.9	-13.1	3.0	9.1	7.0	4.6
Durable goods industries .....	5	-11.4	3.8	-1.8	-2.2	5.9	7.8	3.7
Nondurable goods industries .....	6	-3.9	2.1	-10.9	5.0	3.3	-0.6	0.9
Wholesale trade .....	7	0.0	21.0	4.0	8.5	20.0	33.2	22.3
Durable goods industries .....	8	-0.3	17.4	9.7	11.1	16.4	27.2	14.9
Nondurable goods industries .....	9	0.3	4.0	-5.2	-2.0	4.0	6.6	7.6
Retail trade .....	10	13.1	12.7	9.4	25.6	29.9	-20.1	15.3
Motor vehicle and parts dealers .....	11	6.2	1.4	-0.9	18.7	17.1	-23.1	-7.2
Food and beverage stores .....	12	-0.4	0.6	-2.1	0.3	1.6	-0.1	0.7
General merchandise stores .....	13	0.7	3.3	3.3	3.0	2.7	0.3	7.2
Other retail stores .....	14	6.7	7.2	9.2	4.3	8.9	1.6	14.0
Other industries .....	15	1.0	3.1	0.8	2.8	2.3	4.1	3.4
Residual .....	16	-0.3	-0.4	-0.5	-1.6	-2.4	2.4	-0.4
<b>Addenda:</b>								
Change in private inventories ...	17	-0.8	45.7	8.6	40.0	61.1	34.5	47.2
Durable goods industries .....	18	0.4	29.3	14.9	31.3	46.8	15.6	23.5
Nondurable goods industries .....	19	-1.1	17.1	-5.5	9.8	16.1	18.9	23.8
Nonfarm industries .....	20	-1.1	42.4	4.6	34.5	58.8	30.4	45.9
Wholesale trade .....	21	0.0	21.0	4.0	8.5	20.0	33.2	22.3
Merchant wholesale trade .....	22	1.8	18.7	4.3	7.4	15.7	29.7	22.1
Durable goods industries ..	23	1.1	16.0	9.6	10.3	15.0	23.7	15.1
Nondurable goods industries .....	24	0.7	3.0	-4.7	-2.5	1.2	6.4	7.1
Nonmerchant wholesale trade .....	25	-1.8	2.3	-0.3	1.2	4.4	3.5	0.3

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		2004		
		IV	I	II	III	IV
<b>Private inventories</b> <sup>1</sup> .....	1	1,552.5	1,606.0	1,645.8	1,660.1	1,693.7
Farm .....	2	152.0	175.4	178.6	163.4	164.5
Mining, utilities, and construction.....	3	52.3	53.9	55.4	57.9	60.9
Manufacturing.....	4	442.0	452.1	463.7	478.6	488.6
Durable goods industries.....	5	257.6	263.5	268.6	277.0	282.0
Nondurable goods industries.....	6	184.4	188.6	195.0	201.6	206.6
Wholesale trade.....	7	357.7	366.6	376.4	389.0	399.3
Durable goods industries.....	8	203.0	209.5	216.4	227.3	233.4
Nondurable goods industries.....	9	154.7	157.1	160.0	161.7	165.9
Retail trade.....	10	435.2	443.8	456.3	453.9	461.0
Motor vehicle and parts dealers.....	11	143.5	148.3	153.8	149.2	148.5
Food and beverage stores.....	12	35.6	35.8	37.0	36.8	37.3
General merchandise stores.....	13	67.1	68.1	69.3	69.4	71.6
Other retail stores.....	14	189.0	191.6	196.3	198.5	203.7
Other industries.....	15	113.3	114.3	115.4	117.2	119.4
<b>Addenda:</b>						
Private inventories.....	16	1,552.5	1,606.0	1,645.8	1,660.1	1,693.7
Durable goods industries.....	17	692.5	711.8	733.7	750.0	764.0
Nondurable goods industries.....	18	859.9	894.2	912.0	910.1	929.7
Nonfarm industries.....	19	1,400.4	1,430.6	1,467.2	1,496.7	1,529.2
Wholesale trade.....	20	357.7	366.6	376.4	389.0	399.3
Merchant wholesale trade.....	21	308.6	316.2	323.9	334.0	343.1
Durable goods industries.....	22	176.7	182.6	188.9	198.5	204.5
Nondurable goods industries.....	23	131.9	133.6	135.0	135.4	138.6
Nonmerchant wholesale trade.....	24	49.1	50.4	52.5	55.1	56.2
<b>Final sales of domestic business</b> <sup>2</sup> .....	25	723.5	733.9	745.1	757.8	769.1
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	26	397.8	403.0	409.7	417.9	424.1
<b>Ratios of private inventories to final sales of domestic business:</b>						
Private inventories to final sales.....	27	2.15	2.19	2.21	2.19	2.20
Nonfarm inventories to final sales.....	28	1.94	1.95	1.97	1.97	1.99
Nonfarm inventories to final sales of goods and structures.....	29	3.52	3.55	3.58	3.58	3.61

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				
		2003		2004		
		IV	I	II	III	IV
<b>Private inventories</b> <sup>1</sup> .....	1	1,499.9	1,509.9	1,525.2	1,533.8	1,545.6
Farm .....	2	125.1	126.4	127.2	128.1	128.5
Mining, utilities, and construction.....	3	47.8	46.6	46.2	47.3	47.5
Manufacturing.....	4	430.2	430.9	433.2	435.0	436.1
Durable goods industries.....	5	256.6	256.1	257.5	259.5	260.4
Nondurable goods industries.....	6	173.5	174.7	175.5	175.4	175.6
Wholesale trade.....	7	347.5	349.7	354.7	363.0	368.6
Durable goods industries.....	8	205.0	207.7	211.8	218.6	222.4
Nondurable goods industries.....	9	142.3	141.8	142.8	144.5	146.4
Retail trade.....	10	435.6	442.0	449.5	444.5	448.3
Motor vehicle and parts dealers.....	11	150.6	155.2	159.5	153.7	151.9
Food and beverage stores.....	12	32.7	32.8	33.2	33.2	33.4
General merchandise stores.....	13	65.8	66.5	67.2	67.3	69.1
Other retail stores.....	14	186.9	187.9	190.2	190.6	194.1
Other industries.....	15	113.3	114.0	114.6	115.6	116.5
Residual.....	16	0.3	0.2	-0.5	0.0	-0.2
<b>Addenda:</b>						
Private inventories.....	17	1,499.9	1,509.9	1,525.2	1,533.8	1,545.6
Durable goods industries.....	18	700.7	708.5	720.2	724.1	730.0
Nondurable goods industries.....	19	799.1	801.5	805.6	810.3	816.2
Nonfarm industries.....	20	1,374.8	1,383.5	1,398.2	1,405.8	1,417.2
Wholesale trade.....	21	347.5	349.7	354.7	363.0	368.6
Merchant wholesale trade.....	22	299.7	301.5	305.5	312.9	318.4
Durable goods industries.....	23	178.1	180.7	184.4	190.3	194.1
Nondurable goods industries.....	24	121.4	120.8	121.0	122.6	124.4
Nonmerchant wholesale trade.....	25	47.8	48.1	49.2	50.1	50.2
<b>Final sales of domestic business</b> <sup>2</sup> .....	26	618.7	624.5	628.7	637.8	644.7
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	27	387.3	390.8	393.5	401.4	405.3
<b>Ratios of private inventories to final sales of domestic business:</b>						
Private inventories to final sales.....	28	2.42	2.42	2.43	2.40	2.40
Nonfarm inventories to final sales.....	29	2.22	2.22	2.22	2.20	2.20
Nonfarm inventories to final sales of goods and structures.....	30	3.55	3.54	3.55	3.50	3.50

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.

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

	Line	Seasonally adjusted				
		2003		2004		
		IV	I	II	III	IV
<b>Private inventories</b> <sup>1</sup> .....	1	103.505	106.362	107.905	108.231	109.579
Farm .....	2	121.492	138.741	140.419	127.550	127.938
Mining, utilities, and construction.....	3	109.532	115.478	119.907	122.395	128.164
Manufacturing.....	4	102.741	104.904	107.030	110.031	112.034
Durable goods industries.....	5	100.390	102.914	104.314	106.756	108.279
Nondurable goods industries.....	6	106.295	107.928	111.119	114.946	117.664
Wholesale trade.....	7	102.907	104.828	106.120	107.173	108.330
Durable goods industries.....	8	99.034	100.851	102.176	103.967	104.969
Nondurable goods industries.....	9	108.666	110.741	111.984	111.932	113.321
Retail trade.....	10	99.902	100.400	101.517	102.123	102.837
Motor vehicle and parts dealers.....	11	95.331	95.515	96.427	97.020	97.723
Food and beverage stores.....	12	108.693	108.989	111.247	110.947	111.662
General merchandise stores.....	13	101.992	102.371	103.034	103.139	103.593
Other retail stores.....	14	101.134	101.965	103.208	104.159	104.972
Other industries.....	15	100.004	100.275	100.736	101.367	102.554
<b>Addenda:</b>						
Private inventories.....	16	103.505	106.362	107.905	108.231	109.579
Durable goods industries.....	17	98.839	100.468	101.878	103.570	104.656
Nondurable goods industries.....	18	107.615	111.554	113.215	112.319	113.900
Nonfarm industries.....	19	101.862	103.407	104.938	106.465	107.900
Wholesale trade.....	20	102.907	104.828	106.120	107.173	108.330
Merchant wholesale trade.....	21	102.961	104.861	106.035	106.732	107.751
Durable goods industries.....	22	99.210	101.084	102.433	104.304	105.343
Nondurable goods industries.....	23	108.691	110.636	111.545	110.437	111.423
Nonmerchant wholesale trade.....	24	102.584	104.631	106.662	109.930	111.953

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 6.1D. National Income Without Capital Consumption Adjustment by Industry

[Billions of dollars]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
				IV	I	II	III	IV
<b>National income without capital consumption adjustment</b> .....	1	<b>9,396.6</b>	<b>9,936.2</b>	<b>9,647.7</b>	<b>9,744.7</b>	<b>9,883.2</b>	<b>9,938.5</b>	<b>10,178.4</b>
<b>Domestic industries</b> .....	2	<b>9,341.5</b>	<b>9,892.3</b>	<b>9,560.6</b>	<b>9,671.2</b>	<b>9,847.0</b>	<b>9,900.4</b>	<b>10,150.5</b>
<b>Private industries</b> .....	3	<b>8,158.7</b>	<b>8,666.8</b>	<b>8,363.9</b>	<b>8,455.9</b>	<b>8,626.4</b>	<b>8,670.8</b>	<b>8,914.2</b>
Agriculture, forestry, fishing, and hunting .....	4	75.8	77.8	80.5	76.5	79.4	74.1	81.1
Mining .....	5	94.9	108.8	99.7	100.3	105.6	108.1	121.2
Utilities .....	6	156.0	166.9	162.9	164.4	165.1	164.8	173.4
Construction .....	7	476.5	511.1	488.5	492.0	504.5	518.7	528.9
Manufacturing .....	8	1,113.1	1,196.1	1,158.2	1,145.9	1,177.3	1,202.9	1,258.3
Durable goods .....	9	639.2	696.1	666.0	656.8	679.5	710.4	737.8
Nondurable goods .....	10	473.9	499.9	492.2	489.2	497.7	492.4	520.5
Wholesale trade .....	11	569.6	603.5	580.9	583.0	597.4	614.5	619.3
Retail trade .....	12	725.8	742.9	735.0	740.2	743.4	731.5	756.5
Transportation and warehousing .....	13	259.9	273.9	267.3	269.2	277.4	273.9	274.8
Information .....	14	310.7	333.1	313.0	311.9	340.1	346.4	334.0
Finance, insurance, real estate, rental, and leasing .....	15	1,740.8	1,867.8	1,790.2	1,846.8	1,874.2	1,837.1	1,913.2
Professional and business services <sup>1</sup> .....	16	1,226.4	1,299.9	1,248.9	1,271.2	1,281.7	1,311.6	1,335.0
Educational services, health care, and social assistance .....	17	824.8	872.7	843.4	853.2	869.2	873.1	895.3
Arts, entertainment, recreation, accommodation, and food services .....	18	339.5	356.7	346.2	350.3	356.2	356.4	363.8
Other services, except government .....	19	244.9	255.7	249.2	251.0	254.7	257.6	259.4
<b>Government</b> .....	20	<b>1,182.8</b>	<b>1,225.4</b>	<b>1,196.7</b>	<b>1,215.2</b>	<b>1,220.6</b>	<b>1,229.6</b>	<b>1,236.2</b>
<b>Rest of the world</b> .....	21	<b>55.1</b>	<b>43.9</b>	<b>87.2</b>	<b>73.5</b>	<b>36.1</b>	<b>38.2</b>	<b>27.9</b>

1. 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 6.16D. Corporate Profits by Industry

[Billions of dollars]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003	2004			
				IV	I	II	III	IV
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	1	<b>1,021.1</b>	<b>1,181.6</b>	<b>1,129.1</b>	<b>1,165.6</b>	<b>1,173.9</b>	<b>1,118.0</b>	<b>1,268.8</b>
<b>Domestic industries</b> .....	2	<b>844.2</b>	<b>989.6</b>	<b>913.3</b>	<b>960.3</b>	<b>988.6</b>	<b>929.3</b>	<b>1,080.1</b>
Financial <sup>1</sup> .....	3	327.8	336.4	335.9	355.7	347.8	279.1	363.2
Nonfinancial .....	4	516.4	653.1	577.3	604.6	640.8	650.2	716.9
<b>Rest of the world</b> .....	5	<b>176.9</b>	<b>192.0</b>	<b>215.8</b>	<b>205.3</b>	<b>185.3</b>	<b>188.7</b>	<b>188.7</b>
Receipts from the rest of the world .....	6	250.7	315.4	293.4	299.0	305.6	313.1	343.9
Less: Payments to the rest of the world .....	7	73.8	123.4	77.5	93.7	120.3	124.5	155.3
<b>Corporate profits with inventory valuation adjustment</b> .....	8	<b>860.4</b>	<b>942.4</b>	<b>941.9</b>	<b>925.4</b>	<b>940.6</b>	<b>895.0</b>	<b>1,008.8</b>
<b>Domestic industries</b> .....	9	<b>683.4</b>	<b>750.4</b>	<b>726.1</b>	<b>720.0</b>	<b>755.2</b>	<b>706.3</b>	<b>820.1</b>
Financial .....	10	299.8	294.0	305.3	313.7	306.4	237.6	318.2
Federal Reserve banks .....	11	19.2	19.1	17.6	18.2	18.1	19.0	21.1
Other financial <sup>2</sup> .....	12	280.6	274.9	287.8	295.5	288.3	218.6	297.1
Nonfinancial .....	13	383.6	456.4	420.7	406.4	448.8	468.7	501.9
Utilities .....	14	18.8	23.3	24.3	23.2	21.5	21.1	27.5
Manufacturing .....	15	67.3	105.9	93.4	81.5	94.8	105.0	142.4
Durable goods .....	16	-3.5	23.9	9.3	2.8	14.9	29.8	48.1
Fabricated metal products .....	17	10.1	13.6	13.2	11.8	12.1	13.1	17.2
Machinery .....	18	-0.5	3.4	1.1	2.2	3.6	6.7	1.1
Computer and electronic products .....	19	-15.4	-13.8	-14.0	-17.2	-15.9	-10.5	-11.5
Electrical equipment, appliances, and components .....	20	-3.2	-2.7	-4.4	-8.1	-1.6	-5.5	4.4
Motor vehicles, bodies and trailers, and parts .....	21	-6.2	2.7	-5.0	-0.5	-1.2	5.0	7.4
Other durable goods <sup>3</sup> .....	22	11.8	20.8	18.4	14.6	18.0	21.2	29.6
Nondurable goods .....	23	70.7	82.0	84.1	78.6	79.9	75.2	94.4
Food and beverage and tobacco products .....	24	27.7	26.9	34.2	31.1	27.9	26.4	22.4
Petroleum and coal products .....	25	14.8	28.6	18.7	24.5	27.3	20.0	42.5
Chemical products .....	26	21.2	12.7	21.3	14.1	13.7	14.8	8.4
Other nondurable goods <sup>4</sup> .....	27	7.1	13.8	9.8	8.9	11.0	14.0	21.1
Wholesale trade .....	28	47.9	54.6	50.1	46.0	52.2	61.1	59.0
Retail trade .....	29	77.7	72.2	74.7	80.0	73.1	64.7	70.8
Transportation and warehousing .....	30	10.5	9.7	12.4	11.7	15.5	7.3	4.5
Information .....	31	-0.7	9.5	-1.0	-6.6	16.5	21.6	6.6
Other nonfinancial <sup>5</sup> .....	32	162.1	181.2	166.8	170.7	175.1	187.9	191.2
<b>Rest of the world</b> .....	33	<b>176.9</b>	<b>192.0</b>	<b>215.8</b>	<b>205.3</b>	<b>185.3</b>	<b>188.7</b>	<b>188.7</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	2003	2004	Seasonally adjusted at annual rates				
				2004				
				IV	I	II	III	IV
<b>Current dollars:</b>								
Gross domestic product .....	1	37,805	39,921	38,570	39,173	39,713	40,144	40,650
Gross national product .....	2	37,995	40,071	38,869	39,424	39,837	40,273	40,745
Personal income .....	3	31,476	32,907	31,928	32,250	32,679	32,959	33,733
Disposable personal income ....	4	28,034	29,372	28,474	28,813	29,168	29,395	30,108
Personal consumption								
expenditures .....	5	26,663	27,998	27,086	27,521	27,778	28,142	28,546
Durable goods .....	6	3,266	3,381	3,323	3,334	3,323	3,421	3,446
Nondurable goods .....	7	7,559	8,086	7,700	7,910	8,021	8,111	8,302
Services .....	8	15,838	16,530	16,062	16,278	16,433	16,609	16,798
<b>Chained (2000) dollars:</b>								
Gross domestic product .....	9	35,666	36,883	36,208	36,526	36,740	37,005	37,259
Gross national product .....	10	35,846	37,023	36,491	36,762	36,856	37,125	37,346
Disposable personal income ....	11	26,570	27,240	26,862	26,964	27,088	27,214	27,691
Personal consumption								
expenditures .....	12	25,270	25,965	25,552	25,755	25,797	26,053	26,254
Durable goods .....	13	3,541	3,740	3,661	3,672	3,661	3,800	3,826
Nondurable goods .....	14	7,257	7,513	7,364	7,469	7,454	7,520	7,609
Services .....	15	14,499	14,759	14,567	14,654	14,788	14,875	15,019
Population (midperiod, thousands)	16	291,073	293,951	292,217	292,872	293,540	294,315	295,077

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

[Percent]

	Line	2003	2004	Seasonally adjusted at annual rates				
				2004				
				IV	I	II	III	IV
<b>Motor vehicle output</b>								
Auto output .....	1	4.2	5.6	2.9	8.8	-15.2	10.4	27.6
Truck output .....	3	11.6	8.0	17.8	9.2	-17.9	7.7	39.1
<b>Final sales of domestic product</b>	4	7.1	6.7	-5.1	-11.2	-6.7	64.5	10.4
<b>Personal consumption expenditures</b>								
New motor vehicles .....	6	8.2	1.1	-21.4	-2.3	3.3	14.0	-15.1
Autos .....	7	-2.2	0.2	-10.8	9.9	1.5	-19.3	27.0
Light trucks (including utility vehicles) .....	8	15.4	1.6	-26.6	-8.8	4.4	37.8	-32.2
Net purchases of used autos and used light trucks .....	9	-0.9	5.9	67.3	-21.8	-28.3	101.1	27.9
Used autos .....	10	-1.1	1.5	52.7	-27.0	-26.3	106.4	14.2
Used light trucks (including utility vehicles) .....	11	-0.6	10.3	82.7	-16.6	-30.1	96.2	42.3
<b>Private fixed investment</b>	12	2.9	16.8	9.0	-3.2	5.0	72.0	35.5
New motor vehicles .....	13	-0.5	13.4	23.2	-8.2	-1.6	55.0	33.6
Autos .....	14	-6.1	5.0	13.6	-13.4	-10.6	31.1	32.8
Trucks .....	15	3.3	18.6	29.5	-5.1	3.9	69.6	33.9
Light trucks (including utility vehicles) .....	16	3.0	13.7	22.3	-15.2	8.8	68.3	24.7
Other .....	17	4.1	34.2	54.5	30.9	-8.4	73.3	61.8
Net purchases of used autos and used light trucks .....	18	-5.2	7.5	51.2	-16.5	-12.8	26.9	30.0
Used autos .....	19	-3.1	3.9	32.1	-20.7	-5.8	17.7	27.0
Used light trucks (including utility vehicles) .....	20	-7.2	11.1	72.9	-12.5	-19.0	36.3	32.8
<b>Gross government investment</b>								
Autos .....	22	-4.6	-9.9	14.3	-10.2	30.5	-37.2	39.7
Trucks .....	23	4.4	25.3	17.2	16.2	37.0	5.6	60.7
<b>Net exports</b>								
Exports .....	25	10.0	11.0	32.1	-22.6	25.4	113.3	-25.3
Autos .....	26	4.6	3.0	22.5	-28.2	24.2	46.5	-2.2
Trucks .....	27	15.8	18.6	41.6	-17.3	26.4	188.1	-39.3
Imports .....	28	-0.2	5.0	24.7	2.3	14.3	1.3	-14.2
Autos .....	29	-3.5	0.2	28.0	-17.5	-6.0	36.6	-26.2
Trucks .....	30	3.7	10.2	21.0	29.1	38.3	-24.7	0.2
<b>Change in private inventories</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	4.8	5.9	-0.1	-6.8	-3.0	40.5	6.2
Private fixed investment in new autos and new light trucks .....	43	-1.3	9.8	18.4	-14.4	-0.2	51.4	28.0
Domestic output of new autos <sup>2</sup> .....	44	-7.6	-2.1	-16.0	-3.3	-18.8	24.3	0.5
Sales of imported new autos <sup>3</sup> .....	45	-3.8	3.5	-7.5	4.0	10.4	-5.4	33.7

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	2003	2004	Seasonally adjusted				
				2003		2004		
				IV	I	II	III	IV
<b>Motor vehicle output</b> .....	1	<b>110.849</b>	<b>117.029</b>	<b>114.894</b>	<b>117.344</b>	<b>112.620</b>	<b>115.444</b>	<b>122.707</b>
Auto output .....	2	90.589	91.179	89.002	90.723	88.609	92.012	93.374
Truck output .....	3	125.264	135.310	133.197	136.160	129.616	132.049	143.413
<b>Final sales of domestic product.</b>	4	<b>112.554</b>	<b>120.046</b>	<b>116.751</b>	<b>113.326</b>	<b>111.392</b>	<b>126.161</b>	<b>129.306</b>
<b>Personal consumption expenditures</b> .....	5	<b>119.262</b>	<b>122.204</b>	<b>122.213</b>	<b>119.571</b>	<b>117.586</b>	<b>126.426</b>	<b>125.234</b>
New motor vehicles .....	6	128.769	130.205	129.367	128.602	129.653	133.973	128.591
Autos .....	7	97.523	97.759	96.309	98.610	98.984	93.831	99.610
Light trucks (including utility vehicles) .....	8	158.129	160.706	160.432	156.795	158.481	171.716	155.831
Net purchases of used autos and used light trucks .....	9	101.191	107.183	109.027	102.525	94.351	112.360	119.495
Used autos .....	10	93.876	95.320	98.566	91.094	84.411	101.175	104.599
Used light trucks (including utility vehicles) .....	11	110.008	121.370	121.569	116.185	106.236	125.734	137.326
<b>Private fixed investment</b> .....	12	<b>82.945</b>	<b>96.874</b>	<b>88.326</b>	<b>87.619</b>	<b>88.702</b>	<b>101.584</b>	<b>109.593</b>
New motor vehicles .....	13	87.570	99.322	94.361	92.356	91.979	102.625	110.326
Autos .....	14	85.332	89.610	89.976	86.801	84.395	90.300	96.943
Trucks .....	15	89.047	105.600	97.229	95.969	96.892	110.579	118.961
Light trucks (including utility vehicles) .....	16	93.868	106.769	100.822	96.758	98.819	112.558	118.939
Other .....	17	75.681	101.579	86.979	93.037	91.029	104.447	117.803
Net purchases of used autos and used light trucks .....	18	94.332	101.400	103.837	99.248	95.899	101.782	108.673
Used autos .....	19	88.558	91.982	95.073	89.731	88.397	92.069	97.730
Used light trucks (including utility vehicles) .....	20	100.858	112.092	113.780	110.059	104.405	112.807	121.096
<b>Gross government investment</b>	21	<b>97.081</b>	<b>112.803</b>	<b>101.611</b>	<b>104.007</b>	<b>112.237</b>	<b>110.898</b>	<b>124.070</b>
Autos .....	22	92.466	83.346	84.479	82.226	87.880	78.228	85.048
Trucks .....	23	98.842	123.839	108.095	112.234	121.428	123.095	138.601
<b>Net exports</b> .....	24	119.396	132.484	124.853	117.092	123.902	149.733	139.210
Exports .....	25	125.759	129.473	128.662	118.448	125.049	137.582	136.811
Autos .....	26	113.713	134.828	121.354	115.711	122.688	159.844	141.068
Trucks .....	27	102.801	107.894	105.439	106.040	109.646	110.012	105.878
Imports .....	28	100.009	100.200	104.208	99.320	97.786	105.710	97.984
Autos .....	29	106.911	116.937	106.895	113.936	123.559	115.093	115.160
Trucks .....	30	106.911	116.937	106.895	113.936	123.559	115.093	115.160
<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	109.332	115.754	113.002	111.035	110.205	119.982	121.795
Private fixed investment in new autos and new light trucks .....	43	89.811	98.652	95.677	92.032	91.994	102.040	108.541
Domestic output of new autos <sup>2</sup> ..	44	91.620	89.662	91.429	90.668	86.076	90.894	91.012
Sales of imported new autos <sup>3</sup> ..	45	97.326	100.769	96.797	97.757	100.210	98.835	106.273

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	2003	2004	Seasonally adjusted				
				2003		2004		
				IV	I	II	III	IV
<b>Motor vehicle output</b> .....	1	<b>96.462</b>	<b>95.914</b>	<b>96.048</b>	<b>96.266</b>	<b>96.347</b>	<b>95.086</b>	<b>95.959</b>
Auto output .....	2	95.464	94.428	94.125	94.500	95.149	93.815	94.249
Truck output .....	3	96.892	96.610	96.951	97.095	96.905	95.680	96.760
<b>Final sales of domestic product.</b>	4	<b>96.100</b>	<b>95.579</b>	<b>95.797</b>	<b>95.914</b>	<b>96.094</b>	<b>94.724</b>	<b>95.586</b>
<b>Personal consumption expenditures</b> .....	5	<b>96.200</b>	<b>94.660</b>	<b>94.430</b>	<b>94.578</b>	<b>94.760</b>	<b>94.201</b>	<b>95.103</b>
New motor vehicles .....	6	96.429	95.754	95.956	96.061	96.027	95.149	95.779
Autos .....	7	96.527	95.934	96.000	96.003	96.191	95.597	95.944
Light trucks (including utility vehicles) .....	8	96.303	95.601	95.881	96.044	95.880	94.847	95.633
Net purchases of used autos and used light trucks .....	9	95.415	91.663	90.384	90.634	91.362	91.585	93.071
Used autos .....	10	94.743	91.530	89.235	89.825	91.174	91.706	93.414
Used light trucks (including utility vehicles) .....	11	96.061	91.829	91.514	91.439	91.581	91.508	92.787
<b>Private fixed investment</b> .....	12	<b>101.697</b>	<b>107.003</b>	<b>107.996</b>	<b>107.908</b>	<b>108.319</b>	<b>105.751</b>	<b>106.033</b>
New motor vehicles .....	13	96.806	97.286	97.482	97.165	97.477	96.800	97.702
Autos .....	14	96.511	95.924	95.986	95.988	96.188	95.593	95.927
Trucks .....	15	96.975	98.105	98.390	97.882	98.258	97.536	98.742
Light trucks (including utility vehicles) .....	16	95.503	96.031	97.256	96.003	96.363	95.093	96.665
Other .....	17	101.987	104.882	102.300	104.061	104.488	105.410	105.568
Net purchases of used autos and used light trucks .....	18	90.570	84.437	83.385	82.755	82.928	85.083	86.983
Used autos .....	19	91.133	84.915	84.162	83.423	83.541	85.426	87.270
Used light trucks (including utility vehicles) .....	20	90.016	83.953	82.621	82.092	82.317	84.725	86.676
<b>Gross government investment</b>	21	<b>100.398</b>	<b>102.854</b>	<b>102.386</b>	<b>102.693</b>	<b>102.739</b>	<b>102.600</b>	<b>103.383</b>
Autos .....	22	99.649	98.913	102.260	100.347	98.962	98.461	97.883
Trucks .....	23	100.655	103.939	102.407	103.353	103.796	103.750	104.858
<b>Net exports</b> .....	24	103.701	105.679	104.205	104.745	105.318	105.903	106.750
Exports .....	25	102.543	103.966	102.898	103.335	104.063	104.028	104.436
Autos .....	26	104.901	107.355	105.545	106.179	106.613	107.711	108.915
Trucks .....	27	102.154	103.825	102.928	103.095	103.530	104.130	104.546
Imports .....	28	101.661	103.076	102.343	102.477	102.674	103.344	103.808
Autos .....	29	102.733	104.658	103.596	103.799	104.469	104.998	105.364
Trucks .....	30	102.733	104.658	103.596	103.799	104.469	104.998	105.364
<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	97.305	97.206	97.232	97.337	97.562	96.587	97.340
Private fixed investment in new autos and new light trucks .....	43	95.999	96.030	96.738	96.041	96.331	95.346	96.401
Domestic output of new autos <sup>2</sup> ..	44	97.366	97.275	96.586	97.287	97.554	96.951	97.308
Sales of imported new autos <sup>3</sup> ..	45	96.581	95.960	96.830	96.031	96.222	95.626	95.961

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	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Motor vehicle output .....</b>	1	<b>390.2</b>	<b>409.7</b>	<b>402.9</b>	<b>412.3</b>	<b>396.1</b>	<b>400.7</b>	<b>429.8</b>
Auto output.....	2	130.6	130.1	126.6	129.5	127.4	130.4	132.9
Truck output.....	3	259.6	279.7	276.3	282.8	268.7	270.3	296.9
<b>Final sales of domestic product.</b>	4	<b>383.4</b>	<b>406.7</b>	<b>396.5</b>	<b>385.3</b>	<b>379.5</b>	<b>423.6</b>	<b>438.2</b>
<b>Personal consumption expenditures .....</b>	5	<b>373.4</b>	<b>376.6</b>	<b>375.8</b>	<b>368.2</b>	<b>362.8</b>	<b>387.8</b>	<b>387.8</b>
New motor vehicles .....	6	266.0	267.1	266.0	264.7	266.8	273.1	263.9
Autos .....	7	97.5	97.1	95.8	98.1	98.6	92.9	99.0
Light trucks (including utility vehicles).....	8	168.5	170.0	170.2	166.7	168.2	180.2	164.9
Net purchases of used autos and used light trucks .....	9	107.4	109.5	109.8	103.5	96.0	114.6	123.9
Used autos .....	10	53.9	53.0	53.4	49.7	46.7	56.3	59.3
Used light trucks (including utility vehicles).....	11	53.5	56.5	56.4	53.9	49.3	58.3	64.6
<b>Private fixed investment .....</b>	12	<b>99.8</b>	<b>122.3</b>	<b>112.6</b>	<b>111.6</b>	<b>113.4</b>	<b>126.8</b>	<b>137.2</b>
New motor vehicles .....	13	163.9	186.8	177.8	173.5	173.3	192.1	208.4
Autos.....	14	62.9	65.7	66.0	63.7	62.0	65.9	71.0
Trucks.....	15	101.0	121.2	111.9	109.8	111.3	126.1	137.4
Light trucks (including utility vehicles).....	16	77.2	88.2	84.4	79.9	81.9	92.1	98.9
Other.....	17	23.9	33.0	27.5	29.9	29.4	34.0	38.4
Net purchases of used autos and used light trucks.....	18	-64.2	-64.6	-65.2	-61.9	-59.9	-65.3	-71.2
Used autos .....	19	-32.2	-31.2	-32.0	-29.9	-29.5	-31.4	-34.1
Used light trucks (including utility vehicles).....	20	-32.0	-33.3	-33.3	-32.0	-30.4	-33.8	-37.2
<b>Gross government investment.....</b>	21	<b>12.1</b>	<b>14.4</b>	<b>12.9</b>	<b>13.2</b>	<b>14.3</b>	<b>14.1</b>	<b>15.9</b>
Autos .....	22	3.1	2.8	2.9	2.8	3.0	2.6	2.8
Trucks.....	23	8.9	11.6	9.9	10.4	11.3	11.5	13.0
<b>Net exports.....</b>	24	<b>-101.9</b>	<b>-106.6</b>	<b>-104.7</b>	<b>-107.7</b>	<b>-111.0</b>	<b>-105.0</b>	<b>-102.7</b>
Exports .....	25	32.3	36.6	34.0	32.0	34.1	41.4	38.8
Autos.....	26	15.8	16.5	16.2	15.0	15.9	17.5	17.5
Trucks.....	27	16.6	20.1	17.8	17.1	18.2	23.9	21.3
Imports .....	28	134.3	143.2	138.7	139.7	145.1	146.4	141.5
Autos.....	29	70.6	71.7	74.0	70.6	69.7	75.8	70.6
Trucks.....	30	63.7	71.5	64.7	69.1	75.4	70.6	70.9
<b>Change in private inventories .....</b>	31	<b>6.9</b>	<b>3.1</b>	<b>6.4</b>	<b>27.0</b>	<b>16.6</b>	<b>-23.0</b>	<b>-8.4</b>
Autos.....	32	0.1	-2.1	-1.6	0.9	0.3	2.4	-12.0
New.....	33	0.1	-2.9	-1.7	0.4	-6.3	3.6	-9.3
Domestic.....	34	0.2	-1.9	-2.6	-1.0	-4.0	1.3	-4.0
Foreign.....	35	-0.1	-1.0	0.9	1.5	-2.4	2.3	-5.3
Used.....	36	0.0	0.8	0.0	0.5	6.7	-1.3	-2.7
Trucks.....	37	6.8	5.2	8.0	26.1	16.3	-25.3	3.7
New.....	38	6.7	4.1	8.1	25.6	10.1	-25.7	6.2
Domestic.....	39	6.7	4.2	4.4	24.1	7.8	-21.1	6.1
Foreign.....	40	0.0	-0.1	3.7	1.6	2.3	-4.5	0.2
Used <sup>1</sup> .....	41	0.0	1.1	0.0	0.5	6.2	0.3	-2.6
<b>Addenda:</b>								
Final sales of motor vehicles to domestic purchasers .....	42	485.3	513.3	501.2	493.0	490.5	528.7	540.8
Private fixed investment in new autos and new light trucks.....	43	140.1	153.9	150.3	143.6	143.9	158.0	170.0
Domestic output of new autos <sup>2</sup> ..	44	98.6	96.4	97.6	97.5	92.8	97.4	97.9
Sales of imported new autos <sup>3</sup> ..	45	78.8	81.1	78.6	78.7	80.9	79.3	85.5

**Table 7.2.6B. Real Motor Vehicle Output, Chained Dollars**  
(Billions of chained (2000) dollars)

	Line	2003	2004	Seasonally adjusted at annual rates				
				2003		2004		
				IV	I	II	III	IV
<b>Motor vehicle output .....</b>	1	<b>404.6</b>	<b>427.1</b>	<b>419.3</b>	<b>428.3</b>	<b>411.0</b>	<b>421.3</b>	<b>447.8</b>
Auto output.....	2	136.9	137.8	134.5	137.1	133.9	139.0	141.1
Truck output.....	3	267.9	289.4	284.9	291.2	277.2	282.4	306.7
<b>Final sales of domestic product.</b>	4	<b>398.9</b>	<b>425.5</b>	<b>413.8</b>	<b>401.7</b>	<b>394.8</b>	<b>447.2</b>	<b>458.3</b>
<b>Personal consumption expenditures .....</b>	5	<b>388.2</b>	<b>397.8</b>	<b>397.8</b>	<b>389.2</b>	<b>382.7</b>	<b>411.5</b>	<b>407.6</b>
New motor vehicles .....	6	275.9	279.0	277.2	275.5	277.8	287.0	275.5
Autos.....	7	101.0	101.3	99.8	102.1	102.5	97.2	103.2
Light trucks (including utility vehicles).....	8	175.0	177.8	177.5	173.5	175.4	190.0	172.4
Net purchases of used autos and used light trucks.....	9	112.6	119.2	121.3	114.1	105.0	125.0	132.9
Used autos .....	10	56.9	57.8	59.8	55.2	51.2	61.4	63.4
Used light trucks (including utility vehicles).....	11	55.7	61.4	61.5	58.8	53.8	63.6	69.5
<b>Private fixed investment.....</b>	12	<b>98.1</b>	<b>114.6</b>	<b>104.5</b>	<b>103.6</b>	<b>104.9</b>	<b>120.1</b>	<b>129.6</b>
New motor vehicles .....	13	169.3	192.1	182.5	178.6	177.9	198.5	213.3
Autos.....	14	65.2	68.5	68.7	66.3	64.5	69.0	74.1
Trucks.....	15	104.2	123.5	113.7	112.3	113.3	129.4	139.2
Light trucks (including utility vehicles).....	16	80.8	91.9	86.8	83.3	85.1	96.9	102.4
Other.....	17	23.4	31.4	26.9	28.8	28.1	32.3	36.4
Net purchases of used autos and used light trucks.....	18	-70.9	-76.2	-78.0	-74.5	-72.0	-76.4	-81.6
Used autos .....	19	-35.3	-36.7	-37.9	-35.8	-35.2	-36.7	-39.0
Used light trucks (including utility vehicles).....	20	-35.5	-39.5	-40.1	-38.8	-36.8	-39.8	-42.7
<b>Gross government investment.....</b>	21	<b>12.0</b>	<b>14.0</b>	<b>12.6</b>	<b>12.9</b>	<b>13.9</b>	<b>13.7</b>	<b>15.4</b>
Autos.....	22	3.2	2.8	2.9	2.8	3.0	2.7	2.9
Trucks.....	23	8.9	11.1	9.7	10.1	10.9	11.0	12.4
<b>Net exports.....</b>	24	<b>-100.2</b>	<b>-103.3</b>	<b>-102.2</b>	<b>-105.0</b>	<b>-107.8</b>	<b>-101.5</b>	<b>-99.0</b>
Exports .....	25	31.2	34.6	32.6	30.6	32.4	39.1	36.4
Autos.....	26	15.4	15.8	15.7	14.5	15.3	16.8	16.7
Trucks.....	27	15.8	18.7	16.9	16.1	17.0	22.2	19.6
Imports .....	28	131.4	137.9	134.8	135.6	140.2	140.6	135.4
Autos.....	29	69.4	69.6	72.3	68.9	67.9	73.4	68.0
Trucks.....	30	62.0	68.3	62.5	66.6	72.2	67.2	67.3
<b>Change in private inventories.....</b>	31	<b>10.3</b>	<b>3.2</b>	<b>9.6</b>	<b>27.6</b>	<b>17.2</b>	<b>-23.7</b>	<b>-8.4</b>
Autos.....	32	3.5	-2.4	1.5	1.1	0.4	2.7	-13.7
New.....	33	0.1	-2.9	-1.7	0.4	-6.3	3.6	-9.1
Domestic.....	34	0.2	-1.9	-2.6	-1.1	-4.0	1.3	-4.0
Foreign.....	35	-0.1	-0.9	0.9	1.4	-2.3	2.2	-5.1
Used.....	36	3.6	1.0	-0.1	0.6	7.9	-1.5	-3.1
Trucks.....	37	6.5	4.7	7.3	23.6	15.0	-23.3	3.4
New.....	38	6.0	3.3	6.8	21.2	8.5	-21.6	5.2
Domestic.....	39	6.0	3.4	3.7	19.9	6.6	-17.8	5.0
Foreign.....	40	0.0	-0.1	3.0	1.3	1.9	-3.8	0.1
Used <sup>1</sup> .....	41	0.1	1.3	-0.1	0.5	7.3	0.3	-2.9
<b>Residual.....</b>	42	<b>-4.3</b>	<b>-0.1</b>	<b>1.1</b>	<b>4.3</b>	<b>-1.1</b>	<b>-5.4</b>	<b>1.8</b>
<b>Addenda:</b>								
Final sales of motor vehicles to domestic purchasers .....	43	498.7	528.0	515.5	506.5	502.7	547.3	555.6
Private fixed investment in new autos and new light trucks.....	44	145.9	160.3	155.4	149.5	149.5	165.8	176.3
Domestic output of new autos <sup>2</sup> ..	45	101.2	99.1	101.0	100.2	95.1	100.4	100.6
Sales of imported new autos <sup>3</sup> ..	46	81.6	84.5	81.2	82.0	84.0	82.9	89.1

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.

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 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.



The estimates in this table were published in tables 1 and 6 in "Annual Industry Accounts: Revised Estimates for 2001-2003" in the January 2005 SURVEY.

Table B.2. Current-Dollar and Real Value Added by Industry for 2001-2003

	Billions of dollars			Billions of chained (2000) dollars				Billions of dollars			Billions of chained (2000) dollars		
	2001	2002	2003	2001	2002	2003		2001	2002	2003	2001	2002	2003
<b>Gross domestic product</b> .....	<b>10,128.0</b>	<b>10,487.0</b>	<b>11,004.0</b>	<b>9,890.7</b>	<b>10,074.8</b>	<b>10,381.3</b>							
<b>Private industries</b> .....	<b>8,869.7</b>	<b>9,154.1</b>	<b>9,604.2</b>	<b>8,692.5</b>	<b>8,851.6</b>	<b>9,123.0</b>	Federal Reserve banks, credit intermediation, and related activities.....	360.1	413.9	440.4	345.9	376.2	398.7
<b>Agriculture, forestry, fishing, and hunting</b> .....	<b>97.9</b>	<b>96.9</b>	<b>113.9</b>	<b>91.8</b>	<b>98.1</b>	<b>103.5</b>	Securities, commodity contracts, and investments.....	170.2	151.2	168.1	186.4	183.8	218.1
Farms.....	73.1	70.8	84.8	65.6	69.9	72.7	Insurance carriers and related activities.....	234.4	234.8	256.0	228.9	221.8	229.4
Forestry, fishing, and related activities....	24.8	26.1	29.1	26.3	28.3	31.1	Funds, trusts, and other financial vehicles.....	18.0	18.2	18.4	12.6	11.6	14.1
<b>Mining</b> .....	<b>118.7</b>	<b>104.9</b>	<b>130.3</b>	<b>114.9</b>	<b>112.4</b>	<b>104.6</b>	<b>Real estate and rental and leasing</b> .....	<b>1,276.6</b>	<b>1,330.0</b>	<b>1,367.4</b>	<b>1,232.6</b>	<b>1,239.7</b>	<b>1,244.1</b>
Oil and gas extraction.....	72.5	60.4	83.2	77.7	77.6	65.3	Real estate.....	1,169.7	1,227.5	1,260.7	1,125.7	1,135.9	1,140.7
Mining, except oil and gas.....	27.1	27.4	27.7	25.8	24.7	25.1	Rental and leasing services and lessors of intangible assets.....	106.9	102.5	106.7	106.8	103.5	103.0
Support activities for mining.....	19.1	17.1	19.4	11.6	10.9	12.7	<b>Professional and business services</b> .....	<b>1,165.9</b>	<b>1,190.0</b>	<b>1,244.3</b>	<b>1,133.4</b>	<b>1,147.9</b>	<b>1,188.0</b>
<b>Utilities</b> .....	<b>202.3</b>	<b>210.7</b>	<b>222.2</b>	<b>180.0</b>	<b>190.7</b>	<b>202.0</b>	<b>Professional, scientific, and technical services</b> .....	<b>698.8</b>	<b>712.9</b>	<b>743.3</b>	<b>679.1</b>	<b>681.2</b>	<b>701.8</b>
<b>Construction</b> .....	<b>469.5</b>	<b>479.1</b>	<b>501.3</b>	<b>436.6</b>	<b>425.1</b>	<b>424.1</b>	Legal services.....	145.6	149.2	160.6	137.7	135.8	140.8
<b>Manufacturing</b> .....	<b>1,341.3</b>	<b>1,347.2</b>	<b>1,402.3</b>	<b>1,346.9</b>	<b>1,378.2</b>	<b>1,440.0</b>	Computer systems design and related services.....	127.1	123.1	126.6	125.3	123.5	129.8
Durable goods.....	778.9	771.9	798.0	813.6	824.3	874.5	Miscellaneous professional, scientific, and technical services.....	426.2	440.6	456.1	416.1	421.9	431.2
Wood products.....	31.3	30.0	32.0	30.9	29.9	29.9	<b>Management of companies and enterprises</b> .....	<b>177.6</b>	<b>178.0</b>	<b>191.3</b>	<b>179.9</b>	<b>179.8</b>	<b>186.5</b>
Nonmetallic mineral products.....	44.9	43.3	43.3	45.2	42.8	43.4	<b>Administrative and waste management services</b> .....	<b>289.4</b>	<b>299.1</b>	<b>309.7</b>	<b>274.4</b>	<b>286.7</b>	<b>299.6</b>
Primary metals.....	41.1	41.6	38.9	43.2	43.6	41.9	Administrative and support services... Waste management and remediation services.....	264.1	272.9	282.4	250.2	261.4	272.6
Fabricated metal products.....	112.0	109.4	112.2	109.4	106.3	109.9	25.3	26.1	27.2	24.2	25.3	27.0	
Machinery.....	103.2	97.6	96.4	100.4	94.5	93.7	<b>Educational services, health care, and social assistance</b> .....	<b>739.3</b>	<b>799.0</b>	<b>851.2</b>	<b>700.1</b>	<b>726.6</b>	<b>746.8</b>
Computer and electronic products.....	136.9	130.5	147.6	181.9	195.3	250.9	<b>Educational services</b> .....	<b>85.1</b>	<b>91.5</b>	<b>94.5</b>	<b>79.1</b>	<b>79.2</b>	<b>77.8</b>
Electrical equipment, appliances, and components.....	49.2	46.1	47.3	48.5	46.4	48.9	<b>Health care and social assistance</b> .....	<b>654.2</b>	<b>707.6</b>	<b>756.7</b>	<b>621.0</b>	<b>647.6</b>	<b>669.3</b>
Motor vehicles, bodies and trailers, and parts.....	103.7	114.1	121.9	104.6	120.3	131.0	Ambulatory health care services.....	338.1	367.8	391.1	325.4	348.7	363.6
Other transportation equipment.....	69.2	70.0	67.6	65.2	64.5	60.1	Hospitals and nursing and residential care facilities.....	258.0	276.8	298.2	239.8	241.7	246.8
Furniture and related products.....	30.2	30.0	28.9	29.1	28.2	27.2	Social assistance.....	58.1	63.0	67.3	55.9	57.9	59.9
Miscellaneous manufacturing.....	57.2	59.4	62.0	55.3	55.9	57.8	<b>Arts, entertainment, recreation, accommodation, and food services</b> ....	<b>361.5</b>	<b>382.3</b>	<b>396.4</b>	<b>347.6</b>	<b>354.1</b>	<b>360.9</b>
Nondurable goods.....	562.5	575.3	604.4	533.1	553.0	566.2	<b>Arts, entertainment, and recreation</b> ....	<b>95.7</b>	<b>102.5</b>	<b>106.6</b>	<b>91.5</b>	<b>94.7</b>	<b>95.6</b>
Food and beverage and tobacco products.....	167.1	172.5	173.3	156.0	153.0	154.6	Performing arts, spectator sports, museums, and related activities.....	42.7	46.8	49.0	40.6	43.0	43.3
Textile mills and textile product mills....	22.7	22.3	21.7	21.5	21.7	21.9	Amusements, gambling, and recreation industries.....	53.0	55.7	57.6	50.8	51.6	52.3
Apparel and leather and allied products.....	22.8	24.7	25.0	22.7	25.0	25.5	<b>Accommodation and food services</b> ....	<b>265.8</b>	<b>279.8</b>	<b>289.8</b>	<b>256.2</b>	<b>259.4</b>	<b>265.2</b>
Paper products.....	48.9	50.8	51.5	48.8	51.3	53.6	Accommodation.....	87.5	90.4	93.2	85.4	87.9	89.2
Printing and related support activities.....	46.9	46.0	45.2	45.3	44.2	43.2	Food services and drinking places....	178.3	189.4	196.6	170.8	171.5	176.0
Petroleum and coal products.....	33.4	25.7	38.2	23.9	31.5	28.1	<b>Other services, except government</b> .....	<b>241.5</b>	<b>252.1</b>	<b>263.0</b>	<b>225.3</b>	<b>223.4</b>	<b>224.5</b>
Chemical products.....	157.2	167.0	181.5	153.1	163.3	174.0	<b>Government</b> .....	<b>1,258.3</b>	<b>1,332.9</b>	<b>1,399.9</b>	<b>1,212.2</b>	<b>1,230.4</b>	<b>1,247.3</b>
Plastics and rubber products.....	63.4	66.2	68.0	61.4	63.6	66.1	<b>Federal</b> .....	<b>385.7</b>	<b>415.8</b>	<b>447.1</b>	<b>372.5</b>	<b>380.6</b>	<b>390.3</b>
<b>Wholesale trade</b> .....	<b>607.1</b>	<b>624.9</b>	<b>645.4</b>	<b>633.1</b>	<b>643.0</b>	<b>631.0</b>	General government.....	325.7	350.4	378.4	317.0	323.2	331.7
<b>Retail trade</b> .....	<b>691.6</b>	<b>744.3</b>	<b>770.5</b>	<b>708.6</b>	<b>746.4</b>	<b>788.4</b>	Government enterprises.....	60.0	65.4	68.7	55.7	57.7	58.8
<b>Transportation and warehousing</b> .....	<b>296.9</b>	<b>304.4</b>	<b>319.3</b>	<b>293.6</b>	<b>299.1</b>	<b>314.2</b>	<b>State and local</b> .....	<b>872.6</b>	<b>917.1</b>	<b>952.8</b>	<b>839.7</b>	<b>849.7</b>	<b>856.9</b>
Air transportation.....	50.0	50.0	56.5	57.0	61.1	73.8	General government.....	800.8	844.3	876.9	772.3	784.3	788.3
Rail transportation.....	25.6	25.8	26.6	24.8	24.2	24.3	Government enterprises.....	71.9	72.8	75.9	67.5	65.6	68.7
Water transportation.....	7.4	7.0	7.7	6.8	6.3	6.4	<b>Not allocated by industry</b> <sup>1</sup> .....				<b>-16.3</b>	<b>-13.6</b>	<b>-23.7</b>
Truck transportation.....	93.3	95.4	97.2	87.9	87.9	88.0	<b>Addenda:</b>						
Transit and ground passenger transportation.....	15.1	15.8	16.3	14.5	14.7	14.5	Private goods-producing industries <sup>2</sup> .....	2,027.5	2,028.1	2,147.8	1,991.0	2,013.3	2,069.0
Pipeline transportation.....	9.2	9.7	7.6	8.3	8.0	7.7	Private services-producing industries <sup>3</sup> .....	6,842.2	7,126.0	7,456.3	6,701.6	6,837.9	7,053.7
Other transportation and support activities.....	71.4	72.5	75.5	69.4	69.6	71.2							
Warehousing and storage.....	25.1	28.3	31.9	24.4	27.1	30.3							
<b>Information</b> .....	<b>476.9</b>	<b>470.0</b>	<b>493.8</b>	<b>476.8</b>	<b>475.5</b>	<b>502.4</b>							
Publishing industries (includes software) Motion picture and sound recording industries.....	118.7	116.1	120.9	115.7	113.6	121.3							
Broadcasting and telecommunications... Information and data processing services.....	283.2	272.8	283.0	289.1	285.7	299.2							
	41.5	44.7	48.6	40.2	42.5	46.1							
<b>Finance, insurance, real estate, rental, and leasing</b> .....	<b>2,059.2</b>	<b>2,148.2</b>	<b>2,250.3</b>	<b>2,005.4</b>	<b>2,033.3</b>	<b>2,098.6</b>							
<b>Finance and insurance</b> .....	<b>782.6</b>	<b>818.2</b>	<b>882.9</b>	<b>772.8</b>	<b>793.8</b>	<b>856.3</b>							

1. 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 value of not allocated by industry reflects the difference between the first line and the sum of the most detailed lines, as well as the differences in source data used to estimate GDP by industry and the expenditures measure of real GDP.

2. Consists of agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing.

3. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, 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).



## C. Historical Measures

This table is derived from the “Selected NIPA Tables” that are published in this issue and from the “GDP and Other Major NIPA Series” that was published in the August 2004 issue. (The changes in prices are calculated from indexes expressed to three decimal places.)

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

[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	96.472	96.060	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	9,890.7	9,920.9	9,933.6	0.8	1.6	102.402	101.994	102.399	102.396	2.4	2.0	2.4	2.4
2002	10,074.8	10,063.2	10,101.7	1.9	1.4	104.097	103.489	104.092	104.082	1.7	1.5	1.7	1.6
2003	10,381.3	10,379.9	10,433.9	3.0	3.1	106.003	105.571	105.998	105.992	1.8	2.0	1.8	1.8
2004	10,841.9	10,794.6	10,863.0	4.4	4.0	108.298	108.131	108.237	108.232	2.2	2.4	2.1	2.1

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

[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: I.....	2,392.9	2,396.9	2,408.1	7.9	8.1	20.680	20.296	20.704	20.680	1.8	2.1	0.9	0.9
1959: II.....	2,455.8	2,440.3	2,471.1	10.9	7.4	20.711	20.326	20.704	20.681	0.6	0.6	0.0	0.0
1959: III.....	2,453.9	2,471.1	2,470.3	-0.3	5.1	20.770	20.379	20.750	20.730	1.1	1.0	1.0	1.0
1959: IV.....	2,462.6	2,462.3	2,479.8	1.4	-1.4	20.853	20.460	20.840	20.817	1.6	1.6	1.7	1.7
1960: I.....	2,517.4	2,488.1	2,534.1	9.2	4.3	20.903	20.505	20.931	20.909	1.0	0.9	1.8	1.8
1960: II.....	2,504.8	2,511.5	2,521.8	-2.0	3.8	20.995	20.598	21.004	20.982	1.8	1.8	1.4	1.4
1960: III.....	2,508.7	2,507.9	2,526.5	0.6	-0.6	21.093	20.694	21.084	21.061	1.9	1.9	1.5	1.5
1960: IV.....	2,476.2	2,519.8	2,494.9	-5.1	1.9	21.186	20.787	21.146	21.122	1.8	1.8	1.2	1.2
1961: I.....	2,491.2	2,522.0	2,510.8	2.4	0.4	21.210	20.807	21.192	21.169	0.5	0.4	0.9	0.9
1961: II.....	2,538.0	2,549.1	2,556.7	7.7	4.4	21.249	20.831	21.237	21.214	0.7	0.5	0.9	0.9
1961: III.....	2,579.1	2,568.9	2,598.3	6.6	3.1	21.305	20.887	21.303	21.280	1.1	1.1	1.2	1.3
1961: IV.....	2,631.8	2,627.3	2,651.4	8.4	9.4	21.360	20.933	21.375	21.352	1.0	0.9	1.4	1.4
1962: I.....	2,679.1	2,659.5	2,698.6	7.4	5.0	21.482	21.041	21.501	21.479	2.3	2.1	2.4	2.4
1962: II.....	2,708.4	2,704.5	2,729.7	4.4	6.9	21.538	21.109	21.533	21.511	1.0	1.3	0.6	0.6
1962: III.....	2,733.3	2,725.6	2,754.8	3.7	3.2	21.596	21.163	21.585	21.564	1.1	1.0	1.0	1.0
1962: IV.....	2,740.0	2,744.5	2,764.5	1.0	2.8	21.671	21.241	21.653	21.632	1.4	1.5	1.3	1.3
1963: I.....	2,775.9	2,762.8	2,799.4	5.3	2.7	21.732	21.308	21.702	21.681	1.1	1.3	0.9	0.9
1963: II.....	2,810.6	2,809.7	2,833.3	5.1	7.0	21.754	21.335	21.745	21.724	0.4	0.5	0.8	0.8
1963: III.....	2,863.5	2,859.4	2,886.6	7.7	7.3	21.794	21.382	21.788	21.768	0.7	0.9	0.8	0.8
1963: IV.....	2,885.8	2,889.5	2,909.6	3.1	4.3	21.923	21.514	21.951	21.930	2.4	2.5	3.0	3.0
1964: I.....	2,950.5	2,952.7	2,976.3	9.3	9.0	22.001	21.596	22.016	21.995	1.4	1.5	1.2	1.2
1964: II.....	2,984.8	2,988.1	3,009.6	4.7	4.9	22.073	21.674	22.073	22.053	1.3	1.5	1.0	1.1
1964: III.....	3,025.5	3,025.4	3,051.1	5.6	5.1	22.180	21.769	22.160	22.140	2.0	1.8	1.6	1.6
1964: IV.....	3,033.6	3,033.2	3,057.5	1.1	1.0	22.282	21.860	22.270	22.250	1.9	1.7	2.0	2.0
1965: I.....	3,108.2	3,081.0	3,135.2	10.2	6.5	22.380	21.940	22.383	22.363	1.8	1.5	2.0	2.0
1965: II.....	3,150.2	3,136.6	3,178.0	5.5	7.4	22.479	22.037	22.480	22.460	1.8	1.8	1.7	1.7
1965: III.....	3,214.1	3,195.5	3,240.0	8.4	7.7	22.578	22.140	22.563	22.544	1.8	1.9	1.5	1.5
1965: IV.....	3,291.8	3,282.4	3,315.7	10.0	11.3	22.717	22.292	22.707	22.688	2.5	2.8	2.6	2.6
1966: I.....	3,372.3	3,337.0	3,396.9	10.1	6.8	22.857	22.416	22.855	22.837	2.5	2.2	2.6	2.7
1966: II.....	3,384.0	3,352.4	3,408.7	1.4	1.9	23.071	22.629	23.048	23.029	3.8	3.9	3.4	3.4
1966: III.....	3,406.3	3,380.2	3,430.4	2.7	3.4	23.293	22.831	23.291	23.272	3.9	3.6	4.3	4.3
1966: IV.....	3,433.7	3,389.6	3,458.9	3.3	1.1	23.498	23.018	23.505	23.486	3.6	3.3	3.7	3.7
1967: I.....	3,464.1	3,424.2	3,489.0	3.6	4.1	23.611	23.109	23.612	23.593	1.9	1.6	1.8	1.8
1967: II.....	3,464.3	3,460.2	3,488.5	0.0	4.3	23.759	23.254	23.741	23.722	2.5	2.5	2.2	2.2
1967: III.....	3,491.8	3,477.8	3,518.5	3.2	2.0	23.977	23.469	23.975	23.955	3.7	3.7	4.0	4.0
1967: IV.....	3,518.2	3,508.2	3,544.1	3.1	3.5	24.242	23.723	24.241	24.221	4.5	4.4	4.5	4.5
1968: I.....	3,590.7	3,581.7	3,617.2	8.5	8.6	24.503	23.979	24.506	24.487	4.4	4.4	4.4	4.5
1968: II.....	3,651.6	3,617.7	3,678.7	7.0	4.1	24.777	24.230	24.763	24.743	4.5	4.3	4.3	4.2
1968: III.....	3,676.5	3,669.4	3,704.4	2.7	5.8	25.017	24.483	25.008	24.988	3.9	4.2	4.0	4.0
1968: IV.....	3,692.0	3,692.2	3,719.6	1.7	2.5	25.367	24.826	25.362	25.342	5.7	5.7	5.8	5.8
1969: I.....	3,750.2	3,730.5	3,778.0	6.5	4.2	25.622	25.062	25.626	25.605	4.1	3.9	4.2	4.2
1969: II.....	3,760.9	3,748.6	3,787.7	1.1	2.0	25.966	25.402	25.958	25.937	5.5	5.5	5.3	5.3
1969: III.....	3,784.2	3,767.6	3,810.0	2.5	2.0	26.345	25.764	26.332	26.310	6.0	5.8	5.9	5.9
1969: IV.....	3,766.3	3,768.1	3,792.1	-1.9	0.1	26.678	26.093	26.675	26.652	5.2	5.2	5.3	5.3
1970: I.....	3,760.0	3,778.0	3,786.3	-0.7	1.1	27.051	26.474	27.056	27.034	5.7	6.0	5.8	5.9
1970: II.....	3,767.1	3,771.0	3,794.3	0.8	-0.7	27.437	26.841	27.428	27.406	5.8	5.7	5.6	5.6
1970: III.....	3,800.5	3,804.6	3,827.4	3.6	3.6	27.655	27.093	27.647	27.624	3.2	3.8	3.2	3.2
1970: IV.....	3,759.8	3,797.2	3,784.5	-4.2	-0.8	28.009	27.449	28.004	27.982	5.2	5.4	5.3	5.3
1971: I.....	3,864.1	3,844.7	3,893.1	11.6	5.1	28.429	27.854	28.425	28.403	6.1	6.0	6.2	6.2
1971: II.....	3,885.9	3,871.3	3,916.4	2.3	2.8	28.809	28.230	28.798	28.777	5.5	5.5	5.4	5.4
1971: III.....	3,916.7	3,905.2	3,944.4	3.2	3.5	29.097	28.539	29.089	29.069	4.1	4.5	4.1	4.1
1971: IV.....	3,927.9	3,952.5	3,957.1	1.1	4.9	29.329	28.779	29.322	29.300	3.2	3.4	3.2	3.2
1972: I.....	3,997.7	4,006.9	4,028.1	7.3	5.6	29.814	29.234	29.781	29.759	6.8	6.5	6.4	6.4
1972: II.....	4,092.1	4,073.0	4,122.1	9.8	6.8	29.989	29.437	29.959	29.937	2.4	2.8	2.4	2.4
1972: III.....	4,131.1	4,109.6	4,163.5	3.9	3.6	30.264	29.728	30.250	30.229	3.7	4.0	3.9	4.0
1972: IV.....	4,198.7	4,204.8	4,231.0	6.7	9.6	30.620	30.078	30.652	30.631	4.8	4.8	5.4	5.4
1973: I.....	4,305.3	4,296.4	4,342.5	10.6	9.0	31.025	30.478	31.020	31.000	5.4	5.4	4.9	4.9
1973: II.....	4,355.1	4,317.4	4,394.6	4.7	2.0	31.542	31.052	31.500	31.481	6.8	7.7	6.3	6.4
1973: III.....	4,331.9	4,322.6	4,377.8	-2.1	0.5	32.147	31.625	32.114	32.095	7.9	7.6	8.0	8.0
1973: IV.....	4,373.3	4,327.3	4,419.5	3.9	0.4	32.703	32.218	32.750	32.731	7.1	7.7	8.2	8.2
1974: I.....	4,335.4	4,322.7	4,389.4	-3.4	-0.4	33.371	33.068	33.376	33.354	8.4	11.0	7.9	7.8
1974: II.....	4,347.9	4,328.7	4,399.1	1.2	0.6	34.110	34.007	34.162	34.137	9.2	11.9	9.8	9.7
1974: III.....	4,305.8	4,316.3	4,352.4	-3.8	-1.1	35.164	35.045	35.166	35.141	12.9	12.8	12.3	12.3
1974: IV.....	4,288.9	4,254.5	4,329.3	-1.6	-5.6	36.240	36.062	36.218	36.188	12.8	12.1	12.5	12.5

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

[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
1975: 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
1975: 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
1975: 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
1976: 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
1976: 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
1976: 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
1977: 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
1977: III.....	4,815.8	4,755.2	4,866.4	7.4	4.3	43.036	42.917	42.950	42.899	5.6	6.2	5.0	5.0
1977: 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
1978: 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
1978: 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
1978: 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
1979: II.....	5,152.3	5,117.9	5,214.9	0.4	0.0	49.082	49.044	49.058	49.034	10.1	10.6	10.2	10.2
1979: 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
1979: IV.....	5,204.7	5,216.9	5,278.6	1.2	1.9	51.088	51.117	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
1980: 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
1980: 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
1980: 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
1981: 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
1981: 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
1981: IV.....	5,263.4	5,247.4	5,327.3	-4.9	-2.3	60.704	61.400	60.706	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
1982: 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
1982: 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
1982: 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
1983: II.....	5,372.3	5,404.6	5,430.9	9.3	5.8	64.881	65.213	64.881	64.831	2.9	2.8	2.9	2.9
1983: 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
1983: 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
1984: 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
1984: 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
1984: 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
1985: 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
1985: 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
1985: 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
1986: 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
1986: 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
1986: 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
1987: 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
1987: 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
1987: 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
1988: 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
1988: 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
1988: 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
1989: 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
1989: 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
1989: 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
1990: 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
1990: 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
1990: 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**

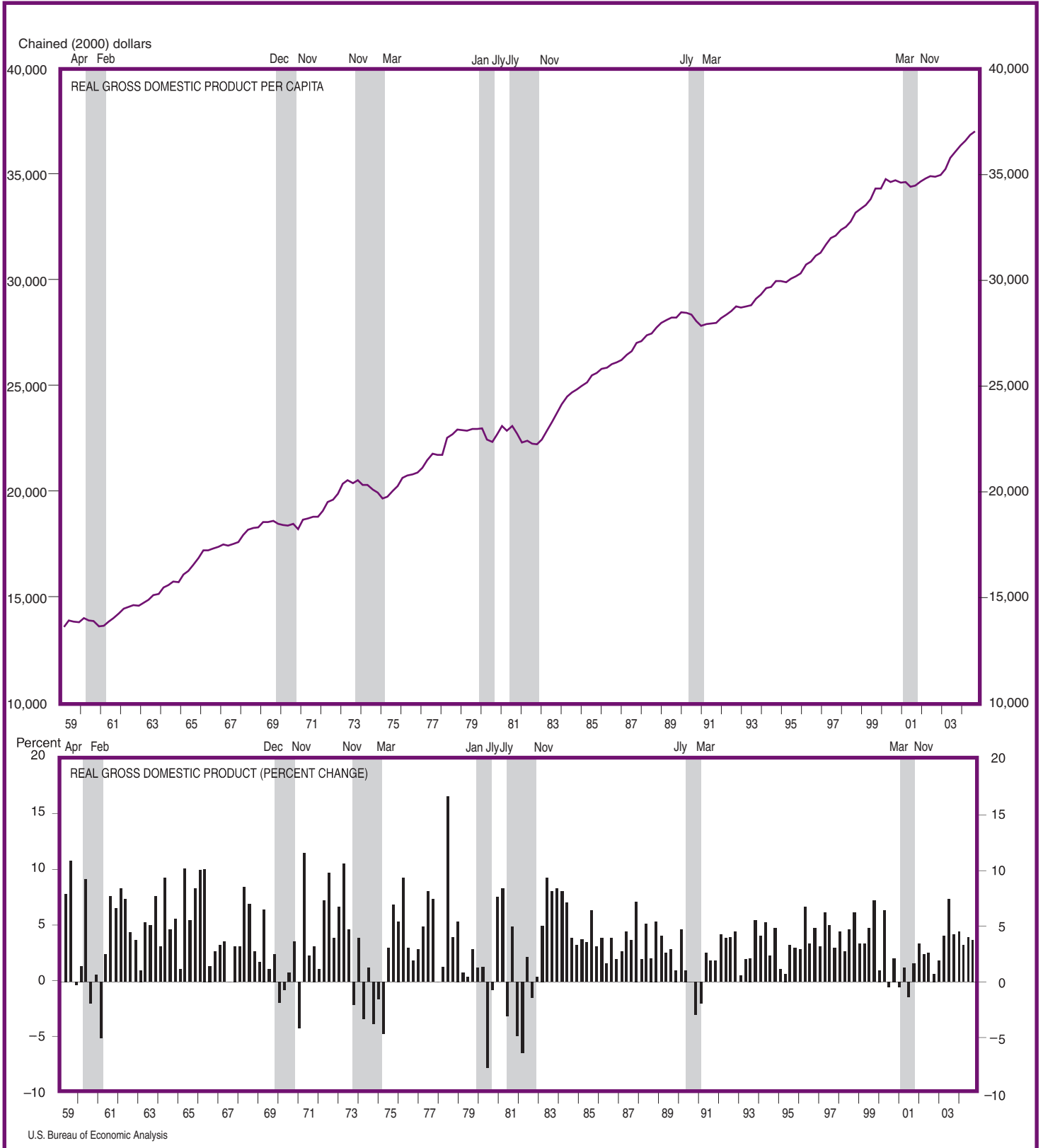
[Quarterly estimates are seasonally adjusted at annual rates]

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
1991: 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
1991: 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
1991: 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
1992: 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
1992: 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
1992: 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
1993: 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
1993: III.....	7,536.0	7,540.6	7,577.7	2.1	3.1	88.599	88.976	88.916	88.916	1.8	1.5	1.7	1.8
1993: 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
1994: II.....	7,815.7	7,737.2	7,843.7	5.3	3.1	89.980	90.271	89.954	89.963	1.7	2.1	1.7	1.7
1994: 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
1994: 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
1995: 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
1995: 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
1995: IV.....	8,112.0	8,104.8	8,152.0	3.0	2.5	92.734	93.065	92.734	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
1996: 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
1996: 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
1996: 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
1997: 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
1997: III.....	8,773.7	8,705.7	8,808.7	5.1	6.3	95.541	95.494	95.494	95.542	1.1	0.8	1.4	1.4
1997: 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
1998: 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
1998: 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
1998: 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
1999: 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
1999: 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
1999: 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
2000: 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
2000: 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
2000: 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.....	9,875.6	9,883.2	9,913.6	-0.5	1.6	101.507	101.403	101.478	101.480	3.3	2.7	3.3	3.2
2001: II.....	9,905.9	9,908.7	9,949.8	1.2	1.0	102.290	101.974	102.252	102.248	3.1	2.3	3.1	3.1
2001: III.....	9,871.1	9,899.9	9,887.7	-1.4	-0.4	102.690	102.223	102.675	102.671	1.6	1.0	1.7	1.7
2001: IV.....	9,910.0	9,992.3	9,983.1	1.6	3.8	103.122	102.378	103.191	103.183	1.7	0.6	2.0	2.0
2002: I.....	9,993.5	10,000.4	10,017.2	3.4	0.3	103.470	102.673	103.450	103.439	1.4	1.2	1.0	1.0
2002: II.....	10,052.6	10,044.9	10,068.9	2.4	1.8	103.853	103.298	103.911	103.901	1.5	2.5	1.8	1.8
2002: III.....	10,117.3	10,095.2	10,142.4	2.6	2.0	104.280	103.747	104.243	104.232	1.7	1.8	1.3	1.3
2002: IV.....	10,135.9	10,112.5	10,178.4	0.7	0.7	104.786	104.237	104.752	104.743	2.0	1.9	2.0	2.0
2003: I.....	10,184.4	10,173.3	10,220.3	1.9	2.4	105.490	105.190	105.500	105.490	2.7	3.7	2.9	2.9
2003: II.....	10,287.4	10,302.5	10,330.8	4.1	5.2	105.780	105.287	105.799	105.791	1.1	0.4	1.1	1.1
2003: III.....	10,472.8	10,473.9	10,521.7	7.4	6.8	106.158	105.721	106.148	106.146	1.4	1.7	1.3	1.3
2003: IV.....	10,580.7	10,569.6	10,663.3	4.2	3.7	106.586	106.086	106.523	106.516	1.6	1.4	1.4	1.4
2004: I.....	10,697.5	10,655.8	10,766.7	4.5	3.3	107.314	106.980	107.246	107.240	2.8	3.4	2.7	2.7
2004: II.....	10,784.7	10,722.3	10,818.7	3.3	2.5	108.169	107.913	108.093	108.087	3.2	3.5	3.2	3.2
2004: III.....	10,891.0	10,854.7	10,926.5	4.0	5.0	108.551	108.429	108.482	108.479	1.4	1.9	1.4	1.5
2004: IV.....	10,994.3	10,945.5	11,020.1	3.8	3.4	109.159	109.203	109.100	109.099	2.3	2.9	2.3	2.3

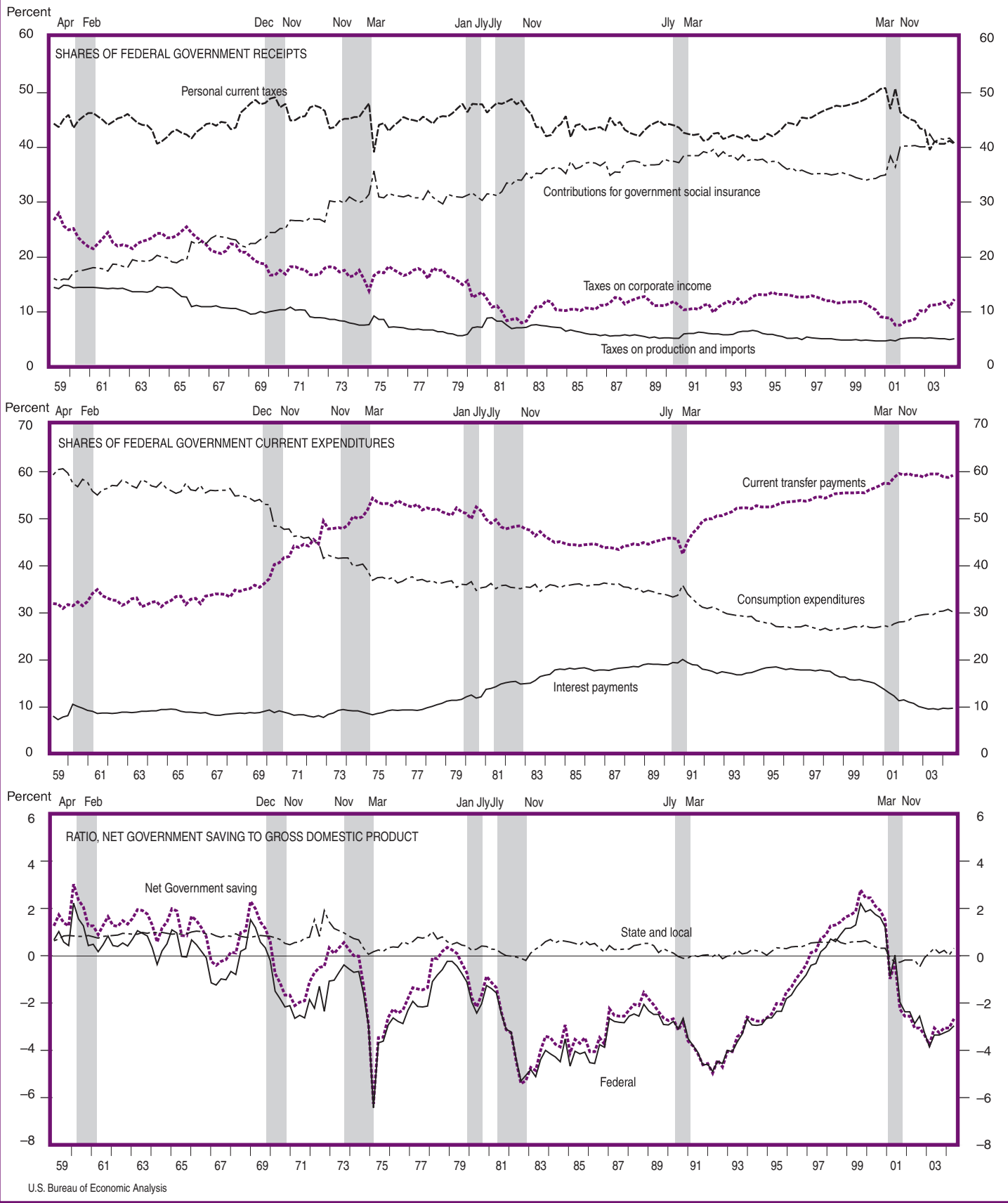
### D. Charts

The percent changes shown are based on quarter-to-quarter changes and are expressed at seasonally adjusted annual rates. The levels of series are also expressed at seasonally adjusted annual rates as appropriate.

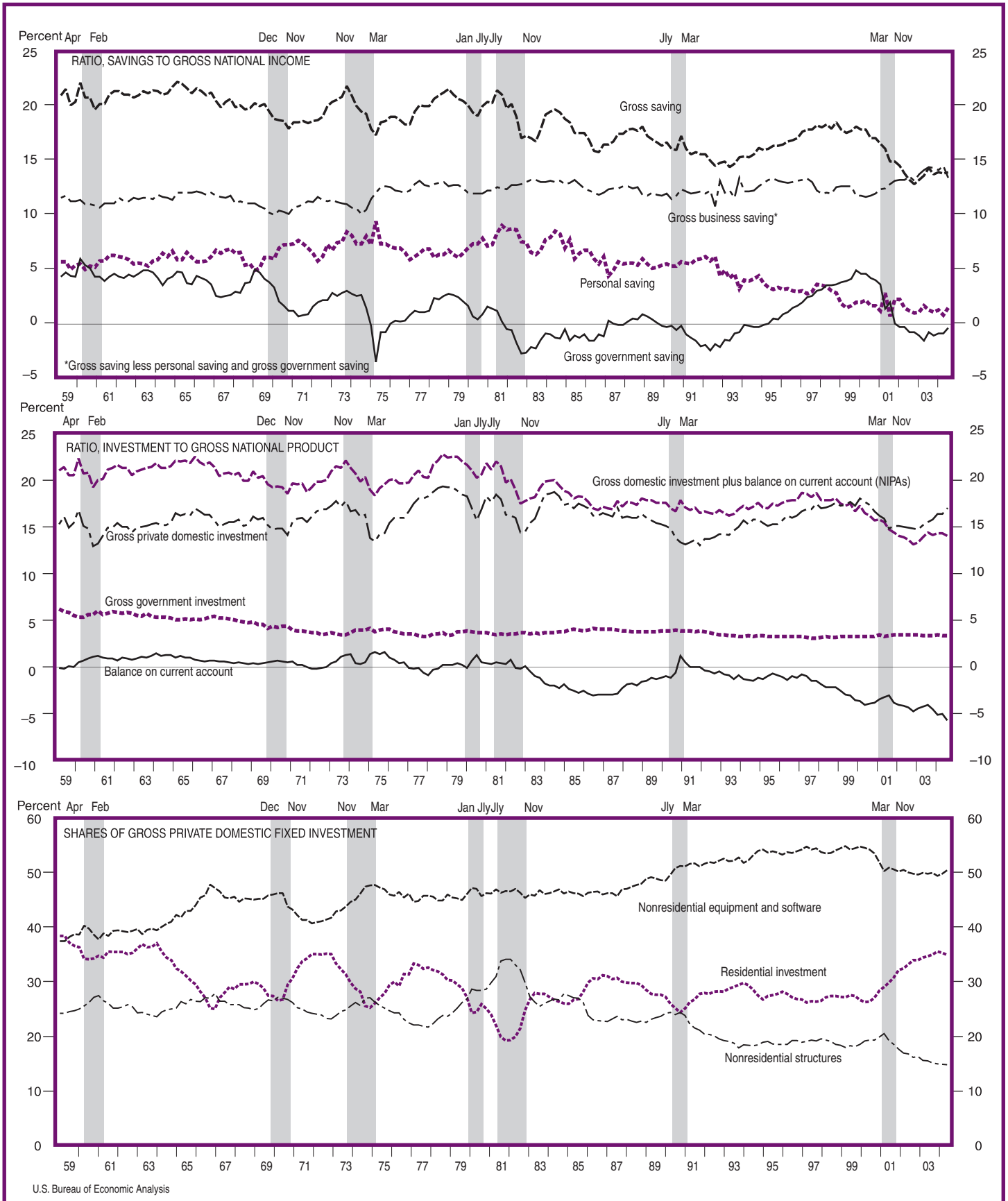
### SELECTED NIPA SERIES



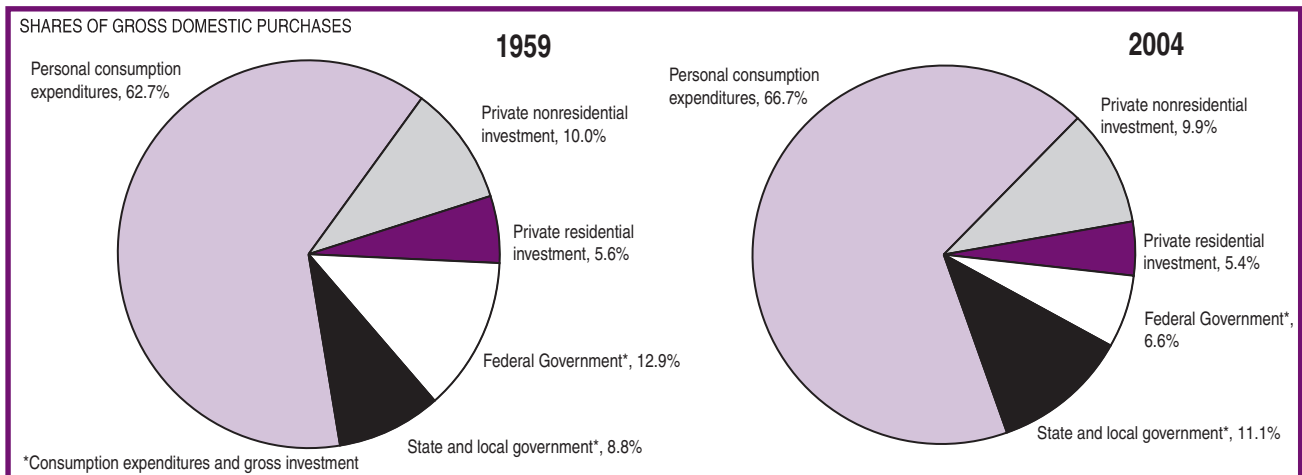
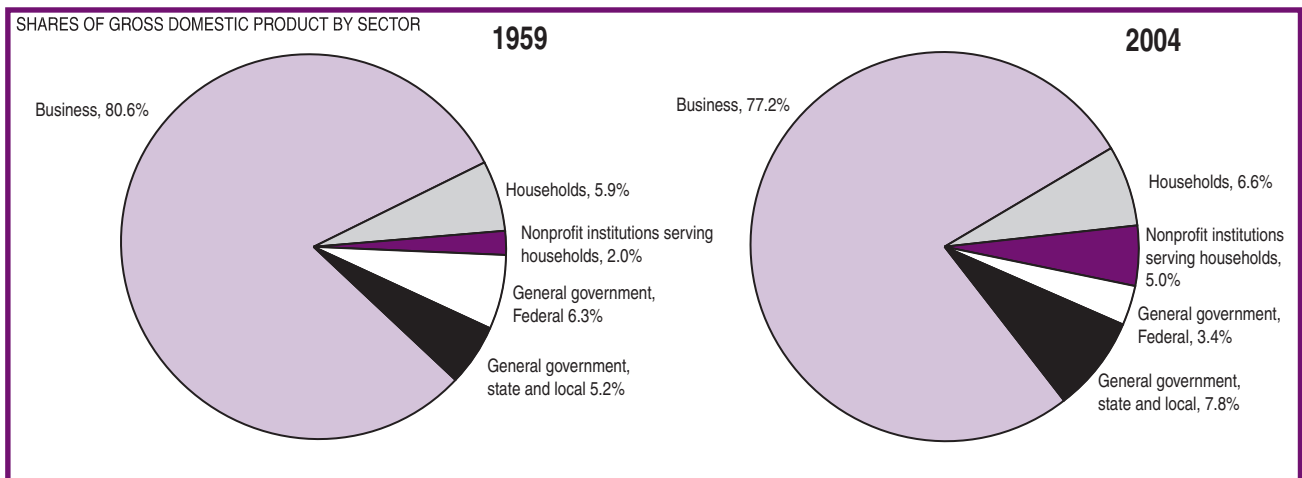
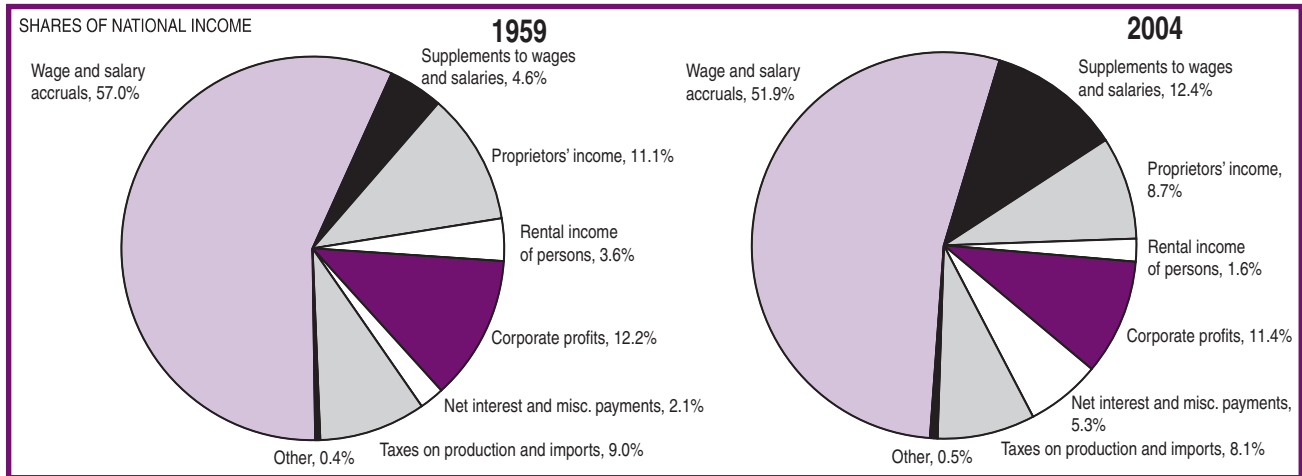
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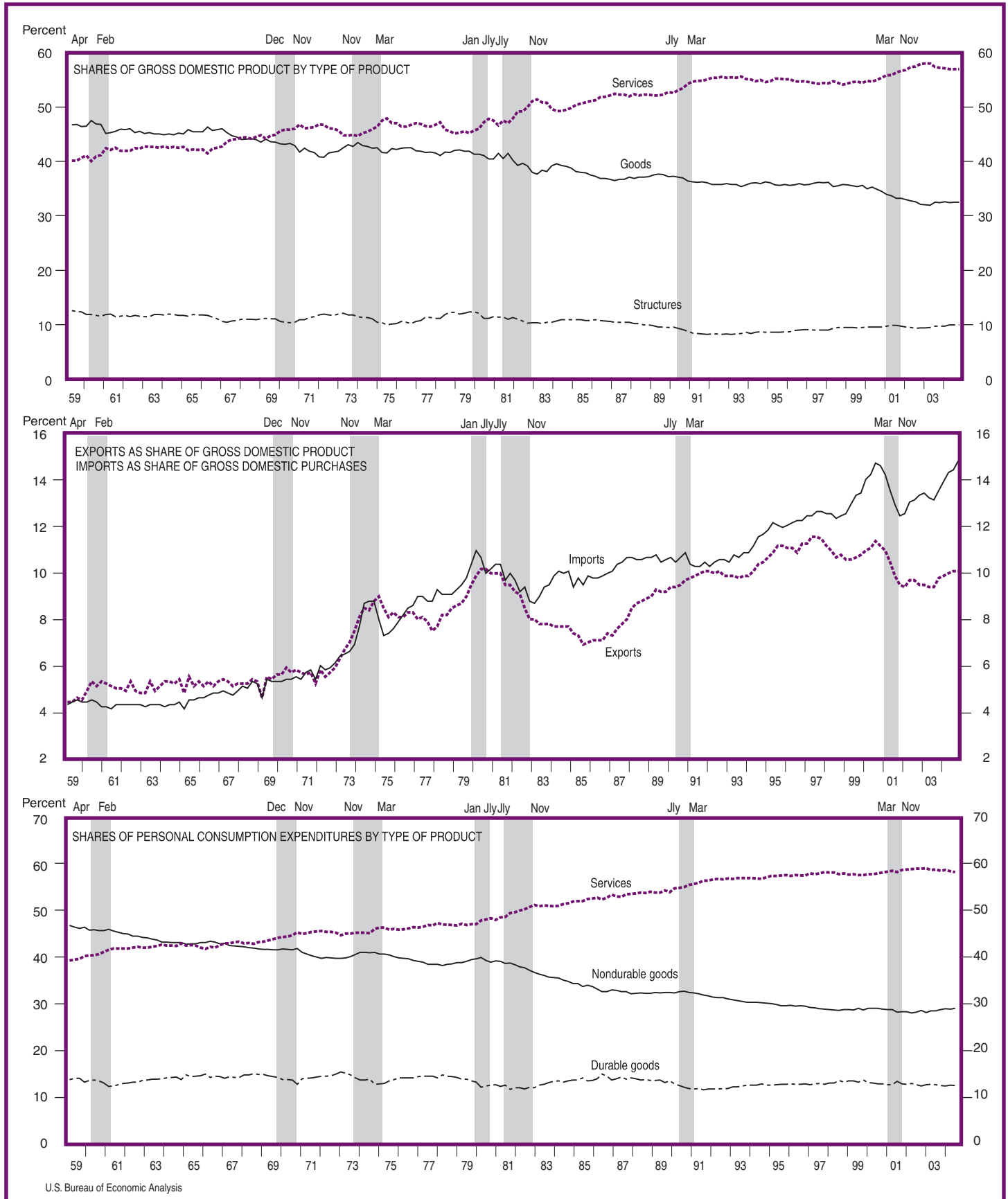


**SELECTED NIPA SERIES**

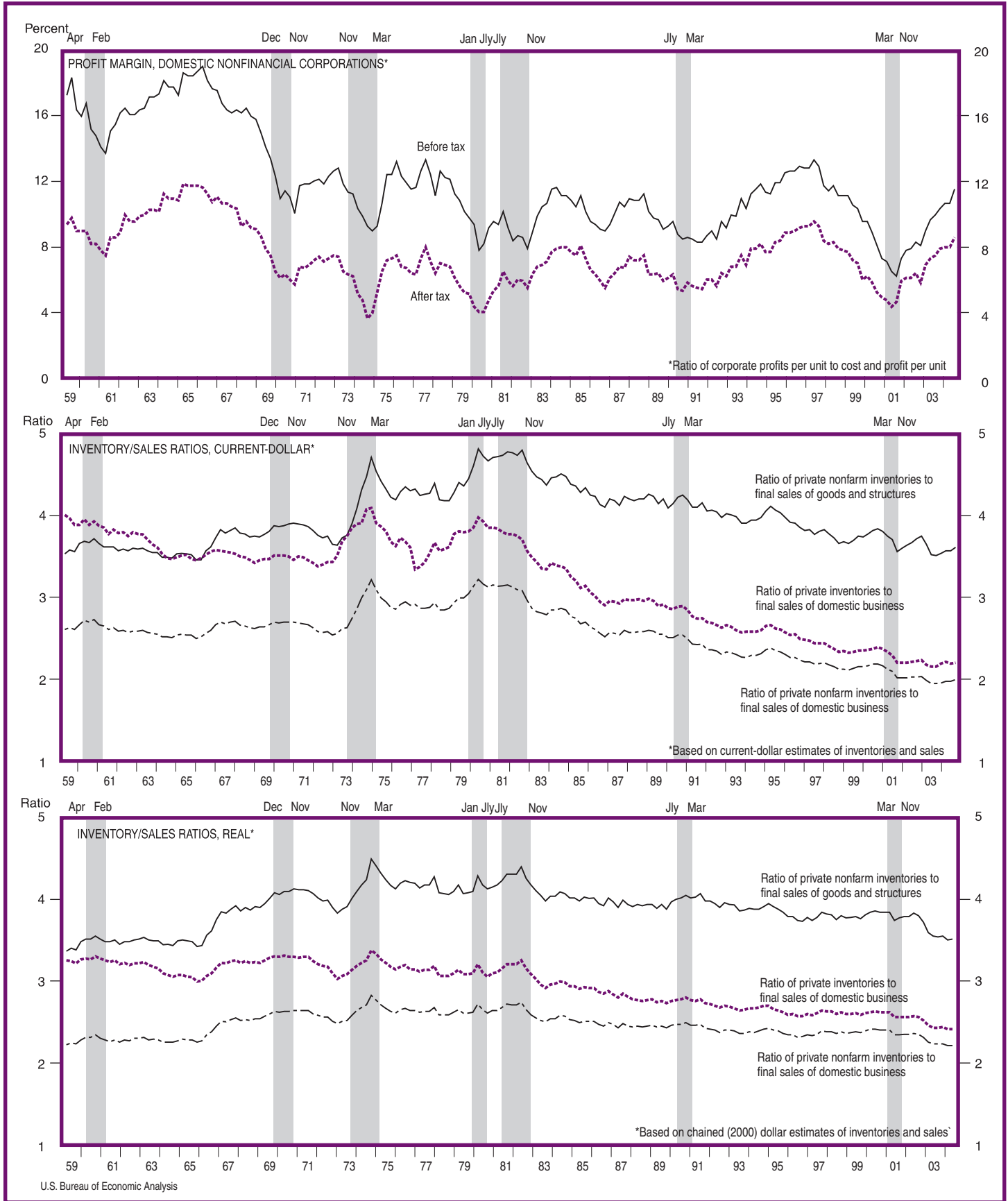




### SELECTED NIPA SERIES



**SELECTED NIPA SERIES**



## International Data

### E. Transactions Tables

Table E.1 presents estimates of U.S. international trade in goods and services that were released on April 12, 2005. It includes preliminary estimates for February 2005 and revised estimates for January 2005. The sources for the other tables in this section are noted.

**Table E.1. U.S. International Transactions in Goods and Services**  
[Millions of dollars; monthly estimates seasonally adjusted]

	2003	2004	2004												2005	
			Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. <sup>r</sup>	Feb. <sup>p</sup>
<b>Exports of goods and services</b> .....	<b>1,020,503</b>	<b>1,147,181</b>	<b>88,786</b>	<b>92,430</b>	<b>95,404</b>	<b>94,462</b>	<b>97,004</b>	<b>93,121</b>	<b>96,052</b>	<b>96,429</b>	<b>97,608</b>	<b>98,137</b>	<b>97,323</b>	<b>100,425</b>	<b>100,433</b>	<b>100,483</b>
<b>Goods</b> .....	<b>713,122</b>	<b>807,610</b>	<b>61,818</b>	<b>65,068</b>	<b>67,436</b>	<b>66,081</b>	<b>68,827</b>	<b>64,809</b>	<b>67,596</b>	<b>68,143</b>	<b>69,273</b>	<b>69,314</b>	<b>68,111</b>	<b>71,132</b>	<b>71,105</b>	<b>71,173</b>
Foods, feeds, and beverages .....	55,026	56,354	4,604	4,713	4,924	4,708	4,816	4,539	4,479	4,270	4,920	4,788	4,791	4,803	4,716	4,673
Industrial supplies and materials .....	173,043	203,571	15,162	16,046	16,741	16,365	17,381	16,131	17,328	17,009	17,451	17,958	17,635	18,364	18,366	18,871
Capital goods, except automotive .....	293,621	331,094	25,935	27,296	27,767	27,141	28,804	26,444	27,823	27,797	28,084	28,121	27,154	28,729	28,550	28,190
Automotive vehicles, parts, and engines .....	80,686	88,225	6,666	6,959	7,228	7,140	7,233	6,969	7,552	7,797	7,704	7,643	7,527	7,808	8,077	7,818
Consumer goods (nonfood), except automotive .....	89,908	102,828	7,689	8,168	8,664	8,595	8,547	8,452	8,263	8,602	8,828	8,829	8,790	9,400	9,224	9,520
Other goods .....	32,488	36,980	2,738	2,851	3,285	3,083	2,984	3,315	2,922	3,505	3,329	2,922	3,134	2,913	2,941	2,893
Adjustments <sup>1</sup> .....	-11,649	-11,442	-976	-964	-1,173	-951	-938	-1,040	-770	-837	-1,042	-948	-920	-884	-768	-791
<b>Services</b> .....	<b>307,381</b>	<b>339,571</b>	<b>26,968</b>	<b>27,362</b>	<b>27,968</b>	<b>28,381</b>	<b>28,177</b>	<b>28,312</b>	<b>28,456</b>	<b>28,286</b>	<b>28,335</b>	<b>28,823</b>	<b>29,212</b>	<b>29,293</b>	<b>29,328</b>	<b>29,310</b>
Travel .....	64,509	74,768	5,840	6,052	6,109	6,288	6,161	6,291	6,341	6,065	6,141	6,390	6,548	6,542	6,499	6,364
Passenger fares .....	15,693	18,939	1,444	1,529	1,561	1,619	1,546	1,559	1,609	1,580	1,571	1,565	1,644	1,712	1,717	1,673
Other transportation .....	31,833	37,047	2,906	2,995	3,169	3,136	3,091	2,988	3,038	3,125	2,987	3,206	3,238	3,168	3,158	3,194
Royalties and license fees .....	48,227	51,341	4,160	4,158	4,160	4,172	4,193	4,221	4,275	4,317	4,358	4,408	4,444	4,474	4,493	4,516
Other private services .....	133,818	143,150	11,493	11,493	11,755	11,890	11,908	11,952	12,022	12,022	12,138	12,090	12,170	12,222	12,243	12,286
Transfers under U.S. military agency sales contracts <sup>2</sup> .....	12,491	13,571	1,063	1,074	1,153	1,214	1,216	1,238	1,110	1,114	1,077	1,099	1,103	1,110	1,153	1,213
U.S. Government miscellaneous services .....	810	755	62	61	61	62	62	63	63	63	63	65	65	65	65	64
<b>Imports of goods and services</b> .....	<b>1,517,011</b>	<b>1,764,256</b>	<b>134,633</b>	<b>138,293</b>	<b>142,531</b>	<b>142,973</b>	<b>144,393</b>	<b>148,542</b>	<b>146,760</b>	<b>150,397</b>	<b>148,796</b>	<b>154,028</b>	<b>156,738</b>	<b>156,169</b>	<b>158,937</b>	<b>161,519</b>
<b>Goods</b> .....	<b>1,260,674</b>	<b>1,473,087</b>	<b>111,506</b>	<b>114,934</b>	<b>118,936</b>	<b>119,164</b>	<b>120,397</b>	<b>124,022</b>	<b>122,453</b>	<b>125,222</b>	<b>124,353</b>	<b>129,523</b>	<b>131,587</b>	<b>130,990</b>	<b>133,572</b>	<b>135,910</b>
Foods, feeds, and beverages .....	55,831	62,157	4,804	5,094	5,152	5,117	5,265	5,251	5,148	5,104	4,974	5,241	5,436	5,569	5,569	5,575
Industrial supplies and materials .....	313,818	412,154	28,235	31,209	31,813	30,850	31,906	35,042	33,863	36,580	35,476	38,405	39,953	38,821	38,144	40,474
Capital goods, except automotive .....	295,833	343,736	26,806	26,381	27,328	27,874	28,116	29,446	29,267	29,138	29,589	29,876	29,685	30,230	30,866	30,095
Automotive vehicles, parts, and engines .....	210,173	228,248	17,843	18,790	18,955	19,003	19,439	18,725	19,147	19,247	19,489	19,406	19,005	19,199	19,776	19,928
Consumer goods (nonfood), except automotive .....	333,878	373,046	29,525	29,013	31,339	31,773	31,168	31,082	30,608	30,495	30,447	32,114	32,845	32,636	34,419	35,094
Other goods .....	47,587	50,524	4,048	4,195	4,047	4,327	4,226	4,229	4,149	4,376	4,123	4,185	4,356	4,262	4,507	4,458
Adjustments <sup>1</sup> .....	3,553	3,223	243	251	302	220	277	247	271	281	255	296	306	274	291	286
<b>Services</b> .....	<b>256,337</b>	<b>291,169</b>	<b>23,127</b>	<b>23,359</b>	<b>23,595</b>	<b>23,809</b>	<b>23,996</b>	<b>24,520</b>	<b>24,307</b>	<b>25,175</b>	<b>24,443</b>	<b>24,505</b>	<b>25,151</b>	<b>25,179</b>	<b>25,365</b>	<b>25,609</b>
Travel .....	56,613	64,590	5,238	5,233	5,103	5,374	5,476	5,501	5,528	5,405	5,445	5,414	5,396	5,477	5,438	5,423
Passenger fares .....	20,957	23,310	1,853	1,861	1,894	1,898	1,895	1,986	2,016	1,975	1,909	1,941	2,020	2,062	2,047	2,088
Other transportation .....	44,768	54,173	4,165	4,329	4,561	4,266	4,231	4,559	4,334	4,535	4,533	4,604	5,092	4,964	5,136	5,236
Royalties and license fees .....	20,049	22,868	1,733	1,738	1,754	1,856	1,879	1,883	1,838	2,631	1,849	1,886	1,903	1,919	1,924	1,938
Other private services .....	85,829	94,736	7,611	7,665	7,737	7,783	7,857	7,919	7,896	7,934	8,024	8,035	8,127	8,147	8,198	8,284
Direct defense expenditures <sup>2</sup> .....	25,117	28,238	2,269	2,273	2,282	2,360	2,384	2,399	2,417	2,417	2,405	2,353	2,341	2,338	2,346	2,363
U.S. Government miscellaneous services .....	3,004	3,254	259	261	264	272	274	274	278	278	278	272	272	272	276	277
<b>Memoranda:</b>																
Balance on goods .....	-547,552	-665,477	-49,688	-49,866	-51,501	-53,083	-51,569	-59,213	-54,856	-57,079	-55,080	-60,209	-63,476	-59,858	-62,467	-64,737
Balance on services .....	51,044	48,402	3,841	4,003	4,373	4,572	4,181	3,792	4,149	3,111	3,892	4,318	4,061	4,114	3,963	3,701
Balance on goods and services .....	-496,508	-617,075	-45,847	-45,863	-47,128	-48,511	-47,388	-55,421	-50,707	-53,968	-51,188	-55,891	-59,415	-55,744	-58,504	-61,036

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1. Reflects adjustments necessary to bring the Census Bureau's component data in line with the concepts and defini-

tions used to prepare BEA's international and national accounts.

2. Contains goods that cannot be separately identified.

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





**Table E.3. U.S. International Transactions, By Area—Continues**  
[Millions of dollars]

Line	(Credits +, debits -) <sup>1</sup>	Latin America and Other Western Hemisphere			Mexico <sup>15</sup>			Japan		
		2004			2004			2004		
		II	III <sup>r</sup>	IV <sup>p</sup>	II	III <sup>r</sup>	IV <sup>p</sup>	II	III <sup>r</sup>	IV <sup>p</sup>
<b>Current account</b>										
1	<b>Exports of goods and services and income receipts</b> .....	<b>72,008</b>	<b>75,468</b>	<b>80,577</b>	<b>34,853</b>	<b>35,247</b>	<b>37,224</b>	<b>26,211</b>	<b>27,002</b>	<b>27,612</b>
2	Exports of goods and services .....	56,918	58,916	61,424	32,088	32,690	34,278	21,492	22,057	22,437
3	Goods, balance-of-payments basis <sup>2</sup> .....	42,606	42,915	45,709	27,539	27,907	29,291	13,329	12,799	13,491
4	Services <sup>3</sup> .....	14,312	16,001	15,715	4,549	4,783	4,987	8,163	9,258	8,946
5	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	118	84	82	4	1	1	115	106	104
6	Travel .....	4,605	5,514	5,144	1,572	1,641	1,829	2,097	2,736	2,339
7	Passenger fares .....	1,215	1,338	1,373	348	356	395	672	887	802
8	Other transportation .....	1,071	1,159	1,115	265	294	266	941	917	945
9	Royalties and license fees <sup>5</sup> .....	941	982	1,059	313	325	354	1,740	1,750	1,870
10	Other private services <sup>5</sup> .....	6,319	6,879	6,900	2,042	2,161	2,138	2,582	2,846	2,870
11	U.S. Government miscellaneous services .....	43	45	42	5	5	4	16	16	16
12	Income receipts .....	15,090	16,552	19,153	2,765	2,557	2,946	4,719	4,945	5,175
13	Income receipts on U.S.-owned assets abroad .....	15,038	16,500	19,101	2,758	2,550	2,939	4,701	4,927	5,157
14	Direct investment receipts .....	8,508	8,596	9,276	2,237	2,006	2,324	2,853	2,939	2,966
15	Other private receipts .....	6,440	7,855	9,727	517	540	611	1,848	1,987	2,191
16	U.S. Government receipts .....	90	49	98	4	4	4	.....	1	.....
17	Compensation of employees .....	52	52	52	7	7	7	18	18	18
18	<b>Imports of goods and services and income payments</b> .....	<b>-89,493</b>	<b>-93,943</b>	<b>-99,606</b>	<b>-45,179</b>	<b>-45,072</b>	<b>-47,456</b>	<b>-48,889</b>	<b>-49,786</b>	<b>-53,041</b>
19	Imports of goods and services .....	-77,431	-79,821	-82,583	-42,913	-42,372	-44,680	-37,323	-37,656	-39,957
20	Goods, balance-of-payments basis <sup>2</sup> .....	-63,513	-65,353	-68,729	-39,742	-39,300	-41,335	-32,029	-32,301	-34,047
21	Services <sup>3</sup> .....	-13,918	-14,468	-13,854	-3,171	-3,072	-3,345	-5,294	-5,355	-5,910
22	Direct defense expenditures .....	-60	-121	-90	-3	-4	-4	-402	-414	-390
23	Travel .....	-4,987	-5,369	-4,936	-2,040	-1,911	-2,203	-708	-670	-644
24	Passenger fares .....	-1,025	-1,063	-752	-215	-234	-188	-172	-175	-290
25	Other transportation .....	-1,152	-1,158	-1,236	-255	-256	-270	-1,400	-1,547	-1,657
26	Royalties and license fees <sup>5</sup> .....	-367	-329	-345	-33	-36	-45	-1,465	-1,411	-1,666
27	Other private services <sup>5</sup> .....	-6,149	-6,263	-6,348	-570	-581	-587	-1,096	-1,088	-1,213
28	U.S. Government miscellaneous services .....	-178	-165	-147	-55	-50	-48	-51	-50	-50
29	Income payments .....	-12,062	-14,122	-17,023	-2,266	-2,700	-2,776	-11,566	-12,130	-13,084
30	Income payments on foreign-owned assets in the United States .....	-10,298	-12,255	-15,160	-538	-877	-975	-11,547	-12,113	-13,056
31	Direct investment payments .....	-1,082	-1,132	-1,430	26	-151	-105	-3,049	-3,259	-3,264
32	Other private payments .....	-7,097	-8,727	-11,177	-230	-323	-446	-1,870	-1,965	-2,499
33	U.S. Government payments .....	-2,119	-2,296	-2,553	-334	-403	-424	-6,628	-6,889	-7,293
34	Compensation of employees .....	-1,764	-1,867	-1,863	-1,728	-1,823	-1,801	-19	-17	-28
35	<b>Unilateral current transfers, net</b> .....	<b>-7,427</b>	<b>-5,885</b>	<b>-7,960</b>	<b>-1,912</b>	<b>-1,983</b>	<b>-2,019</b>	<b>12</b>	<b>2</b>	<b>157</b>
36	U.S. Government grants <sup>4</sup> .....	-466	-689	-363	-8	-8	-6	.....	.....	.....
37	U.S. Government pensions and other transfers .....	-202	-212	-290	.....	.....	.....	-38	-38	-28
38	Private remittances and other transfers <sup>6</sup> .....	-6,759	-4,984	-7,307	-1,904	-1,975	-2,013	50	40	185
<b>Capital and financial account</b>										
<b>Capital account</b>										
39	<b>Capital account transactions, net</b> .....	<b>-12</b>	<b>-18</b>	<b>-64</b>	<b>-4</b>	<b>-5</b>	<b>-4</b>	<b>6</b>	<b>6</b>	<b>7</b>
<b>Financial account</b>										
40	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b> .....	<b>-20,947</b>	<b>-43,424</b>	<b>-85,531</b>	<b>1,062</b>	<b>-2,760</b>	<b>-3,408</b>	<b>-14,795</b>	<b>-20,694</b>	<b>-20,882</b>
41	U.S. official reserve assets, net .....	.....	.....	.....	.....	.....	.....	-1	-1	.....
42	Gold <sup>7</sup> .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
43	Special drawing rights .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
44	Reserve position in the International Monetary Fund .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
45	Foreign currencies .....	.....	.....	.....	.....	.....	.....	-1	-1	.....
46	U.S. Government assets, other than official reserve assets, net .....	95	201	75	8	12	8	.....	-1	7
47	U.S. credits and other long-term assets .....	-128	-90	-100	-3	-1	-2	.....	.....	.....
48	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	122	307	162	11	13	10	.....	.....	.....
49	U.S. foreign currency holdings and U.S. short-term assets, net .....	101	-16	13	.....	.....	.....	.....	-1	7
50	U.S. private assets, net .....	-21,042	-43,625	-85,606	1,054	-2,772	-3,416	-14,794	-20,692	-20,889
51	Direct investment .....	-2,263	-8,445	1,728	-2,204	-1,532	-2,010	-3,453	-3,867	-2,324
52	Foreign securities .....	6,420	7,498	495	1,894	1	-593	2,639	-6,095	-6,321
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns ..	-9,284	-30,510	-43,266	-82	-359	-8	-821	-32	-492
54	U.S. claims reported by U.S. banks, not included elsewhere .....	-15,915	-12,168	-44,563	1,446	-882	-805	-13,159	-10,698	-11,752
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b>	<b>94,528</b>	<b>15,365</b>	<b>161,515</b>	<b>8,635</b>	<b>6,526</b>	<b>9,238</b>	<b>60,583</b>	<b>39,588</b>	<b>35,264</b>
56	Foreign official assets in the United States, net .....	7,786	3,841	4,261	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
57	U.S. Government securities .....	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
58	U.S. Treasury securities <sup>9</sup> .....	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
59	Other <sup>10</sup> .....	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
60	Other U.S. Government liabilities <sup>11</sup> .....	60	51	95	-4	-1	-1	-83	423	-212
61	U.S. liabilities reported by U.S. banks, not included elsewhere .....	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
62	Other foreign official assets <sup>12</sup> .....	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
63	Other foreign assets in the United States, net .....	86,742	11,524	157,254	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
64	Direct investment .....	1,736	-2,324	-55	-419	-243	590	3,936	3,421	4,383
65	U.S. Treasury securities .....	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
66	U.S. securities other than U.S. Treasury securities .....	13,472	19,995	33,768	618	7,703	5,825	21,243	3,170	29,878
67	U.S. currency .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	409	180	-7	-792	758	773
69	U.S. liabilities reported by U.S. banks, not included elsewhere .....	36,159	-1,949	140,530	<sup>18</sup> 8,031	<sup>18</sup> -1,113	<sup>18</sup> 28,831	<sup>18</sup> 36,279	<sup>18</sup> 31,816	<sup>18</sup> 442
70	<b>Statistical discrepancy (sum of above items with sign reversed)</b> .....	<b>-48,657</b>	<b>52,437</b>	<b>-48,931</b>	<b>2,545</b>	<b>8,047</b>	<b>6,425</b>	<b>-23,128</b>	<b>3,882</b>	<b>10,883</b>
<b>Memoranda:</b>										
71	Balance on goods (lines 3 and 20) .....	-20,907	-22,438	-23,020	-12,203	-11,393	-12,044	-18,700	-19,502	-20,556
72	Balance on services (lines 4 and 21) .....	394	1,533	1,861	1,378	1,711	1,642	2,869	3,903	3,036
73	Balance on goods and services (lines 2 and 19) .....	-20,513	-20,905	-21,159	-10,825	-9,682	-10,402	-15,831	-15,599	-17,520
74	Balance on income (lines 12 and 29) .....	3,028	2,430	2,130	499	-143	170	-6,847	-7,185	-7,909
75	Unilateral current transfers, net (line 35) .....	-7,427	-5,885	-7,960	-1,912	-1,983	-2,019	12	2	157
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup> .....	-24,912	-24,360	-26,989	-12,238	-11,808	-12,251	-22,666	-22,782	-25,272

**Table E.3. U.S. International Transactions, By Area**  
[Millions of dollars]

Line	(Credits +, debits -) <sup>1</sup>	Australia			Other countries in Asia and Africa			International organizations and unallocated <sup>16</sup>		
		2004			2004			2004		
		II	III <sup>r</sup>	IV <sup>p</sup>	II	III <sup>r</sup>	IV <sup>p</sup>	II	III <sup>r</sup>	IV <sup>p</sup>
<b>Current account</b>										
1	<b>Exports of goods and services and income receipts</b> .....	<b>7,144</b>	<b>7,560</b>	<b>7,740</b>	<b>74,216</b>	<b>78,583</b>	<b>78,692</b>	<b>10,320</b>	<b>10,424</b>	<b>10,677</b>
2	Exports of goods and services .....	5,087	5,452	5,371	63,488	66,052	66,096	1,615	1,655	1,755
3	Goods, balance-of-payments basis <sup>2</sup> .....	3,327	3,629	3,721	46,952	47,815	49,227			
4	Services <sup>3</sup> .....	1,760	1,823	1,650	16,536	18,237	16,869	1,615	1,655	1,755
5	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	35	53	51	2,401	2,156	2,205			
6	Travel .....	548	615	421	2,969	3,417	2,313			
7	Passenger fares .....	134	128	102	281	301	291			
8	Other transportation .....	92	108	108	3,100	3,176	3,175	197	187	203
9	Royalties and license fees <sup>5</sup> .....	264	253	281	1,971	2,038	2,158	653	666	740
10	Other private services <sup>5</sup> .....	684	664	685	5,750	7,084	6,648	765	802	812
11	U.S. Government miscellaneous services .....	3	2	2	64	65	79			
12	Income receipts .....	2,057	2,108	2,369	10,728	12,531	12,596	8,705	8,769	8,922
13	Income receipts on U.S.-owned assets abroad .....	2,050	2,101	2,362	10,624	12,426	12,426	8,267	8,293	8,422
14	Direct investment receipts .....	1,526	1,563	1,789	9,021	10,550	10,520	5,701	5,705	5,684
15	Other private receipts .....	524	538	573	1,410	1,552	1,722	2,476	2,490	2,627
16	U.S. Government receipts .....				193	324	248	90	98	111
17	Compensation of employees .....	7	7	7	104	105	106	438	476	500
18	<b>Imports of goods and services and income payments</b> .....	<b>-3,838</b>	<b>-4,557</b>	<b>-4,715</b>	<b>-143,558</b>	<b>-159,553</b>	<b>-164,748</b>	<b>-4,701</b>	<b>-5,554</b>	<b>-5,369</b>
19	Imports of goods and services .....	-2,668	-2,994	-3,164	-134,892	-150,362	-153,969	-1,113	-1,900	-1,182
20	Goods, balance-of-payments basis <sup>2</sup> .....	-1,751	-1,972	-2,119	-119,832	-135,405	-138,701			
21	Services <sup>3</sup> .....	-917	-1,022	-1,045	-15,060	-14,957	-15,268	-1,113	-1,900	-1,182
22	Direct defense expenditures .....	-58	-67	-60	-3,677	-3,559	-3,562			
23	Travel .....	-294	-286	-273	-3,284	-2,816	-2,751			
24	Passenger fares .....	-142	-179	-184	-1,543	-1,604	-1,519			
25	Other transportation .....	-64	-75	-77	-3,869	-4,148	-4,476	-825	-810	-858
26	Royalties and license fees <sup>5</sup> .....	-20	-34	-41	-60	-65	-62	-258	-1,059	-293
27	Other private services <sup>5</sup> .....	-331	-366	-402	-2,418	-2,554	-2,674	-29	-30	-30
28	U.S. Government miscellaneous services .....	-8	-15	-8	-209	-211	-224	-1	-1	-1
29	Income payments .....	-1,170	-1,563	-1,551	-8,666	-9,191	-10,779	-3,588	-3,654	-4,187
30	Income payments on foreign-owned assets in the United States .....	-1,167	-1,560	-1,547	-8,505	-9,055	-10,539	-3,588	-3,654	-4,187
31	Direct investment payments .....	-732	-1,105	-957	-500	-372	-671	-2,642	-2,672	-2,701
32	Other private payments .....	-330	-358	-484	-2,032	-2,306	-3,071	-915	-949	-1,445
33	U.S. Government payments .....	-105	-97	-106	-5,973	-6,377	-6,797	-31	-33	-41
34	Compensation of employees .....	-3	-3	-4	-161	-136	-240			
35	<b>Unilateral current transfers, net</b> .....	<b>-53</b>	<b>-58</b>	<b>-69</b>	<b>-7,620</b>	<b>-7,876</b>	<b>-8,034</b>	<b>-1,819</b>	<b>-1,993</b>	<b>-2,539</b>
36	U.S. Government grants <sup>4</sup> .....				-3,795	-3,506	-4,583	-164	-188	-115
37	U.S. Government pensions and other transfers .....	-16	-16	-16	-143	-143	-149	-203	-361	-1,194
38	Private remittances and other transfers <sup>6</sup> .....	-37	-42	-53	-3,682	-4,227	-3,302	-1,452	-1,444	-1,230
<b>Capital and financial account</b>										
<b>Capital account</b>										
39	<b>Capital account transactions, net</b> .....	<b>-7</b>	<b>-8</b>	<b>-7</b>	<b>-197</b>	<b>-231</b>	<b>-195</b>			
<b>Financial account</b>										
40	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b> .....	<b>2,011</b>	<b>2,316</b>	<b>-32,856</b>	<b>8,059</b>	<b>-3,082</b>	<b>-11,541</b>	<b>-1,680</b>	<b>-7,609</b>	<b>-7,264</b>
41	U.S. official reserve assets, net .....							1,255	578	880
42	Gold <sup>7</sup> .....									
43	Special drawing rights .....							-90	-98	-110
44	Reserve position in the International Monetary Fund .....							1,345	676	990
45	Foreign currencies .....									
46	U.S. Government assets, other than official reserve assets, net .....				53	219	487	-245	-741	-244
47	U.S. credits and other long-term assets .....				-271	-376	-105	-245	-741	-244
48	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....				338	610	592			
49	U.S. foreign currency holdings and U.S. short-term assets, net .....				-14	-15				
50	U.S. private assets, net .....	2,011	2,316	-32,856	8,006	-3,301	-12,028	-2,690	-7,446	-7,900
51	Direct investment .....	-1,394	1,316	( <sup>19</sup> )	-7,310	-9,758	( <sup>19</sup> )	-5,701	-5,705	-5,684
52	Foreign securities .....	-1,703	-1,237	25,008	7,208	2,825	-5,058	-111	15	-399
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	3,235	2,483	<sup>19</sup> -55,315	-1,932	785	<sup>19</sup> -9,200			
54	U.S. claims reported by U.S. banks, not included elsewhere .....	1,873	-246	-2,549	10,040	2,847	2,230	3,122	-1,756	-1,817
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b> .....	<b>3,319</b>	<b>-4,899</b>	<b>26,567</b>	<b>21,986</b>	<b>45,262</b>	<b>67,025</b>	<b>10,195</b>	<b>3,093</b>	<b>7,558</b>
56	Foreign official assets in the United States, net .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )		101	8
57	U.S. Government securities .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )			
58	U.S. Treasury securities <sup>9</sup> .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )			
59	Other <sup>10</sup> .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )			
60	Other U.S. Government liabilities <sup>11</sup> .....	43	8	34	145	6	-495		101	8
61	U.S. liabilities reported by U.S. banks, not included elsewhere .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )			
62	Other foreign official assets <sup>12</sup> .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )			
63	Other foreign assets in the United States, net .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	10,195	2,992	7,550
64	Direct investment .....	2,907	-3,124	2,655	-603	1,908	780	2,642	2,672	2,701
65	U.S. Treasury securities .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
66	U.S. securities other than U.S. Treasury securities .....	591	152	10,952	19,890	9,100	11,480	540	496	-105
67	U.S. currency .....							8,754	2,560	5,313
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	-400	352	89	268	326	-29			
69	U.S. liabilities reported by U.S. banks, not included elsewhere .....	<sup>18</sup> 178	<sup>18</sup> -2,287	<sup>18</sup> 12,837	<sup>18</sup> 2,286	<sup>18</sup> 33,922	<sup>18</sup> 55,289	<sup>18</sup> -1,741	<sup>18</sup> -2,736	<sup>18</sup> -359
70	<b>Statistical discrepancy (sum of above items with sign reversed)</b> .....	<b>-8,576</b>	<b>-354</b>	<b>3,340</b>	<b>47,114</b>	<b>46,897</b>	<b>38,801</b>	<b>-12,315</b>	<b>1,639</b>	<b>-3,063</b>
<b>Memoranda:</b>										
71	Balance on goods (lines 3 and 20) .....	1,576	1,657	1,602	-72,880	-87,590	-89,474			
72	Balance on services (lines 4 and 21) .....	843	801	605	1,476	3,280	1,601	502	-245	573
73	Balance on goods and services (lines 2 and 19) .....	2,419	2,458	2,207	-71,404	-84,310	-87,873	502	-245	573
74	Balance on income (lines 12 and 29) .....	887	545	818	2,062	3,340	1,817	5,117	5,115	4,735
75	Unilateral current transfers, net (line 35) .....	-53	-58	-69	-7,620	-7,876	-8,034	-1,819	-1,993	-2,539
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup> .....	3,253	2,945	2,956	-76,962	-88,846	-94,090	3,800	2,877	2,769





## F. Investment Tables

Table F.1. International Investment Position of the United States at Yearend, 2002 and 2003

[Millions of dollars]

Line	Type of investment	Position, 2002 <sup>r</sup>	Changes in position in 2003				Total (a+b+c+d)	Position, 2003 <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)	(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).....	-2,233,018	-545,759	37,112	255,457	55,526	-197,664	-2,430,682
2	With direct investment positions at market value (line 4 less line 25).....	-2,553,407	-545,759	-13,696	397,918	63,954	-97,583	-2,650,990
<b>U.S.-owned assets abroad:</b>								
3	With direct investment at current cost (lines 5+10+15).....	6,413,535	283,414	355,668	327,520	-177,445	789,157	7,202,692
4	With direct investment at market value (lines 5+10+16).....	6,613,320	283,414	676,650	468,722	-178,138	1,250,648	7,863,968
5	U.S. official reserve assets.....	158,602	-1,523	18,059	8,438	1	24,975	183,577
6	Gold.....	90,806	( <sup>3</sup> ) 18,059			( <sup>4</sup> ) 1	18,060	108,866
7	Special drawing rights.....	12,166	-601		1,073		472	12,638
8	Reserve position in the International Monetary Fund.....	21,979	-1,494		2,050		556	22,535
9	Foreign currencies.....	33,651	572		5,315		5,887	39,538
10	U.S. Government assets, other than official reserve assets.....	85,309	-537				-537	84,772
11	U.S. credits and other long-term assets <sup>5</sup> .....	82,682	-702				-702	81,980
12	Repayable in dollars.....	82,406	-700				-700	81,706
13	Other <sup>6</sup> .....	276	-2				-2	274
14	U.S. foreign currency holdings and U.S. short-term assets.....	2,627	165				165	2,792
<b>U.S. private assets:</b>								
15	With direct investment at current cost (lines 17+19+22+23).....	6,169,624	285,474	337,609	319,082	-177,446	764,719	6,934,343
16	With direct investment at market value (lines 18+19+22+23).....	6,369,409	285,474	658,591	460,284	-178,139	1,226,210	7,595,619
<b>Direct investment abroad:</b>								
17	At current cost.....	1,839,995	173,799	9,472	58,756	-13,009	229,018	2,069,013
18	At market value.....	2,039,780	173,799	330,454	199,958	-13,702	690,509	2,730,289
19	Foreign securities.....	1,846,879	72,337	328,137	227,021		627,495	2,474,374
20	Bonds.....	501,762	-28,094	3,209	25,253		368	502,130
21	Corporate stocks.....	1,345,117	100,431	324,928	201,768		627,127	1,972,244
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	908,024	28,932		18,093	-340,377	-293,352	614,672
23	U.S. claims reported by U.S. banks, not included elsewhere.....	1,574,726	10,406		15,212	175,940	201,558	1,776,284
<b>Foreign-owned assets in the United States:</b>								
24	With direct investment at current cost (lines 26+33).....	8,646,553	829,173	318,556	72,063	-232,971	986,821	9,633,374
25	With direct investment at market value (lines 26+34).....	9,166,727	829,173	690,346	70,804	-242,092	1,348,231	10,514,958
<b>Foreign official assets in the United States:</b>								
26	U.S. Government securities.....	954,896	194,568	-16,845		12,410	190,133	1,145,029
27	U.S. Treasury securities.....	796,449	169,685	-13,947		4,476	160,214	956,663
28	Other.....	158,447	24,883	-2,898		7,934	29,919	188,366
29	Other U.S. Government liabilities <sup>7</sup> .....	17,144	-564				-564	16,580
30	U.S. liabilities reported by U.S. banks, not included elsewhere.....	144,646	49,420			-3,465	45,955	190,601
31	Other foreign official assets.....	96,037	5,149	20,765			25,914	121,951
<b>Other foreign assets:</b>								
32	With direct investment at current cost (lines 35+37+38+41+42+43).....	7,433,830	580,600	314,636	72,063	-241,916	725,383	8,159,213
33	With direct investment at market value (lines 36+37+38+41+42+43).....	7,954,004	580,600	686,426	70,804	-251,037	1,086,793	9,040,797
<b>Direct investment in the United States:</b>								
34	At current cost.....	1,505,171	39,890	6,460	1,259	1,175	48,784	1,553,955
35	At market value.....	2,025,345	39,890	378,250		-7,946	410,194	2,435,539
36	U.S. Treasury securities.....	457,670	113,432	-11,612		-16,948	84,872	542,542
37	U.S. securities other than U.S. Treasury securities.....	2,786,647	250,981	319,788	48,437	-14,803	604,403	3,391,050
38	Corporate and other bonds.....	1,600,414	213,718	5,205	48,437	-14,803	252,557	1,852,971
39	Corporate stocks.....	1,186,233	37,263	314,583			351,846	1,538,079
40	U.S. currency.....	301,268	16,640				16,640	317,908
41	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	864,632	84,014		11,269	-493,372	-398,089	466,543
42	U.S. liabilities reported by U.S. banks, not included elsewhere.....	1,518,442	75,643		11,098	282,032	368,773	1,887,215

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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 2003" in the July 2004 SURVEY OF CURRENT BUSINESS.

**Table F.2. U.S. Direct Investment Abroad: Selected Items by Country of Foreign Affiliate and by Industry of Foreign Affiliate, 2000-2003**

[Millions of dollars]

	Direct investment position on a historical-cost basis				Capital outflows (inflows (-))				Income			
	2000	2001	2002	2003	2000	2001	2002	2003	2000	2001	2002	2003
<b>All countries, all industries</b> .....	<b>1,316,247</b>	<b>1,460,352</b>	<b>1,601,414</b>	<b>1,788,911</b>	<b>142,627</b>	<b>124,873</b>	<b>115,340</b>	<b>151,884</b>	<b>133,692</b>	<b>110,029</b>	<b>126,694</b>	<b>164,712</b>
<b>By country of foreign affiliate</b>												
Canada .....	132,472	152,601	170,169	192,409	16,899	16,841	11,534	13,826	16,181	11,836	12,697	17,354
Europe .....	687,320	771,936	848,599	963,087	77,976	65,580	69,665	99,191	65,574	53,524	62,467	81,751
<i>Of which:</i>												
France .....	42,628	40,125	42,999	47,914	1,967	476	3,324	1,504	2,370	1,697	2,428	4,339
Germany .....	55,508	63,396	67,404	80,163	3,811	11,823	-216	8,676	4,736	3,407	2,519	4,062
Ireland .....	35,903	39,541	46,617	55,463	9,823	2,437	5,663	9,093	5,773	5,161	6,245	8,281
Netherlands .....	115,429	147,687	164,217	178,933	961	12,025	14,633	14,968	13,402	10,922	12,352	15,791
Switzerland .....	55,377	63,768	71,454	86,435	8,687	4,170	6,683	14,444	5,027	6,636	9,130	10,738
United Kingdom .....	230,762	228,230	239,219	272,640	28,317	7,890	16,852	30,455	19,099	9,612	10,570	13,756
Latin America and Other Western Hemisphere .....	266,576	279,611	284,561	304,023	23,212	25,691	6,428	13,171	19,796	18,006	17,146	24,552
<i>Of which:</i>												
Bermuda .....	60,114	84,969	80,048	84,609	9,363	7,007	-1,991	1,832	6,446	5,250	4,035	6,320
Brazil .....	36,717	32,027	27,615	29,915	3,350	113	339	-266	1,621	567	538	1,370
Mexico .....	39,352	52,544	55,724	61,526	4,203	14,226	5,171	5,667	4,431	4,034	4,349	5,750
United Kingdom Islands, Caribbean .....	33,451	36,443	49,806	54,507	989	-1,129	2,157	3,057	1,606	3,719	4,542	4,955
Africa .....	11,891	15,574	16,290	18,960	716	2,438	1,443	2,211	2,010	1,554	1,873	2,864
Middle East .....	10,863	13,212	14,671	16,942	1,375	1,397	1,703	2,093	2,272	1,545	1,876	2,645
Asia and Pacific .....	207,125	227,418	267,125	293,490	22,449	12,927	24,568	21,392	27,861	23,564	30,636	35,546
<i>Of which:</i>												
Australia .....	34,838	27,778	34,409	40,985	890	-751	5,139	3,881	3,415	1,503	2,207	3,707
Hong Kong .....	27,447	32,494	41,571	44,323	4,922	4,787	1,687	1,725	5,163	4,897	4,839	5,071
Japan .....	57,091	55,651	65,939	73,435	4,295	-4,731	7,877	5,800	5,988	4,892	6,342	9,167
Singapore .....	24,133	40,764	52,449	57,589	3,688	5,593	4,377	5,699	4,045	3,334	8,558	6,974
<b>By industry of foreign affiliate</b>												
Mining .....	72,111	79,392	86,564	98,669	2,174	15,590	7,949	9,816	13,164	9,262	9,503	12,786
Utilities .....	21,964	25,528	24,330	26,907	2,466	2,887	-835	-213	1,610	2,068	1,902	1,991
Manufacturing .....	343,899	328,030	339,391	378,033	43,002	25,871	28,002	28,370	42,230	27,603	26,733	36,531
<i>Of which:</i>												
Food .....	23,497	21,334	18,340	22,717	2,014	1,813	2,210	2,793	2,681	2,597	2,674	3,172
Chemicals .....	75,807	79,186	81,449	90,341	3,812	10,210	6,332	6,178	11,552	7,161	9,093	10,620
Primary and fabricated metals .....	21,644	21,814	21,926	22,970	1,233	311	1,244	-169	1,536	1,422	898	1,607
Machinery .....	22,229	17,655	18,612	21,380	2,659	-812	220	2,405	2,257	1,313	1,974	2,043
Computers and electronic products .....	59,909	58,651	53,601	57,596	17,303	4,107	1,179	3,061	8,860	4,335	2,504	5,394
Electrical equipment, appliances, and components .....	10,005	9,552	9,030	9,657	2,100	1,129	269	772	1,079	669	522	739
Transportation equipment .....	49,887	40,487	44,820	45,372	7,814	1,861	2,471	1,517	4,107	2,148	612	1,802
Wholesale trade .....	93,936	112,946	124,686	140,579	11,938	15,712	3,841	12,802	14,198	13,706	12,905	19,583
Information .....	52,345	42,996	39,812	47,525	16,531	-2,838	-1,886	5,578	-964	-3,084	535	5,474
Depository institutions (banking) .....	40,152	55,620	56,595	63,655	-1,274	10,326	-1,976	693	2,191	2,343	1,288	2,356
Finance (except depository institutions) and insurance .....	217,086	240,272	264,680	299,805	21,659	2,854	14,643	30,149	15,210	9,224	13,946	19,165
Professional, scientific, and technical services .....	32,868	34,306	34,907	40,599	5,441	3,739	1,167	4,497	3,548	1,741	2,481	4,623
Other industries .....	441,886	541,263	630,450	693,138	40,690	50,731	64,434	60,191	42,504	47,166	57,401	62,203

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

The data in this table are from tables 16 and 17 in "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 2003" in the September 2004 SURVEY OF CURRENT BUSINESS.

Table F.3. Selected Financial and Operating Data of Nonbank Foreign Affiliates of U.S. Companies by Country and by Industry of Affiliate, 2002

	All nonbank foreign affiliates						Majority-owned nonbank foreign affiliates						
	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	Value added	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates	
<b>All countries, all industries</b> .....	<b>6,865,705</b>	<b>2,973,212</b>	<b>217,660</b>	<b>184,499</b>	<b>217,673</b>	<b>9,695.9</b>	<b>6,209,829</b>	<b>2,548,625</b>	<b>204,802</b>	<b>611,456</b>	<b>177,213</b>	<b>199,349</b>	<b>8,183.9</b>
<b>By country of foreign affiliate</b>													
Canada .....	514,250	359,620	13,624	58,373	80,860	1,124.1	484,796	336,830	14,430	71,139	56,528	74,646	1,062.4
Europe .....	4,103,349	1,479,547	124,084	43,491	41,796	4,118.4	3,838,231	1,322,029	119,306	342,291	42,326	41,047	3,685.7
<i>Of which:</i> .....													
France .....	212,778	139,456	3,166	4,131	3,296	583.2	187,698	125,929	3,467	35,864	3,585	3,201	543.6
Germany .....	351,566	242,206	6,206	7,207	4,983	653.0	311,825	205,713	3,913	60,738	7,111	4,979	615.6
Netherlands .....	534,795	141,606	19,994	7,771	(D)	230.6	507,950	113,151	18,884	21,406	7,477	2,166	179.9
United Kingdom .....	1,581,483	389,292	8,098	9,829	6,464	1,219.4	1,526,337	371,645	13,590	105,056	9,796	6,441	1,121.5
Latin America and Other Western Hemisphere .....	994,055	365,977	34,947	42,283	49,931	1,990.0	860,328	308,180	32,264	61,400	41,023	47,194	1,594.3
<i>Of which:</i> .....													
Brazil .....	101,114	68,155	-5,015	3,118	1,807	391.1	79,611	58,787	-3,531	10,865	2,991	1,673	336.7
Mexico .....	142,566	137,055	6,026	32,970	41,902	1,041.5	113,128	112,443	4,834	22,233	32,011	40,255	841.2
Africa .....	77,632	42,294	3,120	931	(D)	218.7	61,954	33,827	2,505	13,409	767	4,960	139.0
Middle East .....	59,623	32,763	4,139	663	(D)	87.9	28,915	15,399	1,889	6,577	603	633	59.5
Asia and Pacific .....	1,116,796	693,011	37,747	38,759	39,369	2,156.7	935,605	532,360	34,408	116,641	35,967	30,870	1,643.0
<i>Of which:</i> .....													
Australia .....	154,272	74,142	3,819	3,882	1,353	320.6	142,725	61,028	3,414	19,511	3,783	1,352	255.3
Japan .....	431,911	251,924	8,535	10,657	9,785	503.7	328,460	150,181	7,052	34,606	9,501	1,973	246.1
<b>By industry of foreign affiliate</b>													
Mining .....	298,637	104,463	17,166	1,124	12,516	167.5	275,111	94,171	14,193	58,175	1,050	11,622	149.2
Utilities .....	142,367	60,632	-301	8	3	101.4	100,498	40,570	-1,614	7,582	8	3	70.7
Manufacturing .....	1,343,683	1,415,463	61,180	127,658	186,483	5,062.8	1,143,805	1,208,610	54,798	316,621	122,573	169,379	4,317.8
<i>Of which:</i> .....													
Food .....	76,557	99,819	3,846	4,378	4,498	418.4	67,856	90,281	3,409	19,626	4,036	4,405	372.9
Chemicals .....	345,030	249,099	24,872	17,074	19,132	656.3	310,491	224,473	23,355	67,808	16,354	18,261	599.9
Primary and fabricated metals .....	64,165	45,828	1,309	2,982	4,048	255.9	58,040	40,063	996	10,991	2,909	3,936	240.7
Machinery .....	70,477	72,461	3,037	7,070	7,588	385.0	58,745	59,925	2,764	16,753	6,723	6,813	327.3
Computers and electronic products .....	177,022	210,937	7,514	24,602	37,118	713.1	170,922	206,909	7,989	37,534	24,385	36,894	681.3
Electrical equipment, appliances, and components .....	32,183	29,132	374	2,216	4,591	250.5	29,173	26,041	372	7,250	2,149	3,695	219.8
Transportation equipment .....	245,032	357,234	2,216	55,587	89,841	1,075.3	174,618	272,093	1,142	45,316	52,910	76,462	888.8
Wholesale trade .....	463,176	680,498	19,634	47,045	17,076	823.4	442,458	647,333	18,938	94,447	45,556	16,827	775.9
Information .....	280,209	166,416	-6,582	908	(D)	646.0	120,348	78,686	-2,759	23,102	797	96	345.2
Finance (except depository institutions) and insurance .....	2,438,387	212,260	20,105	10	(D)	332.5	2,353,513	198,704	18,706	23,875	10	(D)	310.7
Professional, scientific, and technical services .....	123,553	84,141	2,758	1,534	(D)	443.9	120,226	79,284	2,556	30,962	1,517	(D)	413.9
Other industries .....	1,775,694	249,340	103,700	6,212	(D)	2,118.3	1,653,870	201,267	99,985	56,693	5,703	901	1,800.6

D Suppressed to avoid disclosure of data of individual companies.

NOTE: The data in this table are from "U.S. Multinational Companies: Operations in 2002" in the July 2004 SURVEY OF CURRENT BUSINESS.

**Table F.4. Foreign Direct Investment in the United States: Selected Items by Country of Foreign Parent and by Industry of U.S. Affiliate, 2000-2003**

[Millions of dollars]

	Direct investment position on a historical-cost basis				Capital inflows (outflows (-))				Income			
	2000	2001	2002	2003	2000	2001	2002	2003	2000	2001	2002	2003
<b>All countries, all industries</b> .....	<b>1,256,867</b>	<b>1,343,987</b>	<b>1,340,011</b>	<b>1,378,001</b>	<b>314,007</b>	<b>159,461</b>	<b>62,870</b>	<b>29,772</b>	<b>47,921</b>	<b>3,919</b>	<b>35,984</b>	<b>56,727</b>
<b>By country of foreign parent</b>												
Canada .....	114,309	92,420	96,437	105,255	27,258	9,173	2,976	9,116	849	-5,223	-909	3,462
Europe .....	887,014	999,069	982,062	1,000,532	251,041	140,661	45,012	6,572	38,766	13,964	28,989	43,946
<i>Of which:</i>												
France .....	125,740	154,984	141,400	143,341	51,001	14,546	6,678	5,130	3,633	4,024	4,171	4,808
Germany .....	122,412	162,314	139,620	148,774	14,054	40,206	-842	407	2,140	-7,787	-3,508	1,726
Luxembourg .....	58,930	95,299	97,822	104,452	30,864	-21,498	1,288	8,823	4,711	2,414	840	6
Netherlands .....	138,894	145,554	153,679	146,117	33,517	24,036	5,650	-614	8,776	3,189	4,042	7,934
Switzerland .....	64,719	129,478	119,338	112,856	12,124	61,789	6,566	-6,993	2,782	1,299	5,867	4,723
United Kingdom .....	277,613	197,651	218,175	230,374	82,652	2,819	23,941	-1,661	13,347	9,046	11,492	17,604
Latin America and Other Western Hemisphere .....	53,691	64,842	68,366	69,557	12,741	8,232	1,577	3,525	2,382	-3,748	-592	1,253
<i>Of which:</i>												
Bermuda .....	18,336	7,316	8,088	5,914	2,965	-6,467	-177	-3,366	-204	-4,868	-2,362	-1,049
Mexico .....	7,462	6,645	7,483	6,680	5,062	-716	2,099	1,944	-142	-823	35	193
Panama .....	3,819	4,385	5,394	8,383	-1,087	297	1,572	2,592	647	499	642	1,014
United Kingdom Islands, Caribbean .....	15,191	25,620	28,260	28,949	3,800	12,961	230	1,841	1,627	1,166	701	175
Africa .....	2,700	2,346	2,298	2,187	666	-308	34	-50	31	-221	41	3
Middle East .....	6,506	6,082	7,456	7,931	2,389	-401	1,290	522	241	200	-214	163
Asia and Pacific .....	192,647	179,228	183,392	192,539	19,912	2,104	11,980	10,086	5,651	-1,053	8,670	7,901
<i>Of which:</i>												
Australia .....	18,775	19,465	23,136	24,652	4,935	6,490	6,081	4,382	356	-416	555	489
Japan .....	159,690	149,859	150,499	159,258	7,820	-3,132	6,061	6,495	5,182	-244	7,747	7,530
Singapore .....	5,087	1,221	650	-162	5,911	-1,451	-514	-809	-123	-164	-73	-28
<b>By industry of U.S. affiliate</b>												
Manufacturing .....	480,561	476,474	468,471	475,475	105,119	51,069	18,876	344	24,744	4,261	21,680	20,216
<i>Of which:</i>												
Food .....	18,073	18,577	19,785	19,074	2,281	312	1,300	-1,423	1,076	597	933	-370
Chemicals .....	120,413	128,630	121,641	123,242	25,466	16,823	-7,410	2,800	4,572	2,005	6,211	6,792
Primary and fabricated metals .....	24,184	19,998	19,245	19,434	8,199	-3,109	1,308	711	1,121	-265	147	465
Machinery .....	32,283	43,317	41,424	37,701	2,175	3,560	-1,426	-2,917	1,003	-982	225	-447
Computers and electronic products .....	92,782	54,729	43,111	45,854	33,073	-1,403	-6,682	-548	2,395	-5,609	-2,043	-527
Electrical equipment, appliances, and components .....	43,109	53,559	46,080	42,311	13,333	20,545	3,200	-6,550	2,033	2,413	4,781	2,292
Transportation equipment .....	55,750	62,349	62,607	63,653	1,653	9,694	6,449	1,637	4,284	1,891	4,238	4,777
Wholesale trade .....	173,991	184,743	195,876	182,176	52,501	5,998	10,332	-6,510	13,569	9,566	12,499	16,647
Retail trade .....	26,703	22,647	21,974	24,171	4,111	5,881	763	1,389	1,519	1,335	2,161	1,368
Information .....	146,856	146,913	117,646	120,122	25,207	51,472	6,235	-1,441	-3,996	-13,392	-4,232	2,084
Depository institutions (banking) .....	64,236	67,207	76,800	87,537	5,775	6,429	3,647	4,482	3,590	1,991	2,190	2,071
Finance (except depository institutions) and insurance .....	167,007	173,801	168,957	185,655	50,990	18,156	3,556	16,684	3,782	-1,443	-2,322	8,785
Real estate and rental and leasing .....	49,985	44,280	43,515	46,999	3,473	-2,178	1,367	-1,269	2,382	1,570	1,756	1,407
Professional, scientific, and technical services .....	30,492	31,477	27,619	28,358	34,136	9,309	1,668	860	-166	-239	239	-17
Other industries .....	117,037	196,446	219,154	227,509	32,695	13,326	16,426	15,233	2,496	270	2,012	4,168

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

The data in this table are from tables 16 and 17 in "Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 2003" in the September 2004 SURVEY OF CURRENT BUSINESS.

**Table F.5. Selected Financial and Operating Data of Nonbank U.S. Affiliates of Foreign Companies by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 2002**

	All nonbank affiliates						Majority-owned nonbank affiliates						
	Millions of dollars			Thousands of employees	Millions of dollars		Millions of dollars				Thousands of employees	Millions of dollars	
	Total assets	Sales	Net income		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Total assets	Sales	Net income	Value added		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
<b>All countries, all industries</b> .....	<b>5,213,336</b>	<b>2,225,352</b>	<b>-46,188</b>	<b>5,932.2</b>	<b>146,186</b>	<b>337,406</b>	<b>4,556,582</b>	<b>2,043,500</b>	<b>-51,250</b>	<b>453,637</b>	<b>5,420.3</b>	<b>137,037</b>	<b>324,578</b>
<b>By country</b>													
Canada .....	346,204	135,626	-4,425	500.4	6,018	16,750	325,469	128,411	-4,732	36,589	470.5	5,678	16,406
Europe .....	3,574,466	1,321,197	-32,476	4,017.2	79,224	137,288	3,418,922	1,246,557	-30,801	290,887	3,751.9	73,806	132,322
<i>Of which:</i>													
France .....	466,024	163,391	-6,317	514.8	13,901	(D)	447,432	150,885	-1,461	40,926	468.0	10,065	14,895
Germany .....	549,123	302,732	-24,776	711.2	28,726	54,720	534,078	290,353	-24,598	56,951	676.4	28,241	54,439
Netherlands .....	540,928	233,696	-1,036	556.5	5,648	14,405	529,883	226,982	-2,213	38,487	547.3	5,328	14,290
Sweden .....	58,427	43,426	-814	232.3	3,979	3,908	58,142	43,049	-830	11,891	225.7	3,976	3,904
Switzerland .....	898,393	119,340	-5,589	498.9	6,203	8,250	870,483	111,395	-4,439	27,596	429.9	6,105	8,111
United Kingdom .....	905,691	346,008	7,634	1,071.6	15,421	22,445	819,758	314,944	4,518	89,658	995.8	14,978	22,254
Latin America and Other Western Hemisphere .....	233,064	136,837	-11,808	417.7	9,515	18,270	222,161	122,170	-11,817	37,045	352.3	9,104	15,509
<i>Of which:</i>													
Bermuda .....	122,016	63,534	-10,540	224.8	(D)	2,846	121,159	62,552	-10,495	22,154	223.4	6,454	2,842
Mexico .....	23,872	23,602	-880	105.7	806	3,069	18,132	15,769	-828	3,496	47.1	(D)	2,571
Panama .....	1,896	1,369	-136	6.8	143	164	(D)	1,312	-134	513	6.5	142	161
United Kingdom Islands, Caribbean .....	56,176	9,957	-162	38.3	66	895	55,661	9,714	-174	2,147	36.5	66	895
Venezuela .....	12,027	25,184	251	7.5	(D)	7,966	(D)	(D)	(D)	(D)	H	466	(D)
Africa .....	7,606	(D)	(D)	10.7	(D)	(D)	6,073	5,387	-28	1,150	10.3	513	362
Middle East .....	25,010	31,772	-567	K	(D)	7,566	22,888	30,331	-617	7,275	40.7	748	7,510
Asia and Pacific .....	570,339	532,579	-1,502	848.2	45,488	153,384	540,946	492,116	-2,342	75,627	754.3	43,164	149,093
<i>Of which:</i>													
Australia .....	71,831	25,864	-5,587	66.4	344	399	67,658	22,642	-5,824	6,656	55.0	303	360
Japan .....	452,603	446,801	4,429	697.0	38,781	128,373	430,565	414,472	3,833	61,976	628.2	36,778	125,242
United States .....	456,647	(D)	(D)	L	(D)	(D)	20,122	18,529	-913	5,064	40.1	4,024	3,377
<b>By industry</b>													
Manufacturing .....	1,063,821	912,574	-12,011	2,374.0	93,106	143,080	1,009,551	855,354	-13,107	217,552	2,227.6	86,839	132,928
<i>Of which:</i>													
Food .....	47,049	47,558	54	130.0	3,554	1,962	45,779	44,815	-58	10,644	121.1	3,425	1,897
Chemicals .....	256,248	166,633	2,751	357.5	16,280	18,672	238,898	153,073	2,192	43,376	329.4	15,470	18,315
Primary and fabricated metals .....	49,268	50,764	446	149.8	4,388	7,969	42,704	43,703	168	12,003	137.9	3,383	7,216
Machinery .....	91,970	73,572	-285	286.5	8,894	8,073	91,345	72,660	-140	22,323	284.7	8,773	7,792
Computers and electronic products .....	104,159	99,200	-8,199	271.7	15,201	(D)	94,273	90,738	-8,399	22,105	246.2	12,265	24,426
Electrical equipment, appliances, and components .....	26,021	19,382	-756	80.4	3,036	1,791	25,967	19,310	-747	4,419	80.1	3,004	1,780
Transportation equipment .....	215,770	200,847	2,057	389.0	28,335	51,439	209,892	192,516	2,077	34,619	367.4	27,957	50,326
Wholesale trade .....	417,987	605,917	10,474	544.9	48,115	185,884	409,360	583,646	9,743	76,122	516.3	45,412	183,396
Retail trade .....	68,075	122,892	-1,055	672.0	728	4,202	60,095	111,580	-561	25,654	583.3	711	4,037
Information .....	(D)	98,953	-36,789	318.4	1,070	853	248,147	75,109	-38,095	24,689	245.8	1,046	853
<i>Of which:</i>													
Publishing industries .....	(D)	33,985	-1,973	140.2	(D)	163	88,925	31,672	-709	14,026	127.4	762	163
Telecommunications .....	(D)	(D)	(D)	M	656	163	72,877	15,116	-26,372	1,937	37.4	1	(D)
Finance (except depository institutions) and insurance .....	2,732,422	(D)	(D)	285.0	(*)	4	2,293,786	185,248	-10,118	19,487	233.3	(*)	4
Real estate and rental and leasing .....	102,749	20,525	599	35.8	215	467	88,670	17,709	414	9,072	33.8	215	467
Professional, scientific, and technical services .....	60,295	43,392	184	174.7	406	244	54,932	41,620	677	16,182	162.5	384	234
Other industries .....	(D)	(D)	(D)	1,527.3	2,546	2,672	392,039	173,234	-201	64,880	1,417.6	2,430	2,658

D Suppressed to avoid disclosure of data of individual companies.

\* Less than \$500,000.

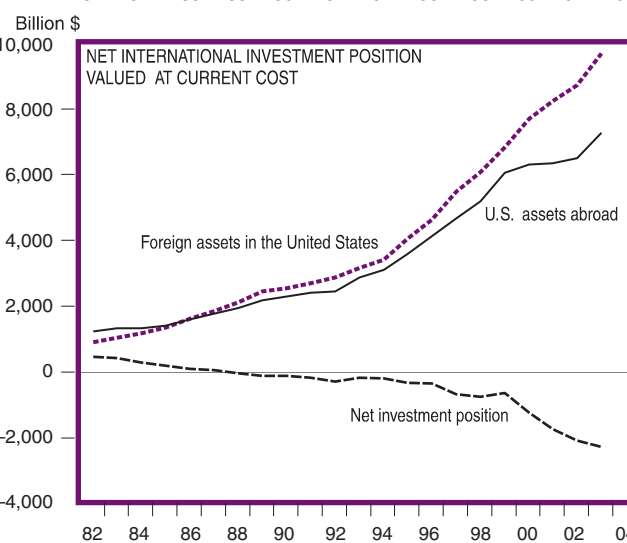
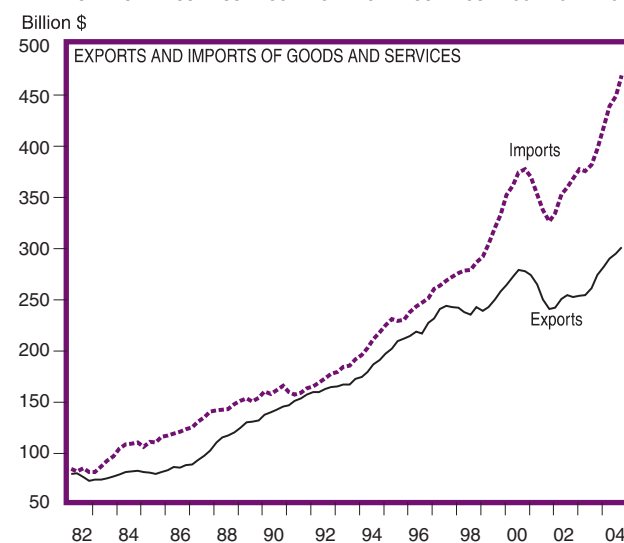
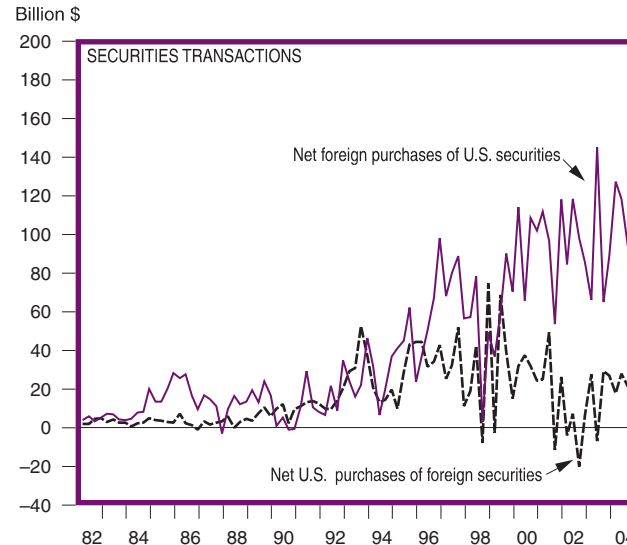
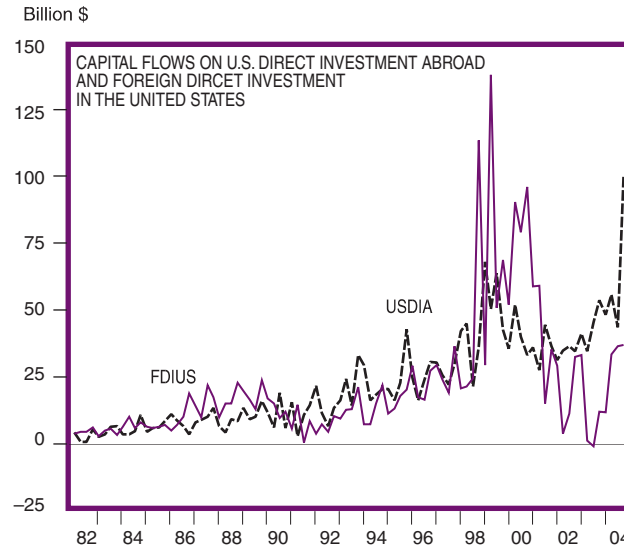
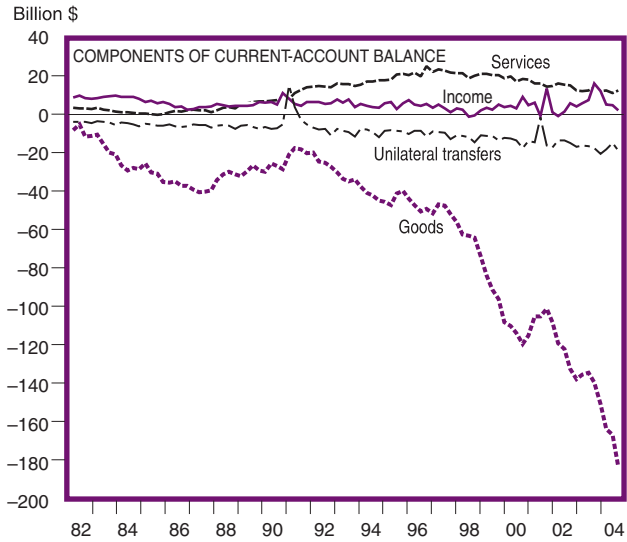
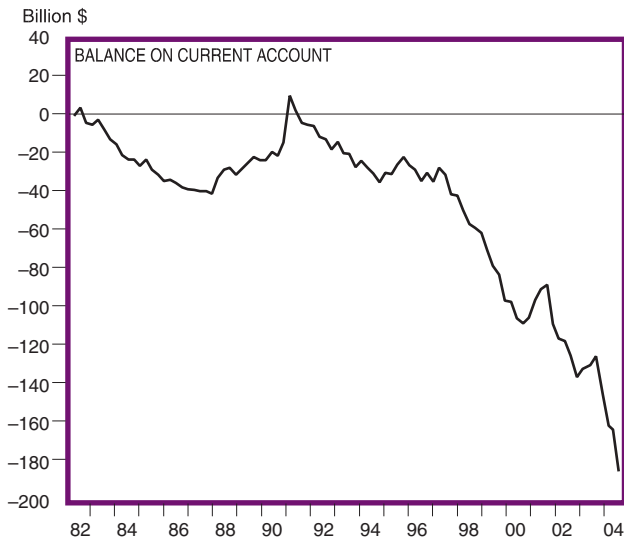
NOTES. The data in this table are from the 2002 benchmark survey of foreign direct investment in the United States; see "Operations of U.S. Affiliates of Foreign Companies: Preliminary Results From the 2002 Benchmark

Survey" in the August 2004 SURVEY OF CURRENT BUSINESS.

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

G. Charts

THE U.S. IN THE INTERNATIONAL ECONOMY













I. Local Area Table

Table I.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2000-2002—Continues

Table with columns for Area Name, Personal income (Millions of dollars, Percent change, Dollars, Rank in U.S.), and Per capita personal income (Dollars, Rank in U.S.). Rows list various metropolitan areas like United States, Metropolitan portion, and specific cities like Detroit-Warren-Livonia, MI.

See footnotes at end of table.

Table I.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 2000-2002

Main data table with columns for Area Name, Personal Income (Millions of dollars, Percent change), and Per capita Personal Income (Dollars, Rank in U.S.) for years 2000, 2001, 2002, and 2001-2002. Includes areas like Lawrence, KS; Redding, CA; and Yuma, AZ.

1. Per capita personal income was computed using Census Bureau midyear population estimates.

2. Percent change calculated from rounded data.

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

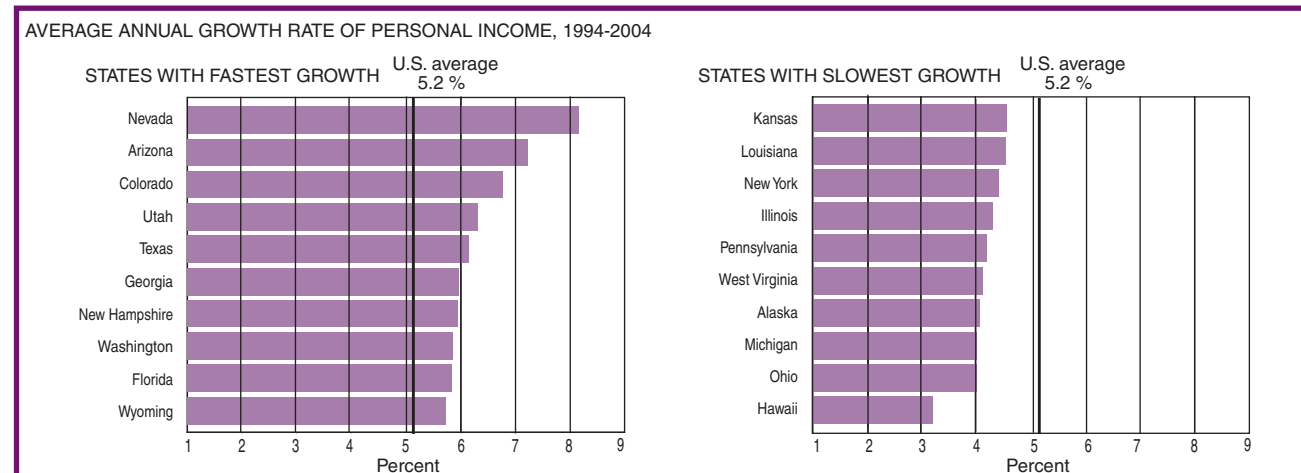
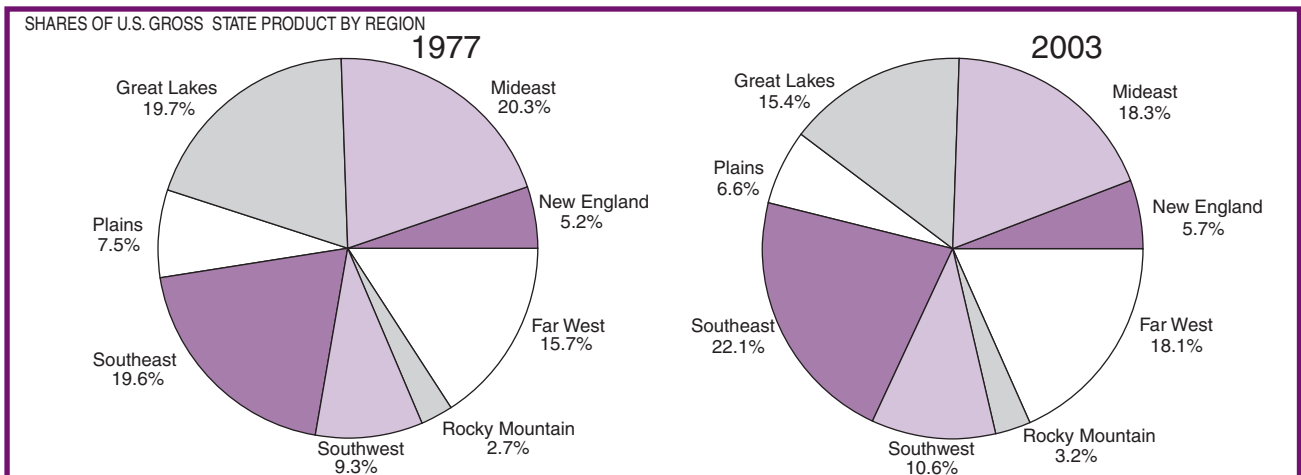
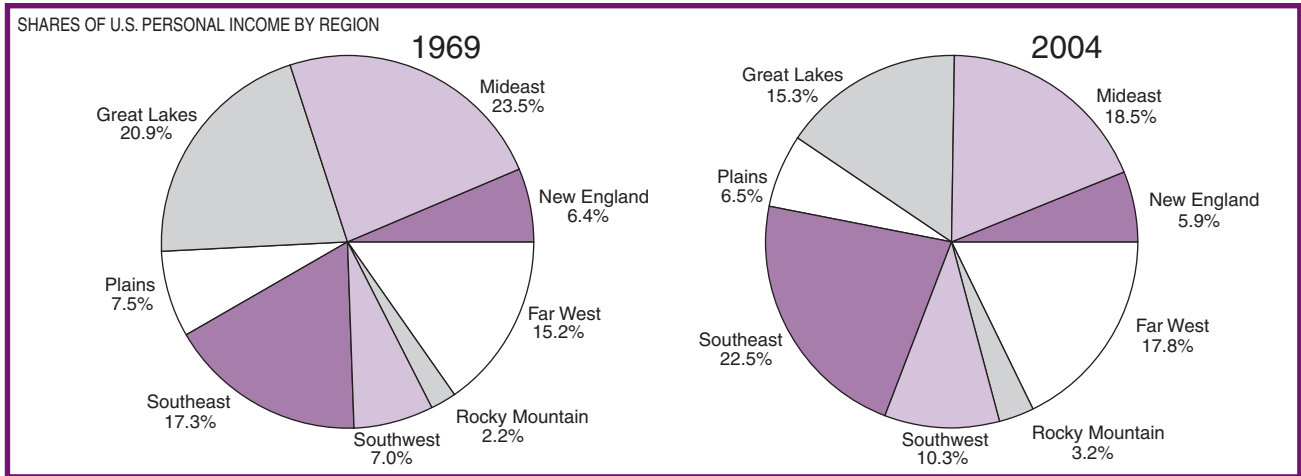
of U.S. residents employed abroad temporarily by private U.S. firms.

4. The metropolitan area definitions used by BEA for its personal income estimates are the new county-based definitions issued by the Office of Management and Budget in June 2003 (with revisions released February 2004) for federal statistical purposes.

Source: Table I in "Comprehensive Revision of Local Area Personal Income: Preliminary Estimates for 2002 and Revised Estimates for 1969-2001" in the June 2004 SURVEY OF CURRENT BUSINESS.

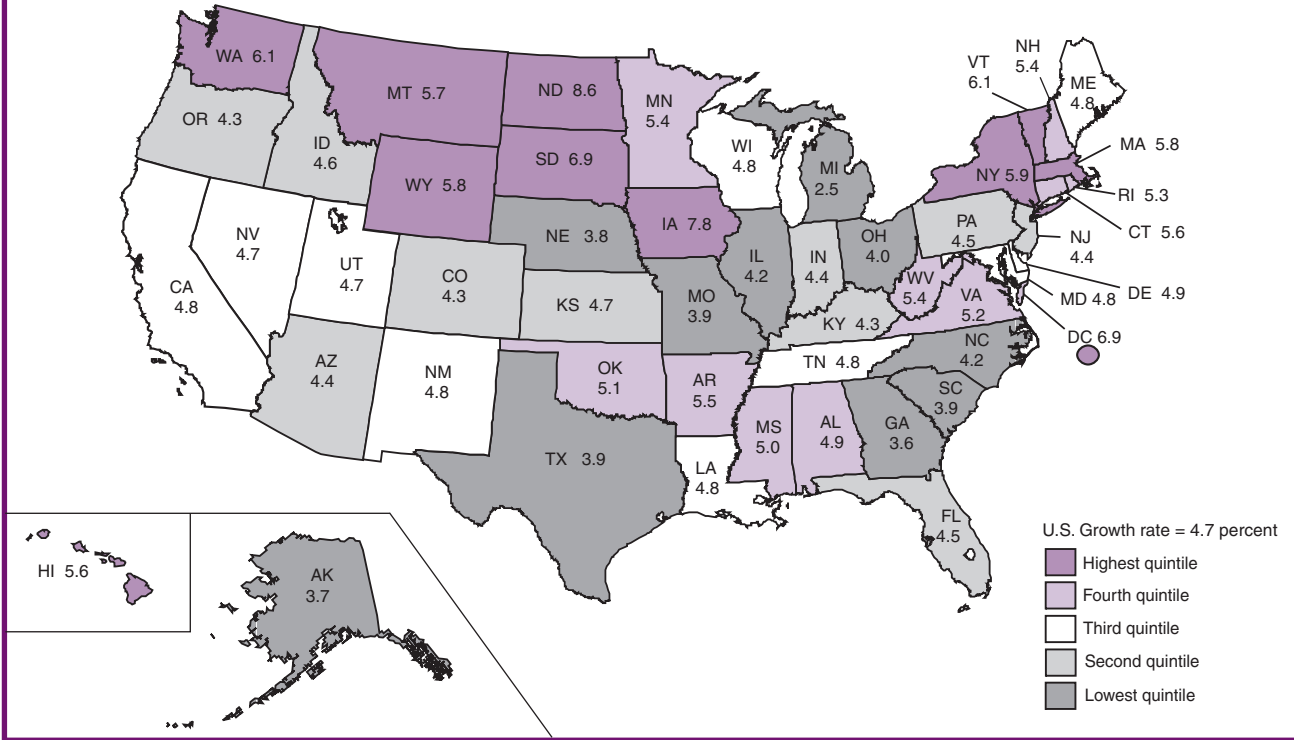
J. Charts

SELECTED REGIONAL ESTIMATES

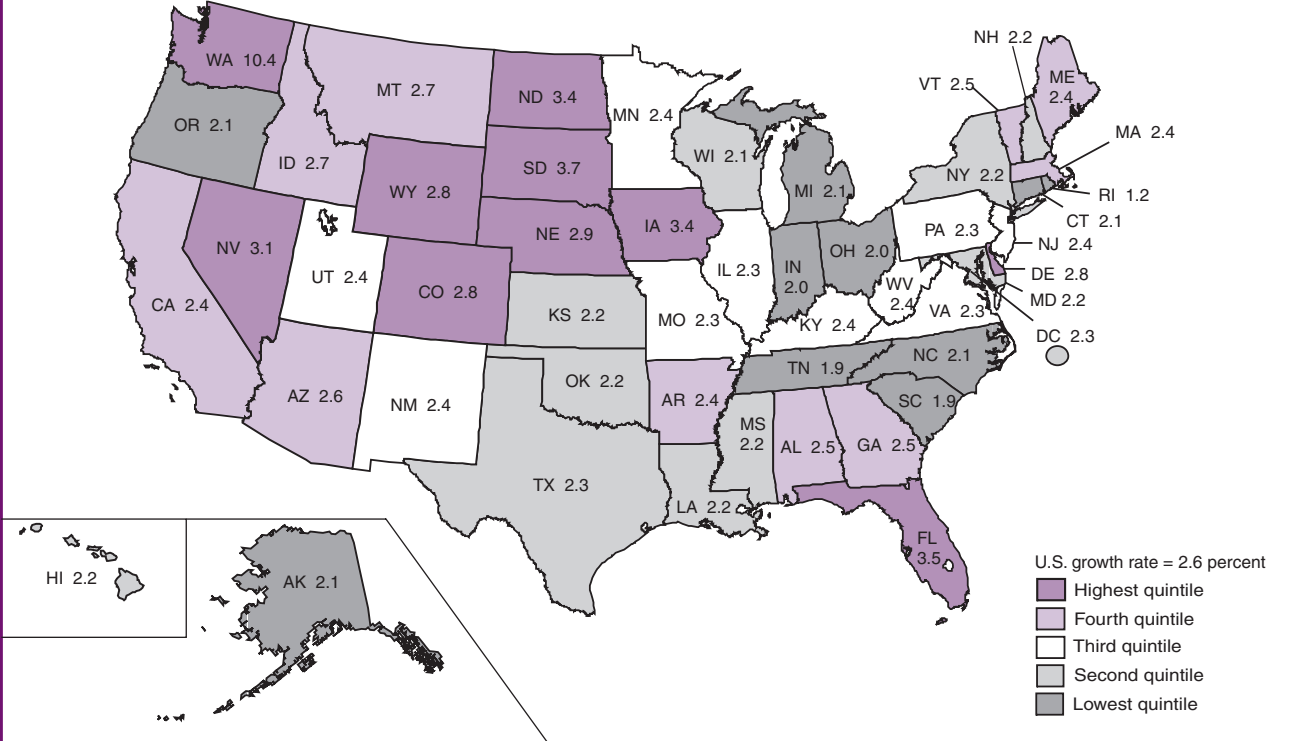


### SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, PERCENT CHANGE 2003-2004



PERSONAL INCOME: PERCENT CHANGE, 2004:III-2004:IV



## 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:

$$r = \left[ \left( \frac{x_t}{x_0} \right)^{m/n} - 1 \right] \times 100$$

where  $r$  is the percent change at an annual rate;  $x_t$  is the level of activity in the later period;  $x_0$  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 National Income and Product Accounts (NIPAs) to Balance on Goods and Services and Income in the International Transactions Accounts (ITAs)**

[Billions of dollars]

	Line	2003	2004	Seasonally adjusted at annual rates					
				2003		2004			
				III	IV	I	II	III	IV
<b>Exports of goods and services and income receipts, ITAs</b> .....	1	<b>1,314.9</b>	<b>1,516.2</b>	<b>1,318.0</b>	<b>1,409.3</b>	<b>1,440.2</b>	<b>1,491.6</b>	<b>1,531.5</b>	<b>1,601.5</b>
<i>Less:</i> Gold, ITAs .....	2	4.8	4.4	5.3	4.7	4.4	3.5	5.0	4.9
Statistical differences <sup>1</sup> .....	3	-0.6	-1.4	-0.4	0.0	-5.2	-0.1	-0.2	-0.2
Other items.....	4	0.5	0.7	0.6	0.6	0.6	0.7	0.7	0.7
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments.....	5	4.8	5.2	4.8	5.5	4.7	4.8	5.4	5.9
Adjustment for U.S. territories and Puerto Rico .....	6	53.5	56.9	54.0	54.9	56.0	56.1	58.3	57.0
Services furnished without payment by financial intermediaries except life insurance carriers .....	7	6.7	6.8	6.1	6.5	7.1	7.0	6.6	6.4
<b>Equals: Exports of goods and services and income receipts, NIPAs</b> .....	8	<b>1,375.2</b>	<b>1,581.3</b>	<b>1,377.5</b>	<b>1,471.0</b>	<b>1,508.2</b>	<b>1,555.6</b>	<b>1,596.3</b>	<b>1,665.1</b>
<b>Imports of goods and services and income payments, ITAs</b> .....	9	<b>1,778.1</b>	<b>2,109.2</b>	<b>1,778.0</b>	<b>1,846.7</b>	<b>1,947.2</b>	<b>2,077.1</b>	<b>2,135.3</b>	<b>2,277.1</b>
<i>Less:</i> Gold, ITAs .....	10	3.6	4.1	4.1	3.8	4.1	3.3	4.0	4.8
Statistical differences <sup>1</sup> .....	11	-0.6	4.9	-0.4	0.0	4.8	3.5	5.8	5.8
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	-3.5	-2.8	-4.0	-3.1	-3.2	-2.8	-3.0	-2.1
Adjustment for grossing of parent/affiliate interest payments.....	14	4.8	5.2	4.8	5.5	4.7	4.8	5.4	5.9
Adjustment for U.S. territories and Puerto Rico .....	15	35.1	34.1	33.5	34.7	34.5	31.3	35.4	35.3
Imputed interest paid to rest of world.....	16	6.7	6.8	6.1	6.5	7.1	7.0	6.6	6.4
<b>Equals: Imports of goods and services and income payments, NIPAs</b> .....	17	<b>1,818.2</b>	<b>2,143.5</b>	<b>1,814.7</b>	<b>1,886.6</b>	<b>1,981.4</b>	<b>2,110.8</b>	<b>2,169.9</b>	<b>2,312.0</b>
<b>Balance on goods and services and income, ITAs (1-9)</b> .....	18	<b>-463.2</b>	<b>-593.0</b>	<b>-460.0</b>	<b>-437.4</b>	<b>-507.0</b>	<b>-585.5</b>	<b>-603.8</b>	<b>-675.6</b>
<i>Less:</i> Gold (2-10+13) .....	19	-2.3	-2.5	-2.8	-2.2	-2.9	-2.6	-2.0	-2.0
Statistical differences (3-11) <sup>1</sup> .....	20	0.0	-6.3	0.0	0.0	-10.0	-3.6	-6.0	-6.0
Other items (4-12) .....	21	0.5	0.7	0.6	0.6	0.6	0.7	0.7	0.7
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15).....	22	18.4	22.8	20.5	20.2	21.5	24.8	22.9	21.7
<b>Equals: Net exports of goods and services and net receipts of income, NIPAs (8-17)</b> .....	23	<b>-443.0</b>	<b>-562.2</b>	<b>-437.2</b>	<b>-415.6</b>	<b>-473.2</b>	<b>-555.2</b>	<b>-573.6</b>	<b>-646.9</b>

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



## 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.

"Updated Summary NIPA Methodologies" (November 2004) describes the source data and the methods that are used to prepare the current-dollar and real estimates of GDP.

"Annual Revision of the National Income and Product Accounts" (August 2004).

"Chained-Dollar Indexes: Issues, Tips on Their Use, and Upcoming Changes" (November 2003) discusses the advantages of using chain-weighted indexes and the challenges 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 the NIPA Estimates of U.S. Economic Activity" (February 2005) 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 1925–2002" (May 2004) describes the improvements that were incorporated into these estimates as part of the comprehensive NIPA revision. "Fixed Assets and Consumer Durable Goods for 1993–2003" (September 2004) describes additional improvements that were incorporated into these estimates as part of the annual NIPA revision.

#### 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> under "About BEA."

## Industry accounts

The industry accounts consist of the input-output accounts, the gross-domestic-product-by-industry accounts, and one satellite account.

“Improved Annual Industry Accounts for 1998–2003” (June 2004) describes the comprehensive revision of the annual input-output accounts and the GDP-by-industry accounts that features the integration of the two sets of accounts.

In addition, see the following articles.

“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 comprehensive revision.

“Annual Industry Accounts” (January 2005)

“Benchmark Input-Output Accounts for the U.S. Economy, 1997” (December 2002)

**Satellite accounts.** These accounts extend the analytical capacity of the input-output accounts by focusing on a particular aspect of economic activity.

“U.S. Travel and Tourism Satellite Accounts”

For 1992 (July 1998)

For 1996 and 1997 (July 2000)

For 1998–2003 (September 2004)

## 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 2004 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 1969–2003” (May 2004) describes the improvements in the methodology that are used to prepare the estimates and that are part of a comprehensive revision.

“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 1969–2002” (June 2004) summarizes the improvements in the methodology that is used to prepare the estimates for counties and metropolitan areas. The detailed methodology is available on the CD-DOM *Regional Economic Information System, 1969–2002*.

**Gross state product.** “Comprehensive Revision of Gross State Product” (January 2005) summarizes the sources and the methods that are used to prepare the estimates.

“Gross State Product by Industry, 1999–2001” (June 2003) presents the most recent annual revision of these estimates.