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SURVEY of CURRENT BUSINESS



IN THIS ISSUE . . .

*U.S. International Transactions,
Revised Estimates for 1986-95*

U.S. DEPARTMENT OF COMMERCE ~ ECONOMICS AND STATISTICS ADMINISTRATION
BUREAU OF ECONOMIC ANALYSIS



SURVEY of CURRENT BUSINESS

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THIS ISSUE of the SURVEY went to the printer on July 11, 1996. It incorporates data from the following monthly BEA news releases: U.S. International Trade in Goods and Services (June 20), Gross Domestic Product (June 28), and Personal Income and Outlays (July 1).

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1 Business Situation

Real GDP increased 2.2 percent in the first quarter of 1996. Real GNP increased 2.5 percent, and real GNP on a command basis also increased 2.5 percent. Corporate profits increased \$33.4 billion; profits of both financial and nonfinancial domestic corporations rebounded from fourth-quarter decreases.

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LOOKING AHEAD

- ❖ **National Income and Product Accounts.** As previously announced, this year's "limited" annual revision of the NIPA's will be presented in the August SURVEY. For more information on the NIPA revision, see the box on page 4.
 - ❖ **Gross Product by Industry.** Revised estimates of gross product by industry for 1959–94 will appear in the August SURVEY; the revised estimates will incorporate the recent comprehensive revision of the NIPA's as well as several methodological and statistical improvements. As part of this revision, BEA will feature chain-type measures of real gross product by industry.
-

BUSINESS SITUATION

Larry R. Moran prepared the first section of this article, and Ralph W. Morris prepared the section on corporate profits.

THE "FINAL" estimate of growth in real gross domestic product (GDP) for the first quarter of 1996 is 2.2 percent, 0.1 percentage point lower than the "preliminary" estimate reported in the June "Business Situation" (table 1 and chart 1).¹

1. Quarterly estimates in the national income and product accounts (NIPA's) are expressed at seasonally adjusted annual rates, and quarterly changes are differences between these rates. Quarter-to-quarter percent changes are annualized. Real estimates are expressed in chained (1992) dollars. Price indexes are chain-type indexes. For more information on chain-type measures, see: "Preview of the Comprehensive Revision of the National Income and Product Accounts: BEA's New Featured Measures of Output and

Revisions to the components of GDP were small; consequently, the general picture of the economy is little changed from that reported in June: GDP increased more in the first quarter than in the fourth, and the step-up was mainly accounted for by consumer spending, business fixed investment, and government spending. Personal consumption expenditures and private nonresidential fixed investment increased much more in the first quarter than in the fourth; private residential fixed investment increased somewhat more than in the fourth quarter; and Federal Government consumption expenditures and gross investment increased in the first quarter after decreasing in the fourth. In contrast, net exports of goods and services and State and local government consumption expenditures and gross investment decreased in the first quarter after increasing in the fourth, and change in business

Table 1.—Revisions to Real Gross Domestic Product and Prices, First Quarter 1996
[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Final estimate minus preliminary estimate	
	Preliminary estimate	Final estimate	Percentage points	Billions of chained (1992) dollars
Gross domestic product	2.3	2.2	-0.1	-2.8
<i>Less:</i> Exports of goods and services	4.9	2.0	-2.9	-5.5
Goods	3.1	2.1	-1.0	-1.5
Services	9.6	1.9	-7.7	-3.9
<i>Plus:</i> Imports of goods and services	10.9	10.2	-.7	-1.5
Goods	10.2	9.8	-.4	-.6
Services	15.0	12.3	-2.7	-.9
Equals: Gross domestic purchases	3.1	3.1	0	1.0
Personal consumption expenditures	3.6	3.6	0	-.1
Durable goods	8.0	8.5	.5	.6
Nondurable goods	3.7	3.6	-.1	-.4
Services	2.6	2.5	-.1	-.2
Fixed investment	10.7	11.0	.3	.7
Nonresidential	12.3	12.4	.1	.2
Structures	9.6	7.9	-1.7	-.7
Producers' durable equipment	13.2	14.1	.9	1.1
Residential	6.6	7.4	.8	.5
Change in business inventories				3.6
Government consumption expenditures and gross investment ..	2.6	1.6	-1.0	-3.3
Federal	8.5	5.8	-2.7	-2.9
National defense	7.4	3.8	-3.6	-2.7
Nondefense	10.8	10.1	-.7	-.2
State and local	-7	-9	-2	-4
Addenda:				
Final sales of domestic product	3.7	3.3	-.4	-6.4
Gross domestic purchases price index (chain-type weights) ¹	2.4	2.4	0	
GDP price index (chain-type weights) ¹	2.4	2.4	0	

1. Based on chained (1992) weights.

NOTE.—Final estimates for the first quarter of 1996 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 March.

Nonresidential fixed investment: Revised construction put in place for February and March, and revised manufacturers' shipments of machinery and equipment for March.

Residential fixed investment: Revised construction put in place for February and March.

Change in business inventories: Revised manufacturing and trade inventories for March.

Exports and imports of goods and services: Revised exports and imports of goods for January through March, and revised balance of payments data on services for the first quarter.

Government consumption expenditures and gross investment: Revised State and local construction put in place for February and March.

Wages and salaries: Revised employment, average hourly earnings, and average weekly hours for January through March.

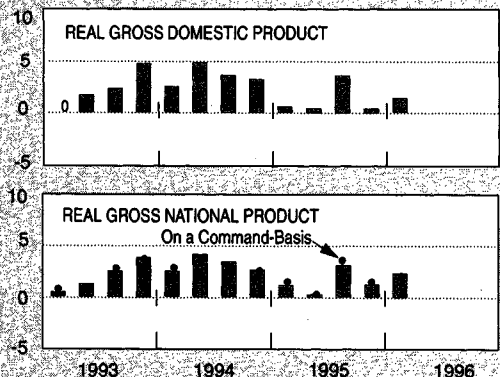
GDP prices: Revised detailed price indexes for exports and imports of goods for January through March, revised values and quantities of petroleum imports for January through March, and revised housing prices for February and March.

Prices," SURVEY OF CURRENT BUSINESS 75 (July 1995): 31; "Improved Estimates of the National Income and Product Accounts for 1959-95: Results of the Comprehensive Revision," SURVEY 76 (January/February 1996): 20; and "A Look at How BEA Presents the National Income and Product Accounts," SURVEY 76 (May 1996): 33.

CHART 1

Selected Product Measures: Change From Preceding Quarter

Percent



NOTE.—Percent change at annual rate from preceding quarter, based on seasonally adjusted estimates.

U.S. Department of Commerce, Bureau of Economic Analysis

inventories decreased slightly more in the first quarter than in the fourth.

The largest downward revisions to the first-quarter estimates were to exports of goods and services, \$5.5 billion, and to Federal Government national defense spending, \$2.7 billion. The largest upward revision was to change in business inventories, \$3.6 billion. In exports, the downward revision reflected methodological improvements and updates to source data in the balance of payments accounts.² In Federal Government national defense spending, the downward revision reflected the incorporation of detailed financial reports for the military services that were not previously available. In change in business inventories, the upward revision reflected revised Census Bureau data for March on merchant wholesale trade inventories.

Real final sales of domestic product increased 3.3 percent, 0.4 percentage point less than the preliminary estimate. Real gross domestic purchases increased 3.1 percent, unchanged from the preliminary estimate.

2. Each June, the estimates of the balance of payments accounts (BPA's) are revised to incorporate updated source data and to improve methodologies; see "U.S. International Transactions, Revised Estimates for 1986-95," in this issue. The final NIPA estimates for the first quarter of 1996 reflect the fourth-quarter-1995-to-first-quarter-1996 change implied by the revised BPA estimates. However, the quarterly levels of the revised BPA estimates will not be incorporated until the revision of the NIPA's to be released August 1; see the box on page 4.

Table 2.—Relation of Real Gross Domestic Product, Real Gross National Product, and Real Command-Basis Gross National Product

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars			Percent change from preceding quarter	
	Level	Change from preceding quarter			
	1996	1995	1996	1995	1996
	I	IV	I	IV	I
Gross domestic product	6,812.7	8.2	36.2	0.5	2.2
Plus: Receipts of factor income from the rest of the world	212.2	15.3	5.3	35.8	10.6
Less: Payments of factor income to the rest of the world	206.0	1.4	-4	2.7	-9
Equals: Gross national product	6,818.6	22.1	41.9	1.3	2.5
Less: Exports of goods and services and receipts of factor income from the rest of the world	1,017.2	36.3	9.4	15.8	3.8
Plus: Command-basis exports of goods and services and receipts of factor income	1,052.2	42.5	10.4	18.1	4.0
Equals: Command-basis gross national product	6,853.5	28.4	42.7	1.7	2.5
Addendum:					
Terms of trade ¹	101.0	.3	-2	1.2	-8

1. Ratio of the implicit price deflator for the sum of exports of goods and services and receipts of factor income to the corresponding implicit price deflator for imports with the decimal point shifted two places to the right.

NOTE.—Levels of these series are found in NIPA tables 1.10 and 1.11.

The price indexes for gross domestic purchases and for GDP both increased 2.4 percent, the same as the preliminary estimates.

Real disposable personal income increased 2.1 percent, 0.4 percentage point less than the preliminary estimate; the downward revision was accounted for by a downward revision to current-dollar disposable personal income, which was more than accounted for by personal interest income. The personal saving rate was unrevised at 4.6 percent.

Gross national product (GNP).—Real GNP increased 2.5 percent in the first quarter, 0.3 percentage point more than the increase in real GDP (chart 1 and table 2).³ Receipts of factor income from the rest of the world increased, and payments of factor income decreased; profits more than accounted for the increase in receipts, and interest income more than accounted for the decrease in payments.

Real GNP on a command basis increased at the same rate as real GNP in the first quarter—2.5 percent—reflecting little change in the terms of trade.⁴ In the fourth quarter, command-basis GNP increased more than GNP—1.7 percent, compared with 1.3 percent—reflecting an improvement in the terms of trade.

Corporate Profits

Profits from current production increased \$33.4 billion in the first quarter after increasing \$3.7 billion in the fourth (table 3).⁵

Profits from domestic operations increased \$31.9 billion after decreasing \$11.6 billion. Profits of financial corporations rebounded from a sharp fourth-quarter decrease that largely reflected losses incurred by insurance companies in connection with Hurricane Opal; in early October 1995, Hurricane Opal caused destruction from the Florida panhandle to North Carolina that resulted in estimates losses of \$7.8 billion

3. GNP equals GDP plus receipts of factor income from the rest of the world less payments of factor income to the rest of the world.

4. In the estimation of command-basis GNP—a measure of the goods and services produced by the U.S. economy in terms of their purchasing power—the current-dollar value of the sum of exports of goods and services and of receipts of factor income is deflated by the implicit price deflator for the sum of imports of goods and services and for payments of factor income. The terms of trade is measured by the ratio of the implicit price deflator for exports of goods and services and for receipts of factor income to the corresponding implicit price deflator for imports, with the decimal point shifted two places to the right. (Because the terms of trade is based on implicit price deflators rather than on exchange rates, it may reflect changes both in prices and in the composition of exports and imports.)

5. Profits from current production is estimated as the sum of profits before tax, the inventory valuation adjustment, and the capital consumption adjustment; it is shown in NIPA tables 1.14, 1.16, and 6.16c as "corporate profits with inventory valuation and capital consumption adjustments."

(annual rate) for property, casualty, and life insurance carriers. Profits of nonfinancial corporations increased after a small decrease; most of the upturn reflected an increase in unit profits, as an increase in unit price and a decrease in unit nonlabor cost more than offset a rise in unit labor cost.

Profits from the rest of the world increased \$1.5 billion after increasing \$15.3 billion. The slowdown reflected developments both in payments of profits by U.S. affiliates of foreign corporations and in receipts of profits from foreign affiliates of U.S. corporations. Payments—which are subtracted from receipts in the calculation of profits from the rest of the world—increased in the first quarter after decreasing in the fourth, and receipts increased less in the first quarter than in the fourth.

Cash flow from current production, a profits-related measure of internally generated funds available for investment, increased \$15.5 billion af-

ter increasing \$10.0 billion. The ratio of cash flow to nonresidential fixed investment, an indicator of the share of the current level of investment that could be financed by internally generated funds, edged down to 83.8 percent from 83.9 percent. These levels are near the low end of the range in which the ratio has fluctuated during most of this decade, but they are substantially higher than the levels typically posted in the 1980's.

Industry profits.—Industry profits increased \$29.4 billion in the first quarter after increasing \$1.9 billion in the fourth.⁶

The first-quarter increase was mostly accounted for by profits from domestic operations. As mentioned earlier, profits of financial corporations rebounded from a fourth-quarter decrease that largely reflected claims arising from Hurricane Opal. Profits of nonfinancial corporations also increased; increases in durable-goods manufacturing, wholesale trade, and retail trade more than offset decreases in the transportation and public utilities group and in nondurable-goods manufacturing.

In manufacturing, the increase in durable-goods-producing industries reflected sizable increases in motor vehicles and in industrial machinery. Despite a strike at one motor vehicle manufacturer in March, profits in the industry increased, as pension contributions returned to more normal levels from an unusually high level in all four quarters of 1995. The decrease in nondurable-goods-producing industries was accounted for by the petroleum-refining industry. Despite a recent runup in petroleum prices, profits in the industry decreased, reflecting an adjustment included in BEA's profits estimates that converts inventory withdrawals to a current replacement-cost valuation; for the first quarter, this adjustment removed inventory profits, which had surged as a result of the runup in prices.

Profits from the rest of the world increased, as receipts increased more than payments.

Related measures.—Profits before tax (PBT) increased \$38.0 billion in the first quarter after increasing \$1.4 billion in the fourth. The difference between the step-up in PBT and the somewhat smaller step-up in profits from current production was more than accounted for by inventory profits (especially in petroleum refining). Inventory profits, which are represented in the

Table 3.—Corporate Profits
[Seasonally adjusted at annual rates]


	Level		Change from preceding quarter
	1996	1995	1996
	I	IV	I
Billions of dollars			
Profits from current production	652.0	3.7	33.4
Domestic industries	562.0	-11.6	31.9
Financial	141.7	-10.8	15.9
Nonfinancial	420.3	-.7	16.0
Rest of the world	90.0	15.3	1.5
IVA	-17.4	.5	-8.6
CCAadj	20.4	1.9	3.9
Profits before tax	649.0	1.4	38.0
Profits tax liability	233.4	-5.8	14.7
Profits after tax	415.6	7.2	23.3
Cash flow from current production	644.3	10.0	15.5
Profits by industry:			
Corporate profits with IVA	631.6	1.9	29.4
Domestic industries	541.6	-13.4	27.9
Financial	134.9	-11.1	15.6
Nonfinancial	406.7	-2.3	12.3
Manufacturing	161.3	4.1	4.0
Wholesale trade	37.5	0	6.3
Retail trade	41.7	-2.9	2.1
Transportation and public utilities	95.6	-6.5	-2
Other	70.6	3.0	.1
Rest of the world	90.0	15.3	1.5
Receipts (inflows)	131.0	12.7	8.2
Payments (outflows)	41.0	-2.6	6.7
Dollars			
Unit price, costs, and profits of domestic non-financial corporations:			
Unit price	1.060	0.001	0.005
Unit labor cost .....	.699	.001	.003
Unit nonlabor cost .....	.249	.001	-.002
Unit profits from current production .....	.111	-.001	.003

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

6. Industry profits are estimated as the sum of profits before tax and the inventory valuation adjustment; they are shown in NIPA table 6.16C as "corporate profits with inventory valuation adjustment." Estimates of the capital consumption adjustment do not exist at a detailed industry level; they are available only for total financial and total nonfinancial industries.

national income and product accounts (with the sign reversed) by the inventory valuation adjustment, increased in the first quarter, raising PBT but not current-production profits (from which they are excluded).

Revisions to profits and related measures.—The revised estimate of first-quarter corporate profits from current production is \$9.2 billion higher than the estimate published a month ago. Prof-

its from the rest of the world accounted for the revision. Most of the revision in profits from the rest of the world was accounted for by an upward revision in receipts from foreign affiliates of U.S. corporations. The preliminary estimate was based on preliminary tabulations of receipts of dividends and reinvested earnings on U.S. investment abroad from BEA's direct investment surveys; the final estimate is based on more complete tabulations. 

“Limited” Annual Revision of the NIPA Estimates

As announced in the April 1996 SURVEY OF CURRENT BUSINESS, BEA will limit the scope of this year's annual revision of the national income and product accounts (NIPA's). The limited annual revision reflects BEA's decision following the Federal Government shutdowns to focus its resources first on getting the release of the current estimates back on schedule and then on completing the remaining estimates from the comprehensive NIPA revision.¹ The next annual revision in July 1997 will incorporate the full range of annual source data and the results of key data improvement projects.

This year's NIPA revision, which is scheduled to be released on August 1 along with the “advance” gross domestic product (GDP) estimate for the second quarter of 1996 and to be published in the August SURVEY, will consist of the following elements.

1. Annual weights for 1995 will be incorporated into the calculation of the chain-type measures of real output and price indexes. The availability of 1995 weights permits the recalculation of the quarterly changes from the third quarter of 1994 to the second quarter of 1995 and the annual change for 1995 using the weights of the 2 adjacent years—1994 and 1995; currently, these changes are calculated using only 1994 weights. In addition, the changes for the first two quarters of 1994 will be revised in order to control the quarterly estimates to the corresponding 1994 annual estimate. The quarterly changes beginning with the third quarter of 1995 will continue to be based on a single year's weights, but they will be recalculated using 1995 weights in place of 1994 weights. (In the 1997 annual NIPA revision, when weights for 1996 become available, a similar updating of weights will take place.)

2. The recent annual revision of the balance of payments accounts (BPA's) will be incorporated into the NIPA estimates beginning with 1993.² The major aggregates and components affected are GDP, gross national product, national income, personal income, payments to the rest of the world (net), government interest paid to the rest of the world, corporate profits, and net interest. The corresponding real output and price measures for these aggregates and components will be revised accordingly.

3. Newly available Bureau of Labor Statistics (BLS) data will be incorporated into the NIPA estimates of wage and salary accruals and disbursements. The newly available data consist of annual tabulations of wages and salaries of private employees covered by unemployment insurance for 1994 and 1995 and revised monthly data on employment, average weekly hours, and average hourly earnings beginning with 1994. (The monthly data are used to interpolate between and to extrapolate from the annual tabulations.)

As a result of items 1–3 above, all of the major NIPA aggregates will be revised beginning with the first quarter of 1993; the following tables from the standard annual presentation will be published in the August 1996 SURVEY.

- The “Selected NIPA Tables,” that is, the tables containing quarterly and annual estimates that appear each month in the SURVEY, will show estimates for the years 1992–95 and for the most recent 15 quarters (through the second quarter of 1996): Tables 1.1–1.11, 1.14, 1.16, 2.1–2.3, 3.1–3.3, 3.7B, 3.8B, 3.11, 4.1–4.4, 5.1, 5.4, 5.5, 5.10–5.13, 6.1C, 6.16C, 7.1–7.4C, 7.6, 7.9, 7.10, 7.11B, 7.14–7.16, and 8.1–8.7.
- Most of the “annual only” and “annual and monthly” tables will show estimates for 1992–95: Tables 1.12–1.13, 1.15, 2.4–2.11, 4.5, 5.6–5.9, 5.14, 5.15, 7.5, 7.7, 7.8, 7.12, 7.13, and 7.16.
- Table 8.25, which relates NIPA wages and salaries to the BLS unemployment insurance tabulations, and table 8.27, the once-a-year presentation of fixed-weighted quantity measures, will show estimates for 1992–95.

The following tables will *not* be published in the August SURVEY: Tables 3.4–3.6, 3.12–3.20, 5.2, 5.3, 6.2C–6.15C, 6.17C–6.22C, 8.8–8.24, 8.26, and 9.1–9.6. For most of these tables, the estimates will not be revised until the 1997 annual NIPA revision. Exceptions are the line items related to “rest of the world” in the industry tables in part 6, which are affected by the BPA revision; estimates for these items for 1992–94 will be shown in the August SURVEY.

For additional information about this year's annual NIPA revision, call the National Income and Wealth Division at (202) 606–9700.

1. See page 11 of the April 1996 SURVEY for the schedule of the release of NIPA-related estimates from the comprehensive revision.

2. For a description of the annual revision of the BPA's, see “U.S. International Transactions, Revised Estimates for 1986–95” in this issue.

NATIONAL INCOME AND PRODUCT ACCOUNTS

Selected NIPA Tables

New estimates in this issue: "Final" estimates for the first quarter of 1996.

The selected set of NIPA tables shown in this section presents quarterly estimates, which are updated monthly. In most tables, the annual estimates are also shown. (Some of the lines in tables 1.10 and 1.16 are not yet available and are shown as leaders; they will be shown in a forthcoming issue.) These tables are available electronically on the day of the gross domestic product (GDP) news release by subscription from STAT-USA's Economic Bulletin Board and Internet services; for information, call (202) 482-1986. The tables are also available on printouts or diskettes; for subscription information, write to the National Income and Wealth Division (BE-54), Bureau of Economic Analysis, Washington, DC 20230 or call (202) 606-9700.

Most of the NIPA tables showing the revised estimates for 1991-94 from the recent comprehensive revision were in the January/February 1996 issue of the SURVEY; of the tables not published in that issue, tables 6.9c, 6.13c, 8.2, 8.13, 8.19, and 8.26 were in the April 1996 issue, and tables 3.13, 3.15-3.17, 3.18B, 3.19, 3.20, and 9.1-9.6 were in the June 1996 issue. The two remaining tables (1.13 and 5.3) will appear in the August 1996 issue. Summary NIPA series back to 1959 were in the January/February issue.

For information about the upcoming annual revision of the NIPAs, see the box on the preceding page.

NOTE.—This section of the SURVEY is prepared by the National Income and Wealth Division and the Government Division.

1. National Product and Income

Table 1.1.—Gross Domestic Product

[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Gross domestic product	6,931.4	7,245.8	7,080.0	7,147.8	7,196.5	7,298.5	7,340.4	7,417.8
Personal consumption expenditures	4,698.7	4,924.3	4,796.0	4,836.3	4,908.7	4,960.0	4,992.3	5,062.7
Durable goods	580.9	606.4	602.7	593.0	604.0	615.8	612.8	625.2
Nondurable goods	1,429.7	1,486.1	1,459.0	1,471.6	1,486.9	1,491.4	1,494.8	1,522.6
Services	2,688.1	2,831.8	2,734.4	2,771.7	2,817.9	2,852.8	2,884.7	2,914.9
Gross private domestic investment	1,014.4	1,065.3	1,050.1	1,072.0	1,050.3	1,074.8	1,064.0	1,068.9
Fixed investment	954.9	1,028.2	991.4	1,013.9	1,016.3	1,036.6	1,046.2	1,070.7
Nonresidential	667.2	738.5	697.9	723.6	734.4	746.3	749.7	769.0
Structures	180.2	199.7	188.8	194.5	197.6	202.5	204.0	208.4
Producers' durable equipment	487.0	538.8	509.1	529.0	536.8	543.8	545.7	560.6
Residential	287.7	289.8	293.5	290.4	281.9	290.3	296.5	301.7
Change in business inventories	59.5	37.0	58.7	58.1	34.0	38.2	17.8	-1.7
Net exports of goods and services	-96.4	-102.3	-99.7	-106.6	-122.4	-100.8	-79.3	-97.5
Exports	722.0	804.5	763.6	778.6	796.9	812.5	829.9	832.2
Goods	509.1	581.1	545.4	558.9	574.7	588.0	602.9	602.0
Services	212.9	223.4	218.2	219.7	222.2	224.6	227.0	230.1
Imports	818.4	906.7	863.3	885.1	919.3	913.3	909.2	929.7
Goods	677.3	758.9	720.9	740.3	771.0	765.0	759.2	775.7
Services	141.1	147.9	142.3	144.8	148.3	148.3	150.1	154.0
Government consumption expenditures and gross investment	1,314.7	1,358.5	1,333.5	1,346.0	1,359.9	1,364.5	1,363.5	1,383.7
Federal	516.3	516.7	520.9	519.9	522.6	516.7	507.8	518.6
National defense	352.0	345.7	349.6	347.7	352.3	345.6	337.2	343.9
Nondefense	164.3	171.0	171.2	172.1	170.3	171.1	170.6	174.7
State and local	798.4	841.7	812.6	826.1	837.3	847.7	855.7	865.1

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

Table 1.2.—Real Gross Domestic Product

[Billions of chained (1992) dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Gross domestic product	6,604.2	6,739.0	6,691.3	6,701.6	6,709.4	6,768.3	6,776.5	6,812.7
Personal consumption expenditures	4,471.1	4,578.5	4,522.3	4,530.9	4,568.8	4,600.4	4,614.1	4,655.0
Durable goods	562.0	580.8	579.9	566.9	576.6	589.7	590.1	602.2
Nondurable goods	1,390.5	1,422.5	1,408.4	1,416.8	1,423.5	1,425.4	1,424.2	1,436.9
Services	2,519.4	2,576.1	2,535.1	2,548.1	2,569.6	2,586.3	2,600.4	2,616.8
Gross private domestic investment	979.6	1,011.3	1,006.3	1,024.2	998.3	1,016.2	1,006.7	1,014.1
Fixed investment	921.1	976.9	949.7	969.6	966.1	981.0	990.7	1,016.9
Nonresidential	652.1	715.0	679.7	704.4	710.6	719.7	725.3	746.8
Structures	168.8	181.1	174.3	178.5	180.0	182.7	183.1	186.6
Producers' durable equipment	484.1	535.2	506.4	527.1	531.9	538.2	543.5	561.7
Residential	268.9	262.8	270.3	265.9	256.6	262.3	266.4	271.2
Change in business inventories	58.9	33.7	57.3	54.5	30.6	33.2	16.5	-2.1
Net exports of goods and services	-108.1	-114.2	-105.8	-119.0	-126.8	-114.3	-96.6	-114.6
Exports	715.1	774.8	751.0	755.8	764.3	779.1	799.8	803.8
Goods	511.4	566.8	543.9	548.9	557.8	570.7	589.8	592.9
Services	204.1	208.9	207.7	207.6	207.4	209.4	211.1	212.1
Imports	823.3	888.9	856.8	874.9	891.2	893.4	896.4	918.4
Goods	684.0	747.0	718.6	732.8	750.5	752.2	752.8	770.6
Services	139.4	142.3	138.5	142.4	141.1	141.6	143.9	148.1
Government consumption expenditures and gross investment	1,259.9	1,260.7	1,266.6	1,263.0	1,265.8	1,263.6	1,250.4	1,255.3
Federal	489.7	472.7	489.1	481.3	479.9	472.7	456.8	463.3
National defense	336.9	320.0	331.3	325.3	326.1	319.3	309.3	312.2
Nondefense	152.6	152.4	157.5	155.6	153.6	153.1	147.2	150.8
State and local	770.5	788.6	777.7	782.2	786.3	791.5	794.4	792.6
Residual	-5	-6	-1.4	-6	1.0	.3	-2.8	-2.5

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines. Percent changes from preceding period for selected items in this table are shown in table 8.1; contributions to the percent change in real gross domestic product are shown in table 8.2.

Table 1.3.—Gross Domestic Product by Major Type of Product

[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1995				1996	
			IV	I	II	III	IV	I
Gross domestic product	6,931.4	7,245.8	7,080.0	7,147.8	7,196.5	7,298.5	7,340.4	7,417.8
Final sales of domestic product	6,871.8	7,208.8	7,021.3	7,089.7	7,162.5	7,260.3	7,322.6	7,419.6
Change in business inventories	59.5	37.0	58.7	58.1	34.0	38.2	17.8	-1.7
Goods	2,593.8	2,697.4	2,659.6	2,675.4	2,676.3	2,722.8	2,715.0	2,747.4
Final sales	2,534.2	2,660.3	2,600.9	2,617.3	2,642.3	2,684.5	2,697.1	2,749.1
Change in business inventories	59.5	37.0	58.7	58.1	34.0	38.2	17.8	-1.7
Durable goods	1,117.8	1,179.8	1,146.4	1,173.0	1,162.6	1,191.7	1,191.8	1,203.7
Final sales	1,085.9	1,144.9	1,113.3	1,118.6	1,134.0	1,162.5	1,164.5	1,191.4
Change in business inventories	31.9	34.8	33.1	54.4	28.5	29.2	27.3	12.3
Nondurable goods	1,476.0	1,517.6	1,513.2	1,502.4	1,513.7	1,531.1	1,523.2	1,543.7
Final sales	1,448.3	1,515.4	1,487.6	1,498.7	1,508.3	1,522.1	1,532.6	1,557.7
Change in business inventories	27.6	2.2	25.6	3.7	5.4	9.1	-9.4	-14.0
Services	3,742.3	3,920.8	3,806.3	3,852.6	3,904.5	3,943.2	3,983.1	4,019.1
Structures	595.3	627.6	614.1	619.8	615.7	632.6	642.3	651.4
Addenda:								
Motor vehicle output	264.8	262.4	271.2	269.9	257.5	258.4	263.6	243.2
Gross domestic product less motor vehicle output	6,666.5	6,983.4	6,808.8	6,877.9	6,939.0	7,040.1	7,076.8	7,174.7

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

Table 1.4.—Real Gross Domestic Product by Major Type of Product

[Billions of chained (1992) dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1995				1996	
			IV	I	II	III	IV	I
Gross domestic product	6,604.2	6,739.0	6,691.3	6,701.6	6,709.4	6,768.3	6,776.5	6,812.7
Final sales of domestic product	6,546.3	6,704.7	6,635.2	6,647.5	6,677.4	6,733.3	6,760.5	6,815.3
Change in business inventories	58.9	33.7	57.3	54.5	30.6	33.2	16.5	-2.1
Residual	-1.0	.6	-1.2	-4	1.4	1.8	-5	-5
Goods	2,524.3	2,590.8	2,578.5	2,580.3	2,573.2	2,608.2	2,601.3	2,621.1
Final sales	2,485.6	2,556.3	2,521.8	2,525.6	2,541.1	2,573.1	2,585.5	2,624.3
Change in business inventories	58.9	33.7	57.3	54.5	30.6	33.2	16.5	-2.1
Durable goods	1,099.2	1,156.3	1,129.8	1,149.7	1,139.8	1,166.0	1,169.8	1,180.7
Final sales	1,068.0	1,123.5	1,097.4	1,097.9	1,112.2	1,136.8	1,145.1	1,171.3
Change in business inventories	30.6	32.8	31.6	51.6	26.7	27.0	25.9	11.0
Nondurable goods	1,425.6	1,435.4	1,449.3	1,431.6	1,434.2	1,443.2	1,432.6	1,441.6
Final sales	1,398.0	1,433.5	1,424.8	1,428.2	1,429.4	1,435.2	1,441.3	1,454.0
Change in business inventories	28.2	.4	25.6	2.2	3.6	5.9	-10.0	-13.5
Services	3,521.7	3,578.5	3,545.9	3,552.6	3,574.7	3,588.7	3,597.9	3,607.3
Structures	559.8	571.7	569.1	570.8	563.3	573.6	579.3	586.4
Residual	-2.1	-1.4	-3.1	-1.7	-5	-9	-3.0	-3.8
Addenda:								
Motor vehicle output	245.1	234.9	249.5	244.2	230.6	230.6	234.0	215.4
Gross domestic product less motor vehicle output	6,358.7	6,504.1	6,441.3	6,457.0	6,478.8	6,537.8	6,542.6	6,597.9

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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 business inventories is the difference between gross domestic product and the sum of final sales of domestic product and of change in business inventories; the residual line following structures is the difference between gross domestic product and the sum of the detailed lines of goods, of services, and of structures. Percent changes from preceding period for selected items in this table are shown in table 8.1.

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

[Billions of dollars]

Gross domestic product	6,931.4	7,245.8	7,080.0	7,147.8	7,196.5	7,298.5	7,340.4	7,417.8
Less: Exports of goods and services	722.0	804.5	763.6	778.6	796.9	812.5	829.9	832.2
Plus: Imports of goods and services	818.4	906.7	863.3	885.1	919.3	913.3	909.2	929.7
Equals: Gross domestic purchases	7,027.8	7,348.1	7,179.6	7,254.3	7,318.9	7,399.3	7,419.7	7,515.3
Less: Change in business inventories	59.5	37.0	58.7	58.1	34.0	38.2	17.8	-1.7
Equals: Final sales to domestic purchasers	6,968.3	7,311.0	7,121.0	7,196.2	7,284.9	7,361.0	7,401.9	7,517.0

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

Table 1.6.—Relation of Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers

[Billions of chained (1992) dollars]

Gross domestic product	6,604.2	6,739.0	6,691.3	6,701.6	6,709.4	6,768.3	6,776.5	6,812.7
Less: Exports of goods and services	715.1	774.8	751.0	755.8	764.3	779.1	799.8	803.8
Plus: Imports of goods and services	823.3	888.9	856.8	874.9	891.2	893.4	896.4	918.4
Equals: Gross domestic purchases	6,709.7	6,849.7	6,794.0	6,816.9	6,832.0	6,879.4	6,870.5	6,923.7
Less: Change in business inventories	58.9	33.7	57.3	54.5	30.6	33.2	16.5	-2.1
Equals: Final sales to domestic purchasers	6,651.6	6,815.4	6,737.9	6,762.7	6,799.9	6,844.4	6,854.5	6,926.3

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. Percent changes from preceding period for selected items in this table are shown in table 8.1.

Table 1.7.—Gross Domestic Product by Sector

[Billions of dollars]

Gross domestic product	6,931.4	7,245.8	7,080.0	7,147.8	7,196.5	7,298.5	7,340.4	7,417.8
Business¹	5,794.0	6,070.2	5,932.6	5,986.0	6,024.7	6,118.3	6,151.9	6,217.3
Nonfarm ¹	5,711.7	5,991.6	5,852.6	5,909.3	5,947.9	6,039.7	6,069.7	6,128.3
Nonfarm less housing	5,118.6	5,367.1	5,248.6	5,296.0	5,327.4	5,414.7	5,430.3	5,487.9
Housing	593.1	624.6	603.9	613.3	620.5	625.1	639.4	640.4
Farm	82.3	78.6	80.0	76.6	76.8	78.6	82.2	89.1
Households and institutions	310.3	323.0	313.4	316.7	321.3	324.3	329.6	333.5
Private households	10.8	11.1	10.8	10.9	11.0	11.2	11.3	11.5
Nonprofit institutions	299.5	311.8	302.6	305.8	310.3	313.1	318.2	322.0
General government²	827.0	852.6	834.0	845.1	850.4	855.9	859.0	867.0
Federal	275.7	278.2	274.3	278.6	278.9	278.8	276.8	279.0
State and local	551.4	574.4	559.7	566.5	571.6	577.1	582.2	588.0

1. Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Nonfarm product equals gross domestic business product less gross farm product.
2. Equals compensation of general government employees plus general government consumption of fixed capital as shown in table 3.7B.

Table 1.8.—Real Gross Domestic Product by Sector

[Billions of chained (1992) dollars]

Gross domestic product	6,604.2	6,739.0	6,691.3	6,701.6	6,709.4	6,768.3	6,776.5	6,812.7
Business¹	5,525.8	5,659.1	5,612.0	5,621.6	5,628.4	5,685.6	5,700.7	5,739.1
Nonfarm ¹	5,442.2	5,582.4	5,530.0	5,542.4	5,551.2	5,611.2	5,624.7	5,659.8
Nonfarm less housing	4,880.9	5,008.7	4,964.5	4,973.4	4,979.6	5,037.7	5,044.2	5,082.5
Housing	561.3	573.6	565.6	569.0	571.6	573.5	580.5	577.3
Farm	83.9	76.4	82.1	79.1	76.9	73.9	75.6	79.2
Households and institutions	296.2	302.5	298.8	300.1	301.7	303.1	305.1	305.6
Private households	10.2	10.1	10.1	10.0	10.1	10.2	10.2	10.3
Nonprofit institutions	286.0	292.4	288.7	290.1	291.6	293.0	294.9	295.4
General government²	782.4	777.7	780.8	780.1	779.7	779.9	771.3	768.5
Federal	258.8	246.5	252.1	250.2	249.1	247.7	238.8	238.9
State and local	525.8	531.7	529.0	530.2	530.9	532.5	533.0	530.1
Residual	-7	-4	-8	-4	-4	-2	-7	-1.0

1. Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Nonfarm product equals gross domestic business product less gross farm product.
2. Equals compensation of general government employees plus general government consumption of fixed capital as shown in table 3.8B.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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 1.9.—Relation of Gross Domestic Product, Gross National Product, Net National Product, National Income, and Personal Income

[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Gross domestic product	6,931.4	7,245.8	7,080.0	7,147.8	7,196.5	7,298.5	7,340.4	7,417.8
Plus: Receipts of factor income from the rest of the world	159.2	206.7	175.7	196.9	205.6	203.9	220.4	227.5
Less: Payments of factor income to the rest of the world	168.1	215.0	193.4	204.1	215.0	219.4	221.3	222.2
Equals: Gross national product	6,922.4	7,237.5	7,062.2	7,140.5	7,187.0	7,283.0	7,339.6	7,423.1
Less: Consumption of fixed capital	818.8	825.9	799.7	809.5	820.1	828.8	845.1	843.0
Private	678.7	679.2	656.6	664.6	673.6	681.6	697.0	694.7
Capital consumption allowances	637.2	658.9	642.6	646.6	653.5	661.2	674.1	681.6
Less: Capital consumption adjustment	-41.5	-20.3	-14.0	-18.0	-20.1	-20.4	-22.8	-13.0
Government	140.1	146.7	143.1	144.9	146.5	147.2	148.2	148.4
General government	119.4	125.3	122.5	124.0	125.3	125.7	126.4	126.4
Government enterprises	20.7	21.3	20.7	20.9	21.2	21.5	21.8	22.0
Equals: Net national product ..	6,103.7	6,411.6	6,262.5	6,331.1	6,366.9	6,454.2	6,494.5	6,580.1
Less: Indirect business tax and nontax liability	572.5	595.5	583.5	586.0	594.8	597.3	604.1	604.1
Business transfer payments	29.9	30.6	30.3	30.3	30.4	30.5	31.1	31.3
Statistical discrepancy ..	31.3	4.5	39.7	36.2	21.6	-5.0	-34.9	-39.5
Plus: Subsidies less current surplus of government enterprises	25.1	18.2	25.9	19.2	18.7	17.9	16.8	17.3
Equals: National income	5,495.1	5,799.2	5,635.0	5,697.7	5,738.9	5,849.2	5,911.1	6,001.4
Less: Corporate profits with inventory valuation and capital consumption adjustments	526.5	588.6	588.9	559.6	561.1	614.9	618.6	652.0
Net interest	392.8	401.0	391.1	403.9	402.6	397.8	399.7	397.3
Contributions for social insurance	628.3	660.0	639.3	651.0	656.2	664.0	668.6	676.0
Wage accruals less disbursements	14.8	0	1.6	1.4	0	0	-1.4	1.4
Plus: Personal interest income ...	661.6	714.6	678.4	701.9	713.9	717.5	725.2	724.2
Personal dividend income	199.6	214.8	206.7	209.5	212.2	215.8	221.7	226.6
Government transfer payments to persons ..	933.8	1,000.0	952.0	979.8	994.2	1,007.3	1,018.7	1,040.1
Business transfer payments to persons ..	22.6	22.6	22.7	22.6	22.6	22.6	22.7	22.9
Equals: Personal income	5,750.2	6,101.7	5,893.9	5,995.5	6,061.9	6,135.6	6,213.9	6,288.4
Addenda:								
Gross domestic income	6,900.1	7,241.3	7,040.3	7,111.5	7,174.9	7,303.5	7,375.3	7,457.3
Gross national income	6,891.2	7,233.0	7,022.6	7,104.3	7,165.4	7,288.0	7,374.5	7,462.6
Net domestic product	6,112.6	6,419.9	6,280.3	6,338.3	6,376.3	6,469.7	6,495.3	6,574.8

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

[Billions of chained (1992) dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Gross domestic product	6,604.2	6,739.0	6,691.3	6,701.6	6,709.4	6,768.3	6,776.5	6,812.7
Plus: Receipts of factor income from the rest of the world	152.4	194.6	167.1	186.3	193.6	191.6	206.9	212.2
Less: Payments of factor income to the rest of the world	159.9	201.2	182.9	191.9	201.5	205.0	206.4	206.0
Equals: Gross national product	6,596.6	6,732.1	6,675.4	6,695.7	6,701.2	6,754.6	6,776.7	6,818.6
Less: Consumption of fixed capital								
Private								
Government								
General government								
Government enterprises								
Equals: Net national product ..								
Addenda:								
Gross domestic income ¹	6,574.5	6,734.6	6,653.8	6,667.6	6,689.3	6,772.9	6,808.7	6,849.0
Gross national income ²	6,566.9	6,727.8	6,637.9	6,661.8	6,681.1	6,759.3	6,808.9	6,854.9
Net domestic product								

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

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

NOTE.—Except as noted in footnotes 1 and 2, chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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 1.11.—Command-Basis Real Gross National Product

[Billions of chained (1992) dollars]

Gross national product	6,596.6	6,732.1	6,675.4	6,695.7	6,701.2	6,754.6	6,776.7	6,818.6
Less: Exports of goods and services and receipts of factor income from the rest of the world	867.6	970.3	918.4	942.9	958.9	971.5	1,007.8	1,017.2
Plus: Command-basis exports of goods and services and receipts of factor income ¹	882.5	994.3	930.1	961.9	974.0	999.3	1,041.8	1,052.2
Equals: Command-basis gross national product	6,611.5	6,756.1	6,687.1	6,714.7	6,716.4	6,782.4	6,810.8	6,853.5
Addendum:								
Terms of trade ²	100.9	100.7	100.1	100.7	100.1	100.9	101.2	101.0

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

2. Ratio of the implicit price deflator for exports of goods and services and receipts of factor income to the corresponding implicit price deflator for imports with the decimal point shifted two places to the right.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. Percent changes from preceding period for selected items in this table are shown in table 8.1.

Table 1.14.—National Income by Type of Income

(Billions of dollars)

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
National income	5,495.1	5,799.2	5,635.0	5,697.7	5,738.9	5,849.2	5,911.1	6,001.4
Compensation of employees ...	4,008.3	4,209.1	4,083.7	4,141.6	4,178.9	4,235.9	4,280.2	4,325.7
Wage and salary accruals	3,255.9	3,419.7	3,320.2	3,363.0	3,393.3	3,442.3	3,480.1	3,521.6
Government	602.5	621.7	608.3	616.3	619.6	624.1	626.9	634.0
Other	2,653.4	2,797.9	2,711.9	2,746.6	2,773.6	2,818.2	2,853.2	2,887.6
Supplements to wages and salaries	752.4	789.5	763.6	778.6	785.6	793.7	800.1	804.1
Employer contributions for social insurance	350.2	365.5	355.8	360.8	363.6	367.8	369.8	375.0
Other labor income	402.2	424.0	407.8	417.7	422.0	425.9	430.2	429.1
Proprietors' income with inventory valuation and capital consumption adjustments	450.9	478.3	469.4	472.0	474.7	479.6	486.7	499.5
Farm	35.0	29.0	32.3	28.5	27.6	28.1	31.8	38.4
Proprietors' income with inventory valuation adjustment	42.5	36.5	39.8	36.1	35.1	35.7	39.3	45.8
Capital consumption adjustment	-7.5	-7.5	-7.5	-7.6	-7.6	-7.5	-7.5	-7.4
Nonfarm	415.9	449.3	437.1	443.5	447.1	451.5	454.9	461.1
Proprietors' income	411.5	434.6	422.5	429.6	433.1	436.3	439.6	446.4
Inventory valuation adjustment	-1.1	-1.8	-1.5	-2.6	-2.7	-1.1	-8	-1.3
Capital consumption adjustment	5.4	16.4	16.1	16.4	16.7	16.4	16.1	16.0
Rental income of persons with capital consumption adjustment	116.6	122.2	121.9	120.6	121.6	120.9	125.8	126.9
Rental income of persons	159.4	158.6	157.2	156.3	157.2	156.0	165.0	160.0
Capital consumption adjustment	-42.8	-36.4	-35.3	-35.7	-35.6	-35.1	-39.1	-33.1
Corporate profits with inventory valuation and capital consumption adjustments	526.5	588.6	568.9	559.6	561.1	614.9	618.6	652.0
Corporate profits with inventory valuation adjustment	514.9	572.7	547.6	542.2	546.1	600.3	602.2	631.6
Profits before tax	528.2	600.8	570.4	594.1	588.4	609.6	611.0	649.0
Profits tax liability	195.3	218.7	213.5	217.3	214.2	224.5	218.7	233.4
Profits after tax	332.9	382.1	356.8	376.8	374.1	385.1	392.3	415.6
Dividends	211.0	227.4	218.5	221.7	224.6	228.5	234.7	239.9
Undistributed profits	121.9	154.7	138.3	155.1	149.6	156.6	157.6	175.7
Inventory valuation adjustment	-13.3	-28.1	-22.8	-51.9	-42.3	-9.3	-8.8	-17.4
Capital consumption adjustment	11.6	15.9	21.3	17.4	15.0	14.6	16.5	20.4
Net interest	392.8	401.0	391.1	403.9	402.6	397.8	399.7	397.3
Addenda:								
Corporate profits after tax with inventory valuation and capital consumption adjustments	331.2	369.9	355.3	342.3	346.8	390.5	399.9	418.6
Net cash flow with inventory valuation and capital consumption adjustments ...	561.2	596.5	576.1	565.0	573.5	618.8	628.8	644.3
Undistributed profits with inventory valuation and capital consumption adjustments	120.2	142.5	136.8	120.6	122.3	162.0	165.2	178.7
Consumption of fixed capital	441.0	454.0	439.3	444.4	451.3	456.9	463.6	465.6
Less: Inventory valuation adjustment	-13.3	-28.1	-22.8	-51.9	-42.3	-9.3	-8.8	-17.4
Equals: Net cash flow	574.5	624.6	598.8	616.9	615.8	628.2	637.6	661.7

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

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Billions of dollars								
Gross domestic product of corporate business	4,091.0	4,313.7	4,202.1	4,224.6	4,261.2	4,367.3	4,401.7	4,459.3
Consumption of fixed capital	441.0	454.0	439.3	444.4	451.3	456.9	463.6	465.6
Net domestic product	3,650.0	3,859.7	3,762.8	3,780.2	3,810.0	3,910.4	3,938.1	3,993.7
Indirect business tax and nontax liability plus business transfer payments less subsidies	418.4	441.0	426.4	434.4	440.9	441.5	447.3	445.6
Domestic income	3,231.6	3,418.6	3,336.5	3,345.8	3,369.1	3,468.9	3,490.8	3,548.1
Compensation of employees	2,650.9	2,787.0	2,713.3	2,740.4	2,763.8	2,805.5	2,838.4	2,865.6
Wage and salary accruals	2,173.7	2,285.8	2,226.1	2,244.3	2,265.6	2,302.2	2,331.0	2,357.9
Supplements to wages and salaries	477.2	501.3	487.2	496.1	498.2	503.4	507.4	507.7
Corporate profits with inventory valuation and capital consumption adjustments	465.3	510.0	506.7	484.8	483.2	541.7	530.1	562.0
Profits before tax	466.9	522.2	508.2	519.4	510.5	536.4	522.5	559.0
Profits tax liability	195.3	218.7	213.5	217.3	214.2	224.5	218.7	233.4
Profits after tax	271.6	303.5	294.7	302.1	296.3	311.9	303.8	325.6
Dividends	190.4	205.6	197.7	202.0	204.7	204.2	211.3	216.8
Undistributed profits	81.2	97.9	96.9	100.1	91.5	107.7	92.5	108.8
Inventory valuation adjustment	-13.3	-28.1	-22.8	-51.9	-42.3	-9.3	-8.8	-17.4
Capital consumption adjustment	11.6	15.9	21.3	17.4	15.0	14.6	16.5	20.4
Net interest	115.5	121.6	116.4	120.6	122.0	121.6	122.2	120.5
Gross domestic product of financial corporate business	402.7	438.1	415.2	428.2	428.9	451.1	444.0	461.4
Gross domestic product of nonfinancial corporate business	3,688.4	3,875.6	3,786.9	3,796.4	3,832.4	3,916.1	3,957.7	3,997.9
Consumption of fixed capital	412.8	424.0	410.4	415.0	421.3	426.6	433.0	434.8
Net domestic product	3,275.5	3,451.7	3,376.6	3,381.4	3,411.1	3,489.5	3,524.6	3,563.1
Indirect business tax and nontax liability plus business transfer payments less subsidies	379.6	400.9	387.2	394.1	401.1	401.6	406.9	405.3
Domestic income	2,895.9	3,050.7	2,989.4	2,987.3	3,009.9	3,087.9	3,117.7	3,157.8
Compensation of employees	2,433.8	2,564.7	2,497.1	2,521.8	2,543.5	2,581.7	2,611.8	2,637.3
Wage and salary accruals	1,993.1	2,101.6	2,046.3	2,063.1	2,083.4	2,116.9	2,143.2	2,169.0
Supplements to wages and salaries	440.7	463.1	450.8	458.6	460.1	464.9	468.6	468.4
Corporate profits with inventory valuation and capital consumption adjustments	364.6	384.6	394.3	364.6	364.5	405.0	404.3	420.3
Profits before tax	372.5	403.0	401.8	405.1	397.9	406.0	403.2	424.1
Profits tax liability	129.9	140.7	140.6	142.2	138.5	141.3	140.6	147.7
Profits after tax	242.7	262.4	261.1	262.9	259.4	264.7	262.6	276.4
Dividends	161.8	175.9	170.2	172.1	176.1	174.9	180.3	185.6
Undistributed profits	80.9	86.5	91.0	90.8	83.3	89.7	82.4	90.8
Inventory valuation adjustment	-13.3	-28.1	-22.8	-51.9	-42.3	-9.3	-8.8	-17.4
Capital consumption adjustment	5.3	9.7	15.3	11.4	8.9	8.4	9.9	13.6
Net interest	97.5	101.4	97.9	101.0	101.9	101.2	101.7	100.2
Billions of chained (1992) dollars								
Gross domestic product of nonfinancial corporate business ¹	3,567.1	3,685.7	3,641.5	3,631.6	3,646.1	3,715.1	3,749.9	3,772.7
Consumption of fixed capital ²								
Net domestic product ³								

1. Chained-dollar gross domestic product of nonfinancial corporate business equals the current-dollar product deflated by the implicit price deflator for goods and structures in gross domestic product.

2. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100.

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

2. Personal Income and Outlays

Table 2.1.—Personal Income and Its Disposition

[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Personal income	5,750.2	6,101.7	5,893.9	5,995.5	6,061.9	6,135.6	6,213.9	6,288.4
Wage and salary disbursements	3,241.1	3,419.7	3,318.5	3,361.6	3,393.3	3,442.3	3,481.5	3,520.2
Private industries	2,638.6	2,797.9	2,710.3	2,745.2	2,773.6	2,818.2	2,854.7	2,886.2
Commodity-producing industries	825.0	858.7	846.0	856.2	855.0	859.9	863.5	866.2
Manufacturing	621.3	642.8	636.0	643.4	640.5	642.9	644.5	643.0
Distributive industries	739.3	787.9	762.7	768.8	778.6	795.4	808.9	821.6
Service industries	1,074.3	1,151.3	1,101.6	1,120.2	1,140.0	1,162.8	1,182.2	1,198.4
Government	602.5	621.7	608.3	616.3	619.6	624.1	626.9	634.0
Other labor income	402.2	424.0	407.8	417.7	422.0	425.9	430.2	429.1
Proprietors' income with inventory valuation and capital consumption adjustments	450.9	478.3	469.4	472.0	474.7	479.6	486.7	499.5
Farm	35.0	29.0	32.3	28.5	27.6	28.1	31.8	38.4
Nonfarm	415.9	449.3	437.1	443.5	447.1	451.5	454.9	461.1
Rental income of persons with capital consumption adjustment	116.6	122.2	121.9	120.6	121.6	120.9	125.8	126.9
Personal dividend income	199.6	214.8	206.7	209.5	212.2	215.8	221.7	226.6
Personal interest income	661.6	714.6	678.4	701.9	713.9	717.5	725.2	724.2
Transfer payments to persons	956.3	1,022.6	974.7	1,002.4	1,016.8	1,029.9	1,041.4	1,063.0
Old-age, survivors, disability, and health insurance benefits	472.9	507.4	482.1	497.6	505.1	510.7	516.1	529.9
Government unemployment insurance benefits	23.7	21.6	21.2	21.2	21.0	22.0	22.2	22.2
Veterans benefits	20.2	20.9	20.3	20.8	20.7	21.1	21.0	21.7
Government employees retirement benefits	125.8	135.5	130.4	132.9	135.5	136.4	137.3	138.4
Other transfer payments	313.7	337.2	320.7	329.9	334.5	339.7	344.8	350.8
Aid to families with dependent children	24.2	23.3	24.1	23.8	23.5	23.1	22.8	22.5
Other	289.5	313.9	296.5	306.1	311.1	316.6	322.0	328.3
Less: Personal contributions for social insurance	278.1	294.5	283.5	290.2	292.7	296.2	298.8	301.0
Less: Personal tax and nontax payments	731.4	794.3	748.1	770.0	801.5	798.4	807.2	824.9
Equals: Disposable personal income	5,018.8	5,307.4	5,145.8	5,225.5	5,260.4	5,337.2	5,406.7	5,463.5
Less: Personal outlays	4,826.5	5,066.7	4,927.9	4,972.2	5,049.0	5,104.6	5,140.9	5,214.7
Personal consumption expenditures	4,698.7	4,924.3	4,796.0	4,836.3	4,908.7	4,960.0	4,992.3	5,062.7
Interest paid by persons	117.2	131.7	121.5	125.3	129.8	134.0	137.8	141.9
Personal transfer payments to the rest of the world (net) ..	10.6	10.6	10.5	10.5	10.5	10.6	10.8	10.1
Equals: Personal saving	192.4	240.8	217.8	253.3	211.4	232.6	265.8	248.8
Addenda:								
Disposable personal income: Total, billions of chained (1992) dollars ¹	4,775.6	4,934.7	4,852.0	4,895.5	4,896.1	4,950.3	4,997.1	5,023.5
Per capita:								
Current dollars	19,253	20,174	19,666	19,931	20,021	20,263	20,477	20,651
Chained (1992) dollars ..	18,320	18,757	18,544	18,672	18,634	18,794	18,926	18,988
Population (mid-period, millions)	260.7	263.1	261.7	262.2	262.7	263.4	264.0	264.6
Personal saving as a percentage of disposable personal income	3.8	4.5	4.2	4.8	4.0	4.4	4.9	4.6

1. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

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

Table 2.2.—Personal Consumption Expenditures by Major Type of Product

[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Personal consumption expenditures	4,698.7	4,924.3	4,796.0	4,836.3	4,908.7	4,960.0	4,992.3	5,062.7
Durable goods	580.9	606.4	602.7	593.0	604.0	615.8	612.8	625.2
Motor vehicles and parts	245.3	247.8	250.7	240.6	248.3	253.9	248.3	254.2
Furniture and household equipment	226.8	241.9	237.6	237.1	239.2	244.3	247.0	248.7
Other	108.8	116.7	114.3	115.3	116.5	117.7	117.4	122.3
Nondurable goods	1,429.7	1,486.1	1,459.0	1,471.6	1,486.9	1,491.4	1,494.8	1,522.6
Food	715.7	747.2	729.5	738.4	744.6	750.9	754.9	765.8
Clothing and shoes	247.8	254.4	253.8	252.8	254.3	255.5	254.8	261.2
Gasoline and oil	109.9	114.6	113.9	116.2	118.3	113.1	110.8	115.9
Fuel oil and coal	10.1	10.0	9.3	9.5	10.4	9.8	10.3	11.3
Other	346.2	360.0	352.4	354.6	359.3	362.1	363.9	368.4
Services	2,688.1	2,831.8	2,734.4	2,771.7	2,817.9	2,852.8	2,884.7	2,914.9
Housing	706.6	743.7	720.3	729.8	739.0	748.0	758.1	767.0
Household operation	278.9	294.2	281.2	286.3	293.7	298.7	298.1	302.1
Electricity and gas	115.6	118.0	111.6	113.6	118.2	121.7	118.4	120.8
Other household operation	163.3	176.2	169.6	172.7	175.5	177.0	179.7	181.3
Transportation	181.3	192.5	185.0	187.1	191.6	194.2	196.9	198.5
Medical care	739.1	784.2	757.5	771.0	779.5	787.8	798.5	800.4
Other	782.1	817.2	790.3	797.6	814.1	824.1	833.1	847.1

Table 2.3.—Real Personal Consumption Expenditures by Major Type of Product

[Billions of chained (1992) dollars]

	1994	1995	1996	1997	1998	1999	2000	2001
Personal consumption expenditures	4,471.1	4,578.5	4,522.3	4,530.9	4,568.8	4,600.4	4,614.1	4,655.0
Durable goods	562.0	580.8	579.9	566.9	576.6	589.7	590.1	602.2
Motor vehicles and parts	228.2	221.0	229.4	216.2	220.7	225.9	220.9	224.3
Furniture and household equipment	230.1	251.8	242.7	243.3	247.5	254.9	261.5	266.3
Other	104.2	109.8	108.8	108.9	109.9	110.5	109.9	113.8
Nondurable goods	1,390.5	1,422.5	1,408.4	1,416.8	1,423.5	1,425.4	1,424.2	1,436.9
Food	689.1	702.4	695.1	700.7	701.6	703.9	703.3	709.4
Clothing and shoes	247.2	257.2	255.5	254.6	258.0	258.9	257.3	262.5
Gasoline and oil	110.4	113.3	111.6	113.4	113.6	112.5	113.7	112.6
Fuel oil and coal	10.3	10.3	9.6	9.9	10.6	10.0	10.7	10.7
Other	333.6	339.5	336.7	338.3	340.0	340.3	339.4	342.0
Services	2,519.4	2,576.1	2,535.1	2,548.1	2,569.6	2,586.3	2,600.4	2,616.8
Housing	668.2	681.7	674.1	677.4	680.0	683.2	686.3	689.0
Household operation	266.0	276.8	267.1	270.1	277.3	280.8	279.0	280.9
Electricity and gas	111.5	113.6	107.6	109.4	114.3	117.1	113.5	115.5
Other household operation	154.4	163.2	159.4	160.6	162.9	163.7	165.5	165.3
Transportation	171.3	177.0	174.5	175.7	175.9	176.4	180.0	182.5
Medical care	668.8	684.1	674.2	677.8	681.3	686.1	691.3	691.1
Other	745.2	756.6	745.3	747.3	755.3	760.0	763.9	773.6
Residual	-1.4	-3.0	-2.2	-2.6	-2.8	-3.0	-3.1	-3.6

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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 Receipts and Expenditures

Table 3.1.—Government Receipts and Current Expenditures

[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates						
			1994		1995				1996
			IV	I	II	III	IV	I	
Receipts	2,127.5	2,268.4	2,184.4	2,224.4	2,266.7	2,284.2	2,298.6	2,338.5	
Personal tax and nontax receipts	731.4	794.3	748.1	770.0	801.5	798.4	807.2	824.9	
Corporate profits tax accruals	195.3	218.7	213.5	217.3	214.2	224.5	218.7	233.4	
Indirect business tax and nontax accruals	572.5	595.5	583.5	586.0	594.8	597.3	604.1	604.1	
Contributions for social insurance	628.3	660.0	639.3	651.0	656.2	664.0	688.6	676.0	
Current expenditures	2,217.7	2,336.0	2,275.6	2,298.7	2,328.2	2,351.8	2,365.4	2,403.0	
Consumption expenditures	1,102.3	1,136.6	1,117.2	1,126.9	1,136.2	1,139.8	1,143.4	1,154.9	
Transfer payments (net)	950.0	1,012.0	978.4	992.1	1,004.1	1,021.3	1,030.4	1,059.1	
To persons	933.8	1,000.0	952.0	979.8	994.2	1,007.3	1,018.7	1,040.1	
To the rest of the world (net)	16.2	12.0	26.5	12.3	9.9	14.0	11.8	19.0	
Net interest paid	151.7	181.9	165.8	172.7	181.5	185.7	187.7	185.0	
Interest paid	288.3	318.0	302.6	309.6	318.9	320.7	322.8	319.8	
To persons and business	241.3	256.7	249.9	252.6	258.6	257.5	258.1	255.2	
To the rest of the world	47.0	61.3	52.6	57.0	60.2	63.2	64.7	64.7	
Less: Interest received by government	136.6	136.1	136.8	136.9	137.4	135.0	135.1	134.8	
Less: Dividends received by government	11.4	12.6	11.8	12.2	12.4	12.7	13.0	13.3	
Subsidies less current surplus of government enterprises	25.1	18.2	25.9	19.2	18.7	17.9	16.8	17.3	
Subsidies	34.7	33.4	35.2	34.9	34.2	33.0	31.7	31.7	
Less: Current surplus of government enterprises	9.5	15.3	9.3	15.7	15.4	15.1	14.8	14.4	
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0	
Current surplus or deficit (-), national income and product accounts	-90.2	-67.6	-91.1	-74.4	-61.5	-67.7	-66.8	-64.5	
Social insurance funds	123.0	117.7	124.6	119.5	115.6	117.4	118.3	109.9	
Other	-213.1	-185.3	-215.7	-193.8	-177.1	-185.1	-185.1	-174.4	

Table 3.2.—Federal Government Receipts and Current Expenditures
[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Receipts	1,377.0	1,478.4	1,416.3	1,449.3	1,483.2	1,486.6	1,494.7	1,523.1
Personal tax and nontax receipts	561.4	614.9	574.5	594.6	624.4	617.3	623.3	639.6
Income taxes	544.5	598.1	558.4	579.1	608.1	599.6	605.5	622.2
Estate and gift taxes	15.1	14.8	14.3	13.6	14.4	15.6	15.7	15.2
Nontaxes	1.8	2.0	1.9	1.9	1.9	2.1	2.2	2.2
Corporate profits tax accruals	164.4	184.3	180.0	183.1	180.7	189.1	184.3	196.4
Federal Reserve banks	20.5	23.1	22.9	22.8	23.6	23.2	22.9	22.7
Other	144.0	161.1	157.1	160.3	157.0	165.9	161.3	173.7
Indirect business tax and nontax accruals	92.6	91.2	93.2	91.7	93.5	98.4	91.3	84.4
Excise taxes	53.1	56.5	54.0	55.6	56.1	56.6	57.7	51.1
Customs duties	21.1	19.5	21.7	18.6	19.8	20.0	19.6	20.1
Nontaxes	18.4	15.2	17.5	17.5	17.6	11.8	13.9	13.3
Contributions for social insurance	558.6	588.0	568.6	579.9	584.6	591.8	595.9	602.6
Current expenditures	1,566.9	1,641.0	1,606.8	1,622.6	1,643.8	1,648.1	1,649.7	1,678.6
Consumption expenditures	450.6	454.0	455.3	454.8	456.1	453.5	451.4	453.6
Transfer payments (net)	682.6	720.4	701.2	708.6	715.2	727.0	731.0	756.2
To persons	666.4	708.4	674.7	696.2	705.2	713.0	719.3	737.2
To the rest of the world	16.2	12.0	26.5	12.3	9.9	14.0	11.8	19.0
Grants-in-aid to State and local governments	195.9	206.1	196.9	205.8	211.3	203.8	203.3	207.6
Net interest paid	201.4	229.3	214.9	221.2	229.2	232.7	234.1	230.7
Interest paid	224.1	254.0	238.5	245.5	254.8	256.7	258.9	255.9
To persons and business	177.1	192.7	185.8	188.5	194.6	193.5	194.2	191.3
To the rest of the world	47.0	61.3	52.6	57.0	60.2	63.2	64.7	64.7
Less: Interest received by government	22.6	24.7	23.6	24.3	25.7	24.0	24.8	25.2
Subsidies less current surplus of government enterprises	36.4	31.3	38.5	32.3	32.0	31.1	29.9	30.4
Subsidies	34.3	33.1	34.9	34.6	33.8	32.6	31.3	31.3
Less: Current surplus of government enterprises	-2.0	1.8	-3.7	2.3	1.8	1.6	1.4	.9
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	-189.9	-162.6	-190.4	-173.3	-160.5	-161.6	-154.9	-155.5
Social insurance funds	60.1	59.5	64.7	60.7	57.4	59.3	60.7	53.0
Other	-250.0	-222.1	-255.1	-234.0	-218.0	-220.9	-215.6	-208.5

Table 3.3.—State and Local Government Receipts and Current Expenditures
[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Receipts	946.4	996.1	965.0	980.9	994.8	1,001.4	1,007.1	1,023.0
Personal tax and nontax receipts	170.0	179.4	173.6	175.5	177.0	181.2	183.8	185.3
Income taxes	125.7	133.5	128.7	130.3	131.4	135.1	137.3	138.1
Nontaxes	23.4	23.9	23.6	23.7	23.8	24.0	24.1	24.4
Other	20.9	22.0	21.3	21.5	21.8	22.1	22.4	22.8
Corporate profits tax accruals	30.9	34.4	33.6	34.2	33.5	35.4	34.4	36.9
Indirect business tax and nontax accruals	479.9	504.3	490.3	494.3	501.3	508.9	512.8	519.7
Sales taxes	227.4	238.3	232.5	233.7	237.2	240.3	241.8	245.9
Property taxes	205.1	216.3	209.7	212.3	214.7	218.1	220.2	222.2
Other	47.4	49.7	48.1	48.3	49.3	50.5	50.8	51.6
Contributions for social insurance	69.7	71.9	70.6	71.1	71.6	72.2	72.8	73.4
Federal grants-in-aid	195.9	206.1	196.9	205.8	211.3	203.8	203.3	207.6
Current expenditures	846.6	901.1	865.6	882.0	895.8	907.5	919.0	932.0
Consumption expenditures	651.7	682.6	661.9	672.1	680.1	686.2	691.9	701.3
Transfer payments to persons	267.4	291.6	277.2	283.6	289.0	294.3	299.4	302.9
Net interest paid	-49.8	-47.4	-49.1	-48.5	-47.7	-47.0	-46.4	-45.7
Interest paid	64.2	64.0	64.1	64.1	64.0	64.0	63.9	63.9
Less: Interest received by government	114.0	111.4	113.2	112.5	111.7	111.0	110.3	109.6
Less: Dividends received by government	11.4	12.6	11.8	12.2	12.4	12.7	13.0	13.3
Subsidies less current surplus of government enterprises	-11.2	-13.1	-12.6	-13.1	-13.3	-13.2	-13.0	-13.1
Subsidies	.4	.4	.4	.4	.4	.4	.4	.4
Less: Current surplus of government enterprises	11.6	13.5	12.9	13.4	13.6	13.6	13.4	13.5
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	99.7	95.0	99.3	99.0	99.0	93.9	88.1	91.0
Social insurance funds	62.9	58.2	59.9	58.8	58.1	58.1	57.6	56.8
Other	36.9	36.8	39.4	40.2	40.9	35.8	30.5	34.1

Table 3.7B.—Government Consumption Expenditures and Gross Investment by Type

[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Government consumption expenditures and gross investment¹	1,314.7	1,358.5	1,333.5	1,346.0	1,359.9	1,364.5	1,363.5	1,383.7
Federal	516.3	516.7	520.9	519.9	522.6	516.7	507.8	518.6
National defense	352.0	345.7	349.6	347.7	352.3	345.6	337.2	343.9
Consumption expenditures	305.7	302.4	304.9	303.0	305.3	301.3	300.1	298.7
Durable goods ²	23.8	20.8	22.3	20.7	21.2	22.4	18.9	19.1
Nondurable goods	7.5	6.3	8.1	6.0	6.5	6.7	6.0	7.8
Services	274.5	275.3	274.6	276.2	277.6	272.2	275.2	271.9
Compensation of general government employees, except force-account construction ³	133.1	130.6	130.4	131.6	131.0	130.7	129.2	130.8
Consumption of general government fixed capital ⁴	57.8	60.5	59.7	60.3	60.9	60.4	60.3	59.6
Other services	83.5	84.2	84.5	84.3	85.7	81.1	85.7	81.5
Gross investment	46.2	43.3	44.7	44.8	47.0	44.3	37.0	45.2
Structures	4.9	5.3	4.9	5.7	4.9	5.5	5.3	5.0
Equipment	41.4	37.9	39.8	39.1	42.1	38.8	31.7	40.1
Nondefense	164.3	171.0	171.2	172.1	170.3	171.1	170.6	174.7
Consumption expenditures	144.9	151.5	150.4	151.8	150.8	152.2	151.3	154.9
Durable goods ²	4.1	3.8	4.4	3.9	4.7	3.7	3.9	4.9
Nondurable goods	7.6	7.6	8.2	8.1	7.1	7.6	7.6	7.8
Commodity Credit Corporation inventory change	0	-2	-2	0	-8	-1	-1	-1
Other nondurables	8.1	7.8	8.4	8.0	7.9	7.7	7.6	7.9
Services	136.9	143.2	141.8	142.8	143.0	143.9	143.1	146.3
Compensation of general government employees, except force-account construction ³	74.5	76.4	73.8	76.1	76.3	76.9	76.3	77.7
Consumption of general government fixed capital ⁴	10.2	10.7	10.4	10.5	10.6	10.7	10.8	10.9
Other services	52.2	56.1	57.6	56.2	56.1	56.2	55.9	57.7
Gross investment	19.4	19.5	20.9	20.4	19.5	18.9	19.3	19.8
Structures	10.5	10.1	11.5	11.0	10.2	9.3	9.9	9.7
Equipment	8.9	9.4	9.4	9.3	9.3	9.6	9.4	10.1
State and local	798.4	841.7	812.6	826.1	837.3	847.7	855.7	865.1
Consumption expenditures	651.7	682.6	661.9	672.1	680.1	686.2	691.9	701.3
Durable goods ²	13.8	14.7	14.1	14.4	14.6	14.9	15.2	15.3
Nondurable goods	66.8	72.8	68.1	70.8	73.3	73.3	73.6	76.1
Services	571.2	595.1	579.7	587.0	592.2	598.0	603.2	609.9
Compensation of general government employees, except force-account construction ³	496.4	516.2	503.6	509.6	513.9	518.6	522.9	528.1
Consumption of general government fixed capital ⁴	51.4	54.2	52.4	53.2	53.8	54.6	55.3	55.9
Other services	23.4	24.7	23.7	24.2	24.5	24.9	25.0	25.9
Gross investment	146.6	159.1	150.8	154.0	157.2	161.5	163.8	163.8
Structures	119.0	130.0	122.7	125.5	128.3	132.3	134.0	133.8
Equipment	27.7	29.1	28.1	28.5	28.9	29.3	29.7	30.0
Addenda:								
Compensation of general government employees ³	707.6	727.3	711.5	721.1	725.1	730.2	732.6	740.6
Federal	207.6	207.1	204.2	207.7	207.3	207.7	205.6	208.5
State and local	500.0	520.2	507.3	513.4	517.8	522.6	526.9	532.1

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

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

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

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

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

[Billions of chained (1992) dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Government consumption expenditures and gross investment¹	1,259.9	1,260.7	1,266.6	1,263.0	1,265.8	1,263.6	1,250.4	1,255.3
Federal	489.7	472.7	489.1	481.3	479.9	472.7	456.8	463.3
National defense	336.9	320.0	331.3	325.3	326.1	319.3	309.3	312.2
Consumption expenditures	293.5	280.3	289.6	283.8	283.2	278.8	275.4	271.9
Durable goods ²	23.5	20.5	22.2	20.5	20.9	22.1	18.7	18.7
Nondurable goods	7.7	6.3	8.1	6.2	6.5	6.7	5.9	7.3
Services	262.2	253.2	259.2	256.7	255.5	249.9	250.6	245.7
Compensation of general government employees, except force-account construction ³	128.0	120.9	125.0	123.4	121.9	120.8	117.5	116.6
Consumption of general government fixed capital ⁴	53.2	52.3	52.8	52.6	52.4	52.1	51.9	51.8
Other services	81.0	79.9	81.3	80.7	81.2	78.8	81.0	77.3
Gross investment	43.4	39.8	41.7	41.6	42.9	40.5	34.1	40.3
Structures	4.3	4.6	4.2	4.9	4.2	4.7	4.5	4.3
Equipment	39.1	35.1	37.4	36.6	38.7	35.8	29.4	36.0
Nondefense	152.6	152.4	157.5	155.6	153.6	153.1	147.2	150.8
Consumption expenditures	133.5	133.5	137.2	135.9	134.7	134.8	128.6	131.7
Durable goods ²	6	9	6	10	9	9	9	10
Nondurable goods	6.9	6.8	7.4	7.3	6.4	6.9	6.7	6.9
Commodity Credit Corporation inventory change	-6	-2	-2	0	-8	-1	-1	-1
Other nondurables	7.4	7.1	7.6	7.3	7.1	7.0	6.8	7.0
Services	126.0	125.8	129.2	127.5	127.4	127.0	121.1	123.9
Compensation of general government employees, except force-account construction ³	65.5	62.9	64.0	63.9	64.5	64.3	58.9	60.0
Consumption of general government fixed capital ⁴	9.9	10.2	10.0	10.1	10.1	10.2	10.3	10.4
Other services	50.8	53.1	55.7	54.0	53.2	52.9	52.5	54.2
Gross investment	19.0	18.8	20.3	19.7	18.7	18.2	18.4	18.9
Structures	10.0	9.3	10.8	10.3	9.4	8.5	8.9	8.8
Equipment	9.0	9.5	9.4	9.4	9.4	9.7	9.5	10.2
State and local	770.5	788.6	777.7	782.2	786.3	791.5	794.4	792.6
Consumption expenditures	629.0	639.2	633.7	636.1	637.9	640.5	642.1	640.9
Durable goods ²	13.5	14.1	13.7	13.9	14.0	14.2	14.3	14.4
Nondurable goods	66.4	69.2	67.4	68.1	68.8	69.5	70.2	70.9
Services	549.0	556.0	552.7	554.3	555.2	556.9	557.8	555.8
Compensation of general government employees, except force-account construction ³	472.3	476.4	474.8	475.6	475.8	477.0	477.1	473.8
Consumption of general government fixed capital ⁴	50.2	51.7	50.8	51.1	51.5	51.9	52.3	52.7
Other services	26.6	28.1	27.2	27.6	28.0	28.2	28.7	29.8
Gross investment	141.5	149.4	144.0	146.0	148.4	151.0	152.3	151.7
Structures	114.4	121.1	116.5	118.2	120.2	122.5	123.4	122.5
Equipment	27.1	28.4	27.6	27.9	28.2	28.5	28.9	29.2
Residual	0	-7	-3	-3	-3	-6	-1.1	-1.5
Addenda:								
Compensation of general government employees ³	669.2	663.8	667.2	666.5	665.8	665.8	657.0	653.8
Federal	193.6	184.1	189.2	187.6	186.7	185.4	178.6	176.8
State and local	475.7	480.0	478.2	479.1	479.4	480.7	480.8	477.4

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the lines in the addenda.

See footnotes to table 3.7B.

Table 3.10.—National Defense Consumption Expenditures and Gross Investment

[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
National defense consumption expenditures and gross investment¹	352.0	345.7	349.6	347.7	352.3	345.6	337.2	343.9
Consumption expenditures	305.7	302.4	304.9	303.0	305.3	301.3	300.1	298.7
Durable goods²	23.8	20.8	22.3	20.7	21.2	22.4	18.9	19.1
Aircraft	10.2	8.5	9.6	8.9	8.3	8.9	8.0	8.0
Missiles	3.7	3.2	3.4	2.7	3.5	3.7	2.8	2.9
Ships	1.6	1.2	1.5	1.1	1.2	1.5	.8	.7
Vehicles .....	.8	1.1	.7	1.1	1.1	1.3	.9	1.0
Electronics	3.1	2.5	2.9	2.6	2.4	2.7	2.2	2.3
Other durable goods	4.4	4.4	4.3	4.4	4.7	4.3	4.1	4.2
Nondurable goods	7.5	6.3	8.1	6.0	6.5	6.7	6.0	7.8
Petroleum products	3.0	2.7	2.7	2.6	2.7	3.2	2.4	3.2
Ammunition	1.7	1.2	2.3	1.1	1.3	1.3	.9	1.2
Other nondurable goods	2.7	2.4	3.1	2.3	2.5	2.2	2.7	3.3
Services	274.5	275.3	274.6	276.2	277.6	272.2	275.2	271.9
Compensation of general government employees, except force-account construction ³	133.1	130.6	130.4	131.6	131.0	130.7	129.2	130.8
Military	82.6	80.1	80.5	81.3	80.7	80.2	78.3	79.1
Civilian	50.5	50.5	49.9	50.3	50.3	50.5	51.0	51.7
Consumption of general government fixed capital ⁴	57.8	60.5	59.7	60.3	60.9	60.4	60.3	59.6
Other services	83.5	84.2	84.5	84.3	85.7	81.1	85.7	81.5
Research and development	26.6	22.9	25.3	22.9	21.5	21.4	25.6	25.9
Installation support	26.8	26.9	27.1	27.4	28.3	25.8	26.0	24.2
Weapons support	7.8	8.4	8.3	8.4	9.0	8.2	7.9	7.3
Personnel support	17.6	19.3	19.1	19.1	19.9	19.1	19.3	17.9
Transportation of material	3.8	4.2	3.6	3.9	4.1	4.1	4.6	4.9
Travel of persons	4.8	5.3	4.6	5.4	5.5	5.2	5.0	4.2
Other	-3.9	-2.7	-3.5	-2.8	-2.7	-2.7	-2.7	-3.0
Gross investment	46.2	43.3	44.7	44.8	47.0	44.3	37.0	45.2
Structures	4.9	5.3	4.9	5.7	4.9	5.5	5.3	5.0
Equipment	41.4	37.9	39.8	39.1	42.1	38.8	31.7	40.1
Aircraft	10.4	8.2	11.3	9.2	9.3	9.2	4.9	12.7
Missiles	6.0	4.8	5.4	3.9	6.5	5.3	3.6	4.0
Ships	8.1	8.0	7.1	8.7	8.5	7.6	7.2	7.0
Vehicles	1.0	.9	1.1	1.1	.9	.9	.8	.9
Electronics	4.0	3.5	3.9	3.6	3.3	3.9	3.3	3.1
Other equipment	11.9	12.5	10.9	12.5	13.6	11.9	12.1	12.5
Addendum:								
Compensation of general government employees ³	133.1	130.6	130.4	131.6	131.0	130.7	129.2	130.8

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.
 2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries.
 3. Compensation of government employees engaged in new force-account construction and related expenditures for goods and services are classified as investment in structures. The compensation of all general government employees is shown in the addendum.
 4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

Table 3.11.—Real National Defense Consumption Expenditures and Real Gross Investment

[Billions of chained (1992) dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
National defense consumption expenditures and gross investment¹	336.9	320.0	331.3	325.3	326.1	319.3	309.3	312.2
Consumption expenditures	293.5	280.3	289.6	283.8	283.2	278.8	275.4	271.9
Durable goods²	23.5	20.5	22.2	20.5	20.9	22.1	18.7	18.7
Aircraft	10.0	8.3	9.4	8.7	8.1	8.7	7.8	7.7
Missiles	3.8	3.4	3.6	2.9	3.6	3.9	3.2	3.1
Ships	1.6	1.1	1.5	1.1	1.1	1.5	.8	.6
Vehicles .....	.7	1.0	.6	1.0	1.0	1.2	.8	1.0
Electronics	3.1	2.5	3.0	2.6	2.4	2.7	2.2	2.3
Other durable goods	4.3	4.2	4.2	4.2	4.5	4.1	3.9	4.0
Nondurable goods	7.7	6.3	8.1	6.2	6.5	6.7	5.9	7.3
Petroleum products	3.4	3.0	2.9	3.1	3.0	3.5	2.6	3.2
Ammunition	1.7	1.1	2.1	1.0	1.2	1.2	.8	1.1
Other nondurable goods	2.8	2.3	3.1	2.2	2.4	2.1	2.6	3.2
Services	262.2	253.2	259.2	256.7	255.5	249.9	250.6	245.7
Compensation of general government employees, except force-account construction ³	128.0	120.9	125.0	123.4	121.9	120.8	117.5	116.6
Military	82.7	78.3	80.7	79.8	78.8	78.0	76.8	76.2
Civilian	45.2	42.6	44.3	43.6	43.1	42.8	40.8	40.5
Consumption of general government fixed capital ⁴	53.2	52.3	52.8	52.6	52.4	52.1	51.9	51.8
Other services	81.0	79.9	81.3	80.7	81.2	78.8	81.0	77.3
Research and development	26.2	22.6	24.9	22.7	21.2	21.1	25.4	25.7
Installation support	25.6	24.6	25.5	25.5	25.9	23.4	23.8	22.2
Weapons support	7.4	7.9	7.8	7.9	8.6	7.7	7.4	6.8
Personnel support	17.0	18.1	18.2	18.0	18.7	18.0	17.8	16.5
Transportation of material	3.7	4.2	3.6	3.9	4.1	4.1	4.6	4.9
Travel of persons	4.7	5.0	4.5	5.2	5.2	4.9	4.7	3.9
Other	-3.7	-2.5	-3.2	-2.5	-2.4	-2.5	-2.5	-2.7
Gross investment	43.4	39.8	41.7	41.6	42.9	40.5	34.1	40.3
Structures	4.3	4.6	4.2	4.9	4.2	4.7	4.5	4.3
Equipment	39.1	35.1	37.4	36.6	38.7	35.8	29.4	36.0
Aircraft	8.9	6.8	9.6	7.9	7.6	7.5	4.1	9.5
Missiles	5.9	4.8	5.4	4.0	6.4	5.3	3.6	4.1
Ships	7.6	7.1	6.6	7.8	7.6	6.7	6.3	6.2
Vehicles	1.0	.8	1.0	1.1	.8	.8	.7	.8
Electronics	4.2	3.9	4.2	3.9	3.6	4.3	3.7	3.6
Other equipment	11.6	11.9	10.6	12.0	12.9	11.3	11.4	11.6
Residual	0	.1	.2	.2	.1	.2	-.4	.1
Addendum:								
Compensation of general government employees ³	128.0	120.9	125.0	123.4	121.9	120.8	117.5	116.6

Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.
 The residual line is the difference between the first line and the sum of the most detailed lines, excluding the line in the addendum.
 See footnotes to table 3.10.

4. Foreign Transactions

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

[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Receipts from the rest of the world	881.1	1,011.2	939.3	975.5	1,002.4	1,016.4	1,050.4	1,059.6
Exports of goods and services ...	722.0	804.5	763.6	778.6	796.9	812.5	829.9	832.2
Goods ¹	509.1	581.1	545.4	558.9	574.7	588.0	602.9	602.0
Durable	349.1	391.9	368.7	376.2	387.8	395.7	408.1	406.7
Nondurable	160.0	189.2	176.7	182.7	186.8	192.3	194.8	195.3
Services ¹	212.9	223.4	218.2	219.7	222.2	224.6	227.0	230.1
Receipts of factor income	159.2	206.7	175.7	196.9	205.6	203.9	220.4	227.5
Capital grants received by the United States (net)	0	0	0	0	0	0	0	0
Payments to the rest of the world	881.1	1,011.2	939.3	975.5	1,002.4	1,016.4	1,050.4	1,059.6
Imports of goods and services ...	818.4	906.7	863.3	885.1	919.3	913.3	909.2	929.7
Goods ¹	677.3	758.9	720.9	740.3	771.0	765.0	759.2	775.7
Durable	454.0	512.3	488.5	499.8	518.7	515.8	515.0	523.8
Nondurable	223.2	246.6	232.4	240.5	252.3	249.2	244.2	251.9
Services ¹	141.1	147.9	142.3	144.8	148.3	148.3	150.1	154.0
Payments of factor income	168.1	215.0	193.4	204.1	215.0	219.4	221.3	222.2
Transfer payments (net)	34.2	30.6	44.5	30.6	28.2	32.6	30.9	37.6
From persons (net)	10.6	10.6	10.5	10.5	10.5	10.6	10.8	10.1
From government (net)	16.2	12.0	26.5	12.3	9.9	14.0	11.8	19.0
From business	7.3	7.9	7.6	7.8	7.8	7.9	8.4	8.5
Net foreign investment	-139.6	-141.1	-161.9	-144.4	-160.1	-148.9	-111.0	-129.8

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

Table 4.2.—Real Exports and Imports of Goods and Services and Receipts and Payments of Factor Income

[Billions of chained (1992) dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Exports of goods and services	715.1	774.8	751.0	755.8	764.3	779.1	799.8	803.8
Goods ¹	511.4	566.8	543.9	548.9	557.8	570.7	589.8	592.9
Durable	357.9	403.4	380.1	386.1	396.7	407.1	423.5	426.2
Nondurable	153.8	164.7	164.1	163.2	161.8	165.5	168.4	168.8
Services ¹	204.1	208.9	207.7	207.6	207.4	209.4	211.1	212.1
Receipts of factor income	152.4	194.6	167.1	186.3	193.6	191.6	206.9	212.2
Imports of goods and services	823.3	888.9	856.8	874.9	891.2	893.4	896.4	918.4
Goods ¹	684.0	747.0	718.6	732.8	750.5	752.2	752.8	770.6
Durable	455.7	510.4	486.8	497.9	511.3	513.4	518.9	533.9
Nondurable	228.1	236.9	231.3	234.4	238.6	239.8	234.9	237.6
Services ¹	139.4	142.3	138.5	142.4	141.1	141.6	143.9	148.1
Payments of factor income	159.9	201.2	182.9	191.9	201.5	205.0	206.4	206.0

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

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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 4.3.—Exports and Imports of Goods and Services by Type of Product

[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	
Exports of goods and services	722.0	804.5	763.6	778.6	796.9	812.5	829.9	832.2
Exports of goods¹	509.1	581.1	545.4	558.9	574.7	588.0	602.9	602.0
Foods, feeds, and beverages	42.0	50.8	48.2	47.7	48.3	54.0	53.2	56.0
Industrial supplies and materials	115.7	141.2	127.2	138.0	141.6	142.4	142.6	140.4
Durable goods	41.3	49.9	44.4	48.3	49.8	51.9	49.6	49.5
Nondurable goods	74.5	91.3	82.8	89.7	91.9	90.5	93.0	90.9
Capital goods, except automotive	205.4	233.2	215.2	217.2	231.1	235.4	249.2	248.3
Civilian aircraft, engines, and parts ...	31.5	26.2	29.4	25.2	31.1	23.6	24.9	26.3
Computers, peripherals, and parts	33.3	39.6	35.8	36.3	37.1	41.4	43.6	45.6
Other	140.6	167.4	150.0	155.7	163.0	170.4	180.7	176.4
Automotive vehicles, engines, and parts ..	57.6	60.9	61.7	63.4	58.8	61.0	60.2	60.2
Consumer goods, except automotive	60.0	64.6	63.7	63.1	64.5	64.8	65.9	68.0
Durable goods	30.6	32.8	32.7	32.5	33.1	32.2	33.2	34.1
Nondurable goods	29.4	31.8	31.0	30.6	31.5	32.6	32.7	33.9
Other	28.3	30.5	29.5	29.5	30.3	30.4	31.7	29.1
Durable goods	14.2	15.2	14.7	14.7	15.2	15.2	15.9	14.6
Nondurable goods	14.2	15.2	14.7	14.7	15.2	15.2	15.9	14.6
Exports of services¹	212.9	223.4	218.2	219.7	222.2	224.6	227.0	230.1
Transfers under U.S. military agency sales contracts	11.1	11.6	10.7	11.1	11.3	12.1	11.7	10.9
Travel	60.4	60.4	61.5	60.9	60.2	59.2	61.4	62.7
Passenger fares	17.5	18.3	17.6	18.1	18.1	18.1	18.8	18.9
Other transportation	26.1	28.3	28.1	27.7	28.5	28.4	28.6	27.9
Royalties and license fees	22.4	25.8	23.2	25.2	26.0	26.4	25.6	25.6
Other private services	57.8	60.8	59.1	58.7	60.1	62.1	62.5	65.6
Other	17.7	18.2	18.1	18.1	17.9	18.3	18.4	18.7
Imports of goods and services	818.4	906.7	863.3	885.1	919.3	913.3	909.2	929.7
Imports of goods¹	677.3	758.9	720.9	740.3	771.0	765.0	759.2	775.7
Foods, feeds, and beverages	31.0	33.3	31.9	34.1	32.7	33.3	33.0	34.5
Industrial supplies and materials, except petroleum and products	105.1	120.6	113.9	119.3	124.8	120.2	118.2	120.1
Durable goods	53.7	60.3	58.6	60.8	63.2	59.1	58.3	58.6
Nondurable goods	51.4	60.3	55.3	58.5	61.7	61.2	59.9	61.5
Petroleum and products	51.3	55.1	51.1	52.3	58.3	56.2	53.7	56.1
Capital goods, except automotive	184.4	221.7	199.9	205.8	219.3	228.3	233.4	235.1
Civilian aircraft, engines, and parts ...	11.3	10.7	11.8	10.5	11.2	10.4	10.6	11.0
Computers, peripherals, and parts	46.2	56.3	50.7	50.8	53.0	58.8	62.5	62.8
Other	127.0	154.8	137.4	144.5	155.1	159.1	160.4	161.3
Automotive vehicles, engines, and parts ..	118.3	124.9	127.1	129.8	128.6	123.5	117.8	123.5
Consumer goods, except automotive	146.3	160.4	154.2	159.1	163.1	161.5	157.8	162.6
Durable goods	77.2	84.0	81.5	83.4	85.6	83.9	82.9	84.7
Nondurable goods	69.1	76.4	72.7	75.7	77.5	77.6	74.9	77.9
Other	40.9	42.8	42.8	39.8	44.1	42.0	45.3	43.9
Durable goods	20.4	21.4	21.4	19.9	22.1	21.0	22.7	21.9
Nondurable goods	20.4	21.4	21.4	19.9	22.1	21.0	22.7	21.9
Imports of services¹	141.1	147.9	142.3	144.8	148.3	148.3	150.1	154.0
Direct defense expenditures	10.3	9.9	9.4	9.8	9.8	10.0	10.0	10.6
Travel	43.6	45.4	44.3	44.2	46.1	44.4	46.8	49.3
Passenger fares	12.7	13.4	12.7	12.9	13.5	13.4	13.8	13.9
Other transportation	28.4	29.5	29.2	29.3	29.7	29.9	29.0	28.1
Royalties and license fees	5.7	6.4	5.7	6.1	6.4	6.4	6.4	6.5
Other private services	34.2	36.4	34.5	35.3	36.0	37.3	37.0	38.5
Other	6.3	6.9	6.5	7.0	6.7	6.8	7.1	7.3
Addenda:								
Exports of agricultural goods ²	47.1	57.4	54.2	56.1	53.6	59.1	60.9	63.5
Exports of nonagricultural goods	462.0	523.7	491.2	502.8	521.0	528.9	542.0	538.6
Imports of nonpetroleum goods	626.0	703.7	669.8	688.0	712.7	708.8	705.5	719.6

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

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

Table 4.4.—Real Exports and Imports of Goods and Services by Type of Product

[Billions of chained (1992) dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	
Exports of goods and services	715.1	774.8	751.0	755.8	764.3	779.1	799.8	803.8
Exports of goods¹	511.4	566.8	543.9	548.9	557.8	570.7	589.8	592.9
Foods, feeds, and beverages	40.3	44.9	46.8	45.5	44.5	46.2	43.4	44.8
Industrial supplies and materials	108.2	116.8	111.8	114.9	114.5	117.3	120.6	120.3
Durable goods	37.6	42.2	39.2	41.0	41.7	43.8	42.3	42.7
Nondurable goods	70.7	74.5	72.5	73.8	72.7	73.3	78.2	77.6
Capital goods, except automotive	220.0	256.2	234.6	237.6	252.0	258.3	276.9	280.0
Civilian aircraft, engines, and parts ...	29.8	24.0	27.5	23.3	28.5	21.5	22.6	23.6
Computers, peripherals, and parts	44.2	61.8	49.6	52.9	55.7	65.2	73.4	82.2
Other	147.7	175.7	160.3	165.3	171.4	177.8	188.5	183.3
Automotive vehicles, engines, and parts ..	56.6	59.1	60.2	61.7	57.3	59.3	57.9	57.9
Consumer goods, except automotive	59.1	62.8	62.6	61.7	62.7	62.8	63.9	65.4
Durable goods	30.4	32.3	32.4	32.2	32.6	31.6	32.6	33.3
Nondurable goods	28.7	30.5	30.2	29.5	30.1	31.2	31.2	32.1
Other	28.2	29.3	29.2	28.7	29.1	29.1	30.5	27.9
Durable goods	14.1	14.7	14.6	14.3	14.5	14.5	15.2	14.0
Nondurable goods	14.1	14.7	14.6	14.3	14.5	14.5	15.2	14.0
Exports of services¹	204.1	208.9	207.7	207.6	207.4	209.4	211.1	212.1
Transfers under U.S. military agency sales contracts	10.2	10.3	9.7	10.0	10.0	10.7	10.3	9.6
Travel	58.0	56.5	58.9	58.0	56.3	55.0	56.7	57.2
Passenger fares	16.8	16.6	16.6	16.7	16.1	16.4	17.3	17.2
Other transportation	25.8	27.5	27.5	27.0	27.4	27.5	28.0	26.9
Royalties and license fees	21.6	24.4	22.1	23.9	24.6	24.9	24.1	23.8
Other private services	55.7	57.5	56.5	55.8	57.0	58.6	58.6	61.1
Other	16.1	16.3	16.4	16.2	16.1	16.4	16.3	16.4
Residual	-3.3	-8.7	-4.6	-5.6	-6.7	-9.3	-12.0	-13.9
Imports of goods and services	823.3	888.9	856.8	874.9	891.2	893.4	896.4	918.4
Imports of goods¹	684.0	747.0	718.6	732.8	750.5	752.2	752.8	770.6
Foods, feeds, and beverages	28.7	29.4	28.1	29.7	29.0	29.3	29.7	31.6
Industrial supplies and materials, except petroleum and products	102.9	108.7	107.5	109.5	112.4	107.5	105.3	108.4
Durable goods	51.8	54.1	54.6	55.1	56.8	52.5	52.1	53.4
Nondurable goods	51.1	54.5	52.8	54.3	55.6	54.9	53.1	54.9
Petroleum and products	60.1	58.1	58.2	56.5	57.4	60.7	57.9	54.3
Capital goods, except automotive	196.4	241.2	213.8	222.5	234.3	248.2	260.0	267.5
Civilian aircraft, engines, and parts ...	10.7	9.8	11.1	9.8	10.3	9.6	9.7	9.9
Computers, peripherals, and parts	60.3	83.5	68.3	71.7	76.3	86.0	98.0	104.2
Other	127.2	152.6	137.1	144.0	151.1	156.0	159.2	161.3
Automotive vehicles, engines, and parts ..	112.6	115.5	119.2	121.5	118.9	113.7	107.9	113.4
Consumer goods, except automotive	144.1	155.4	151.2	155.5	157.9	155.9	152.3	156.3
Durable goods	75.8	81.5	80.0	81.5	83.0	81.1	80.3	81.8
Nondurable goods	68.2	73.9	71.2	74.0	74.9	74.8	72.1	74.6
Other	40.0	40.7	41.3	38.1	41.7	39.8	43.2	41.9
Durable goods	20.0	20.4	20.7	19.1	20.9	19.9	21.6	21.0
Nondurable goods	20.0	20.4	20.7	19.1	20.9	19.9	21.6	21.0
Imports of services¹	139.4	142.3	138.5	142.4	141.1	141.6	143.9	148.1
Direct defense expenditures	10.3	9.1	9.1	9.7	8.8	9.0	8.9	9.8
Travel	42.3	42.6	41.6	43.2	42.2	41.0	44.2	47.0
Passenger fares	12.8	12.8	12.7	12.6	12.8	12.9	13.1	13.2
Other transportation	28.4	29.1	29.0	29.2	29.3	29.6	28.6	27.7
Royalties and license fees	5.5	6.0	5.5	5.8	6.1	6.1	6.0	6.0
Other private services	34.1	36.0	34.4	35.1	35.6	36.8	36.3	37.6
Other	6.1	6.5	6.2	6.8	6.3	6.4	6.7	6.8
Residual	-2.7	-6.9	-3.7	-3.8	-5.0	-8.8	-10.6	-11.1
Addenda:								
Exports of agricultural goods ²	44.4	49.7	51.2	51.3	48.2	50.0	4	

5. Saving and Investment

Table 5.1.—Gross Saving and Investment

[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Gross saving	1,055.9	1,141.6	1,064.9	1,110.5	1,092.3	1,155.7	1,207.9	1,207.5
Gross private saving	1,006.0	1,062.5	1,012.8	1,039.9	1,007.3	1,076.1	1,126.6	1,123.6
Personal saving	192.4	240.8	217.8	253.3	211.4	232.6	265.8	248.8
Undistributed corporate profits with inventory valuation and capital consumption adjustments	120.2	142.5	136.8	120.6	122.3	162.0	165.2	178.7
Undistributed profits	121.9	154.7	138.3	155.1	149.6	156.6	157.6	175.7
Inventory valuation adjustment	-13.3	-28.1	-22.8	-51.9	-42.3	-9.3	-8.8	-17.4
Capital consumption adjustment	11.6	15.9	21.3	17.4	15.0	14.6	16.5	20.4
Corporate consumption of fixed capital	441.0	454.0	439.3	444.4	451.3	456.9	463.6	465.6
Noncorporate consumption of fixed capital	237.7	225.2	217.3	220.2	222.4	224.7	233.4	229.1
Wage accruals less disbursements	14.8	0	1.6	1.4	0	0	-1.4	1.4
Gross government saving	49.9	79.1	52.0	70.5	85.0	79.6	81.3	83.9
Federal	-119.3	-88.7	-117.8	-99.9	-86.3	-87.7	-81.1	-82.2
Consumption of fixed capital	70.6	73.8	72.7	73.5	74.2	73.8	73.8	73.2
Current surplus or deficit (-), national income and product accounts	-189.9	-162.6	-190.4	-173.3	-160.5	-161.6	-154.9	-155.5
State and local	169.2	167.9	169.8	170.4	171.3	167.3	162.4	166.1
Consumption of fixed capital	69.4	72.9	70.5	71.4	72.3	73.4	74.3	75.1
Current surplus or deficit (-), national income and product accounts	99.7	95.0	99.3	99.0	99.0	93.9	88.1	91.0
Capital grants received by the United States (net)	0	0	0	0	0	0	0	0
Gross investment	1,087.2	1,146.1	1,104.5	1,146.7	1,113.9	1,150.7	1,173.0	1,168.0
Gross private domestic investment	1,014.4	1,065.3	1,050.1	1,072.0	1,050.3	1,074.8	1,064.0	1,068.9
Gross government investment	212.3	221.9	216.3	219.1	223.7	224.7	220.1	228.8
Net foreign investment	-139.6	-141.1	-161.9	-144.4	-160.1	-148.9	-111.0	-129.8
Statistical discrepancy	31.3	4.5	39.7	36.2	21.6	-5.0	-34.9	-39.5
Addendum:								
Gross saving as a percentage of gross national product	15.3	15.8	15.1	15.6	15.2	15.9	16.5	16.3

Table 5.4.—Private Fixed Investment by Type

[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Private fixed investment ..	954.9	1,028.2	991.4	1,013.9	1,016.3	1,036.6	1,046.2	1,070.7
Nonresidential	667.2	738.5	697.9	723.6	734.4	746.3	749.7	769.0
Structures	180.2	199.7	188.8	194.5	197.6	202.5	204.0	208.4
Nonresidential buildings, including farm	126.2	142.0	134.4	137.9	140.3	144.0	145.8	147.3
Utilities	33.7	38.5	35.2	36.3	37.9	39.7	40.2	40.9
Mining exploration, shafts, and wells	13.5	12.0	12.4	13.2	11.5	11.9	11.4	13.9
Other structures	6.9	7.1	6.9	7.1	7.9	7.0	6.6	6.4
Producers' durable equipment	487.0	538.8	509.1	529.0	536.8	543.8	545.7	560.6
Information processing and related equipment	160.4	183.2	169.9	174.6	183.3	183.1	191.8	198.2
Computers and peripheral equipment ¹	54.5	63.6	57.7	58.4	62.8	63.3	69.7	73.7
Other	106.0	119.6	112.2	116.2	120.6	119.7	122.0	124.5
Industrial equipment	109.7	124.5	114.6	120.4	126.9	125.8	124.9	127.9
Transportation and related equipment	117.1	124.9	122.1	127.2	121.0	128.4	123.0	125.3
Other	99.7	106.2	102.4	106.9	105.6	106.4	106.1	109.2
Residential	287.7	289.8	293.5	290.4	281.9	290.3	296.5	301.7
Structures	280.7	282.5	286.2	283.1	274.8	283.0	289.2	294.4
Single family	153.8	144.5	153.3	149.5	138.7	142.8	147.0	150.6
Multifamily	14.1	18.6	16.3	17.6	18.3	18.8	19.6	20.3
Other structures	112.8	119.4	116.6	116.0	117.8	121.3	122.6	123.5
Producers' durable equipment	7.0	7.2	7.3	7.3	7.2	7.3	7.3	7.3

1. Includes new computers and peripheral equipment only.

Table 5.5.—Real Private Fixed Investment by Type

[Billions of chained (1992) dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Private fixed investment ..	921.1	976.9	949.7	969.6	966.1	981.0	990.7	1,016.9
Nonresidential	652.1	715.0	679.7	704.4	710.6	719.7	725.3	746.8
Structures	168.8	181.1	174.3	178.5	180.0	182.7	183.1	186.6
Nonresidential buildings, including farm	117.7	127.9	123.3	125.4	126.8	129.2	130.3	131.4
Utilities	31.7	35.1	32.7	33.7	34.8	35.8	36.0	36.4
Mining exploration, shafts, and wells	12.6	11.2	11.5	12.5	10.7	11.0	10.5	12.8
Other structures	6.8	6.8	6.7	6.9	7.6	6.6	6.2	5.9
Producers' durable equipment	484.1	535.2	506.4	527.1	531.9	538.2	543.5	561.7
Information processing and related equipment	170.4	201.8	182.5	189.2	199.9	201.9	216.1	228.2
Computers and peripheral equipment ¹	69.3	91.6	76.3	80.2	88.2	92.0	106.1	118.1
Other	102.6	114.2	108.3	111.5	115.1	114.1	116.3	118.1
Industrial equipment	105.9	116.2	109.4	114.2	118.4	116.7	115.5	117.8
Transportation and related equipment	111.7	118.0	116.5	121.7	114.8	120.4	115.1	117.3
Other	96.3	100.8	98.6	102.6	100.3	100.7	99.4	101.6
Residential	268.9	262.8	270.3	265.9	256.6	262.3	266.4	271.2
Structures	262.1	255.8	263.2	258.9	249.7	255.3	259.4	264.2
Single family	140.5	127.7	137.4	133.0	123.0	125.8	129.1	132.5
Multifamily	13.5	17.6	15.6	16.8	17.4	17.8	18.5	19.2
Other structures	108.1	110.9	110.4	109.3	109.8	112.2	112.3	113.0
Producers' durable equipment	6.8	7.0	7.1	7.0	6.9	7.0	7.0	7.0
Residual	-2.4	-8.1	-4.1	-5.2	-7.7	-8.3	-11.6	-14.2

1. Includes new computers and peripheral equipment only.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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 5.10.—Change in Business Inventories by Industry
[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994	1995				1996
			IV	I	II	III	IV	I
Change in business inventories	59.5	37.0	58.7	58.1	34.0	38.2	17.8	-1.7
Farm	11.5	-2.6	3.6	-2.7	-2.1	-3.2	-2.1	-4.4
Nonfarm	48.0	39.6	55.1	60.8	36.1	41.5	19.9	2.7
Change in book value	63.1	69.7	79.5	117.3	81.8	51.1	28.6	19.6
Inventory valuation adjustment	-15.1	-30.1	-24.4	-56.5	-45.7	-9.6	-8.7	-16.9
Manufacturing	8.5	12.7	6.9	9.1	12.4	17.5	11.9	12.6
Durable goods	7.9	11.8	8.0	8.6	10.6	15.5	12.5	14.6
Nondurable goods .....	.6	.9	-1.2	.5	1.7	2.1	-.6	-2.0
Wholesale trade	17.0	15.2	23.2	25.8	16.3	14.1	4.5	6.7
Durable goods	12.6	13.3	14.1	23.0	11.8	5.8	12.7	9.5
Nondurable goods	4.4	1.9	9.1	2.8	4.5	8.3	-8.2	-2.8
Merchant wholesalers	14.8	13.6	19.8	24.3	14.0	12.8	3.4	4.0
Durable goods	10.6	12.1	11.8	21.3	10.3	5.1	11.7	6.2
Nondurable goods	4.2	1.5	8.0	3.1	3.6	7.7	-8.3	-2.2
Nonmerchant wholesalers	2.2	1.5	3.4	1.5	2.3	1.3	1.0	2.7
Durable goods	2.0	1.2	2.3	1.8	1.5	.7	.9	3.3
Nondurable goods .....	.2	.3	1.2	-.3	.8	.6	.1	-.6
Retail trade	17.2	3.6	18.0	13.0	5.9	3.3	-7.8	-22.9
Durable goods	11.0	3.7	13.0	12.7	3.9	2.4	-4.1	-19.4
Motor vehicle dealers	4.8	.9	9.3	10.2	-.5	-6.6	.4	-26.1
Other	6.2	2.9	3.7	2.5	4.4	9.1	-4.5	6.7
Nondurable goods	6.1	-.1	4.9	.3	2.0	.9	-3.7	-3.5
Other	5.4	8.1	7.0	13.0	1.6	6.5	11.4	6.3
Durable goods .....	.4	6.0	-2.1	10.1	2.2	5.5	6.2	7.6
Nondurable goods	5.0	2.1	9.1	2.8	-.6	1.0	5.2	-1.3

Table 5.11.—Real Change in Business Inventories by Industry
[Billions of chained (1992) dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994	1995				1996
			IV	i	II	III	IV	I
Change in business inventories	58.9	33.7	57.3	54.5	30.6	33.2	16.5	-2.1
Farm	12.3	-4.4	3.3	-4.4	-3.8	-5.8	-3.5	-6.2
Nonfarm	46.8	37.4	53.3	58.1	33.8	38.3	19.5	3.6
Manufacturing	8.3	11.9	6.5	8.6	11.3	16.4	11.2	12.3
Durable goods	7.7	11.2	7.8	8.1	10.0	14.7	12.0	14.0
Nondurable goods .....	.6	.7	-1.3	.5	1.4	1.8	-.7	-1.6
Wholesale trade	16.6	14.4	22.6	24.7	15.4	12.9	4.8	7.1
Durable goods	12.2	12.7	13.6	21.9	11.2	5.5	12.2	9.0
Nondurable goods	4.4	1.7	9.1	2.7	4.1	7.4	-7.3	-1.9
Merchant wholesalers	14.5	13.0	19.3	23.2	13.2	11.6	3.8	4.5
Durable goods	10.3	11.5	11.3	20.2	9.8	4.8	11.3	5.9
Nondurable goods	4.2	1.5	7.9	3.0	3.4	6.8	-7.4	-1.3
Nonmerchant wholesalers	2.1	1.4	3.4	1.4	2.2	1.2	.9	2.6
Durable goods	1.9	1.2	2.2	1.7	1.4	.7	.9	3.1
Nondurable goods .....	.2	.3	1.1	-.3	.7	.6	0	-.5
Retail trade	16.5	3.6	17.2	12.7	5.6	3.0	-7.0	-21.9
Durable goods	10.3	3.5	12.1	12.0	3.6	2.0	-3.7	-18.4
Motor vehicle dealers	4.3	.8	8.4	9.4	-.5	-6.2	.4	-23.6
Other	6.0	2.8	3.5	2.4	4.2	8.6	-4.2	6.3
Nondurable goods	6.1	0	5.0	.3	1.9	1.0	-3.3	-3.1
Other	5.3	7.6	6.9	12.3	1.5	6.0	10.6	6.1
Durable goods .....	.4	5.3	-1.9	9.0	1.9	4.8	5.5	6.7
Nondurable goods	5.0	2.0	9.1	2.8	-.6	.9	4.9	-1.2
Residual	-.1	.8	.9	1.8	.8	.5	.6	-.6

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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 5.12.—Inventories and Domestic Final Sales of Business by Industry

[Billions of dollars]

	Seasonally adjusted quarterly totals					
	1994		1995			1996
	IV	I	II	III	IV	I
Inventories¹	1,196.5	1,235.4	1,246.0	1,252.0	1,261.0	98.2
Farm	104.9	105.8	101.2	99.2	100.7	1263.5
Nonfarm	1,091.6	1,129.6	1,144.8	1,152.9	1,160.4	1,165.3
Durable goods	621.0	642.4	651.0	655.8	660.9	662.7
Nondurable goods	470.6	487.2	493.8	497.1	499.4	502.6
Manufacturing	406.7	421.0	426.5	429.5	430.4	432.7
Durable goods	253.8	262.4	265.5	267.5	269.2	271.8
Nondurable goods	152.9	158.6	160.9	162.0	161.3	160.9
Wholesale trade	279.8	291.9	297.8	301.3	304.0	307.3
Durable goods	173.0	180.8	184.6	185.5	187.9	189.7
Nondurable goods	106.8	111.0	113.2	115.8	116.1	117.6
Merchant wholesalers	241.2	252.2	257.5	260.8	263.0	265.2
Durable goods	150.1	157.3	160.6	161.3	163.6	164.7
Nondurable goods	91.2	95.0	97.0	99.5	99.4	100.5
Nonmerchant wholesalers	38.5	39.7	40.3	40.4	41.0	42.0
Durable goods	22.9	23.6	24.0	24.2	24.3	25.0
Nondurable goods	15.6	16.1	16.3	16.3	16.7	17.0
Retail trade	289.8	296.1	298.0	299.2	299.3	294.5
Durable goods	155.0	156.9	157.9	158.3	158.4	153.8
Motor vehicle dealers	78.4	79.3	78.7	76.6	78.1	72.0
Other	76.6	77.5	79.2	81.7	80.3	81.7
Nondurable goods	134.8	139.3	140.1	140.9	140.9	140.7
Other	115.3	120.6	122.5	122.9	126.7	130.8
Durable goods	39.2	42.3	43.0	44.5	45.5	47.4
Nondurable goods	76.0	78.2	79.5	78.3	81.2	83.4
Final sales of domestic business ²	489.5	494.0	499.2	506.7	511.2	518.3
Final sales of goods and structures of domestic business ²	267.9	269.8	271.5	276.4	278.3	283.4
Ratio of inventories to final sales of domestic business						
Inventories to final sales	2.44	2.50	2.50	2.47	2.47	2.44
Nonfarm inventories to final sales	2.23	2.29	2.29	2.28	2.27	2.25
Nonfarm inventories to final sales of goods and structures	4.07	4.19	4.22	4.17	4.17	4.11

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 business inventories (CBI) component of GDP. The former is the difference between two inventory stocks, each valued at their 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, CBI is stated at annual rates.

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

Table 5.13.—Real Inventories and Real Domestic Final Sales of Business by Industry

[Billions of chained (1992) dollars]

	Seasonally adjusted quarterly totals					
	1994		1995			1996
	IV	I	II	III	IV	I
Inventories¹	1,152.1	1,165.8	1,173.4	1,181.7	1,185.8	1,185.3
Farm	110.1	109.0	108.1	106.6	105.8	104.2
Nonfarm	1,042.4	1,056.9	1,065.4	1,074.9	1,079.8	1,080.7
Durable goods	588.7	601.5	608.2	615.0	621.5	624.2
Nondurable goods	453.7	455.2	457.0	459.8	458.1	456.2
Manufacturing	388.5	390.7	393.5	397.6	400.4	403.5
Durable goods	244.1	246.1	248.6	252.3	255.3	258.8
Nondurable goods	144.5	144.6	144.9	145.4	145.2	144.8
Wholesale trade	267.2	273.4	277.2	280.4	281.6	283.4
Durable goods	165.6	171.0	173.9	175.2	178.3	180.5
Nondurable goods	101.7	102.3	103.4	105.2	103.4	102.9
Merchant wholesalers	229.9	235.7	239.0	241.9	242.9	244.0
Durable goods	143.4	148.4	150.9	152.1	154.9	156.4
Nondurable goods	86.6	87.3	88.2	89.9	88.0	87.7
Nonmerchant wholesalers	37.2	37.6	38.2	38.5	38.7	39.3
Durable goods	22.2	22.6	23.0	23.1	23.3	24.1
Nondurable goods	15.1	15.0	15.2	15.3	15.3	15.2
Retail trade	276.1	279.3	280.7	281.4	279.7	274.2
Durable goods	143.8	146.9	147.8	148.2	147.3	142.7
Motor vehicle dealers	70.3	72.7	72.6	71.0	71.1	65.2
Other	73.6	74.2	75.3	77.4	76.4	78.0
Nondurable goods	132.2	132.2	132.7	133.0	132.1	131.4
Other	110.4	113.4	113.8	115.3	117.9	119.5
Durable goods	35.1	37.3	37.8	39.0	40.4	42.1
Nondurable goods	75.4	76.1	76.0	76.2	77.4	77.1
Residual	-5	.3	.1	.4	.6	.3
Final sales of domestic business ²	463.0	464.0	466.4	470.9	473.7	478.5
Final sales of goods and structures of domestic business ²	257.6	258.1	258.7	262.2	263.7	267.6
Ratio of inventories to final sales of domestic business						
Inventories to final sales	2.49	2.51	2.52	2.51	2.50	2.48
Nonfarm inventories to final sales	2.25	2.28	2.28	2.28	2.28	2.26
Nonfarm inventories to final sales of goods and structures	4.05	4.10	4.12	4.10	4.09	4.04

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

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

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines for inventories.

6. Income, Employment, and Product by Industry

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

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
National income without capital consumption adjustment	5,528.4	5,810.9	5,640.5	5,707.1	5,750.4	5,860.9	5,925.1	6,005.6
Domestic industries	5,537.3	5,819.2	5,658.3	5,714.4	5,759.8	5,876.4	5,926.0	6,000.4
Private industries	4,741.6	4,998.9	4,855.8	4,900.4	4,941.5	5,053.3	5,100.2	5,165.5
Agriculture, forestry, and fishing	97.2	93.9	94.8	92.0	91.9	93.7	98.1	105.3
Mining	42.4	43.2	43.4	42.8	42.4	43.8	43.9	42.9
Construction	250.6	264.8	258.6	263.4	263.0	264.9	267.9	274.3
Manufacturing	991.1	1,019.2	1,013.6	1,009.0	1,008.1	1,026.6	1,033.0	1,028.9
Durable goods	573.6	590.1	589.2	588.7	583.8	591.9	596.0	597.7
Nondurable goods	417.5	429.1	424.4	420.3	424.3	434.7	437.0	431.2
Transportation and public utilities	422.7	452.1	436.2	438.6	447.0	462.3	460.3	463.0
Transportation	177.3	190.8	184.4	187.4	188.4	192.6	194.8	194.5
Communications	125.6	136.6	129.4	130.9	135.9	141.0	138.7	143.2
Electric, gas, and sanitary services	119.8	124.7	122.4	120.4	122.7	128.8	126.8	125.3
Wholesale trade	312.1	325.1	321.5	320.0	319.1	328.8	332.4	341.9
Retail trade	457.0	483.2	471.9	467.7	476.4	491.5	497.3	509.3
Finance, insurance, and real estate	938.8	992.3	956.6	977.6	982.1	1,002.6	1,006.9	1,016.0
Services	1,229.7	1,325.1	1,259.2	1,289.4	1,311.4	1,339.2	1,360.4	1,384.0
Government	795.7	820.3	802.4	813.9	818.3	823.1	825.7	834.9
Rest of the world	-8.9	-8.3	-17.7	-7.2	-9.5	-15.5	-9	5.3

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

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Corporate profits with inventory valuation and capital consumption adjustments	526.5	588.6	568.9	559.6	561.1	614.9	618.6	652.0
Domestic industries	465.3	510.0	506.7	484.8	483.2	541.7	530.1	562.0
Financial	100.7	125.4	112.4	120.3	118.7	136.6	125.8	141.7
Nonfinancial	364.6	384.6	394.3	364.6	364.5	405.0	404.3	420.3
Rest of the world	61.3	78.6	62.2	74.8	77.8	73.2	88.5	90.0
Receipts from the rest of the world	86.9	112.6	94.4	106.1	111.3	110.1	122.8	131.0
Less: Payments to the rest of the world	25.6	34.0	32.2	31.3	33.5	36.9	34.3	41.0
Corporate profits with inventory valuation adjustment	514.9	572.7	547.6	542.2	546.1	600.3	602.2	631.6
Domestic industries	453.7	494.1	485.5	467.5	468.2	527.1	513.7	541.6
Financial	94.4	119.1	106.4	114.3	112.6	130.4	119.3	134.9
Federal Reserve banks	17.8	21.9	19.8	21.5	22.3	21.9	21.7	21.5
Other	76.6	97.3	86.6	92.7	90.3	108.5	97.6	113.4
Nonfinancial	359.3	375.0	379.0	353.2	355.6	396.7	394.4	406.7
Manufacturing	142.7	145.7	148.4	134.7	137.8	153.2	157.3	161.3
Durable goods	77.2	77.2	81.8	75.8	74.0	78.1	80.8	89.5
Primary metal industries .....	.7	3.0	.4	2.2	4.7	2.5	2.7	2.3
Fabricated metal products	10.7	11.1	11.1	10.2	11.5	10.7	12.2	13.9
Industrial machinery and equipment	9.0	12.1	10.1	12.5	12.1	12.5	11.1	14.3
Electronic and other electric equipment	22.5	25.6	26.1	23.2	22.4	27.3	29.5	27.1
Motor vehicles and equipment ..	10.2	4.4	8.6	6.7	3.0	4.4	3.6	8.1
Other	24.1	20.9	25.5	21.0	20.4	20.6	21.7	23.8
Nondurable goods	65.5	68.5	66.7	58.8	63.8	75.0	76.5	71.8
Food and kindred products	19.1	17.7	19.4	18.3	18.4	16.8	17.5	15.7
Chemicals and allied products ..	18.0	20.9	19.0	16.8	21.3	23.6	22.1	20.7
Petroleum and coal products	-1	.8	4.2	-2.3	-2	5.2	.3	-4.5
Other	28.4	29.1	24.2	26.0	24.3	29.4	36.6	39.9
Transportation and public utilities	81.3	94.8	89.0	88.5	92.5	102.3	95.8	95.6
Transportation	10.8	14.4	13.9	13.6	13.5	15.0	15.4	13.1
Communications	36.7	41.0	38.7	38.6	41.3	44.0	40.1	43.3
Electric, gas, and sanitary services	33.8	39.4	36.4	36.3	37.7	43.3	40.3	39.3
Wholesale trade	34.5	29.6	35.4	29.7	26.4	31.2	31.2	37.5
Retail trade	42.2	36.7	43.6	36.0	36.6	42.5	39.6	41.7
Other	58.6	66.2	62.5	64.3	62.3	67.5	70.5	70.6
Rest of the world	61.3	78.6	62.2	74.8	77.8	73.2	88.5	90.0

NOTE.— Estimates in this table are based on the 1987 Standard Industrial Classification.

Table 7.2.—Quantity and Price Indexes for Gross Domestic Product, Final Sales, and Purchases

[Index numbers, 1992=100]

	1994	1995	Seasonally adjusted					
			1994	1995				1996
				IV	I	II	III		IV	I
Gross domestic product:								
Current dollars	111.0	116.0	113.4	114.5	115.2	116.9	117.6	118.8
Chain-type quantity index	105.8	107.9	107.2	107.3	107.4	108.4	108.5	109.1
Chain-type price index	105.0	107.8	105.8	106.7	107.3	107.9	108.5	109.2
Implicit price deflator	105.0	107.5	105.8	106.7	107.3	107.8	108.3	108.9
Final sales of domestic product:								
Current dollars	110.2	115.6	112.6	113.7	114.8	116.4	117.4	119.0
Chain-type quantity index	105.0	107.5	106.4	106.6	107.1	108.0	108.4	109.3
Chain-type price index	105.0	107.6	105.8	106.7	107.3	107.9	108.5	109.2
Implicit price deflator	105.0	107.5	105.8	106.7	107.3	107.8	108.3	108.9
Gross domestic purchases:								
Current dollars	112.0	117.1	114.4	115.6	116.7	117.9	118.3	119.8
Chain-type quantity index	106.9	109.2	108.3	108.7	108.9	109.6	109.5	110.4
Chain-type price index	104.8	107.4	105.7	106.5	107.2	107.7	108.2	108.9
Implicit price deflator	104.7	107.3	105.7	106.4	107.1	107.6	108.0	108.5
Final sales to domestic purchasers:								
Current dollars	111.2	116.7	113.6	114.8	116.2	117.5	118.1	119.9
Chain-type quantity index	106.1	108.8	107.5	107.9	108.5	109.2	109.4	110.5
Chain-type price index	104.8	107.4	105.7	106.5	107.2	107.7	108.2	108.9
Implicit price deflator	104.8	107.3	105.7	106.4	107.1	107.5	108.0	108.5
Addenda:								
Chain-type price indexes for gross domestic purchases:								
Food	103.8	106.5	104.9	105.4	106.2	106.8	107.5	108.2
Energy	101.0	101.9	102.0	102.4	103.3	101.6	100.4	103.9
Gross domestic purchases less food and energy	105.0	107.8	106.0	106.8	107.5	108.1	108.7	109.2

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

Table 7.3.—Quantity and Price Indexes for Gross National Product and Command-Basis Gross National Product

[Index numbers, 1992=100]

Gross national product:								
Current dollars	110.7	115.7	112.9	114.1	114.9	116.4	117.3	118.7
Chain-type quantity index	105.5	107.6	106.7	107.0	107.1	108.0	108.3	109.0
Chain-type price index	104.9	107.6	105.8	106.7	107.3	107.9	108.5	109.2
Implicit price deflator	104.9	107.5	105.8	106.6	107.2	107.8	108.3	108.9
Less: Exports of goods and services and receipts of factor income:								
Chain-type quantity index	111.6	124.8	118.2	121.3	123.4	125.0	129.6	130.9
Plus: Command-basis exports of goods and services and receipts of factor income:								
Chain-type quantity index	113.5	127.9	119.6	123.7	125.3	128.5	134.0	135.3
Equals: Command-basis gross national product:								
Chain-type quantity index	105.7	108.0	106.9	107.3	107.4	108.4	108.9	109.6

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

Table 7.4.—Chain-Type Quantity and Price Indexes for Personal Consumption Expenditures by Major Type of Product

[Index numbers, 1992=100]

	1994	1995	Seasonally adjusted					
			1994	1995				1996
				IV	I	II	III		IV	I
Personal consumption expenditures:								
Quantity index	106.0	108.5	107.2	107.4	108.3	109.0	109.3	110.3
Price index	105.1	107.6	106.1	106.8	107.5	107.9	108.4	109.0
Durable goods:								
Quantity index	115.0	118.9	118.7	116.0	118.0	120.7	120.8	123.3
Price index	103.4	104.8	103.9	104.7	104.9	104.8	104.7	105.0
Motor vehicles and parts:								
Quantity index	110.3	106.8	110.9	104.5	106.7	109.2	106.8	108.4
Price index	107.5	112.0	109.3	111.2	112.3	112.1	112.5	113.3
Furniture and household equipment:								
Quantity index	121.5	133.0	128.2	128.5	130.7	134.6	138.1	140.7
Price index	98.6	96.7	97.9	97.6	96.9	96.5	95.8	95.5
Other:								
Quantity index	112.9	119.0	117.9	118.0	119.1	119.7	119.1	123.3
Price index	104.4	106.3	105.1	105.9	106.0	106.5	106.9	107.4
Nondurable goods:								
Quantity index	105.2	107.6	106.5	107.2	107.7	107.8	107.7	108.7
Price index	102.8	104.5	103.6	103.9	104.5	104.7	105.0	106.0
Food:								
Quantity index	104.4	106.4	105.3	106.2	106.3	106.7	106.6	107.5
Price index	103.9	106.4	105.0	105.4	106.2	106.7	107.4	108.0
Clothing and shoes:								
Quantity index	109.6	114.0	113.3	112.9	114.4	114.8	114.1	116.4
Price index	100.3	98.9	99.3	99.3	98.6	98.7	99.0	99.5
Gasoline and oil:								
Quantity index	103.5	106.3	104.7	106.4	106.6	105.5	106.7	105.7
Price index	99.6	101.2	102.1	102.5	104.2	100.6	97.5	103.0
Fuel oil and coal:								
Quantity index	94.5	94.3	88.2	90.8	97.1	91.5	97.7	97.9
Price index	98.0	97.3	96.7	96.4	97.8	98.3	96.8	105.5
Other:								
Quantity index	104.6	106.5	105.6	106.1	106.6	106.7	106.4	107.3
Price index	103.8	106.1	104.7	104.8	105.7	106.5	107.3	107.8
Services:								
Quantity index	104.6	106.9	105.2	105.8	106.6	107.3	107.9	108.6
Price index	106.7	110.0	107.9	108.8	109.7	110.4	111.0	111.5
Housing:								
Quantity index	103.3	105.4	104.2	104.7	105.1	105.6	106.1	106.5
Price index	105.7	109.1	106.9	107.7	108.7	109.5	110.5	111.3
Household operation:								
Quantity index	107.1	111.5	107.6	108.8	111.7	113.1	112.4	113.2
Price index	104.9	106.3	105.3	106.0	106.0	106.4	106.9	107.6
Electricity and gas:								
Quantity index	104.6	106.6	101.0	102.7	107.3	109.9	106.5	108.4
Price index	103.7	103.9	103.7	103.8	103.4	103.9	104.4	104.7
Other household operation:								
Quantity index	109.0	115.2	112.5	113.4	115.0	115.5	116.8	116.7
Price index	105.7	108.1	106.4	107.6	107.8	108.2	108.7	109.7
Transportation:								
Quantity index	108.3	112.0	110.4	111.1	111.3	111.6	113.9	115.5
Price index	105.9	108.8	106.1	106.6	108.9	110.1	109.4	108.9
Medical care:								
Quantity index	103.4	105.8	104.3	104.8	105.4	106.1	106.9	106.9
Price index	110.5	114.6	112.4	113.8	114.4	114.8	115.5	115.8
Other:								
Quantity index	105.0	106.6	105.0	105.3	106.4	107.1	107.6	109.0
Price index	104.9	108.1	106.0	106.8	107.8	108.5	109.2	109.8
Addenda:								
Price indexes for personal consumption expenditures:								
Food	103.9	106.4	105.0	105.4	106.2	106.7	107.4	108.0
Energy ¹	101.5	102.3	102.6	102.9	103.5	102.1	100.8	103.9
Personal consumption expenditures less food and energy	105.6	108.2	106.5	107.3	108.0	108.5	109.1	109.6

1. Consists of prices for gasoline and oil, fuel oil and coal, and electricity and gas.

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

[Index numbers, 1992=100]

	1994	1995	Seasonally adjusted					
			1994		1995			1996
			IV	I	II	III	IV	I
Private fixed investment:								
Quantity index	117.6	124.7	121.2	123.8	123.3	125.2	126.5	129.8
Price index	103.7	105.5	104.4	104.6	105.3	105.9	106.1	106.1
Nonresidential:								
Quantity index	116.9	128.2	121.8	126.3	127.4	129.0	130.0	133.9
Price index	102.3	103.6	102.7	102.8	103.5	104.0	104.0	104.0
Structures:								
Quantity index	99.8	107.0	103.0	105.5	106.4	108.0	108.2	110.3
Price index	106.7	110.2	108.4	109.0	109.8	110.8	111.3	111.7
Nonresidential buildings, including farm:								
Quantity index	104.0	113.0	108.9	110.8	112.1	114.2	115.1	116.1
Price index	107.2	111.0	109.0	110.0	110.7	111.4	111.9	112.2
Utilities:								
Quantity index	91.8	101.7	94.7	97.7	100.8	103.8	104.3	105.5
Price index	106.4	109.7	107.8	107.9	108.8	110.6	111.4	112.1
Mining exploration, shafts, and wells:								
Quantity index	94.9	83.9	86.7	93.6	80.8	82.5	78.7	95.9
Price index	106.6	107.4	107.1	105.7	107.1	108.7	108.3	108.6
Other structures:								
Quantity index	82.7	83.0	82.1	84.1	92.2	80.2	75.5	72.2
Price index	101.3	104.9	102.3	103.2	104.2	105.7	106.7	107.4
Producers' durable equipment:								
Quantity index	124.6	137.7	130.3	135.6	136.8	138.5	139.8	144.5
Price index	100.6	101.0	100.6	100.4	101.1	101.4	101.3	101.2
Information processing and related equipment:								
Quantity index	127.0	150.4	136.0	141.0	149.0	150.5	161.1	170.1
Price index	94.1	91.5	93.2	92.4	92.1	91.3	90.3	89.3
Computers and peripheral equipment ¹ :								
Quantity index	157.7	208.5	173.5	182.5	200.7	209.2	241.4	268.8
Price index	78.6	69.9	75.7	72.9	71.3	69.1	66.5	63.7
Other:								
Quantity index	113.7	126.6	120.0	123.5	127.5	126.4	128.9	130.9
Price index	103.3	104.8	103.6	104.3	104.8	105.1	105.0	105.4
Industrial equipment:								
Quantity index	118.5	130.1	122.5	127.8	132.5	130.6	129.3	131.9
Price index	103.6	107.2	104.8	105.5	107.1	107.9	108.3	108.6
Transportation and related equipment:								
Quantity index	129.6	137.0	135.2	141.2	133.2	139.8	133.6	136.2
Price index	104.9	105.7	104.9	104.2	105.2	106.7	106.6	106.6
Other:								
Quantity index	121.9	127.5	124.8	129.8	127.0	127.4	125.8	128.5
Price index	103.5	105.5	103.8	104.2	105.3	105.7	106.7	107.5
Residential:								
Quantity index	119.2	116.5	119.8	117.9	113.7	116.3	118.1	120.2
Price index	107.0	110.3	108.6	109.2	109.9	110.7	111.3	111.3
Structures:								
Quantity index	119.4	116.5	119.9	117.9	113.7	116.3	118.2	120.3
Price index	107.1	110.4	108.7	109.3	110.1	110.9	111.5	111.4
Single family:								
Quantity index	120.6	109.6	117.9	114.2	105.6	108.0	110.8	113.7
Price index	109.5	113.1	111.6	112.3	112.7	113.5	113.9	113.7
Multifamily:								
Quantity index	103.4	134.7	119.5	128.5	132.9	136.2	141.2	146.7
Price index	104.1	105.3	104.0	104.6	105.0	105.7	106.1	105.9
Other structures:								
Quantity index	120.2	123.3	122.8	121.6	122.1	124.8	124.9	125.6
Price index	104.3	107.7	105.6	106.1	107.3	108.2	109.1	109.3
Producers' durable equipment:								
Quantity index	112.5	115.4	116.8	116.0	113.9	115.7	115.9	115.5
Price index	103.0	104.0	103.6	103.9	103.9	104.0	104.1	104.7

1. Includes new computers and peripheral equipment only.

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

[Index numbers, 1992=100]

	1994	1995	Seasonally adjusted					
			1994		1995			1996
			IV	I	II	III	IV	I
Exports of goods and services:								
Quantity index	111.8	121.2	117.5	118.2	119.5	121.8	125.1	125.7
Price index	101.0	104.3	101.8	103.2	104.6	104.8	104.6	104.7
Goods¹:								
Quantity index	114.0	126.3	121.2	122.3	124.3	127.2	131.5	132.1
Price index	99.6	103.1	100.4	102.1	103.5	103.7	103.3	103.1
Durable:								
Quantity index	118.9	134.1	126.3	128.3	131.8	135.3	140.8	141.7
Price index	97.5	97.8	97.1	97.6	98.0	97.8	97.6	97.3
Nondurable:								
Quantity index	104.0	111.5	111.1	110.5	109.5	112.0	113.9	114.2
Price index	104.1	115.2	108.0	112.4	116.0	116.6	115.8	115.6
Services¹:								
Quantity index	107.0	109.5	108.9	108.8	108.7	109.8	110.7	111.2
Price index	104.3	107.0	105.1	105.9	107.2	107.3	107.6	108.6
Receipts of factor income:								
Quantity index	110.5	141.1	121.2	135.1	140.4	139.0	150.0	153.9
Price index	104.5	106.2	105.1	105.7	106.2	106.4	106.5	107.2
Imports of goods and services:								
Quantity index	123.1	132.9	128.1	130.8	133.2	133.6	134.0	137.3
Price index	99.4	102.6	100.9	101.4	103.6	103.0	102.6	102.8
Goods¹:								
Quantity index	125.5	137.1	131.9	134.5	137.7	138.0	138.2	141.4
Price index	99.0	102.3	100.5	101.3	103.2	102.6	102.2	102.5
Durable:								
Quantity index	131.5	147.3	140.5	143.7	147.6	148.2	149.8	154.1
Price index	99.6	101.0	100.4	100.6	101.7	101.2	100.6	99.9
Nondurable:								
Quantity index	114.9	119.4	116.6	118.1	120.2	120.9	118.4	119.8
Price index	97.9	104.4	100.7	102.9	106.3	104.2	104.2	106.7
Services¹:								
Quantity index	112.4	114.6	111.6	114.7	113.7	114.1	116.0	119.4
Price index	101.2	104.0	102.7	101.7	105.2	104.9	104.4	104.0
Payments of factor income:								
Quantity index	126.1	158.7	144.2	151.3	158.9	161.7	162.7	162.4
Price index	105.1	106.9	105.9	106.5	106.8	107.1	107.3	108.0

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

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

[Index numbers, 1992=100]

	1994	1995	Seasonally adjusted					
			1994	1995				1996
			IV	I	II	III	IV	I
Gross domestic product:								
Quantity index	105.8	107.9	107.2	107.3	107.4	108.4	108.5	109.1
Price index	105.0	107.6	105.8	106.7	107.3	107.9	108.5	109.2
Business¹:								
Quantity index	106.6	109.2	108.2	108.4	108.6	109.7	110.0	110.7
Price index	104.9	107.4	105.7	106.5	107.1	107.7	108.1	108.6
Nonfarm¹:								
Quantity index	106.6	109.4	108.4	108.6	108.8	109.9	110.2	110.9
Price index	105.0	107.4	105.9	106.7	107.2	107.7	108.1	108.6
Nonfarm less housing:								
Quantity index	107.0	109.8	108.9	109.1	109.2	110.5	110.6	111.4
Price index	104.9	107.3	105.8	106.5	107.1	107.6	107.9	108.3
Housing:								
Quantity index	103.3	105.6	104.1	104.8	105.2	105.6	106.9	106.3
Price index	105.7	108.9	106.8	107.8	108.6	108.9	110.1	110.9
Farm:								
Quantity index	104.2	94.8	101.9	98.2	95.4	91.7	93.8	98.3
Price index	98.4	102.4	96.5	96.3	99.6	105.6	108.0	111.2
Households and Institutions:								
Quantity index	106.2	108.4	107.1	107.5	108.1	108.6	109.3	109.5
Price index	104.7	106.8	104.9	105.5	106.5	107.0	108.1	109.2
Private households:								
Quantity index	101.1	100.5	99.8	99.5	100.4	101.1	101.1	101.7
Price index	108.3	109.7	107.6	108.6	109.1	109.8	111.2	112.0
Nonprofit institutions:								
Quantity index	106.3	108.7	107.3	107.8	108.4	108.9	109.6	109.8
Price index	104.7	106.7	104.8	105.4	106.4	106.9	108.0	109.1
General government²:								
Quantity index	100.2	99.6	100.0	99.9	99.8	99.9	98.8	98.4
Price index	105.7	109.7	106.8	108.4	109.1	109.8	111.5	113.0
Federal:								
Quantity index	93.6	89.8	91.9	91.2	90.8	90.3	87.0	87.1
Price index	107.4	113.0	108.8	111.4	112.0	112.6	116.1	117.0
State and local:								
Quantity index	103.8	104.9	104.4	104.7	104.8	105.1	105.2	104.6
Price index	104.9	108.0	105.8	106.8	107.7	108.4	109.2	110.9

NOTE.—See footnotes to table 1.7.

Table 7.16.—Implicit Price Deflators for Inventories

[Index numbers, 1992=100]

	Seasonally adjusted					
	1994	1995				1996
	IV	I	II	III	IV	I
Inventories¹	103.8	106.0	106.2	105.9	106.3	106.6
Farm	95.2	97.0	93.6	93.0	95.2	94.2
Nonfarm	104.7	106.9	107.5	107.3	107.5	107.8
Durable goods	105.5	106.8	107.0	106.6	106.3	106.2
Nondurable goods	103.7	107.0	108.1	108.1	109.0	110.2
Manufacturing	104.7	107.8	108.4	108.0	107.5	107.3
Durable goods	104.0	106.6	106.8	106.0	105.4	105.0
Nondurable goods	105.9	109.7	111.0	111.4	111.1	111.1
Wholesale	104.7	106.8	107.4	107.4	107.9	108.4
Durable goods	104.5	105.7	106.2	105.9	105.4	105.1
Nondurable goods	105.0	108.5	109.5	110.0	112.3	114.2
Merchant wholesalers	104.9	107.0	107.7	107.8	108.3	108.7
Durable goods	104.7	105.9	106.4	106.1	105.6	105.3
Nondurable goods	105.3	108.8	110.0	110.7	113.0	114.7
Nonmerchant wholesalers	103.4	105.5	105.7	105.1	105.9	106.8
Durable goods	103.3	104.3	104.8	104.5	104.1	103.7
Nondurable goods	103.7	107.3	107.2	106.2	108.8	112.0
Retail trade	105.0	106.0	106.2	106.3	107.0	107.4
Durable goods	107.8	106.8	106.9	106.8	107.5	107.7
Motor vehicle dealers	111.5	109.1	108.5	107.8	109.7	110.5
Other	104.0	104.5	105.2	105.5	105.2	104.8
Nondurable goods	102.0	105.3	105.6	106.0	106.6	107.1
Other	104.4	106.3	107.7	106.6	107.4	109.5
Durable goods	111.8	113.5	113.8	114.1	112.7	112.7
Nondurable goods	100.8	102.8	104.7	102.8	104.9	108.1

NOTE.—See footnote 1 to table 5.12.

Table 7.15.—Current-Dollar Cost and Profit Per Unit of Real Gross Domestic Product of Nonfinancial Corporate Business

[Dollars]

Current-dollar cost and profit per unit of real gross domestic product ¹	1.034	1.052	1.040	1.045	1.051	1.054	1.055	1.060
Consumption of fixed capital .....	.116	.115	.113	.114	.116	.115	.115	.115
Net domestic product .....	.918	.937	.927	.931	.936	.939	.940	.944
Indirect business tax and nontax liability plus business transfer payments less subsidies .....	.106	.109	.106	.109	.110	.108	.109	.107
Domestic income .....	.812	.828	.821	.823	.826	.831	.831	.837
Compensation of employees .....	.682	.696	.686	.694	.698	.695	.696	.699
Corporate profits with inventory valuation and capital consumption adjustments .....	.102	.104	.108	.100	.100	.109	.108	.111
Profits tax liability .....	.036	.038	.039	.039	.038	.038	.037	.039
Profits after tax with inventory valuation and capital consumption adjustments .....	.066	.066	.070	.061	.062	.071	.070	.072
Net interest .....	.027	.028	.027	.028	.028	.027	.027	.027

1. Equals the deflator for gross domestic product of nonfinancial corporate business with the decimal point shifted two places to the left.

8. Supplementary Tables

Table 8.1.—Percent Change From Preceding Period in Selected Series
[Percent]

			Seasonally adjusted at annual rates								Seasonally adjusted at annual rates							
	1994	1995	1994		1995			1996		1994	1995	1994		1995			1996	
			IV	I	II	III	IV	I	IV			I	II	III	IV	I		
Gross domestic product:																		
Current dollars	5.8	4.5	5.4	3.9	2.8	5.8	2.3	4.3	Implicit price deflator	2.1	2.5	.6	3.0	5.1	.4	1.0	3.7	
Chain-type quantity index	3.5	2.0	3.2	.8	.5	3.6	.5	2.2	Imports of goods and services:									
Chain-type price index	2.3	2.5	2.2	3.3	2.5	2.2	2.2	2.4	Current dollars	12.9	10.8	10.2	10.5	16.4	-2.6	-1.8	9.3	
Implicit price deflator	2.3	2.4	2.2	3.2	2.3	2.2	1.8	2.1	Chain-type quantity index	12.0	8.0	9.3	8.7	7.7	1.0	1.3	10.2	
Personal consumption expenditures:									Chain-type price index .....	.8	3.3	1.3	2.1	8.9	-2.2	-1.6	.9
Current dollars	5.5	4.8	5.3	3.4	6.1	4.2	2.6	5.8	Implicit price deflator .....	.8	2.6	.9	1.7	8.1	-3.5	-3.1	-8
Chain-type quantity index	3.0	2.4	3.3	.8	3.4	2.8	1.2	3.6	Imports of goods:									
Chain-type price index	2.4	2.4	2.0	2.7	2.8	1.5	1.7	2.4	Current dollars	14.3	12.1	12.5	11.2	17.6	-3.1	-3.0	9.0	
Implicit price deflator	2.4	2.3	2.0	2.6	2.7	1.4	1.4	2.1	Chain-type quantity index	13.5	9.2	12.3	8.1	10.0	.9	.3	9.8	
Durable goods:									Chain-type price index .....	.6	3.4	.8	3.4	7.7	-2.4	-1.6	1.4
Current dollars	9.5	4.4	12.4	-6.2	7.6	8.1	-2.0	8.4	Implicit price deflator .....	.6	2.6	.2	2.9	6.9	-4.0	-3.3	-7
Chain-type quantity index	7.2	3.4	12.6	-8.7	7.0	9.3	.3	8.5	Imports of services:									
Chain-type price index	2.1	1.4	-1	3.1	.8	-7	-2	1.2	Current dollars	6.8	4.8	-8	7.0	10.1	0	4.8	11.0	
Implicit price deflator	2.1	1.0	-2	2.7	.5	-1.2	-2.3	-1	Chain-type quantity index	5.2	2.0	-4.6	11.6	-3.5	1.5	6.6	12.3	
Non-durable goods:									Chain-type price index	1.5	2.8	3.9	-4.1	14.8	-1.4	-1.9	-1.3	
Current dollars	4.4	3.9	4.4	3.5	4.2	1.2	.9	7.7	Implicit price deflator	1.5	2.7	4.0	-4.1	14.1	-1.4	-1.7	-1.2	
Chain-type quantity index	3.1	2.3	3.2	2.4	1.9	.5	-3	3.6	Government consumption expenditures and gross investment:									
Chain-type price index	1.3	1.7	1.2	1.0	2.5	.7	1.3	3.9	Current dollars	1.9	3.3	1.7	3.8	4.2	1.4	-3	6.1	
Implicit price deflator	1.3	1.6	1.1	1.1	2.3	.7	1.3	3.9	Chain-type quantity index	0	.1	-1.4	-1.1	.9	-7	-4.1	1.6	
Services:									Chain-type price index	2.0	3.4	3.2	5.1	3.3	2.1	4.4	4.0	
Current dollars	5.2	5.3	4.3	5.6	6.8	5.0	4.6	4.2	Implicit price deflator	2.0	3.3	3.1	5.0	3.3	2.0	4.0	4.4	
Chain-type quantity index	2.1	2.3	1.4	2.1	3.4	2.6	2.2	2.5	Federal:									
Chain-type price index	3.0	3.1	2.9	3.5	3.4	2.4	2.4	1.9	Current dollars	-1.1	.1	-2.1	-8	2.1	-4.4	-6.8	8.8	
Implicit price deflator	3.0	3.0	2.9	3.4	3.3	2.4	2.3	1.7	Chain-type quantity index	-3.7	-3.5	-5.9	-6.3	-1.1	-5.9	-12.8	5.8	
Gross private domestic investment:									Chain-type price index	2.7	3.9	4.2	6.2	3.2	1.7	7.6	1.8	
Current dollars	16.5	5.0	6.6	8.6	-7.9	9.7	-4.0	1.9	Implicit price deflator	2.7	3.7	4.0	5.9	3.3	1.6	7.0	2.8	
Chain-type quantity index	14.3	3.2	5.0	7.3	-9.7	7.4	-3.7	3.0	National defense:									
Chain-type price index	1.9	1.9	1.4	1.0	3.0	2.3	.8	4	Current dollars	-2.8	-1.8	-13.1	-2.2	5.3	-7.3	-9.5	8.2	
Implicit price deflator	1.9	1.7	1.5	1.2	2.1	2.1	-3	-1.0	Chain-type quantity index	-5.1	-5.0	-16.1	-7.0	.9	-8.1	-12.0	3.8	
Fixed investment:									Chain-type price index	2.4	3.7	3.8	5.6	4.4	1.0	3.5	2.5	
Current dollars	12.3	7.7	9.6	9.4	.9	8.2	3.7	9.7	Implicit price deflator	2.4	3.4	3.5	5.2	4.4	.8	2.8	4.2	
Chain-type quantity index	10.1	6.1	8.4	8.6	-1.4	6.3	4.0	11.0	Nondefense:									
Chain-type price index	1.9	1.8	1.2	.8	2.7	2.3	.7	0	Current dollars	2.8	4.1	26.3	2.1	-4.2	1.9	-1.2	10.1	
Implicit price deflator	1.9	1.5	1.2	.7	2.4	1.8	-3	-1.2	Chain-type quantity index	-7	-2	20.2	-4.8	-5.2	-1.2	-14.6	10.1	
Nonresidential:									Chain-type price index	3.5	4.4	5.1	7.5	.7	3.2	17.0	.4	
Current dollars	11.4	10.7	12.0	15.5	6.1	6.6	1.8	10.7	Implicit price deflator	3.5	4.3	5.1	7.3	1.1	3.2	15.7	0	
Chain-type quantity index	9.8	9.6	12.2	15.3	3.6	5.2	3.1	12.4	State and local:									
Chain-type price index	1.4	1.2	-1	1	2.8	2.0	.1	1	Current dollars	4.0	5.4	4.2	6.8	5.5	5.1	3.8	4.5	
Implicit price deflator	1.4	.9	-2	.2	2.5	1.3	-1.3	-1.5	Chain-type quantity index	2.5	2.4	1.6	2.3	2.1	2.7	1.5	-9	
Structures:									Chain-type price index	1.5	3.0	2.5	4.4	3.3	2.3	2.3	5.5	
Current dollars	4.9	10.8	18.5	12.6	6.5	10.3	2.9	9.0	Implicit price deflator	1.5	3.0	2.5	4.4	3.3	2.3	2.3	5.4	
Chain-type quantity index	1.5	7.2	13.0	9.9	3.4	6.2	.9	7.9	Addenda:									
Chain-type price index	3.3	3.3	4.9	2.4	2.9	3.8	1.8	1.3	Final sales of domestic product:									
Implicit price deflator	3.3	3.3	4.9	2.5	3.1	3.8	2.0	1.0	Current dollars	5.2	4.9	5.8	4.0	4.2	5.6	3.5	5.4	
Producers' durable equipment:									Chain-type quantity index	2.9	2.4	3.6	.7	1.8	3.4	1.6	3.3	
Current dollars	14.1	10.6	9.7	16.6	6.0	5.3	1.4	11.3	Chain-type price index	2.3	2.5	2.2	3.3	2.4	2.2	2.2	2.4	
Chain-type quantity index	13.2	10.5	11.9	17.4	3.7	4.9	4.0	14.1	Implicit price deflator	2.3	2.4	2.1	3.2	2.3	2.1	1.8	2.1	
Chain-type price index .....	.7	.4	-1.9	-7	2.7	1.4	-5	-4	Gross domestic purchases:								
Implicit price deflator .....	.7	.1	-2.0	-7	2.3	.4	-2.4	-2.4	Current dollars	6.2	4.6	4.8	4.2	3.6	4.5	1.1	5.3
Residential:									Chain-type quantity index	3.9	2.1	2.7	1.4	.9	2.8	-5	3.1	
Current dollars	14.3	.7	4.4	-4.2	-11.1	12.5	8.8	7.3	Chain-type price index	2.2	2.5	2.1	2.9	2.9	1.7	2.1	2.4	
Chain-type quantity index	10.8	-2.3	-1	-6.3	-13.3	9.2	6.4	7.4	Implicit price deflator	2.2	2.4	2.1	2.8	2.7	1.6	1.6	2.1	
Chain-type price index	3.1	3.1	4.5	2.2	2.6	2.9	2.2	-1	Final sales to domestic purchasers:									
Implicit price deflator	3.1	3.1	4.5	2.2	2.5	3.0	2.2	-1	Current dollars	5.7	4.9	5.2	4.3	5.0	4.2	2.2	6.4	
Exports of goods and services:									Chain-type quantity index	3.3	2.5	3.1	1.5	2.2	2.6	.6	4.3	
Current dollars	9.4	11.4	17.0	8.1	9.7	8.1	8.8	1.1	Chain-type price index	2.2	2.5	2.1	2.9	2.9	1.7	2.1	2.4	
Chain-type quantity index	8.3	8.3	15.3	2.6	4.6	8.0	11.0	2.0	Implicit price deflator	2.2	2.4	2.1	2.8	2.7	1.6	1.6	2.0	
Chain-type price index	1.1	3.3	2.2	5.8	5.3	.8	-8	4	Gross national product:									
Implicit price deflator	1.1	2.9	1.5	5.4	4.9	.1	-2.0	-9	Current dollars	5.5	4.6	4.9	4.5	2.6	5.4	3.1	4.6	
Exports of goods:									Chain-type quantity index	3.2	2.1	2.7	1.2	.3	3.2	1.3	2.5	
Current dollars	10.8	14.2	23.6	10.3	11.8	9.6	10.6	-6	Chain-type price index	2.3	2.5	2.3	3.3	2.5	2.2	2.2	2.4	
Chain-type quantity index	10.1	10.8	21.3	3.7	6.6	9.6	14.1	2.1	Implicit price deflator	2.3	2.4	2.2	3.2	2.3	2.2	1.8	2.1	
Chain-type price index .....	.6	3.6	2.9	6.9	5.3	.9	-1.6	-9	Command-basis gross national product:								
Implicit price deflator .....	.6	3.0	1.9	6.3	4.8	0	-3.1	-2.6	Chain-type quantity index	3.2	2.2	2.8	1.7	.1	4.0	1.7	2.5
Exports of services:									Disposable personal income:									
Current dollars	6.2	4.9	2.4	2.7	4.7	4.3	4.5	5.6	Current dollars	4.8	5.8	6.1	6.3	2.7	6.0	5.3	4.3	
Chain-type quantity index	4.0	2.3	1.8	-3	-4	3.9	3.4	1.9	Chained (1992) dollars	2.3	3.3	4.0	3.6	0	4.5	3.8	2.1	
Chain-type price index	2.1	2.6	.6	3.1	5.2	.4	1.0	3.6										

NOTE.—Except for disposable personal income, the quantity and price indexes are calculated from weighted averages of the detailed output and prices used to prepare each aggregate and component. Prior to the third quarter of 1994, these indexes use the geometric mean of weights that reflect the composition of output for the preceding and current years. Beginning with the third quarter of 1994, these indexes use weights that reflect the composition

of output in 1994. Implicit price deflators are weighted averages of the detailed price indexes used to prepare each aggregate and component and are calculated as the ratio of current- to chained-dollar output multiplied by 100. (Contributions to the percent change in real gross domestic product are shown in table 8.2.)

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

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Percent change at annual rate:								
Gross domestic product	3.5	2.0	3.2	0.6	0.5	3.6	0.5	2.2
Percentage points at annual rates:								
Personal consumption expenditures	2.1	1.6	2.2	.5	2.3	1.9	.8	2.4
Durable goods .....	.6	.3	1.0	-.8	.6	.8	0	.7
Nondurable goods .....	.6	.5	.7	.5	.4	.1	-.1	.7
Services .....	.8	.9	.5	.8	1.3	1.0	.9	1.0
Gross private domestic investment ...	1.9	.5	.7	1.1	-1.5	1.1	-.6	.4
Fixed investment	1.3	.8	1.1	1.2	-.2	.9	.6	1.5
Nonresidential .....	.9	.9	1.1	1.5	.4	.5	.3	1.2
Structures	0	.2	.3	.3	.1	.2	0	.2
Producers' durable equipment ..	.9	.7	.8	1.2	.3	.4	.3	1.0
Residential .....	.4	-.1	0	-.3	-.6	.3	.2	.3
Change in business inventories .....	.6	-.4	-.4	-.1	-1.3	.2	-1.1	-1.1
Net exports of goods and services ...	-.5	-.1	.5	-.7	-.4	.7	1.0	-1.0
Exports .....	.8	.9	1.5	.3	.5	.9	1.2	.2
Goods .....	.7	.8	1.5	.3	.5	.7	1.1	.2
Services .....	.1	.1	.1	0	0	.1	.1	.1
Imports	-1.3	-.9	-1.1	-1.0	-.9	-.1	-.2	-1.2
Goods	-1.2	-.9	-1.2	-.8	-1.0	-.1	0	-1.0
Services	-.1	0	.1	-.2	.1	0	-.1	-.2
Government consumption expenditures and gross investment	0	0	-.3	-.2	.2	-.1	-.8	.3
Federal	-.3	-.3	-.5	-.5	-.1	-.4	-.9	.4
National defense	-.3	-.3	-.9	-.4	0	-.4	-.6	.2
Nondefense	0	0	.4	-.1	-.1	0	-.4	.2
State and local .....	.3	.3	.2	.3	.2	.3	.2	-.1

Table 8.3.—Selected Per Capita Product and Income Series in Current and Chained Dollars

[Dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Current dollars:								
Gross domestic product	26,589	27,541	27,059	27,263	27,389	27,709	27,801	28,038
Gross national product	26,555	27,510	26,991	27,235	27,353	27,650	27,798	28,058
Personal income	22,059	23,193	22,526	22,868	23,071	23,294	23,535	23,769
Disposable personal income	19,253	20,174	19,666	19,931	20,021	20,263	20,477	20,651
Personal consumption expenditures	18,025	18,717	18,330	18,447	18,682	18,831	18,908	19,136
Durable goods	2,228	2,305	2,303	2,262	2,299	2,338	2,321	2,363
Nondurable goods	5,484	5,649	5,576	5,613	5,659	5,662	5,661	5,755
Services	10,312	10,764	10,451	10,572	10,725	10,831	10,926	11,018
Chained (1992) dollars:								
Gross domestic product	25,335	25,615	25,573	25,561	25,536	25,696	25,666	25,751
Gross national product	25,305	25,588	25,512	25,539	25,504	25,644	25,666	25,773
Disposable personal income	18,320	18,757	18,544	18,672	18,634	18,794	18,926	18,988
Personal consumption expenditures	17,152	17,403	17,283	17,282	17,388	17,465	17,475	17,595
Durable goods	2,156	2,208	2,216	2,162	2,195	2,239	2,235	2,276
Nondurable goods	5,334	5,407	5,383	5,404	5,418	5,411	5,394	5,431
Services	9,665	9,792	9,689	9,719	9,780	9,819	9,849	9,891
Population (mid-period, thousands)	260,681	263,090	261,653	262,181	262,748	263,399	264,032	264,563

Table 8.4.—Auto Output
[Billions of dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Auto output	143.6	134.8	143.5	143.0	129.2	133.7	133.4	113.7
Final sales	141.8	133.8	135.0	126.8	129.5	144.5	134.5	132.9
Personal consumption expenditures	137.4	137.3	137.4	133.4	138.6	142.4	134.8	137.4
New autos	91.3	84.6	90.7	83.8	84.1	83.5	87.2	85.1
Net purchases of used autos	46.1	52.7	46.6	49.6	54.5	59.0	47.6	52.3
Producers' durable equipment	46.9	42.2	46.8	41.6	41.3	46.0	39.9	40.0
New autos	74.7	72.4	75.0	71.2	71.0	79.3	68.0	70.2
Net purchases of used autos	-27.7	-30.2	-28.1	-29.7	-29.8	-33.3	-28.1	-30.2
Net exports	-44.7	-48.0	-51.3	-50.3	-52.7	-46.0	-43.1	-47.1
Exports	16.4	16.9	15.8	17.7	15.9	17.7	16.2	16.8
Imports	61.1	64.9	67.1	68.0	68.6	63.7	59.3	63.9
Gross government investment	2.1	2.4	2.1	2.1	2.3	2.1	3.0	2.6
Change in business inventories of new and used autos	1.8	1.0	8.4	16.3	-3	-10.9	-1.2	-19.1
New	1.7	0	6.2	13.0	-4	-9.1	-3.7	-21.4
Used .....	.1	1.0	2.2	3.3	.1	-1.8	2.5	2.3
Addenda:								
Domestic output of new autos ¹	125.5	119.1	126.5	127.1	116.1	120.3	112.8	102.0
Sales of imported new autos ²	59.7	56.3	60.8	57.9	54.3	55.3	57.8	58.3

1. Consists of final sales and change in business inventories of new autos assembled in the United States.
2. Consists of personal consumption expenditures, producers' durable equipment, and gross government investment.

Table 8.6.—Truck Output
[Billions of dollars]

Truck output ¹	121.2	127.5	127.8	126.9	128.3	124.7	130.2	129.4
Final sales	118.0	125.4	125.8	124.9	123.2	123.7	129.8	134.5
Personal consumption expenditures	57.1	56.9	60.0	55.5	56.5	56.7	58.7	59.6
Producers' durable equipment	58.5	66.3	62.9	65.3	64.4	68.3	67.1	68.4
Net exports	-5.1	-5.2	-5.6	-5.3	-5.1	-5.2	-5.2	-4.4
Exports	6.7	7.7	7.3	8.0	7.5	7.7	7.6	8.1
Imports	11.8	12.9	12.9	13.3	12.6	12.9	12.8	12.5
Gross government investment	7.5	7.5	8.4	9.4	7.4	3.9	9.2	11.1
Change in business inventories	3.2	2.1	2.0	2.0	5.0	1.0	.4	-5.1

1. Includes new trucks only.

Table 8.5.—Real Auto Output
[Billions of chained (1992) dollars]

	1994	1995	Seasonally adjusted at annual rates					
			1994		1995			1996
			IV	I	II	III	IV	I
Auto output	133.2	120.3	132.1	128.7	115.3	119.6	117.7	100.3
Final sales	132.0	120.1	123.8	114.5	115.6	129.8	120.6	117.6
Personal consumption expenditures	125.1	117.9	122.2	115.3	118.2	122.3	115.9	116.6
New autos	86.2	78.3	84.7	78.1	77.7	77.0	80.2	77.9
Net purchases of used autos	38.9	39.3	37.6	37.0	40.0	44.4	35.7	38.3
Producers' durable equipment	46.6	43.3	46.6	43.3	42.9	46.8	40.3	40.8
New autos	70.5	66.9	69.9	66.4	65.7	73.2	62.5	64.3
Net purchases of used autos	-24.2	-23.8	-23.7	-23.3	-23.0	-26.5	-22.4	-23.6
Net exports	-41.2	-43.0	-46.7	-45.6	-47.3	-40.7	-38.2	-41.9
Exports	16.1	16.2	15.3	17.1	15.3	17.0	15.3	15.9
Imports	57.3	59.1	62.0	62.7	62.6	57.8	53.4	57.8
Gross government investment	2.0	2.2	2.0	2.0	2.2	2.0	2.8	2.4
Change in business inventories of new and used autos	1.1	.2	8.1	13.9	-3	-10.1	-2.8	-16.9
New	1.1	-5	6.2	11.7	-2	-8.6	-5.0	-19.3
Used	0	.6	1.9	2.4	-1	-1.6	1.9	1.6
Residual	-1	.2	.2	0	.3	.5	.1	.6
Addenda:								
Domestic output of new autos ¹	118.9	110.4	119.4	118.8	108.2	111.6	102.8	94.0
Sales of imported new autos ²	56.4	52.1	56.8	54.0	50.2	51.0	53.1	53.5

1. Consists of final sales and change in business inventories of new autos assembled in the United States.
2. Consists of personal consumption expenditures, producers' durable equipment, and gross government investment.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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.

Table 8.7.—Real Truck Output
[Billions of chained (1992) dollars]

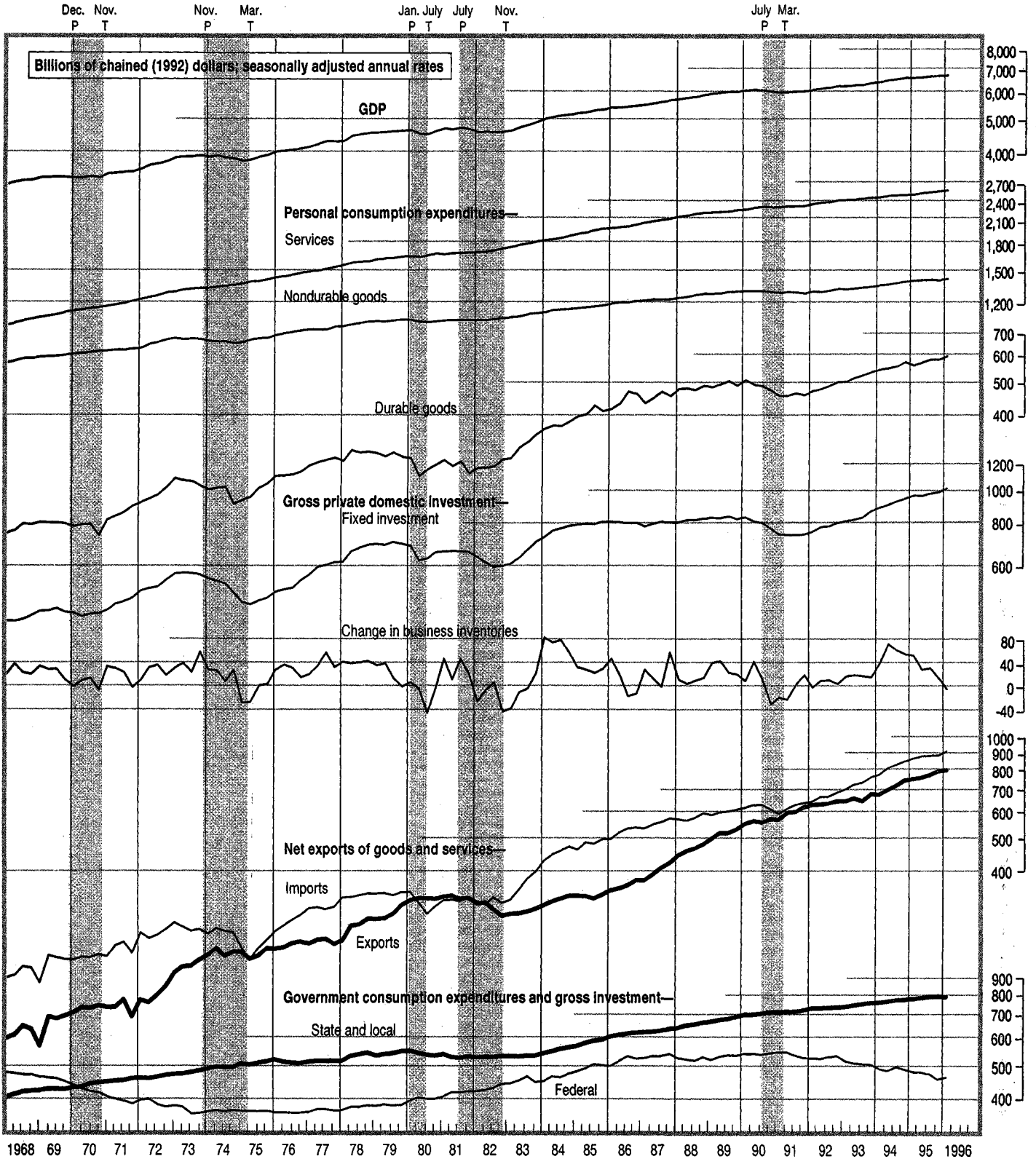
Truck output ¹	111.8	114.4	117.3	115.4	115.1	110.9	116.2	114.8
Final sales	108.8	112.5	115.5	113.6	110.6	110.0	115.8	119.4
Personal consumption expenditures	52.8	50.9	54.7	50.6	50.8	50.4	51.9	52.5
Producers' durable equipment	53.8	59.3	58.0	59.1	57.5	60.5	60.0	60.8
Net exports	-4.6	-4.4	-4.9	-4.5	-4.3	-4.4	-4.3	-3.6
Exports	6.6	7.4	7.1	7.7	7.2	7.4	7.3	7.8
Imports	11.2	11.8	12.0	12.3	11.6	11.8	11.6	11.4
Gross government investment	6.9	6.7	7.7	8.5	6.6	3.5	8.2	9.8
Change in business inventories	2.9	1.9	1.8	1.8	4.5	1.1	.2	-4.5
Residual	0	0	0	0	.1	-2	.2	-2

1. Includes new trucks only.

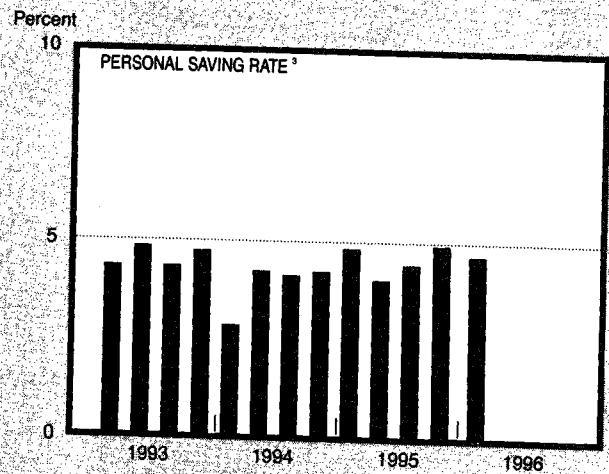
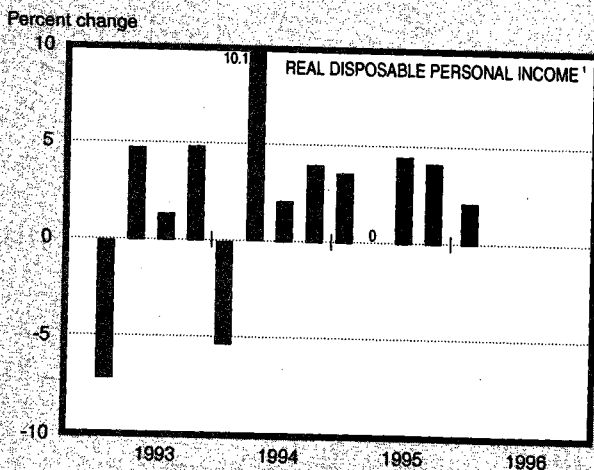
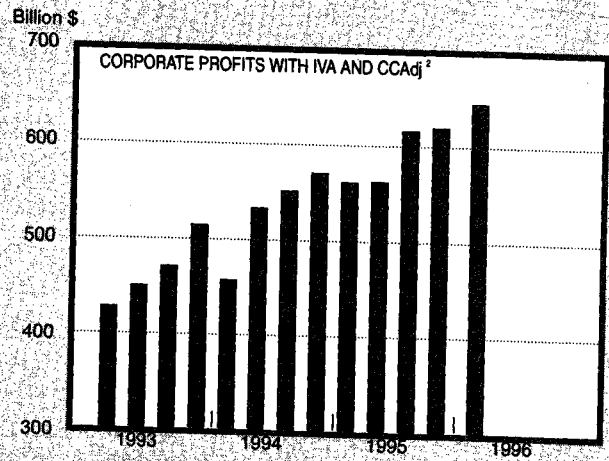
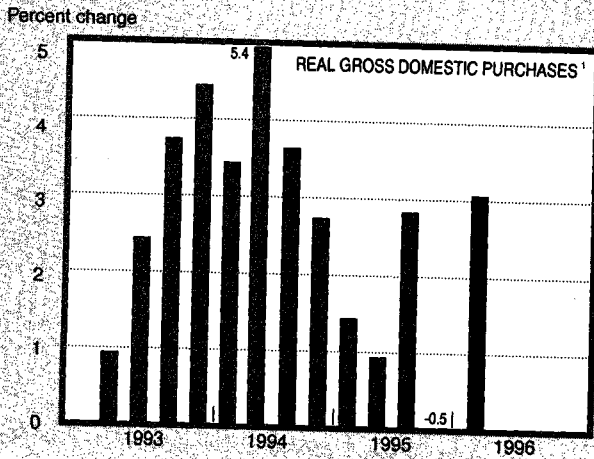
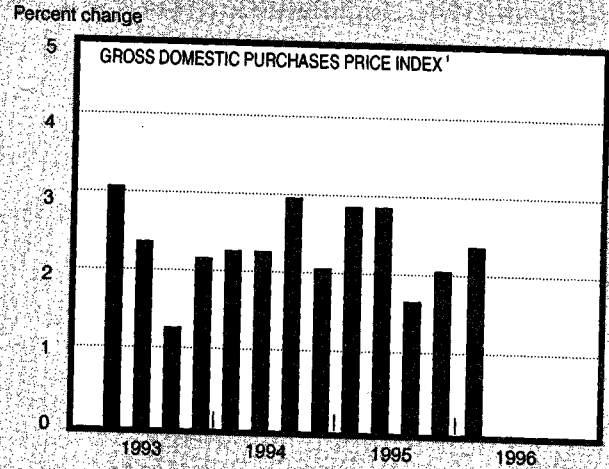
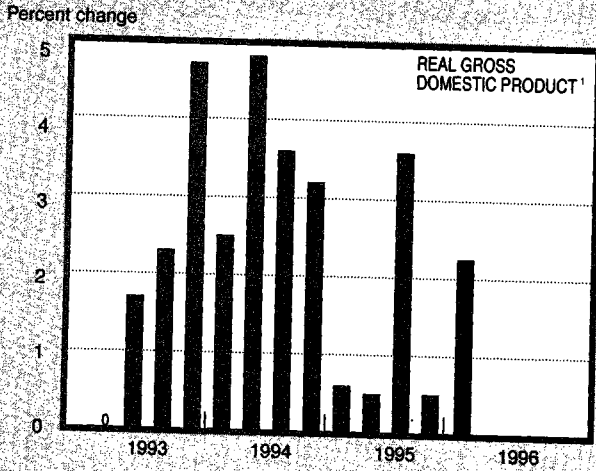
NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

NIPA Charts

REAL GDP AND ITS COMPONENTS: TRENDS AND CYCLES



SELECTED SERIES: RECENT QUARTERS



1. Percent change at annual rate from preceding quarter; based on seasonally adjusted estimates.
 2. Seasonally adjusted annual rate; IVA is inventory valuation adjustment, and CCAadj is capital consumption adjustment.
 3. Personal saving as percentage of disposable personal income; based on seasonally adjusted estimates.

U.S. Department of Commerce, Bureau of Economic Analysis

Reconciliation and Other Special Tables

Table 1.—Relation of Net Exports of Goods and Services and Net Receipts of Factor Income in the National Income and Product Accounts (NIPA's) to Balance on Goods, Services, and Income in the Balance of Payments Accounts (BPA's)

[Billions of dollars]

	Line	1994	1995	Seasonally adjusted at annual rates					
				1994	1995				1996
				IV	I	II	III	IV	I
Exports of goods, services, and income, BPA's	1	840.0	969.2	894.0	932.3	966.0	977.9	1,000.5	1,011.7
<i>Less:</i> Gold, BPA's	2	5.8	5.1	3.5	5.6	7.7	3.4	3.7	6.3
Statistical differences ¹	3	1.9	5.1	2.4	2.0	7.4	10.4	.6	.6
Other items	4	.7	.3	.6	.2	.3	.4	.2	.2
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments	5	5.5	8.3	6.2	7.5	7.5	8.5	9.6	10.4
Adjustment for U.S. territories and Puerto Rico	6	30.7	30.2	32.0	29.6	30.4	30.2	30.7	30.3
Services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans	7	13.4	14.0	13.7	13.9	13.8	14.0	14.2	14.4
Equals: Exports of goods and services and receipts of factor income, NIPA's	8	881.1	1,011.2	939.3	975.5	1,002.4	1,016.4	1,050.4	1,059.6
Imports of goods, services, and income, BPA's	9	948.5	1,082.3	1,015.7	1,054.0	1,096.7	1,092.7	1,085.6	1,110.7
<i>Less:</i> Gold, BPA's	10	4.7	5.3	2.6	4.4	10.8	2.5	3.4	6.8
Statistical differences ¹	11	-5.6	-3.9	-4.8	-0.8	-6.7	-2.2	-5.8	-5.8
Other items	12	0	0	0	0	0	0	0	0
<i>Plus:</i> Gold, NIPA's	13	-3.7	-3.2	-3.3	-3.5	-2.9	-3.1	-3.2	-3.7
Adjustment for grossing of parent/affiliate interest payments	14	5.5	8.3	6.2	7.5	7.5	8.5	9.6	10.4
Adjustment for U.S. territories and Puerto Rico	15	21.9	21.8	22.2	20.9	23.2	21.0	21.9	21.1
Imputed interest paid to rest of world	16	13.4	14.0	13.7	13.9	13.8	14.0	14.2	14.4
Equals: Imports of goods and services and payments of factor income, NIPA's	17	986.5	1,121.7	1,056.7	1,089.3	1,134.3	1,132.7	1,130.5	1,151.9
Balance on goods, services, and income, BPA's (1-9)	18	-108.5	-113.1	-121.7	-121.7	-130.7	-114.8	-85.1	-99.0
<i>Less:</i> Gold (2-10+13)	19	-2.6	-3.4	-2.4	-2.3	-6.0	-2.2	-2.9	-4.2
Statistical differences (3-11) ¹	20	7.5	9.0	7.2	2.8	14.1	12.6	6.4	6.4
Other items (4-12)	21	.7	.3	.6	.2	.3	.4	.2	.2
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15)	22	8.8	8.4	9.8	8.7	7.2	9.2	8.8	9.2
Equals: Net exports of goods and services and net receipts of factor income, NIPA's (8-17)	23	-105.4	-110.5	-117.4	-113.8	-131.9	-116.3	-80.1	-92.3

1. Consists of statistical revisions in the BPA's that have not yet been incorporated in the NIPA's.

Selected Monthly Estimates

Table 1.—Personal Income
[Billions of dollars; monthly estimates seasonally adjusted at annual rates]

	1994	1995	1995										1996				
			Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^r	Feb. ^r	Mar. ^r	Apr. ^r	May ^r	
Personal Income	5,750.2	6,101.7	6,053.9	6,046.2	6,085.5	6,123.1	6,125.9	6,157.9	6,187.9	6,207.3	6,246.4	6,249.6	6,294.8	6,320.9	6,351.2	6,379.2	
Wage and salary disbursements	3,241.1	3,419.7	3,399.2	3,374.7	3,405.9	3,438.7	3,433.3	3,454.8	3,476.5	3,474.5	3,493.7	3,489.6	3,527.7	3,543.2	3,562.3	3,580.8	
Private industries	2,638.6	2,797.9	2,781.1	2,755.3	2,784.4	2,815.7	2,809.2	2,829.6	2,850.8	2,847.7	2,865.5	2,857.0	2,893.7	2,907.8	2,925.5	2,942.5	
Commodity-producing industries	825.0	858.7	856.8	851.6	856.7	857.9	859.3	862.6	863.1	862.8	864.5	859.1	871.5	867.9	880.1	883.9	
Manufacturing	621.3	642.8	641.9	638.9	640.5	641.5	643.0	644.3	643.9	644.0	645.5	639.4	646.4	643.1	654.5	656.3	
Distributive industries	739.3	787.9	781.5	772.0	782.3	794.4	792.5	799.4	807.1	807.8	811.9	811.0	823.2	830.8	829.1	834.5	
Service industries	1,074.3	1,151.3	1,142.7	1,131.8	1,145.4	1,163.4	1,157.4	1,167.6	1,180.5	1,177.1	1,189.1	1,186.9	1,199.0	1,209.2	1,216.3	1,224.1	
Government	602.5	621.7	618.1	619.3	621.4	622.9	624.1	625.2	625.7	626.8	628.1	632.6	634.0	635.4	636.8	638.3	
Other labor income	402.2	424.0	420.6	422.0	423.4	424.6	425.8	427.2	428.7	430.2	431.7	427.4	429.1	430.8	432.4	434.0	
Proprietors' income with IVA and CCAadj	450.9	478.3	473.3	473.8	477.2	476.0	479.9	483.0	483.3	486.9	490.1	493.2	500.1	505.2	507.8	510.5	
Farm	35.0	29.0	27.8	27.6	27.4	27.6	28.0	28.8	30.4	31.9	32.2	36.2	38.8	40.1	40.9	41.2	
Nonfarm	415.9	449.3	445.5	446.2	449.7	448.4	451.9	454.2	452.9	455.0	456.9	457.0	461.3	465.1	466.9	469.2	
Rental income of persons with CCAadj	116.6	122.2	120.4	122.1	122.3	122.0	120.6	120.2	119.5	127.4	130.7	129.1	126.7	125.0	125.8	126.4	
Personal dividend income	199.6	214.8	211.5	212.1	212.9	214.3	215.6	217.4	219.5	221.9	223.8	225.3	226.5	227.9	228.7	229.4	
Personal interest income	661.6	714.6	711.4	714.1	716.4	716.8	717.4	718.3	720.9	725.4	729.3	726.5	723.7	722.3	724.9	727.4	
Transfer payments to persons	956.3	1,022.6	1,010.6	1,018.8	1,021.0	1,026.6	1,028.9	1,034.1	1,038.0	1,039.3	1,046.9	1,057.4	1,062.5	1,069.0	1,073.2	1,076.1	
Old-age, survivors, disability, and health insurance benefits	472.9	507.4	502.6	505.7	506.9	508.4	510.1	513.6	513.4	514.5	520.5	525.4	529.4	534.9	534.7	536.6	
Government unemployment insurance benefits	23.7	21.6	20.0	21.8	21.2	22.7	21.3	21.9	22.3	22.2	22.1	22.5	22.2	21.9	22.0	21.9	
Other	459.7	493.6	488.0	491.3	492.9	495.5	497.5	498.6	502.2	502.5	504.4	509.5	510.9	512.2	516.5	517.6	
Less: Personal contributions for social insurance	278.1	294.5	293.0	291.4	293.6	295.9	295.6	297.2	298.4	298.4	299.7	298.9	301.5	302.7	304.0	305.4	

CCAadj Capital consumption adjustment
IVA Inventory valuation adjustment

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 2.—The Disposition of Personal Income
[Monthly estimates seasonally adjusted at annual rates]

	1994	1995	1995										1996				
			Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^r	Feb. ^r	Mar. ^r	Apr. ^r	May ^r	
Billions of dollars, unless otherwise indicated																	
Personal Income	5,750.2	6,101.7	6,053.9	6,046.2	6,085.5	6,123.1	6,125.9	6,157.9	6,187.9	6,207.3	6,246.4	6,249.6	6,294.8	6,320.9	6,351.2	6,379.2	
Less: Personal tax and nontax payments	731.4	794.3	832.3	781.4	790.8	796.9	796.9	801.6	806.5	805.9	809.2	814.1	826.1	834.7	894.0	849.2	
Equals: Disposable personal income	5,018.8	5,307.4	5,221.6	5,264.8	5,294.7	5,326.2	5,329.1	5,356.2	5,381.4	5,401.4	5,437.3	5,435.5	5,468.8	5,486.2	5,457.2	5,530.0	
Less: Personal outlays	4,826.5	5,066.7	5,011.4	5,053.3	5,082.3	5,093.6	5,116.2	5,114.1	5,098.5	5,139.0	5,185.2	5,167.7	5,226.5	5,249.8	5,264.1	5,307.5	
Personal consumption expenditures	4,698.7	4,924.3	4,873.1	4,912.9	4,940.1	4,940.0	4,971.3	4,968.5	4,951.2	4,990.5	5,035.1	5,016.9	5,074.2	5,096.9	5,110.3	5,153.1	
Durable goods	580.9	606.4	591.1	602.4	618.6	608.3	624.2	614.9	601.1	607.6	629.7	603.8	637.6	634.2	624.8	649.4	
Nondurable goods	1,429.7	1,486.1	1,476.6	1,490.2	1,493.7	1,489.1	1,497.3	1,487.5	1,494.6	1,502.2	1,508.8	1,527.0	1,532.0	1,545.5	1,544.5		
Services	2,688.1	2,831.8	2,805.4	2,820.3	2,827.9	2,842.6	2,859.4	2,856.3	2,862.7	2,888.3	2,903.2	2,904.4	2,909.6	2,930.8	2,940.0	2,959.2	
Interest paid by persons	117.2	131.7	127.8	129.9	131.7	132.9	134.3	134.9	136.4	137.7	139.2	140.7	142.8	142.8	143.7	144.3	
Personal transfer payments to rest of world	10.6	10.6	10.5	10.5	10.5	10.6	10.6	10.6	10.8	10.8	10.8	10.1	10.1	10.1	10.1	10.1	
Equals: Personal savings	192.4	240.8	210.2	211.5	212.4	242.6	212.9	242.2	283.0	262.4	252.1	267.8	242.3	236.4	193.0	222.5	
Addenda:																	
Disposable personal income:																	
Billions of chained (1992) dollars ¹	4,775.6	4,934.7	4,866.5	4,898.8	4,922.8	4,947.0	4,939.0	4,964.7	4,977.4	4,993.7	5,020.0	5,007.9	5,030.5	5,032.3	4,990.1	5,049.5	
Per capita:																	
Current dollars	19,253	20,173	19,888	20,038	20,136	20,238	20,232	20,318	20,397	20,457	20,579	20,559	20,672	20,723	20,597	20,856	
Chained (1992) dollars	18,320	18,757	18,536	18,645	18,721	18,798	18,751	18,832	18,865	18,913	18,999	18,941	19,015	19,008	18,834	19,044	
Population (thousands)	260,681	263,090	262,549	262,743	262,953	263,173	263,399	263,524	263,841	264,034	264,220	264,391	264,554	264,743	264,946	265,154	
Personal consumption expenditures:																	
Billions of chained (1992) dollars	4,471.1	4,578.5	4,541.7	4,571.4	4,593.2	4,588.4	4,607.4	4,605.3	4,579.5	4,613.8	4,648.7	4,622.2	4,667.6	4,675.2	4,673.0	4,705.4	
Durable goods	562.0	580.8	562.7	575.6	591.6	582.6	597.2	589.2	577.8	585.9	606.7	581.7	614.1	610.9	605.4	630.9	
Nondurable goods	1,390.5	1,422.5	1,416.1	1,425.7	1,428.6	1,423.2	1,422.2	1,430.7	1,417.4	1,425.3	1,429.8	1,426.9	1,443.8	1,440.2	1,444.3	1,440.1	
Services	2,519.4	2,576.1	2,563.5	2,571.0	2,574.1	2,583.4	2,588.9	2,586.4	2,584.9	2,603.3	2,613.0	2,614.0	2,611.0	2,625.2	2,624.3	2,635.5	
Implicit price deflator, 1992=100	105.1	107.6	107.3	107.5	107.6	107.7	107.9	107.9	108.1	108.2	108.3	108.5	108.7	109.0	109.4	109.5	
Personal saving as percentage of disposable personal income ²	3.8	4.5	4.0	4.0	4.0	4.6	4.0	4.5	5.3	4.9	4.6	4.9	4.4	4.3	3.5	4.0	
Percent change from preceding period																	
Personal income, current dollars	4.9	6.1	0.6	-0.1	0.6	0.6	0	0.5	0.5	0.3	0.6	0.1	0.7	0.4	0.5	0.4	
Disposable personal income:																	
Current dollars	4.8	5.8	-4	.8	.6	.6	.1	.5	.5	.4	.7	0	.6	.3	-.5	1.3	
Chained (1992) dollars	2.3	3.3	-7	.7	.5	.5	-2	.5	.3	.3	.5	-2	.5	0	-.8	1.2	
Personal consumption expenditures:																	
Current dollars	5.5	4.8	.3	.8	.6	0	.6	-.1	-.3	.8	.9	-.4	1.1	.4	-.3	.8	
Chained (1992) dollars	3.0	2.4	0	.7	.5	-.1	.4	0	-.6	.7	.8	-.6	1.0	.2	0	.7	

1. Disposable personal income in chained (1992) dollars equals the current-dollar figure divided by the implicit price deflator for personal consumption expenditures.

2. Monthly estimates equal personal saving for the month as a percentage of disposable personal income for that month.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 3.—U.S. International Transactions in Goods and Services
 [Millions of dollars; monthly estimates seasonally adjusted]

	1994 ^r	1995 ^r	1995										1996				
			Apr. ^r	May. ^r	June ^r	July ^r	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^r	Dec. ^r	Jan. ^r	Feb. ^r	Mar. ^r	Apr. ^p	May	
Exports of goods and services	698,301	786,529	64,340	65,480	64,915	64,335	66,833	68,046	67,534	67,997	68,089	66,493	69,163	69,277	69,941		
Goods	502,462	575,939	47,180	48,050	47,750	46,581	48,735	49,672	49,528	49,777	50,120	48,645	50,883	50,490	51,670		
Foods, feeds, and beverages	41,949	50,466	4,076	3,987	3,869	4,098	4,495	4,730	4,374	4,447	4,477	4,662	4,459	4,881	4,824		
Industrial supplies and materials	121,403	146,255	12,355	12,409	12,665	11,919	12,127	12,418	12,523	11,866	12,106	11,856	12,202	12,540	13,008		
Capital goods, except automotive	205,184	233,046	18,894	19,415	19,524	19,103	19,993	19,787	20,276	20,747	21,160	19,697	21,297	20,773	21,295		
Automotive vehicles, engines, and parts	57,614	61,828	5,032	5,090	4,773	4,807	5,099	5,610	5,159	5,093	5,243	5,220	5,355	4,923	5,015		
Consumer goods (nonfood), except automotive	59,981	64,425	5,254	5,471	5,432	5,169	5,499	5,433	5,510	5,467	5,470	5,485	5,765	5,714	5,900		
Other goods	26,495	28,723	2,211	2,427	2,322	2,196	2,270	2,352	2,483	2,954	2,459	2,225	2,590	2,563	2,504		
Adjustments ¹	-10,164	-8,803	-642	-749	-835	-711	-748	-657	-797	-799	-795	-698	-784	-904	-875		
Services	195,839	210,590	17,160	17,410	17,165	17,754	18,098	18,374	18,006	18,220	17,968	17,848	18,280	18,787	18,271		
Travel	58,417	61,137	5,029	5,063	4,733	5,070	5,214	5,399	5,240	5,406	5,222	5,154	5,426	5,603	5,370		
Passenger fares	17,083	18,534	1,541	1,556	1,538	1,566	1,606	1,643	1,593	1,653	1,590	1,556	1,656	1,655	1,583		
Other transportation	25,861	28,063	2,311	2,354	2,286	2,310	2,385	2,421	2,384	2,418	2,409	2,246	2,336	2,436	2,403		
Royalties and license fees	22,272	26,953	2,170	2,204	2,241	2,317	2,343	2,354	2,342	2,339	2,334	2,335	2,331	2,330	2,345		
Other private services	59,071	61,724	5,033	5,073	5,141	5,241	5,247	5,255	5,244	5,222	5,279	5,421	5,493	5,603	5,555		
Transfers under U.S. military agency sales contracts ²	12,255	13,405	1,030	1,116	1,182	1,166	1,212	1,211	1,137	1,121	1,076	1,068	970	1,091	950		
U.S. Government miscellaneous services	880	775	46	44	45	85	91	90	66	61	59	67	69	69	65		
Imports of goods and services	802,682	891,593	75,060	75,940	75,538	74,402	74,205	74,940	74,436	74,095	74,487	76,179	75,817	77,289	78,570		
Goods	688,585	749,363	63,232	64,060	63,612	62,468	62,150	62,915	62,637	62,101	62,721	64,150	63,667	64,940	66,326		
Foods, feeds, and beverages	30,958	33,176	2,735	2,703	2,764	2,725	2,741	2,782	2,772	2,724	2,702	2,782	2,816	2,964	3,017		
Industrial supplies and materials	162,031	180,668	15,332	15,794	15,666	15,227	14,843	15,262	14,731	14,868	14,839	15,594	14,736	15,335	16,579		
Capital goods, except automotive	184,424	221,431	18,126	18,173	18,621	18,841	18,767	19,047	19,491	19,195	19,306	19,481	19,393	19,527	18,836		
Automotive vehicles, engines, and parts	118,271	124,774	10,977	10,581	10,339	10,040	10,213	10,186	9,639	9,853	10,330	10,562	10,639	10,042	10,510		
Consumer goods (nonfood), except automotive	146,300	160,009	13,439	13,632	13,320	13,446	13,433	13,434	13,379	13,083	13,186	13,507	13,663	13,671	13,514		
Other goods	21,272	23,387	1,742	2,024	1,989	1,979	1,921	1,971	2,203	2,070	2,140	1,947	2,030	2,185	2,253		
Adjustments ¹	5,329	5,918	881	1,153	913	211	232	232	421	309	219	277	390	1,215	1,618		
Services	134,097	142,230	11,828	11,880	11,926	11,934	12,055	12,025	11,799	11,994	11,766	12,029	12,150	12,349	12,244		
Travel	43,782	45,855	3,875	3,818	3,846	3,764	3,783	3,830	3,844	3,900	3,798	3,897	4,057	4,190	4,009		
Passenger fares	12,885	14,313	1,217	1,212	1,230	1,227	1,250	1,239	1,184	1,211	1,168	1,162	1,206	1,221	1,172		
Other transportation	27,983	29,205	2,425	2,499	2,456	2,466	2,524	2,445	2,448	2,397	2,295	2,368	2,254	2,304	2,391		
Royalties and license fees	5,518	6,312	496	502	511	539	535	545	558	564	568	568	568	568	578		
Other private services	30,980	33,970	2,773	2,818	2,857	2,881	2,904	2,913	2,751	2,912	2,919	2,978	2,996	2,992	2,998		
Direct defense expenditures ²	10,292	9,820	826	822	820	827	825	817	785	782	789	824	835	840	870		
U.S. Government miscellaneous services	2,657	2,755	216	209	206	230	234	236	229	228	229	232	234	234	226		
Memoranda:																	
Balance on goods	-166,123	-173,424	-16,051	-16,010	-15,862	-15,887	-13,415	-13,243	-13,108	-12,324	-12,600	-15,505	-12,785	-14,449	-14,656		
Balance on services	61,742	68,360	5,332	5,530	5,239	5,820	6,043	6,349	6,207	6,226	6,202	5,819	6,130	6,438	6,027		
Balance on goods and services	-104,381	-105,064	-10,719	-10,480	-10,623	-10,067	-7,372	-6,894	-6,902	-6,098	-6,398	-9,686	-6,655	-8,011	-8,629		

^p Preliminary.

^r Revised.

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

2. Contains goods that cannot be separately identified.

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

Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade

Tables 1, 2, and 3 show quarterly and monthly estimates of real inventories, sales, and inventory-sales ratios, respectively. Real manufacturing

inventories by stage of fabrication are shown in table 4. Real estimates are in chained (1992) dollars.

Table 1.—Real Manufacturing and Trade Inventories, Seasonally Adjusted, End of Period
(Billions of chained (1992) dollars)

	1995		1996		1996			
	IV	I	Nov.	Dec.	Jan.	Feb	Mar	Apr. ^P
Manufacturing and trade	923.4	922.1	927.0	923.4	925.9	926.9	922.1	924.9
Manufacturing	400.4	403.5	399.5	400.4	403.0	404.0	403.5	403.6
Durable goods	255.3	258.8	254.7	255.3	257.7	258.6	258.8	259.4
Primary metal industries	21.5	21.9	21.4	21.5	21.6	21.6	21.9	21.8
Fabricated metal products	23.1	23.2	23.3	23.1	23.1	23.4	23.2	23.2
Industrial machinery and equipment	56.9	58.3	56.7	56.9	57.8	58.3	58.3	58.8
Electronic and other electric equipment	43.6	43.6	43.0	43.6	44.2	43.8	43.6	44.1
Transportation equipment	56.4	57.7	56.7	56.4	57.0	57.6	57.7	57.5
Motor vehicles and equipment	13.2	13.7	13.3	13.2	13.5	13.4	13.7	13.6
Other transportation equipment	43.2	44.0	43.4	43.2	43.6	44.2	44.0	43.9
Other durable goods ¹	54.5	54.9	54.5	54.5	54.8	54.8	54.9	54.9
Nondurable goods	145.2	144.8	144.9	145.2	145.4	145.5	144.8	144.4
Food and kindred products	31.3	31.1	31.4	31.3	31.2	31.3	31.1	31.2
Paper and allied products	14.2	14.6	14.1	14.2	14.3	14.5	14.6	14.7
Chemicals and allied products	35.0	35.4	34.7	35.0	35.1	35.1	35.4	35.4
Petroleum and coal products	11.4	10.8	11.2	11.4	11.4	11.1	10.8	10.1
Rubber and miscellaneous plastic products	13.6	13.9	13.6	13.6	13.7	13.8	13.9	13.8
Other nondurable goods ²	39.6	38.9	39.6	39.6	39.8	39.6	38.9	38.9
Merchant wholesalers	242.9	244.0	243.3	242.9	244.3	243.8	244.0	246.9
Durable goods	154.9	156.4	154.5	154.9	156.2	156.2	156.4	157.9
Nondurable goods	88.0	87.7	88.8	88.0	88.1	87.7	87.7	89.1
Groceries and farm products	28.6	28.5	29.2	28.6	28.6	28.3	28.5	29.0
Other nondurable goods	59.5	59.2	59.7	59.5	59.5	59.4	59.2	60.1
Retail trade	279.7	274.2	283.8	279.7	278.2	278.6	274.2	274.0
Durable goods	147.3	142.7	149.9	147.3	145.7	146.1	142.7	142.9
Motor vehicle dealers ³	71.1	65.2	72.0	71.1	69.6	69.2	65.2	64.4
Other durable goods ³	76.4	78.0	78.1	76.4	76.4	77.2	78.0	79.0
Nondurable goods	132.1	131.3	133.7	132.1	132.3	132.3	131.3	131.0
Food stores	27.1	26.9	27.1	27.1	27.0	27.0	26.9	27.0
Other nondurable goods	105.0	104.5	106.7	105.0	105.3	105.3	104.5	104.1

^P Preliminary.

1. Includes lumber and wood products; furniture and fixtures; stone, clay, and glass products; instruments and related products; and miscellaneous manufacturing industries.

2. Includes tobacco manufacturers; textile mill products; apparel products; printing and publishing; and leather and leather products.

3. Prior to 1981, inventories and sales of auto and home supply stores are included in motor vehicle dealers. Beginning with 1981, these inventories are included in "other durable goods".

NOTES.—Manufacturing inventories are classified by the type of product produced by the establishment holding the inventory. Trade inventories are classified by the type of product sold by the establishment holding the inventory. Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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 2.—Real Manufacturing and Trade Sales, Seasonally Adjusted at Monthly Rate
(Billions of chained (1992) dollars)

	1995		1996		1996			
	IV	I	Nov.	Dec.	Jan.	Feb	Mar	Apr. ^P
Manufacturing and trade	666.0	671.5	665.9	671.4	665.3	674.8	674.4	678.4
Manufacturing	288.5	290.3	288.1	290.7	288.0	291.5	291.5	295.3
Durable goods	157.0	158.0	156.7	158.4	156.0	159.0	158.9	162.0
Primary metal industries	13.3	13.3	13.3	13.3	13.3	13.3	13.4	13.8
Fabricated metal products	15.5	15.6	15.4	15.5	15.5	15.7	15.6	16.1
Industrial machinery and equipment	32.4	34.5	32.2	33.0	33.9	35.2	34.9	34.6
Electronic and other electric equipment	27.8	27.5	27.7	28.3	26.9	27.5	28.0	27.7
Transportation equipment	35.6	34.4	35.6	35.7	34.2	35.1	33.9	36.2
Motor vehicles and equipment	24.9	24.4	24.6	24.7	24.8	25.0	23.2	26.1
Other transportation equipment	10.7	10.0	11.0	11.0	9.3	10.0	10.7	10.1
Other durable goods ¹	38.1	38.3	38.0	38.5	37.8	38.7	38.4	39.3
Nondurable goods	131.3	132.4	131.2	132.2	132.5	132.3	132.3	133.4
Food and kindred products	36.2	36.5	36.2	36.2	36.8	36.3	36.4	36.7
Paper and allied products	11.3	11.3	11.2	11.3	11.4	11.3	11.4	11.5
Chemicals and allied products	27.4	27.2	27.2	27.5	27.4	27.1	27.2	27.7
Petroleum and coal products	13.6	14.1	13.8	14.1	13.7	14.4	14.1	13.6
Rubber and miscellaneous plastic products	11.1	11.3	11.1	11.2	11.2	11.3	11.4	11.6
Other nondurable goods ²	31.8	31.9	31.8	31.9	31.5	31.9	32.2	32.0
Merchant wholesalers	181.2	181.3	181.1	183.2	180.3	182.0	181.6	182.5
Durable goods	95.8	96.7	95.6	97.9	95.7	96.6	97.8	99.2
Nondurable goods	85.3	84.5	85.5	85.2	84.5	85.3	83.7	83.2
Groceries and farm products	32.1	31.6	31.9	31.6	32.0	31.8	30.9	30.5
Other nondurable goods	50.4	49.9	50.5	50.3	49.9	50.3	49.4	49.1
Retail trade	196.4	199.9	196.6	197.6	197.0	201.4	201.3	200.6
Durable goods	77.6	80.0	77.7	78.3	78.1	80.7	81.3	80.1
Motor vehicle dealers ³	41.4	43.4	41.3	42.0	42.3	44.1	43.9	42.3
Other durable goods ³	36.1	36.6	36.4	36.3	35.8	36.5	37.3	37.9
Nondurable goods	118.7	119.7	118.8	119.2	118.8	120.5	119.8	120.3
Food stores	33.2	33.4	33.2	33.4	33.5	33.3	33.3	33.4
Other nondurable goods	85.4	86.4	85.7	85.8	85.3	87.3	86.6	87.0

^P Preliminary.

1. Includes lumber and wood products; furniture and fixtures; stone, clay, and glass products; instruments and related products; and miscellaneous manufacturing industries.

2. Includes tobacco manufacturers; textile mill products; apparel products; printing and publishing; and leather and leather products.

3. Prior to 1981, inventories and sales of auto and home supply stores are included in motor vehicle dealers. Beginning with 1981, these inventories are included in "other durable goods".

NOTES.—Manufacturing inventories are classified by the type of product produced by the establishment holding the inventory. Trade inventories are classified by the type of product sold by the establishment holding the inventory. Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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 3.—Real Inventory-Sales Ratios for Manufacturing and Trade, Seasonally Adjusted
[Ratio, based on chained (1992) dollars]

	1995		1996		1996			
	IV	I	Nov.	Dec.	Jan.	Feb	Mar	Apr. ^P
Manufacturing and trade	1.39	1.37	1.39	1.38	1.39	1.37	1.37	1.36
Manufacturing	1.39	1.39	1.39	1.38	1.40	1.39	1.38	1.37
Durable goods	1.63	1.64	1.63	1.61	1.65	1.63	1.63	1.60
Primary metal industries	1.61	1.64	1.61	1.62	1.63	1.62	1.64	1.58
Fabricated metal products	1.49	1.49	1.51	1.50	1.47	1.50	1.51	1.44
Industrial machinery and equipment	1.75	1.69	1.76	1.72	1.74	1.66	1.67	1.70
Electronic and other electric equipment	1.57	1.59	1.55	1.54	1.64	1.60	1.56	1.59
Transportation equipment	1.59	1.68	1.59	1.58	1.67	1.64	1.70	1.59
Motor vehicles and equipment .....	.53	.56	.54	.54	.54	.54	.59	.52
Other transportation equipment	4.04	4.40	3.94	3.93	4.68	4.40	4.12	4.35
Other durable goods ¹	1.43	1.44	1.43	1.42	1.45	1.42	1.43	1.40
Nondurable goods	1.11	1.09	1.10	1.10	1.10	1.10	1.09	1.08
Food and kindred products .....	.87	.85	.87	.87	.85	.86	.86	.85
Paper and allied products	1.26	1.29	1.25	1.25	1.26	1.28	1.29	1.28
Chemicals and allied products	1.28	1.30	1.28	1.27	1.28	1.30	1.30	1.28
Petroleum and coal products .....	.84	.76	.81	.81	.83	.77	.76	.74
Rubber and miscellaneous plastic products	1.22	1.23	1.23	1.22	1.22	1.21	1.22	1.19
Other nondurable goods ²	1.25	1.22	1.25	1.24	1.27	1.24	1.21	1.22
Merchant wholesalers	1.34	1.35	1.34	1.33	1.36	1.34	1.34	1.35
Durable goods	1.62	1.62	1.62	1.58	1.63	1.62	1.60	1.59
Nondurable goods	1.03	1.04	1.04	1.03	1.04	1.03	1.05	1.07
Groceries and farm products .....	.89	.90	.91	.90	.89	.89	.93	.95
Other nondurable goods	1.18	1.19	1.18	1.18	1.19	1.18	1.20	1.23
Retail trade	1.42	1.37	1.44	1.42	1.41	1.38	1.36	1.37
Durable goods	1.90	1.78	1.93	1.88	1.87	1.81	1.76	1.78
Motor vehicle dealers ³	1.72	1.50	1.74	1.70	1.65	1.57	1.49	1.52
Other durable goods ³	2.11	2.13	2.14	2.10	2.13	2.11	2.09	2.09
Nondurable goods	1.11	1.10	1.13	1.11	1.11	1.10	1.10	1.09
Food stores .....	.82	.81	.82	.81	.81	.81	.81	.81
Other nondurable goods	1.23	1.21	1.25	1.23	1.24	1.21	1.21	1.20

^P Preliminary.

1. Includes lumber and wood products; furniture and fixtures; stone, clay, and glass products; instruments and related products; and miscellaneous manufacturing industries.

2. Includes tobacco manufacturers; textile mill products; apparel products; printing and publishing; and leather and leather products.

3. Prior to 1981, inventories and sales of auto and home supply stores are included in motor vehicle dealers. Beginning with 1981, these inventories are included in "other durable goods".

NOTE.—Manufacturing inventories are classified by the type of product produced by the establishment holding the inventory. Trade inventories are classified by the type of product sold by the establishment holding the inventory.

Table 4.—Real Manufacturing Inventories by Stage of Fabrication, Seasonally Adjusted, End of Period
[Billions of chained (1992) dollars]

	1995		1996		1996			
	IV	I	Nov.	Dec.	Jan.	Feb	Mar	Apr. ^P
Materials and supplies								
Manufacturing	134.3	135.0	134.8	134.3	135.1	135.5	135.0	135.1
Durable goods	80.2	81.3	80.3	80.2	80.9	81.2	81.3	81.5
Primary metal industries	7.1	7.2	7.1	7.1	7.1	7.2	7.2	7.2
Fabricated metal products	8.1	8.5	8.2	8.1	8.3	8.5	8.5	8.6
Industrial machinery and equipment	18.2	18.4	18.2	18.2	18.3	18.5	18.4	18.4
Electronic and other electric equipment	16.2	15.9	16.2	16.2	16.1	16.1	15.9	16.2
Motor vehicles and equipment	6.0	6.4	5.8	6.0	6.2	6.2	6.4	6.2
Other transportation equipment	5.6	5.6	5.7	5.6	5.7	5.7	5.6	5.7
Other durable goods ¹	19.2	19.4	19.3	19.2	19.3	19.4	19.4	19.5
Nondurable goods	54.1	53.7	54.4	54.1	54.2	54.2	53.7	53.6
Food and kindred products	10.3	10.2	10.3	10.3	10.3	10.3	10.2	10.3
Paper and allied products	6.8	6.8	6.8	6.8	6.7	6.8	6.8	7.0
Chemicals and allied products	11.3	11.4	11.4	11.3	11.4	11.4	11.4	11.4
Petroleum and coal products	4.0	3.7	4.0	4.0	4.0	3.8	3.7	3.5
Rubber and miscellaneous plastic products	5.2	5.2	5.3	5.2	5.3	5.3	5.2	5.2
Other nondurable goods ²	19.2	16.4	19.3	19.2	16.7	16.6	16.4	16.2
Work-in-process								
Manufacturing	128.0	130.2	127.5	128.0	129.6	129.9	130.2	130.8
Durable goods	105.0	107.2	104.5	105.0	106.4	106.7	107.2	107.7
Primary metals	7.7	7.9	7.7	7.7	7.8	7.8	7.9	7.9
Fabricated metals	7.0	6.8	7.1	7.0	6.8	6.8	6.8	6.9
Machinery, except electrical	21.2	21.7	20.9	21.2	21.5	21.9	21.7	21.9
Electrical machinery	15.1	15.5	14.6	15.1	15.6	15.2	15.5	15.7
Motor vehicles	4.4	4.0	4.7	4.4	4.3	4.1	4.0	4.2
Other transportation equipment	33.6	35.0	33.4	33.6	34.1	34.7	35.0	34.8
Other durable goods ¹	16.3	16.6	16.3	16.3	16.4	16.4	16.6	16.6
Nondurable goods	23.1	23.0	23.1	23.1	23.2	23.2	23.0	23.1
Food and kindred products	4.3	4.3	4.3	4.3	4.4	4.4	4.3	4.3
Paper and allied products	1.5	1.5	1.4	1.5	1.5	1.5	1.5	1.5
Chemicals and allied products	5.6	5.7	5.5	5.6	5.7	5.7	5.7	5.7
Petroleum and coal products	2.4	2.3	2.3	2.4	2.4	2.3	2.3	2.1
Rubber and plastic products	1.9	2.0	1.9	1.9	1.9	1.9	2.0	2.0
Other nondurable goods ²	7.3	7.2	7.5	7.3	7.4	7.4	7.2	7.4
Finished goods								
Manufacturing	138.1	138.3	137.2	138.1	138.4	138.7	138.3	137.8
Durable goods	70.0	70.2	69.9	70.0	70.4	70.6	70.2	70.1
Primary metals	6.7	6.8	6.6	6.7	6.7	6.7	6.8	6.7
Fabricated metals	8.0	7.9	8.0	8.0	8.0	8.0	7.9	7.7
Machinery, except electrical	17.4	18.1	17.5	17.4	17.9	17.9	18.1	18.4
Electrical machinery	12.3	12.1	12.1	12.3	12.4	12.5	12.1	12.2
Motor vehicles	2.9	3.3	2.8	2.9	3.0	3.1	3.3	3.2
Other transportation equipment	4.0	3.4	4.3	4.0	3.8	3.8	3.4	3.4
Other durable goods ¹	19.0	18.9	18.9	19.0	19.0	19.0	18.9	18.8
Nondurable goods	68.1	68.1	67.4	68.1	68.0	68.1	68.1	67.7
Food and kindred products	16.7	16.6	16.8	16.7	16.6	16.6	16.6	16.6
Paper and allied products	6.0	6.4	5.8	6.0	6.1	6.2	6.4	6.2
Chemicals and allied products	18.1	18.3	17.8	18.1	18.1	18.1	18.3	18.3
Petroleum and coal products	5.0	4.8	4.9	5.0	5.0	5.0	4.8	4.5
Rubber and plastic products	6.5	6.7	6.4	6.5	6.5	6.5	6.7	6.6
Other nondurable goods ²	15.7	15.4	15.6	15.7	15.7	15.6	15.4	15.3

^P Preliminary.

1. Includes lumber and wood products; furniture and fixtures; stone, clay, and glass products; instruments and related products; and miscellaneous manufacturing industries.

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Data Availability

Quarterly estimates for 1977–95 and monthly estimates beginning with March 1994 of real manufacturing and trade inventories, sales, and inventory-sales ratios and of real manufacturing inventories by stage of fabrication that are consistent with the “final” quarterly GDP estimates were published in the May 1996 issue of the SURVEY OF CURRENT BUSINESS.

Estimates from 1977 through the most recent “preliminary” or “final” estimates are available electronically to subscribers to STAT-USA’s Economic Bulletin Board or Internet services. For information, call (202) 482–1986.

The estimates for 1967–95 are also available on printouts and diskette. To order, write to the National Income and Wealth Division, BE-54, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230. Specify Real Manufacturing and Trade Inventories, Sales, and Ratios (Accession No. BEA 54–91–20–014 for printouts, BEA 54–91–40–409 for diskette), and include a check or money order for \$55.00 for printout or \$20.00 for diskette, payable to the Bureau of Economic Analysis. To order by telephone, call (202) 606–9700; MasterCard and VISA are accepted.

The International Investment Position of the United States in 1995

By Russell B. Scholl

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THE NET international investment position of the United States at yearend 1995 was $-\$814.0$ billion with direct investment valued at the current cost of tangible assets, and it was $-\$773.7$ billion with direct investment valued at the current stock-market value of owners' equity (table A, chart 1). For both measures, the value of foreign assets in the United States continues to exceed the value of U.S. assets abroad. However, for direct investment valued on both bases, U.S. assets abroad continue to exceed foreign assets in the United States. For all other assets combined, foreign holdings in the United States substantially exceed U.S. holdings abroad, mostly reflecting large foreign private and official holdings of U.S. bonds.

The net position on both bases became more negative, primarily as a result of large net capital inflows to the United States in 1995 and as a result of greater price appreciation in U.S. securities than in foreign securities (table B). Price appreciation was more pronounced on the market-value basis than on the current-cost basis, because the relatively steep rise in U.S. stock prices not only increased the value of foreign

portfolio holdings of stocks but also increased the value of foreign direct investment in the United States. The increase in the negative position was moderated by the appreciation of most European currencies against the U.S. dollar between yearend 1994 and yearend 1995, which increased

Table A.—Summary Components of the U.S. Net Position

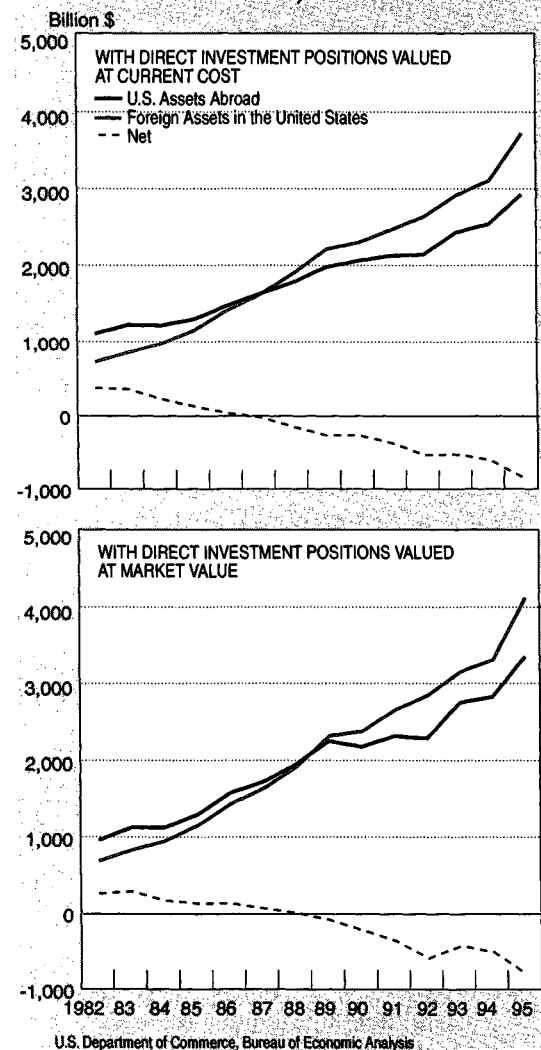
	[Billions of dollars]	
	1994	1995
Net position:		
At current cost	-580.1	-814.0
At market value	-492.5	-773.7
U.S. Government and foreign official assets	-301.3	-420.3
Direct investment:		
At current cost	199.5	241.6
At market value	287.0	281.9
U.S. and foreign securities	-463.2	-665.8
Bank- and nonbank-reported claims and liabilities	-15.0	30.5

Table B.—Changes in the Net International Investment Position, 1995

	[Billions of dollars]	
	At current cost	At market value
Total change	-233.9	-281.2
Capital flows	-116.6	-116.6
Price changes	-119.9	-194.5
Exchange rate changes	6.5	27.4
Other valuation changes	-3.9	2.6

CHART 1

Net International Investment Position of the United States, 1982-95



the value of U.S. direct investment in Western Europe.

In 1995, U.S. assets abroad increased sharply, following a slowdown in 1994. U.S. direct investment outflows reached record levels, bolstered by a surge in reinvested earnings that reflected strong affiliate profits abroad and high rate of reinvestment and by numerous large acquisitions. U.S. portfolio diversification into foreign securities, mainly by U.S. pension and mutual funds, strengthened with the recovery in stock and bond prices abroad and with relatively strong corporate earnings. In addition, U.S. bank-reported outflows recovered somewhat.

Foreign assets in the United States increased substantially, buoyed by record net foreign purchases of U.S. bonds as U.S. bond markets rallied throughout most of the year. U.S. bond prices recovered strongly during 1995, as the slowdown in U.S. economic growth and the easing of U.S. inflation concerns contributed to a steep decline in U.S. long-term interest rates. Foreign net purchases of U.S. stocks accelerated, reflecting a large direct investment acquisition through an exchange of stock; in addition, holdings were augmented by the sharp rise in U.S. stock prices, which partly reflected the reduced cost of borrowing in the United States and the increase in U.S. corporate earnings. Foreign direct investment inflows strengthened with the continued growth in foreign acquisitions of U.S. businesses and strong affiliates' earnings. These private capital inflows were augmented by a record build-up in foreign official holdings of U.S. dollar assets.

This article presents the major changes in U.S. assets abroad and in foreign assets in the United States, including direct investment valued both at current cost and at market value. Tables 1, 2, and 3 at the end of the article present detailed estimates of the yearend position, showing a breakdown of the changes by account from 1994 to 1995, aggregate estimates by area for 1994-95, and historical estimates for 1981-95, respectively.

This issue also contains a companion article, "Direct Investment Positions on a Historical-Cost Basis: Country and Industry Detail for 1995 and Changes in Geographic Composition Since 1982." The detailed estimates presented in that article are available only on a historical-cost basis.

Changes in U.S. Assets Abroad

Bank claims

U.S. bank-reported claims increased \$69.0 billion in 1995, to \$761.3 billion, the first sizable

Data Improvements

As is customary, the international investment position estimates incorporate new source data and methodological improvements that relate to changes incorporated in the annual revision of the U.S. international transactions accounts. This year, the following major change is introduced:

- Coverage of U.S. bank- and nonbank-reported claims has been improved for 1994-95 through the incorporation of newly available data from a benchmark survey of selected foreign financial assets; the survey was designed by the Federal Reserve Bank of New York and the Department of the Treasury, with assistance from the Bureau of Economic Analysis.

For a further explanation of this and other changes, see "U.S. International Transactions, Revised Estimates for 1986-95" in this issue.

increase in 5 years. Much of the increase reflected lending by U.S. securities brokers and dealers to international bond funds in the Caribbean and the United Kingdom through resale agreements to finance purchases of U.S. bonds. The increase also reflected a moderate recovery in bank lending, mostly by European-owned banking offices in the United States. In contrast, U.S.-owned banks in the United States reduced their claims on foreigners. International lending by U.S.-owned banks was sluggish despite the pronounced acceleration in international lending by banks worldwide, partly because of continued competition with efficient (low-cost) capital markets abroad. In addition, U.S.-owned banks were concerned about the riskiness of international loans and the persistence of especially low margins on international syndications.

U.S. banks' claims on foreign banks payable in dollars increased \$39.8 billion, to \$526.1 billion. Lending by U.S. securities brokers and dealers to international bond funds in the Caribbean and the United Kingdom accounted for much of the increase (table C). U.S. banks' lending was moderate to affiliated offices in Western

Table C.—U.S. Claims Reported by U.S. Banks

(Billions of dollars)

	1994	1995
Total bank-reported claims	692.3	761.3
Bank own claims, payable in dollars	486.3	526.1
On unaffiliated foreign banks	111.7	98.5
On own foreign offices	283.5	304.0
On other foreigners	91.1	123.6
Bank customer claims, payable in dollars	135.1	154.5
Total claims payable in foreign currencies	70.9	80.7

Europe, where mergers and acquisitions bolstered demand for bank credit. Lending was also moderate to Caribbean and Asian offices, where loan demand from emerging countries was buoyed by economic growth. In contrast, net repayments from unaffiliated banks abroad, mostly in the second half of the year, reflected a cutback in interbank lending by Japanese-owned banks in the United States. As a result of their mounting financial problems, Japanese banks encountered a large risk premium on borrowed funds in the interbank market that constrained their incentive to lend to that market.

U.S. banks' foreign currency claims increased \$9.8 billion, to \$80.7 billion, mostly in the first half of the year when the dollar depreciated in exchange markets and when foreign currency lending by foreign-owned U.S. offices to Western Europe and Japan accelerated.

U.S. banks' domestic customers' claims payable in dollars increased \$19.4 billion, to \$154.5 billion, as customers shifted from a large increase in deposits with banks overseas in 1994 to a large increase in purchases of foreign commercial paper placed in the United States (mostly by Europeans) in 1995.

Foreign securities

U.S. holdings of foreign securities increased \$165.5 billion, to \$721.7 billion, as an acceleration in U.S. net purchases during the recovery of stock and bond prices abroad in 1995 was augmented by significant price appreciation in the holdings (table D). Small exchange rate depreciation from yearend 1994 to yearend 1995 reflected nearly offsetting changes; British, Japanese, and Latin American currencies depreciated against the dollar, while several Western European currencies appreciated.

U.S. holdings of foreign stocks increased \$87.1 billion, to \$411.1 billion; net purchases of \$50.7 billion in 1995—the second strongest year on record—and price appreciation of \$38.6 billion more than accounted for the increase. Exchange rate losses were small. U.S. investors, especially pension and mutual funds, stepped up their purchases of Japanese and European stocks con-

Table E.—U.S. Holdings of Foreign Stocks by Major Areas
[Billions of dollars]

	1994	1995	Change
Total holdings	324.0	411.1	87.1
Western Europe	142.1	186.8	44.7
Of which: United Kingdom	44.5	58.1	13.6
France	17.3	21.0	3.7
Germany	25.5	30.0	4.5
Netherlands	20.0	26.3	6.3
Canada	25.0	29.0	4.0
Japan	69.1	90.4	21.3
Latin America	22.6	20.3	-2.3
Of which: Mexico	15.9	12.8	-3.1
Other countries	65.2	84.6	19.4

siderably as prices recovered in those countries. Net purchases of emerging countries' stocks, particularly those of Asian countries, remained strong (table E).

- Holdings of European stocks were bolstered by \$21.3 billion in net purchases and \$23.4 billion in price appreciation. Beginning in the second quarter, U.S. net purchases accelerated as economic growth and rising corporate earnings contributed to stock price increases of 12–13 percent from yearend 1994 to yearend 1995. Exchange rate appreciation of several currencies also encouraged net purchases.
- Holdings of Japanese stocks surged, reflecting a step-up to \$19.4 billion in net purchases, mainly in the second half of the year when stock prices recovered sharply. Price appreciation of \$6.1 billion was largely offset by \$5.2 billion in exchange rate depreciation of the yen, which occurred mostly in the second half of the year.
- Holdings of stocks from other Asian countries, mostly emerging countries, increased as a result of continued strong net purchases—\$8.3 billion—and sizable price appreciation—\$10.7 billion.
- Holdings of Latin American stocks declined, principally as a result of a \$4.8 billion exchange rate loss.

U.S. holdings of foreign bonds increased \$78.4 billion, to \$310.7 billion, reflecting \$48.3 billion in net purchases and \$29.6 billion in price appreciation. Foreign new issues in the United States were strong at \$39.4 billion; however, they were down from the 1994 level, reflecting the large risk premiums that were placed on most issues of Latin American and other emerging countries after the Mexican peso crisis at the end of 1994. U.S. purchases of European and Canadian issues continued strong, accounting for nearly 60 percent of the new issues. Private corporations

Table D.—Changes in U.S. Holdings of Foreign Securities, 1995

[Billions of dollars]	
Total change	165.5
Net U.S. purchases	99.0
Price changes	68.2
Exchange rate changes	-1.6

accounted for three-fourths of new issues placed with U.S. investors; U.S. investors avoided new issues by governments in many emerging market countries. Redemptions were \$10.6 billion. Net purchases of outstanding bonds were \$19.5 billion, in contrast to net sales in 1994; net purchases were mostly in British gilt-edged bonds and, to a much lesser extent, in Japanese bonds.

U.S. direct investment abroad and other private assets

U.S. direct investment abroad at current cost increased \$100.8 billion, to \$880.1 billion; at market value, it increased \$242.2 billion, to \$1,301.1 billion (table F). Capital outflows surged to a record \$95.5 billion, bolstered by numerous large acquisitions of affiliates in several countries, particularly in Europe: Net equity outflows nearly tripled to \$36.3 billion; reinvested earnings increased substantially to \$54.5 billion, reflecting growth in foreign affiliates' earnings and the share of those earnings reinvested; and intercompany debt outflows remained small at \$4.7 billion. Record total outflows were encouraged by strong domestic profits of U.S. parents, which reduced the need to repatriate earnings from affiliates abroad. In addition, lower borrowing costs resulting from declining U.S. interest rates may have encouraged cross-border expansion.

At current cost, the position increased mostly as a result of capital outflows, which were augmented by small adjustments for price appreciation in affiliates' capital equipment, inventories, and land and exchange rate appreciation of European currencies. At market value, capital outflows were augmented by a substantial increase in the U.S. owners' equity that resulted from the worldwide recovery in stock prices from yearend 1994 to yearend 1995 and by appreciation of European currencies.

U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns increased \$37.5 billion, to \$311.1 billion, mainly from continued heavy deposits in banks in the Caribbean and Europe. In 1995, overseas offices of foreign-owned

banks in the United States drew heavily on U.S. funds to finance their loans to U.S. nonbank borrowers. In contrast, in 1994, offices overseas of foreign-owned banks in the United States loaned their U.S.-borrowed funds to related banking offices in the United States, where loan growth surged.

U.S. official reserve assets and other U.S. Government assets

U.S. official reserve assets increased \$12.7 billion, to \$176.1 billion, mostly reflecting an increase in foreign currency holdings. U.S. authorities' large acquisitions of Mexican pesos under reciprocal currency arrangements with Mexican authorities were only partly offset by sales of German marks and Japanese yen. In addition, price appreciation of gold and exchange rate appreciation on holdings of German marks added to the increase in reserve assets.

U.S. Government assets other than reserve assets increased \$0.3 billion, to \$81.5 billion; increases in credit disbursements slowed and were largely offset by repayments. The increase in U.S. Government assets included the acquisition of outstanding claims on the former Soviet Union from U.S. banks under credit guarantee programs, but these acquisitions were only half those in 1994.

Changes in Foreign Assets in the United States

Foreign official assets

Foreign official assets in the United States increased \$131.9 billion in 1995, to \$677.9 billion, as record capital inflows were augmented by price appreciation, mostly in holdings of U.S. Treasury securities. Developing countries (including OPEC countries) acquired \$86.7 billion of U.S. assets, reflecting large accumulations of dollar reserves by several countries in Latin America and Asia. Industrial countries acquired \$23.1 billion, primarily reflecting exchange market intervention purchases of dollars in the first half of the year.

Bank liabilities

U.S. bank-reported liabilities to private foreigners and international financial institutions increased \$25.3 billion, to \$809.0 billion, a marked slowdown from heavy borrowing from abroad in 1994. The slowdown was partly due to reduced growth in U.S. demand for domestic bank credit as the U.S. economic expansion slowed, and it

Table F.—Changes in U.S. Direct Investment Abroad, 1995
[Billions of dollars]

	At current cost	At market value
Total change	100.8	242.2
Capital outflows	95.5	95.5
Equity capital	36.3	36.3
Intercompany debt	4.7	4.7
Reinvested earnings	54.5	54.5
Price changes	6.4	117.8
Exchange rate changes	6.3	27.2
Other valuation changes	-7.4	1.7

Table G.—U.S. Liabilities Reported by U.S. Banks

[Billions of dollars]

	1994	1995
Total liabilities	783.7	809.0
Bank own liabilities, payable in dollars	662.3	666.6
To unaffiliated foreign banks	170.6	171.9
To own foreign offices	395.6	392.2
To other foreigners	96.1	102.5
Bank custody liabilities	31.7	30.1
Total liabilities payable in foreign currencies	89.7	112.3

was partly due to a switch by foreign investors to U.S. Treasury securities as U.S. bond prices rose.

U.S. banks' liabilities payable in dollars increased \$4.3 billion, to \$666.6 billion, reflecting a significant cutback in U.S. banks' overseas borrowing from the previous year's record (table G). U.S.-owned banks, after heavy reliance on overseas funding in 1994 when U.S. demand for bank credit surged, reduced their liabilities, primarily with affiliated offices in Europe and the Caribbean. More than offsetting that decrease, foreign-owned banks in the United States increased their liabilities, mostly on affiliated foreign offices in Japan and other Asian countries. Japanese-owned U.S. offices drew on home office funds to replace funds withdrawn by unaffiliated foreign banks, as the imposition of risk premiums on Japanese banks raised the cost of their interbank funding. Other foreign-owned banks in the United States drew funds from unaffiliated banks in Latin America and Asia (except Japan) to re-lend to home offices abroad. An increase in dollar liabilities to nonbank foreigners mainly reflected borrowing by U.S. brokers and dealers through repurchase agreements with Caribbean residents and bank deposits from Latin American residents.

Other U.S. bank-reported liabilities, mostly payable in foreign currencies, increased \$25.3 billion, to \$142.4 billion; this increase also primarily reflected activities of foreign-owned banks in the United States. Their borrowing and lending in foreign currencies with Japan and Western Europe accelerated in the first half of the year when the dollar depreciated in exchange markets.

U.S. Treasury securities

Foreign holdings of U.S. Treasury securities increased \$122.4 billion, to \$389.0 billion, reflecting record net purchases and large price appreciation in U.S. Treasury bonds (table H). Net purchases were nearly three times the 1994 level and exceeded the previous record 1992 level, as U.S. bond prices rose more steeply than foreign bond prices and as the falling yield curve on dollar instruments attracted investment into

Table H.—Changes in Foreign Holdings of U.S. Treasury Securities, 1995

[Billions of dollars]

Total change	122.4
Net foreign purchases	99.3
Price changes	23.2
Exchange rate changes	-2

long-term dollar instruments. Foreigners were also attracted by the dollar's recovery in exchange markets in the second half of the year. Japanese holdings increased substantially; strong purchases early in the year, mostly reflecting the large yield advantage of U.S. bonds over Japanese bonds, more than offset large sales in the latter part of the year that were attributable to the weakness of Japanese financial institutions. Western European holdings increased, reflecting the rise in U.S. bond prices and large net purchases for the year, but there was some profit-taking in the fourth quarter. Caribbean holdings, largely by international bond mutual funds, also increased as a result of strong purchases, some of which were financed by borrowing from U.S. brokers and dealers through repurchase agreements. Latin American holdings increased, partly reflecting local concerns that arose from financial problems associated with the Mexican peso crisis at the end of 1994.

Other U.S. securities

Foreign holdings of U.S. securities, other than U.S. Treasury securities, increased \$245.8 billion, to \$998.6 billion, reflecting record net purchases of U.S. bonds and sizable price appreciation of U.S. stocks (table I). Holdings of U.S. corporate and federally-sponsored agency bonds increased \$119.3 billion, to \$533.2 billion, as a result of strong net foreign purchases and a sharp rise in U.S. bond prices. U.S. borrowers issued a record amount of new bonds, mainly in the international bond market in response to declining bond interest rates. U.S. banking and other financial corporations were the largest borrowers; most of the issues were straight fixed-rate bonds, though some were floating-rate notes. Nearly two-thirds of the issues were payable in U.S. dollars; most of the rest were payable in Japanese yen, German

Table I.—Changes in Foreign Holdings of Other U.S. Securities, 1995

[Billions of dollars]

Total change	245.8
Net foreign purchases	95.3
Price changes	149.5
Exchange rate changes	1.1

marks, or Swiss francs. U.S. federally-sponsored agencies accelerated their overseas issues, partly to broaden their investor base.

Foreign holdings of U.S. stocks increased \$126.5 billion, to \$465.4 billion, largely due to the steep rise in U.S. stock prices. The 35-percent surge in U.S. stock prices outpaced price increases in most other major world markets in 1995, but, the pickup in foreign purchases of U.S. stocks was limited. Net foreign purchases increased to \$13.4 billion, but the increase was largely attributable to a portfolio-transaction offset to an exceptionally large foreign acquisition of a U.S. company through an exchange of stock. Net purchases from the United Kingdom and Caribbean accelerated, augmented by a step-up in Euroequity offerings by U.S. companies.

Foreign direct investment in the United States and other liabilities


Foreign direct investment in the United States at current cost increased \$58.7 billion, to \$638.5 billion; at market value, it increased \$247.3 billion, to \$1,019.2 billion (table J). Bolstered by continued growth in foreign acquisitions, capital inflows strengthened to \$60.2 billion, an inflow surpassed only by the record of 1989: Equity capital inflows increased to \$39.5 billion, mostly as a result of foreign acquisitions; reinvested earnings increased to \$13.3 billion, reflecting an increase in earnings after last year's return to

Table J.—Changes in Foreign Direct Investment in the United States, 1995

[Billions of dollars]

	At current cost	At market value
Total change	58.7	247.3
Capital inflows	60.2	60.2
Equity capital	39.5	39.5
Intercompany debt	7.4	7.4
Reinvested earnings	13.3	13.3
Price changes	1.0	187.1
Exchange rate changes	0	0
Other valuation changes	-2.5	0

profitability after several years of losses; and intercompany debt inflows decreased to \$7.4 billion. Capital inflows were encouraged by continued economic expansion in the United States, by strong earnings growth of U.S. affiliates, by foreign parents' improved financial condition as a result of economic expansion abroad, and by the global consolidation in several industries, especially the health-care industry. At current cost, valuation adjustments were small and mostly offsetting. At market value, a large valuation adjustment reflected the price increase in owners' equity due to the substantial rise in U.S. stock prices from yearend 1994 to yearend 1995.

Liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns increased \$35.6 billion, to \$232.9 billion. The increase represented substantial lending from Caribbean banking offices of foreign-owned banks in the United States to the U.S. nonbank sector, using deposit funds borrowed from the United States. 

Tables 1 through 3 follow.

Table 1.—International Investment Position of the United States at Yearend, 1994 and 1995

[Millions of dollars]

Line	Type of investment	Position 1994 ^r	Changes in position in 1995 (decrease (-))					Position 1995 ^p
			Attributable to:				Total (a+b+c+d)	
			Capital flows	Valuation adjustments				
				Price changes	Exchange rate changes ¹	Other changes ²		
		(a)	(b)	(c)	(d)			
1	Net international investment position of the United States:							
2	With direct investment positions at current cost (line 3 less line 24) ...	-580,095	-116,606	-119,855	6,512	-3,932	-233,881	-813,976
3	With direct investment positions at market value (line 4 less line 25) ..	-492,482	-116,606	-194,498	27,380	2,553	-281,171	-773,653
4	U.S. assets abroad:							
5	With direct investment at current cost (lines 5+10+15)	2,546,189	307,856	75,769	9,635	-7,545	385,715	2,931,904
6	With direct investment at market value (lines 5+10+16)	2,825,830	307,856	187,177	30,531	1,517	527,081	3,352,911
7	U.S. official reserve assets	163,394	9,742	1,177	1,756	-8	12,667	176,061
8	Gold	100,110		³ 1,177		⁴ -8	1,169	101,279
9	Special drawing rights	10,039	808		190		998	11,037
10	Reserve position in the International Monetary Fund	12,030	2,466		153		2,619	14,649
11	Foreign currencies	41,215	6,468		1,413		7,881	49,096
12	U.S. Government assets, other than official reserve assets	81,269	280		-1		279	81,548
13	U.S. credits and other long-term assets ³	79,188	382				382	79,570
14	Repayable in dollars	78,327	431			32	463	78,790
15	Other ⁶	861	-49			-32	-81	780
16	U.S. foreign currency holdings and U.S. short-term assets	2,081	-102		-1		-103	1,978
17	U.S. private assets:							
18	With direct investment at current cost (lines 17+19+22+23)	2,301,526	297,834	74,592	7,880	-7,537	372,769	2,674,295
19	With direct investment at market value (lines 18+19+22+23)	2,581,167	297,834	186,000	28,776	1,525	514,135	3,095,302
20	Direct investment abroad:							
21	At current cost	779,300	95,509	6,410	6,279	-7,375	100,823	880,123
22	At market value	1,058,941	95,509	117,818	27,175	1,687	242,189	1,301,130
23	Foreign securities	556,241	98,960	68,182	-1,634		165,508	721,749
24	Bonds	232,265	48,263	29,828	511		78,402	310,667
25	Corporate stocks	323,976	50,697	38,554	-2,145		87,106	411,082
26	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	273,686	34,219		3,235		37,454	311,140
27	U.S. claims reported by U.S. banks, not included elsewhere	692,299	69,146			-162	68,984	761,283
28	Foreign assets in the United States:							
29	With direct investment at current cost (lines 26+33)	3,126,284	424,462	195,624	3,123	-3,613	619,596	3,745,880
30	With direct investment at market value (lines 26+34)	3,318,312	424,462	381,675	3,151	-1,036	808,252	4,126,564
31	Foreign official assets in the United States	546,015	109,757	21,979		159	131,895	677,910
32	U.S. Government securities	415,005	72,547	11,190		158	83,895	498,900
33	U.S. Treasury securities	393,436	68,813	9,095		158	78,066	471,502
34	Other	21,569	3,734	2,095			5,829	27,398
35	Other U.S. Government liabilities ⁷	24,858	1,082			1	1,083	25,941
36	U.S. liabilities reported by U.S. banks, not included elsewhere	73,281	32,862				32,862	106,143
37	Other foreign official assets	32,871	3,266	10,789			14,055	46,926
38	Other foreign assets:							
39	With direct investment at current cost (lines 35+37+38+41+42)	2,580,269	314,705	173,645	3,123	-3,772	487,701	3,067,970
40	With direct investment at market value (lines 36+37+38+41+42)	2,772,297	314,705	359,696	3,151	-1,195	676,357	3,448,654
41	Direct investment in the United States:							
42	At current cost	579,826	60,236	1,015	-28	-2,530	58,693	638,519
43	At market value	771,954	60,236	187,066		47	247,349	1,019,203
44	U.S. Treasury securities	266,594	99,340	23,172		-157	122,355	388,949
45	U.S. securities other than U.S. Treasury securities	752,792	95,268	149,458	1,078		245,804	998,596
46	Corporate and other bonds	413,866	81,911	36,322	1,078		119,311	533,177
47	Corporate stocks	338,926	13,357	113,136			126,493	465,419
48	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	197,325	34,578		2,073	-1,085	35,566	232,891
49	U.S. liabilities reported by U.S. banks, not included elsewhere	783,732	25,283				25,283	809,015

^p Preliminary.^r Revised.

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

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

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

4. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These de-

monetizations/monetizations are not included in international transactions capital flows.

5. Also includes paid-in capital subscriptions to international financial institutions and outstanding amounts of miscellaneous claims that have been settled through international agreements to be payable to the U.S. Government over periods in excess of 1 year. 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.

Table 2.—U.S. Assets Abroad and Foreign Assets in the United States by Area

[Millions of dollars]

Line	Type of investment	Amounts outstanding, by area									
		Western Europe		Canada		Japan		Latin America and Other Western Hemisphere		Other countries, international organizations, and unallocated ¹	
		1994 ^r	1995 ^p	1994 ^r	1995 ^p	1994 ^r	1995 ^p	1994 ^r	1995 ^p	1994 ^r	1995 ^p
U.S. assets abroad:											
1	U.S. official reserve assets	22,077	21,089	.....	.....	19,138	16,207	.....	11,800	122,179	126,965
2	Gold .....	.....	.....	.....	.....	.....	.....	.....	.....	100,110	101,279
3	Special drawing rights .....	.....	.....	.....	.....	.....	.....	.....	.....	10,039	11,037
4	Reserve position in the International Monetary Fund .....	.....	.....	.....	.....	.....	.....	.....	.....	12,030	14,649
5	Foreign currencies	22,077	21,089	.....	.....	19,138	16,207	.....	11,800	.....	.....
6	U.S. Government assets, other than official reserve assets	7,341	7,205	4	(*)	36	56	16,764	16,248	57,124	58,033
7	U.S. credits and other long-term assets ²	7,351	7,208	.....	.....	.....	.....	16,695	16,191	55,142	56,171
8	Repayable in dollars	7,292	7,163	.....	.....	.....	.....	16,542	16,056	54,493	55,571
9	Other ³	59	45	.....	.....	.....	.....	153	135	649	600
10	U.S. foreign currency holdings and U.S. short-term assets	-10	-3	4	(*)	36	56	69	57	1,982	1,862
U.S. private assets:											
11	Direct investment abroad	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
12	Foreign securities	199,912	273,651	100,449	123,359	77,689	103,587	66,799	76,550	111,392	144,602
13	Bonds	57,767	86,871	75,498	94,353	8,629	13,222	44,180	56,205	46,191	60,016
14	Corporate stocks	142,145	186,780	24,951	29,006	69,060	90,365	22,619	20,345	65,201	84,586
15	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	90,859	117,718	11,910	11,710	3,608	2,739	148,688	159,296	18,621	19,677
16	U.S. claims reported by U.S. banks, not included elsewhere	214,270	246,372	37,215	37,361	93,459	98,526	266,993	293,703	80,362	85,321
Foreign assets in the United States:											
17	Foreign official assets in the United States	210,543	208,230	18,710	23,205	(5)	(5)	41,861	67,032	(5)	(5)
18	U.S. Government securities	(6)	(6)	(6)	(6)	(5)	(5)	(6)	(6)	(5)	(5)
19	U.S. Treasury	(6)	(6)	(6)	(6)	(5)	(5)	(6)	(6)	(5)	(5)
20	Other	(6)	(6)	(6)	(6)	(5)	(5)	(6)	(6)	(5)	(5)
21	Other U.S. Government liabilities ⁷	3,990	5,379	366	365	3,012	2,652	678	690	16,812	16,855
22	U.S. liabilities reported by U.S. banks, not included elsewhere	(6)	(6)	(6)	(6)	(5)	(5)	(6)	(6)	(5)	(5)
23	Other foreign official assets	(6)	(6)	(6)	(6)	(5)	(5)	(6)	(6)	(5)	(5)
Other foreign assets in the United States:											
24	Direct investment in the United States	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
25	U.S. Treasury securities	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
26	U.S. securities other than U.S. Treasury securities	437,612	601,440	71,976	92,447	95,166	111,356	83,043	110,911	64,995	82,442
27	Corporate and other bonds	254,066	346,018	16,231	20,009	59,987	67,869	49,243	59,502	34,339	39,779
28	Corporate stocks	183,546	255,422	55,745	72,438	35,179	43,487	33,800	51,409	30,656	42,663
29	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	36,941	47,789	2,191	2,119	12,269	8,905	122,179	148,469	23,745	25,609
30	U.S. liabilities reported by U.S. banks, not included elsewhere	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Addenda:											
1	U.S. Treasury securities, foreign official plus private holdings (lines 19+25, above)	264,999	308,877	23,229	25,204	189,077	223,636	45,445	91,535	157,259	211,199
2	U.S. liabilities reported by U.S. banks, foreign official plus private (lines 22+30, above)	354,238	338,182	23,477	24,125	63,698	87,843	325,730	341,056	89,858	123,952

^p Preliminary.

^r Revised.

* Less than \$500,000 (±).

1. Includes U.S. gold stock valued at market price.

2. Also includes paid-in capital subscription to international financial institutions and outstanding amounts of miscellaneous claims that have been settled through international agreements to be payable to the U.S. Government over periods in excess of 1 year. Excludes World War I debts that are not being serviced.

3. 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.

4. Positions at current costs or market value are not available by area; country detail are available only at historical costs in the article "Direct Investment Positions on a Historical Cost Basis, 1995; Country and Industry Detail," elsewhere in this issue of the SURVEY.

5. Details are not shown separately.

6. Details not shown separately are included in totals in line 17.

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

Direct Investment Positions on a Historical-Cost Basis

- Country and Industry Detail for 1995
- Changes in Geographic Composition Since 1982

By Jeffrey H. Lowe and Sylvia E. Bargas

THIS ARTICLE presents the country and industry detail underlying the direct investment positions on a historical-cost basis—the only basis on which such detail is available.¹ Aggregate estimates of the investment positions on the current-cost and market-value bases are presented in the companion article “The International Investment Position of the United States in 1995” in this issue. Table 1 shows the aggregate direct investment positions on all three valuation bases.

On a historical-cost basis, the position for U.S. direct investment abroad (USDIA) grew 15 percent in 1995, and the position for foreign direct investment in the United States (FDIUS) grew 11 percent. For USDIA, the rate of increase was the largest since 1987; for FDIUS, it was the largest since 1989. The strong growth in both measures was largely attributable to a global boom in mergers and acquisitions, which resulted in a substantial number of new direct investments; some of the mergers were structured as an exchange of stock and affected the positions for USDIA and FDIUS. Favorable economic conditions, including declining interest rates and advancing equity markets worldwide and healthy corporate profits in the United States, also contributed to the strong growth by providing a source of funds for mergers and acquisitions. In addition, developments in specific industries spurred investment, particularly the trends towards consolidation in the worldwide pharmaceutical industry and towards privatization of Government-owned utilities abroad.

The increase in the USDIA position continued to be concentrated in developed, high-wage

countries rather than in developing, low-wage countries; evidently, U.S. direct investors have been motivated more by a desire for access to major markets than by a search for low-cost sources of supply. As might be expected, developed countries also accounted for the major portion of the increase in the FDIUS position.

The remainder of the article consists of two sections. The first section describes the changes in 1995 in the USDIA position and the FDIUS position. The second section summarizes the changes in the positions by major area for 1982–95.

Country and Industry Detail for 1995

U.S. direct investment abroad

The U.S. direct investment position abroad valued at historical cost—the book value of U.S. direct investors' equity in, and net outstanding loans to, their foreign affiliates—was \$711.6 billion at yearend 1995 (tables 2 and 3 and chart 1).² The largest positions by far remained those in

2. A foreign affiliate is a foreign business enterprise in which a single U.S. investor owns at least 10 percent of the voting securities, or the equivalent.

Table 1.—Alternative Direct Investment Position Estimates,
1994 and 1995
[Millions of dollars]

Valuation method	Position at yearend 1994 ^a	Changes in 1995			Position at yearend 1995 ^a
		Total	Capital flows	Valuation adjustments	
U.S. direct investment abroad:					
Historical cost	621,044	90,577	93,406	-2,828	711,621
Current cost	779,300	100,823	95,509	5,314	880,123
Market value	1,058,941	242,188	95,509	146,679	1,301,129
Foreign direct investment in the United States:					
Historical cost	502,410	57,678	60,848	-3,170	560,088
Current cost	579,826	58,693	60,236	-1,543	638,519
Market value	771,854	247,348	60,236	187,112	1,019,202

^a Preliminary.
^r Revised.

1. Estimates on a historical-cost basis largely reflect prices at the time of investment rather than prices of the current or any other period. Historical cost is the basis used for valuation in company accounting records in the United States and is the only basis on which companies can report data in the direct investment surveys conducted by the Bureau of Economic Analysis (BEA). (For consistency, the estimates of earnings and reinvested earnings used in analyzing changes in the historical-cost positions are also on this basis and are not adjusted to current cost; country and industry detail for these items, like the positions, is not available with such an adjustment.)

the United Kingdom (\$119.9 billion, or 17 percent of the total) and in Canada (\$81.4 billion, or 11 percent of the total).

In 1995, the position increased \$90.6 billion, or 15 percent, compared with a 10-percent increase in 1994 and a 12-percent increase in 1993. The following table shows the change in position in 1995 by the type of capital flow and valuation adjustment:³

[Billions of dollars]	
Total	90.6
Capital outflows	93.4
Equity capital	36.3
Intercompany debt	4.7
Reinvested earnings	52.4
Valuation adjustments	-2.8
Currency translation	2.4
Other	-5.3

The strong increase in the 1995 position resulted from a surge in reinvested earnings, reflecting strong affiliate profits and a high rate of

3. Valuation adjustments to the historical-cost position are made to reflect differences between changes in the position, measured at book value, and capital flows, measured at transactions value.

Currency-translation adjustments to the position are made to reflect changes in the exchange rates that are used to translate affiliates' foreign-currency-denominated assets and liabilities into U.S. dollars. The precise effects of currency fluctuations on translation adjustments depend on the value and currency composition of affiliates' assets and liabilities. Depreciation of foreign currencies in relation to the dollar usually results in negative translation adjustments, because it tends to lower the dollar value of foreign-currency-denominated net assets. Similarly, appreciation of foreign currencies in relation to the dollar usually results in positive adjustments, because it tends to raise the dollar value of foreign-currency-denominated net assets.

Examples of "other" valuation adjustments include differences between the proceeds from the sale or liquidation of affiliates by U.S. parents and the book values of the affiliates that are sold or liquidated, differences between the purchase prices and the book values of affiliates that are acquired by U.S. parents, writeoffs resulting from uncompensated expropriations of affiliates, and capital gains and losses of affiliates. (For the position on a historical-cost basis, there are no valuation adjustments due to price changes, because prices are held at historical levels.)

Table 2.—U.S. Direct Investment Position Abroad and Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 1982–95

Yearend	Millions of dollars		Percent change from preceding year	
	U.S. direct investment position abroad	Foreign direct investment position in the United States	U.S. direct investment position abroad	Foreign direct investment position in the United States
1982	207,752	124,677		
1983	212,150	137,061	2.1	9.9
1984	218,093	164,583	2.8	20.1
1985	238,369	184,615	9.3	12.2
1986	270,472	220,414	13.5	19.4
1987	326,253	263,394	20.6	19.5
1988	347,179	314,754	6.4	19.5
1989	381,781	368,924	10.0	17.2
1990	430,521	394,911	12.8	7.0
1991	467,844	419,108	8.7	6.1
1992	502,083	427,566	7.3	2.0
1993 ^r	564,283	466,666	12.4	9.1
1994 ^r	621,044	502,410	10.1	7.7
1995 ^p	711,621	560,088	14.6	11.5

^p Preliminary.
^r Revised.

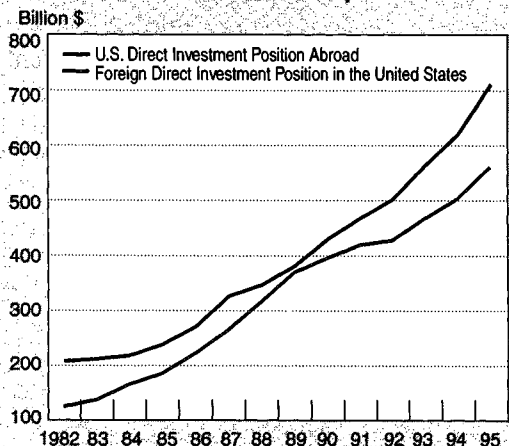
reinvestment, and a near-tripling of equity capital outflows, reflecting a boom in mergers and acquisitions.

The surge in reinvested earnings reflected robust affiliate profits in many countries, boosted by the large capital flows that have expanded the earnings base in recent years and by dollar depreciation in 1995 against continental European currencies. A small decrease in distributed earnings—the portion of foreign affiliates' profits repatriated to the United States—may have reflected the strong domestic profits of U.S. parents, which reduced their need to repatriate earnings from abroad. As a result of the strong profits and the reduced distributions, the share of earnings that was reinvested rose to an unusually high level—63 percent—in 1995, from 50 percent in 1994 and an average of 36 percent in 1982–93.

Equity capital outflows primarily financed the boom in large mergers and acquisitions involving U.S. multinational corporations in 1995. Increases in profits in the United States, along with falling interest rates and rising stock prices, strengthened U.S. parents' ability to make new acquisitions and to provide funds to their existing affiliates through equity capital. Numerous mergers and acquisitions occurred in many industries, and several unusually large ones occurred in manufacturing (mainly pharmaceuticals) and in "other industries" (mainly electric utilities and, to a lesser extent, telecommunications). Pharmaceutical producers have been seeking global partners to broaden markets and to realize economies of scale in research and

CHART 1

Direct Investment Positions on a Historical-Cost Basis, 1982–95



U.S. Department of Commerce, Bureau of Economic Analysis

development and in sales and distribution; this development is partly in response to pressures from governments, insurance companies, and health maintenance organizations to control costs and limit price increases. U.S. electric utilities, responding to opportunities created by recent privatizations, acquired several energy providers in Australia and the United Kingdom. Similarly, U.S. telecommunications companies, seeking to penetrate new markets, took advantage of privatizations and entered into joint ventures and consortiums, or made acquisitions, in several countries.

Capital outflows for U.S. direct investment abroad were a record \$93.4 billion in 1995, up \$40.3 billion from 1994. Over one-half, or \$52.4 billion, of the 1995 outflows were accounted for by reinvested earnings, which were up \$20.3 billion from 1994. The remainder of the 1995 outflows was mainly accounted for by net equity capital outflows of \$36.3 billion, nearly triple the 1994 total. Equity capital outflows increased strongly, reflecting numerous very large acquisitions of affiliates, particularly in Europe; decreases in equity capital inflows (inflows resulting from sales of affiliates or liquidations) were virtually unchanged from 1994. Intercompany debt outflows were \$4.7 billion, down from \$8.3 billion; the dropoff was concentrated in finance and manufacturing.

Changes by country.—The \$90.6 billion increase in the U.S. direct investment position abroad was spread among all major geographic areas. The largest increase by far was in Europe.

The following table shows major changes in the positions in 1995 by area and country:

[Billions of dollars]

All countries	90.6
Europe	53.5
<i>of which:</i>	
Netherlands	12.3
Sweden	9.6
United Kingdom	8.7
France	4.8
Belgium	3.6
Germany	3.4
Asia and Pacific	17.9
<i>of which:</i>	
Australia	4.8
Japan	2.5
Singapore	2.3
Indonesia	2.2
Latin America and Other Western Hemisphere	10.5
<i>of which:</i>	
Brazil	4.8
Panama	2.4
Argentina	2.0
Chile	1.1
Mexico	-1.7
Canada	6.4

The position in Europe increased 17 percent and accounted for well over one-half of the overall increase in the position worldwide. The increase resulted from capital outflows of \$52.8 billion and currency-translation adjustments of \$6.3 billion; the latter reflected widespread appreciation of continental European currencies against the U.S. dollar. Within Europe, the largest increase in the position was in the Netherlands; increases were also large in Sweden, the United Kingdom, France, Belgium, and Germany.

In the Netherlands, most of the increase was in finance; it mainly reflected the reinvested earnings of holding companies (generated largely by equity investments in operating affiliates located in other countries) and a large valuation adjustment that resulted from corporate reorganization. Increased loans (intercompany debt) to affiliates and positive currency-translation adjustments also boosted the position.

In Sweden, the increase was mainly in manufacturing and reflected the ongoing consolidation in the pharmaceutical industry.

In the United Kingdom, the increase resulted from several acquisitions or additions to direct investment holdings in manufacturing (mainly chemicals and industrial machinery), finance, and "other industries." Also contributing to the increase in position were reinvested earnings of manufacturing, finance, and wholesale trade affiliates.

In France, about two-thirds of the increase reflected several acquisitions in services. As in the United Kingdom, the increase in position was boosted by reinvested earnings of manufacturing, finance, and wholesale trade affiliates. Positive currency-translation adjustments also contributed. In Belgium, the increase reflected intercompany loans, reinvested earnings of manufacturing affiliates—particularly in chemicals—and currency-translation adjustments. In Germany, over one-half of the increase resulted from currency-translation adjustments; the remainder was in reinvested earnings and in equity capital outflows, which reflected capital contributions to existing affiliates and acquisitions of new affiliates.

In Asia and Pacific, over one-half of the increase in the position resulted from reinvested earnings; most of the remainder resulted from equity capital outflows. Within Asia and Pacific, the largest increase in the position was in Australia; increases were also large in Japan and Singapore. In Australia, the increase mainly reflected the previously mentioned acquisition of

several privatized electric utilities; U.S. utilities were attracted by opportunities for growth in a relatively less regulated utilities market. In Japan, the increase was mostly accounted for by reinvested earnings of manufacturing, insurance, and wholesale trade affiliates. In Singapore, most of the increase resulted from reinvested earnings of manufacturing, wholesale trade, and finance affiliates whose U.S. parents are in the computer industry.

In Latin America and Other Western Hemisphere, the largest increases in position were in Brazil, Panama, Argentina, and Chile. In Brazil, the increase was concentrated in manufacturing and was roughly split between intercompany debt and reinvested earnings. In Panama, the increase reflected reinvested earnings of holding companies and capital gains of insurance affiliates. In Argentina, the increase reflected acquisitions in manufacturing and in "other industries," loans to wholesale trade affiliates, and reinvested earnings in several industries. In Chile, much of the increase resulted from reinvested earnings, especially those of mining affiliates.

A decrease in the position in Mexico was more than accounted for by large negative currency translation adjustments resulting from the sharp depreciation of the peso against the U.S. dollar. The decrease was partly offset by outflows of equity capital to existing affiliates in many industries and reinvested earnings of affiliates in manufacturing and "other industries."

An increase in the position in Canada was the largest in any country outside of Europe. It primarily reflected strong earnings by affiliates, over 80 percent of which were reinvested; also contributing to the increase were acquisitions and numerous small equity capital contributions in several industries. These increases were partly offset by equity decreases in petroleum and a few other industries.

Foreign direct investment in the United States

The foreign direct investment position in the United States valued at historical cost—the book value of foreign direct investors' equity in, and net outstanding loans to, their U.S. affiliates—was \$560.1 billion at the end of 1995 (tables 2 and 4 and chart 1). The United Kingdom's position remained the largest (\$132.3 billion, or 24 percent of the total). Japan's position was the second largest (\$108.6 billion, or 19 percent), and the Netherlands' position was the third largest (\$67.7 billion, or 12 percent).

In 1995, the position increased \$57.7 billion, or 11 percent, following an 8-percent increase in 1994 and a 9-percent increase in 1993. The following table shows the change in position in 1995 by type of capital flow and valuation adjustment:

[Billions of dollars]

Total	57.7
Capital inflows	60.8
Equity capital	39.5
Intercompany debt	7.4
Reinvested earnings	13.9
Valuation adjustments	-3.2
Currency translation	(*)
Other	-3.1

* Less than \$50 million (±).

The strong increase in the position in 1995, as well as the increase in 1994, reflected a number of factors. Continued economic expansion in a number of major investor countries, such as the United Kingdom, may have increased the ability of parent companies in those countries to make new acquisitions and to contribute additional capital to their existing U.S. affiliates, while reducing their need to draw funds from those affiliates. The continued strength of the U.S. economy enhanced the profit potential of new acquisitions, and the depreciation of the dollar against several European currencies and the Japanese yen reduced the cost of acquisitions in foreign-currency terms.

Industry-specific factors also contributed to the increase in position. One such factor that was important in both 1994 and 1995 was the worldwide consolidation of the health-care industry, which led to foreign acquisitions of U.S. pharmaceutical and biotechnology companies. As discussed elsewhere in this issue, these factors had an even more pronounced effect on foreign investors' total outlays to acquire or establish U.S. businesses: In 1995, these outlays, including those financed by capital inflows from foreign parents, rose 19 percent, following a 74-percent increase in 1994.⁴

4. See "Foreign Direct Investment in the United States: New Investment in 1995 and Affiliate Operations in 1994" in this issue. Preliminary data from BEA's survey of new foreign direct investments, summarized in that article, indicate that total outlays to acquire or establish U.S. businesses were \$54.4 billion in 1995, up from \$45.6 billion in 1994. Unlike the changes in the foreign direct investment position presented here, these figures cover only transactions involving acquisitions and establishments of new U.S. affiliates and include financing other than that from the foreign parent, such as local borrowing by existing U.S. affiliates. In contrast, changes in the position reflect transactions of both new and existing U.S. affiliates—but only transactions with the foreign parent or other members of the foreign parent group—and valuation adjustments.

Notwithstanding these differences, the two types of data are related. Any outlays to acquire or establish U.S. businesses that are funded by foreign parents (or other members of the foreign parent group) are part of capital inflows, a component of the change in the position. Data from the new investments survey indicate that in 1995, foreign parent groups funded \$31.5 billion,

The increase reflected U.S. affiliates' tendency to maintain relatively stable earnings distributions despite fluctuations in earnings. Intercompany debt inflows were \$7.4 billion, down from \$10.7 billion. The decrease resulted from a shift to outflows in U.S. affiliates' receivables.

Changes by country.—The \$57.7 billion increase in the foreign direct investment position in the United States in 1995 was concentrated among parents located in Europe. Outside Europe, the largest increases were by parents in Japan and Canada. The largest decrease in position was by parents in Other Western Hemisphere.

The following table shows the major changes in the positions in 1995 by area and country:

[Billions of dollars]

All countries	57.7
Europe	51.3
<i>of which:</i>	
United Kingdom	21.2
Switzerland	7.7
Germany	7.6
France	4.1
Sweden	2.8
Ireland	2.8
Japan	4.1
Canada	3.9
Other Western Hemisphere	-2.6

Nearly 90 percent of the overall increase in the position in 1995 was accounted for by European investors, whose position rose 17 percent—a faster pace than that for any other major area. Within Europe, parents in the United Kingdom had by far the largest dollar increase, followed by parents in Switzerland, Germany, France, Sweden, and Ireland.

Almost one-half of the increase in the position of British parents was in intercompany debt and resulted from parents extending loans to their U.S. affiliates. By industry, the largest increases in position were in manufacturing—particularly food—nonferrous mining, finance, and banking. In most of these industries, the increases resulted from lending by parents. In banking, however, the increase resulted from equity capital inflows and largely reflected acquisitions.

The largest increases in the position of Swiss parents were in finance, manufacturing—particularly chemicals—and insurance. The increase in finance was more than accounted for by parents extending loans to their affiliates. The increases in chemicals and in insurance resulted from equity capital inflows. In chemicals, they reflected acquisitions; in insurance, they reflected capital contributions to existing affiliates.

Almost all of the increase in the position of German parents was in the form of capital contributions to existing affiliates. The largest increases in position were in manufacturing—particularly chemicals—and in finance. In chemicals, the increase reflected capital contributions. In finance, the increase resulted from parents extending loans to their affiliates.

Nearly one-half of the increase in the position of French parents was in finance and was due mostly to parents extending loans to their U.S. affiliates. The position was also boosted by positive valuation adjustments in insurance that were made to reflect affiliates' gains on their investment portfolios in 1995.

The increase in the position of Japanese parents was more than accounted for by equity capital inflows, which were the largest of any country. Most of these inflows were capital contributions to existing affiliates. These inflows were partly offset by outflows in intercompany debt and by negative reinvested earnings in services and real estate, two industries that continued to show losses. By industry, the largest increases in the position were in banking and wholesale trade. In banking, two-thirds of the increase was accounted for by reinvested earnings. In wholesale trade, the increase was more than accounted for by equity capital contributions.

More than one-half of the increase in the position of Canadian parents was in manufacturing, particularly food. Much of the remainder was in insurance. Reinvested earnings accounted for a large part of the increase in each of these industries. The increase in insurance also reflected equity capital contributions to existing affiliates.

Almost all of the increase in the position of Swedish parents was in chemicals and reflected the ongoing consolidation in the pharmaceuticals industry. Most of the increase in the position of Irish parents reflected loans to affiliates, primarily in finance.

The decrease in the position of parents in Other Western Hemisphere was the net result of large, partly offsetting debt flows between U.S. affiliates in finance and parents located in the Caribbean.

Changes in Geographic Composition Since 1982

This section summarizes changes in the geographic composition of the direct investment positions for 1982-95.⁵ For USDIA, the shares of

5. Both positions are shown on a historical-cost basis and are expressed in dollars and, thus, reflect changes in price levels and exchange rates over

the position accounted for by direct investments in Europe, Asia and Pacific, and Latin America and Other Western Hemisphere increased, while the shares accounted for by Canada, Africa, the Middle East, and "International" decreased.⁶ For FDIUS, the shares of position accounted for by direct investments from Asia and Pacific increased, while the shares accounted for by investors in most other areas declined.

USDIA position: Shares of host countries

The U.S. direct investment position abroad on a historical-cost basis grew from \$207.8 billion at yearend 1982 to \$711.6 billion at yearend 1995 (table 5). The average annual growth rate during this period was 10 percent; year-to-year growth rates varied widely, ranging from 2 percent in 1983 to 21 percent in 1987. During this period, the geographic distribution of USDIA shifted away from Canada towards Europe and, to a lesser extent, Asia and Pacific and Latin America.

time, as well as changes in the real value of investment stocks. Nonetheless, major shifts in the shares of the position by broadly defined areas probably reflect real changes.

6. Affiliates in "International" are those that have operations in more than one country and are engaged in petroleum shipping, other water transportation, or operating oil- and gas-drilling equipment.

The share of the USDIA position accounted for by investments in Canada declined sharply, although investments there increased significantly in dollar terms. This decline was the most notable change in the geographic composition of the position. In 1982, Canada's share of the position, at 21 percent, was second only to that of Europe. After peaking at 22 percent in 1984, Canada's share declined nearly every year thereafter and by 1995 had dropped to 11 percent (chart 2). This decline largely reflected a decrease in the position in petroleum as a result of the sale of a number of large and medium-sized affiliates. Some of the sales may have been prompted by price controls and high production taxes that were imposed on natural resource industries. The decrease in share may also have reflected a slowdown of U.S. investment in response to regulations and investment requirements imposed by the Canadian Government. In addition, direct investment in Canada was affected by the 1989 U.S.-Canada Free Trade Agreement, which lifted many of those regulations and requirements over a period of 10 years, and by the subsequent North American Free Trade Agreement, but their net effect is difficult to assess; invest-

Table 5.—U.S. Direct Investment Position Abroad on a Historical-Cost Basis, by Major Area, 1982–95

Year	All areas	Canada	Europe	Latin America and Other Western Hemisphere	Africa	Middle East	Asia and Pacific	International
Millions of dollars								
1982	207,752	43,511	92,449	28,161	6,487	3,550	28,282	5,314
1983	212,150	44,779	94,400	25,631	6,230	4,470	30,916	5,724
1984	218,093	47,498	94,388	26,549	6,076	4,979	33,405	5,198
1985	238,369	47,934	108,664	30,417	6,130	4,554	35,294	5,378
1986	270,472	52,006	125,613	39,318	5,748	4,876	38,472	4,440
1987	326,253	59,145	156,003	50,147	6,032	4,225	46,925	3,776
1988	347,179	63,900	163,138	55,411	5,474	3,923	52,206	3,127
1989	381,781	63,948	189,467	62,145	3,936	3,518	55,805	2,962
1990	430,521	69,508	214,739	71,413	3,650	3,959	64,718	2,535
1991	467,844	70,711	235,163	77,677	4,427	4,963	72,219	2,684
1992	502,063	68,690	248,744	91,307	4,489	5,759	79,962	3,131
1993	564,283	69,922	285,735	100,482	5,469	6,571	92,671	3,433
1994	621,044	74,987	310,031	112,266	5,530	6,794	108,075	3,401
1995	711,621	81,387	363,527	122,765	6,516	7,982	125,968	3,476
Average annual growth rate (percent)	9.9	4.9	11.1	12.0	(*)	6.4	12.2	-3.2
Percent of total position								
1982	100.0	20.9	44.5	13.6	3.1	1.7	13.6	2.6
1983	100.0	21.1	44.5	12.1	2.9	2.1	14.6	2.7
1984	100.0	21.8	43.3	12.2	2.8	2.3	15.3	2.4
1985	100.0	20.1	45.6	12.8	2.6	1.9	14.8	2.3
1986	100.0	19.2	46.4	14.5	2.1	1.8	14.2	1.6
1987	100.0	18.1	47.8	15.4	1.8	1.3	14.4	1.2
1988	100.0	18.4	47.0	16.0	1.6	1.1	15.0	.9
1989	100.0	16.7	49.6	16.3	1.0	.9	14.6	.8
1990	100.0	16.1	49.9	16.6	.8	.9	15.0	.6
1991	100.0	15.1	50.3	16.6	.9	1.1	15.4	.6
1992	100.0	13.7	49.5	18.2	.9	1.1	15.9	.6
1993	100.0	12.4	50.6	17.8	1.0	1.2	16.4	.6
1994	100.0	12.1	49.9	18.1	.9	1.1	17.4	.5
1995	100.0	11.4	51.1	17.3	.9	1.1	17.7	.5

* Less than 0.05 percent.

ments that had been made mainly to avoid tariffs may no longer have been necessary, but new investments may have been made in response to a more open investment climate and to increased opportunities for exporting back to the United States.

The share of the position accounted for by European affiliates was greater than that accounted for by affiliates in any other area throughout 1982–95. Europe accounted for 44 percent of the position in 1982 and 51 percent in 1995. U.S. investors have been attracted to Europe because of its large, increasingly integrated market. In addition, the absence of internal tariffs within the European Union countries promoted trade within the Union. Within Europe, affiliates in the United Kingdom had the largest share in both 1982 and 1995 and had the fastest growth, partly reflecting the growth in investments in finance affiliates following the deregulation of securities markets in late 1986. (In 1989, the United Kingdom surpassed Canada as the individual country with the largest position.) Among other countries with large positions, shares increased in the Netherlands and France and decreased in Germany and Switzerland.

In Latin America and Other Western Hemisphere, the share of the position increased from 14 percent in 1982 to 17 percent in 1995. The increase was mainly attributable to the gradual elimination of the negative position in the

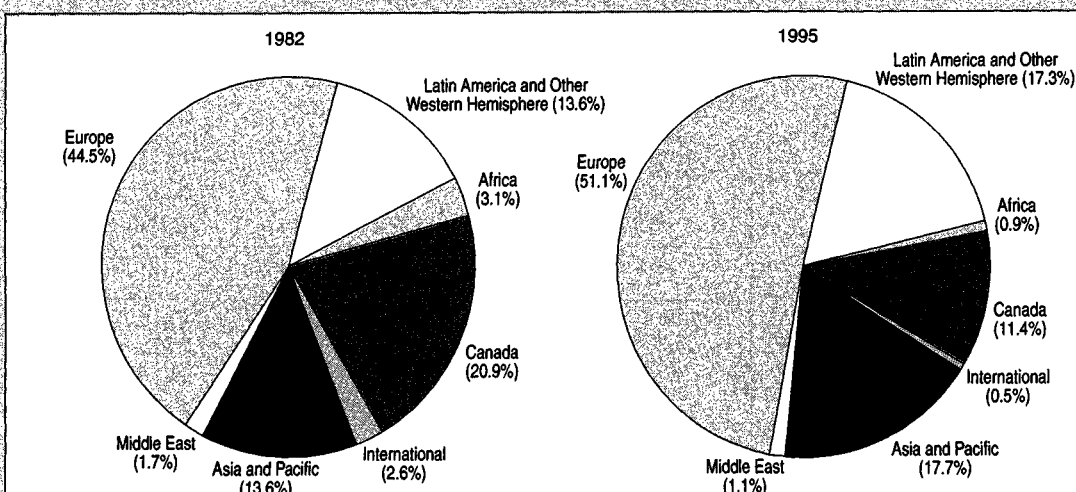
Netherlands Antilles.⁷ In recent years, several South American nations and Mexico have attracted increasing amounts of foreign investment by privatizing Government-owned industries, liberalizing trade policies, and otherwise improving their investment climates. These changes resulted in increases in the position in many of these countries. However, the growth in the position in Latin America and Other Western Hemisphere in 1982–95 was generally slower than the worldwide average. U.S. investors may have been discouraged by a variety of factors that limited economic growth or adversely affected the investment climate, such as the mid-1980's debt crisis, rapid inflation, nominally high interest rates, volatile exchange rates, and restrictive investment policies.

Shares of the position in Africa and in the Middle East—at 3 percent and 2 percent, respectively in 1982—fell to 1 percent by the late 1980's and held steady thereafter. In Africa, the decline stemmed largely from U.S. disinvestment

7. In the late 1970's and early 1980's, the Netherlands Antilles was used extensively as a financial conduit by U.S. companies to borrow funds in European capital markets and relend them to their U.S. parents. These transactions yielded a large negative direct investment position, representing intercompany debt owed by the parents to the affiliates. U.S. parents borrowed indirectly through these affiliates rather than directly from Euro-markets, because the associated interest payments were exempt from U.S. withholding taxes under a U.S.-Netherlands Antilles tax treaty. In the third quarter of 1984, the U.S. withholding tax on interest paid to foreigners was eliminated, thus removing the principal incentive to borrowing through Netherlands Antillean affiliates. Relatively little new borrowing from these affiliates has occurred subsequently, and repayment of previous borrowings has gradually eliminated the negative position.

CHART 2

U.S. Direct Investment Position Abroad on a Historical-Cost Basis, Shares by Major Area, 1982 and 1995



U.S. Department of Commerce, Bureau of Economic Analysis

in South Africa in the mid-1980's in response to that country's social policies and the elimination of U.S. tax credits for taxes paid there; stagnant economic growth in Sub-Saharan countries also contributed to the decline. In the Middle East, the decline reflected decreasing participation by petroleum affiliates in production and refining, which resulted to some extent from increased host-country involvement in those activities and from an ensuing emphasis on exploration and production by U.S. companies in other areas, such as the North Sea and the Pacific Rim.

In Asia and Pacific, the share in the position grew from 14 percent in 1982 to 18 percent in 1995 and has increased each year since 1990. U.S. investors have been attracted by the rapidly growing economies of the newly industrialized countries, especially Hong Kong, Singapore, Taiwan, and Korea. Nevertheless, Japan has by far the largest share within the region, at 6 percent; its share has doubled since 1982. Much of the growth reflected depreciation of the dollar against the yen, evidenced by large positive translation adjustments to the position, and reinvested earnings of existing affiliates.

In "International," the share declined steadily from 3 percent in 1982 to 0.5 percent in 1995. The decline reflected overcapacity and slackening demand for petroleum tankers, partly because

of expanded production from new and existing oilfields that are closer to consuming areas. In addition, some U.S. parents, facing stricter environmental requirements and potentially enormous legal liability, chose to reduce the risks assumed in operating such tankers by increasing their use of chartered tankers.

FDIUS position: Shares of investor countries

The foreign direct investment position in the United States on a historical-cost basis grew from \$124.7 billion at yearend 1982 to \$560.1 billion at yearend 1995 (table 6). The average annual growth rate during this period was 12 percent, and the yearly growth rate ranged from 2 percent in 1992 to 20 percent in 1984. Of the \$435.4 billion overall increase, 64 percent was accounted for by European parents and 26 percent by parents in Asia and Pacific.

The most notable change in the geographic composition of the position was the increase in Asia and Pacific's share from 9 percent in 1982 to 22 percent in 1995 (chart 3). Japan accounted for almost all of the increase, as investors acquired a large number of U.S. businesses during the late 1980's. During that period, Japan's large trade surplus and high savings rates generated a large volume of funds for investment, and Japan's low cost of capital and strong domestic currency

Table 6.—Foreign Direct Investment Position in the United States on a Historical-Cost Basis, by Major Area, 1982–95

Year	All areas	Canada	Europe	Latin America and Other Western Hemisphere	Africa	Middle East	Asia and Pacific
Millions of dollars							
1982	124,677	11,708	83,193	14,229	105	4,401	11,041
1983	137,061	11,434	92,936	15,035	95	4,446	13,115
1984	164,583	15,286	108,211	16,201	194	5,356	19,355
1985	184,615	17,131	121,413	16,826	461	4,954	23,830
1986	220,414	20,318	144,181	16,763	250	4,870	34,032
1987	263,394	24,684	181,006	10,103	521	4,973	42,108
1988	314,754	26,566	208,942	11,243	441	6,570	60,992
1989	368,924	30,370	239,190	16,218	505	7,588	75,053
1990	394,911	29,544	247,320	20,168	505	4,425	92,948
1991	419,108	36,834	256,053	14,546	937	4,864	105,873
1992	427,566	37,843	255,570	17,473	896	4,797	110,987
1993	466,666	40,487	287,940	19,716	1,003	5,220	112,299
1994	502,410	42,133	309,415	25,042	925	5,565	119,331
1995	560,088	46,005	360,762	22,716	936	5,053	124,615
Average annual growth rate (percent)	12.3	11.1	11.9	3.7	18.3	1.1	20.5
Percent of total position							
1982	100.0	9.4	66.7	11.4	0.1	3.5	8.9
1983	100.0	8.3	67.8	11.0	.1	3.2	9.6
1984	100.0	9.3	65.7	9.8	.1	3.2	11.8
1985	100.0	9.3	65.8	9.1	.2	2.7	12.9
1986	100.0	9.2	65.4	7.6	.1	2.2	15.4
1987	100.0	9.4	68.7	3.8	.2	1.9	16.0
1988	100.0	8.4	66.4	3.6	.1	2.1	19.4
1989	100.0	8.2	64.8	4.4	.1	2.1	20.3
1990	100.0	7.5	62.6	5.1	.1	1.1	23.5
1991	100.0	8.8	61.1	3.5	.2	1.2	25.3
1992	100.0	8.9	59.8	4.1	.2	1.1	26.0
1993	100.0	8.7	61.7	4.2	.2	1.1	24.1
1994	100.0	8.4	61.6	5.0	.2	1.1	23.8
1995	100.0	8.2	64.4	4.1	.2	.9	22.2

provided incentives to make foreign direct investments. The positions of other Asian countries, though considerably smaller than that of Japan, also grew rapidly during the period, reflecting the strength of the newly industrialized economies in the area and the emergence of businesses capable of operating on a global scale.

Europe accounted for roughly two-thirds of the position throughout 1982–95. The share peaked at 69 percent in 1987 but drifted downward thereafter, to 64 percent in 1995. Europe’s predominant share of the overall position partly reflects cultural similarities and the large number of mature companies in these countries with the ability and resources to take advantage of investment opportunities beyond their national and regional borders. Throughout the period, the United Kingdom, the Netherlands, and Germany had the largest shares; among these three countries, the positions of the United Kingdom and Germany grew at a faster pace than that of the Netherlands.

Canada’s share of the total position fell slightly, from 9 percent in 1982 to 8 percent in 1995, despite substantial growth in Canada’s position in dollar terms. Canada continued to be a significant investor in the United States, reflecting its proximity and the high degree of economic integration between the two economies.

Latin America and Other Western Hemisphere’s share of the total position fell from 11 percent in 1982 to 4 percent in 1995. The sharp

decrease was largely accounted for by a number of countries—notably Panama, the Bahamas, and the Netherlands Antilles—in which, for tax, regulatory, or other purposes, multinational companies headquartered in other countries hold U.S. investments. This form of investment has not kept pace with the overall growth in FDIUS.

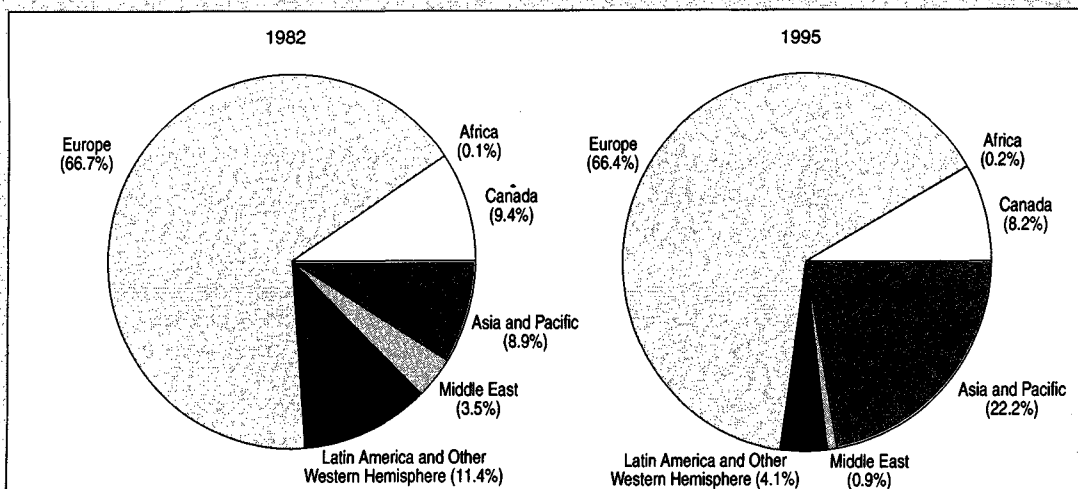
The Middle East’s share of the total position fell from 4 percent in 1982 to 1 percent in 1995. The decrease reflected economic stagnation in many countries, which resulted from the decline of crude oil prices during the 1980’s. More recently, funds available for foreign investment were reduced by the need to rebuild the infrastructure destroyed by the Persian Gulf War. Changes among Middle East countries were large and partly offsetting.

Acknowledgments

The survey from which the data for the U.S. direct investment position abroad were drawn was conducted under the supervision of Mark W. New, assisted by Laura A. Downey, Marie K. Laddomada, Sherry Lee, Leila C. Morrison, William A. Reese, Gary M. Solamon, Dwayne Torney, and Wendy P. Warcholik. Smith W. Allnut III programmed the tables. The survey from which the data for the foreign direct investment position in the United States were drawn was conducted under the supervision of Gregory G. Fouch, assisted by Peter J. Fox, Nancy F. Halvorson, Tracy K. Leigh, Beverly E. Palmer, and Linden L. Webber. D. Richard Mauery and Karen Sellami programmed the tables.

CHART 3

Foreign Direct Investment Position in the United States on a Historical-Cost Basis, Shares by Major Area, 1982 and 1995



U.S. Department of Commerce, Bureau of Economic Analysis

U.S. International Transactions, Revised Estimates for 1986–95

By Christopher L. Bach

As is customary each June, the estimates of U.S. international transactions have been revised to incorporate methodological and statistical changes. This year, like last year, a number of improvements have been implemented as part of a multiyear effort by the Bureau of Economic Analysis (BEA) to address gaps in coverage of transactions. These gaps and plans to fill them were outlined by BEA in its Mid-Decade Strategic Plan for improving BEA's economic accounts (see the February and April 1995 and June 1996 issues of the SURVEY OF CURRENT BUSINESS). The improvements also address various gaps noted by the International Monetary Fund, the National Academy of Sciences, and the General Accounting Office.¹ In large part, these gaps have arisen because of the dynamic nature of international markets. The major improvements this year respond to rapid changes in both the services markets and the capital markets.

- In the services markets, improved estimates of financial services are introduced that both expand coverage and better measure previously covered services. The estimates better capture the diversity of transactions in financial services and more accurately portray the key role of U.S. institutions in cross-border trade in financial services. Estimates are revised for 1992–95.
- In the capital markets, a survey of selected short-term assets reported by U.S. banks has led to improved coverage of bank- and nonbank-reported capital transactions and related income flows. Estimates are revised for 1994–95.

1. *Report on the World Current Account Discrepancy* (Washington, DC: International Monetary Fund, September 1987).

Report on the Measurement of International Capital Flows (Washington, DC: International Monetary Fund, September 1992).

Behind the Numbers: U.S. Trade in the World Economy (Washington, DC: National Research Council, 1992).

Following the Money: U.S. Finance in the World Economy (Washington, DC: National Research Council, 1994).

Measuring U.S.-Canada Trade: Shifting Trade Winds May Threaten Recent Progress (Washington, DC: General Accounting Office, January 1994).

Economic Statistics: Status Report on the Initiative to Improve Economic Statistics (Washington, DC: General Accounting Office, July 1995).

- For net private remittances, improved estimates of personal remittances of the foreign-born population of the United States are based on key new source data that have recently become available. The new source data permit a refinement of previous estimates for earlier years and lead to more sizable revisions for recent years. Estimates are revised for 1986–95.

In addition to these improvements, incorporation of updated and revised source data led to substantial revisions to travel. Estimates of travel receipts for 1994 were revised as a result of a major correction in source data received from the Immigration and Naturalization Service; revisions were also made to the estimates for 1995. Revisions to capital inflows for foreign direct investment in the United States were also large in 1995, reflecting the incorporation of data from late reports.

Table 1 presents a summary of revisions from all sources. Table 2 presents detail on revisions due to new source data and methodologies.

Revisions resulting from updated seasonal adjustment factors were an additional source of change to the quarterly estimates. For accounts other than goods, revisions due to updated sea-

Acknowledgments

The revised estimates were prepared under the general direction of Anthony DiLullo, with the assistance of Cynthia McPherson. Russell Scholl, Kimberly Chesley, Ralph Kozlow, and Chris Emond prepared the estimates on financial services; Lori Trawinski, Barbara Cohen, Chris Gohrband, the estimates of bank and nonbank claims; Lori Trawinski, the estimates of bond income payments; Jane Newstedt, the consolidation of the revisions to portfolio income; and William McCormick, the estimates of personal remittances.

The revised estimates of the direct investment accounts were prepared under the general direction of Betty Barker and David Belli; Jeffrey Lowe oversaw the revisions, with the assistance of other staff in the International Investment Division.

sonal factors were small in comparison with revisions due to the introduction of new methodologies or to the incorporation of newly available or updated source data. For series that were substantially revised as a result of new methodologies or source data, seasonal adjustment factors were reestimated from the point at which the revisions begin. For goods, the application of updated seasonal adjustment factors accounted for most of the quarterly revisions for 1993–95, but revisions were also made to reflect the incorporation of corrections to the source data, the retabulation of data to incorporate timing adjustments, and revisions to some balance-of-payments adjustments to the Census-basis data.

Financial services

BEA is introducing an improved measure of receipts and payments on financial services to replace the previous measure, which was incomplete.

The new estimates are based on BEA's first Benchmark Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons. This survey, which covers 1994, provides more complete coverage of financial services transactions, adding coverage for nearly a dozen new types of services. It also provides information that permits BEA to measure more accurately those financial services

previously estimated by indirect methods in the accounts.

The services newly covered are financial management services, financial advisory and custody services, credit card services, securities lending services, foreign exchange brokerage services, and several other miscellaneous services (such as asset pricing services, mutual fund exit fees and load charges, funds transfer charges, and securities settlement and transfer charges)—services in which there has been an explosion of transactions in recent years as a result of the globalization of financial transactions.

The services previously covered by indirect methods of estimation for which survey-based estimates are now available include explicit fees paid and received for trading in outstanding stocks, futures traded on U.S. exchanges, private securities placements, underwriting services, and credit-related services (such as standby letters of credit). Fees paid and received on trading in outstanding bonds will continue to be estimated by BEA using indirect methods of estimation because, unlike all of the above services, explicit fees on bond trades are not separately identifiable and, consequently, cannot be reported on the survey questionnaire. Instead, bond fees are based on a bid-ask spread that BEA estimates, based on capital transactions data from the Treasury Department and on information obtained from market participants.

Table 1.—Revisions to the Current-Account Estimates

[Millions of dollars; quarterly data are seasonally adjusted]

	Exports of goods, services, and income			Imports of goods, services, and income			Unilateral transfers			Balance on current account		
	Previous	Revised	Revision	Previous	Revised	Revision	Previous	Revised	Revision	Previous	Revised	Revision
1986	401,843	401,258	-585	-528,513	-528,513	.....	-24,189	-24,833	-644	-150,859	-152,088	-1,229
1987	449,514	449,292	-222	-592,745	-592,745	.....	-23,107	-23,939	-832	-166,338	-167,392	-1,054
1988	560,426	560,233	-193	-662,487	-662,403	84	-25,023	-26,266	-1,243	-127,083	-128,436	-1,353
1989	642,025	641,659	-366	-719,758	-719,539	219	-26,106	-27,696	-1,590	-103,839	-105,575	-1,736
1990	697,426	697,083	-343	-756,694	-756,522	172	-33,393	-35,219	-1,826	-92,661	-94,657	-1,996
1991	718,194	717,726	-468	-732,486	-731,753	733	6,869	4,510	-2,359	-7,424	-9,518	-2,094
1992	737,394	736,704	-690	-766,796	-763,773	3,023	-32,148	-35,514	-3,366	-61,549	-62,583	-1,034
1993	763,826	762,851	-975	-829,668	-825,147	4,521	-34,084	-37,640	-3,556	-99,925	-99,936	-11
1994	838,820	840,006	1,186	-954,304	-948,544	5,760	-35,761	-39,866	-4,105	-151,245	-148,405	2,840
1995	965,008	969,189	4,181	-1,087,828	-1,082,268	5,559	-30,095	-35,075	-4,980	-152,915	-148,154	4,760
1992: I	183,312	183,103	-209	-183,420	-183,077	343	-6,881	-7,680	-799	-6,989	-7,654	-665
II	184,496	184,312	-184	-192,263	-191,127	1,136	-7,746	-8,580	-834	-15,513	-15,395	118
III	183,222	183,063	-159	-192,980	-192,693	287	-7,030	-7,871	-841	-16,786	-17,501	-713
IV	186,367	186,226	-141	-198,133	-196,875	1,258	-10,491	-11,383	-892	-22,257	-22,032	225
1993: I	187,428	187,026	-402	-197,290	-196,816	474	-7,521	-8,380	-859	-17,383	-18,170	-787
II	191,023	190,582	-441	-207,751	-206,269	1,482	-7,609	-8,533	-924	-24,337	-24,220	117
III	188,544	188,218	-326	-207,342	-206,420	922	-8,234	-9,215	-981	-27,032	-27,417	-385
IV	196,834	197,027	193	-217,288	-215,843	1,645	-10,722	-11,513	-791	-31,176	-30,129	1,047
1994: I	197,173	197,420	247	-220,073	-218,959	1,114	-7,371	-8,169	-798	-30,271	-29,708	563
II	204,161	204,809	648	-233,369	-231,327	2,042	-8,778	-9,507	-729	-37,986	-36,025	1,961
III	214,305	214,287	-18	-245,645	-244,323	1,322	-8,374	-9,975	-1,601	-39,714	-40,011	-297
IV	223,180	223,494	314	-255,218	-253,934	1,284	-11,239	-12,215	-976	-43,277	-42,655	622
1995: I	232,581	233,086	505	-263,515	-263,501	14	-7,520	-8,639	-1,119	-38,454	-39,054	-600
II	239,760	241,497	1,737	-275,785	-274,183	1,602	-7,117	-8,290	-1,173	-43,142	-40,976	2,166
III	242,255	244,479	2,224	-274,725	-273,175	1,550	-7,780	-8,992	-1,212	-40,250	-37,688	2,562
IV	250,412	250,128	-284	-273,808	-271,409	2,399	-7,677	-8,154	-1,477	-31,073	-30,435	638

The survey results and discussions with market participants have greatly increased BEA's understanding of current market practices. First, the survey and discussions indicated that there was duplication in coverage between transactions with unaffiliated foreigners (estimated by indirect methods) and transactions with affiliated foreigners, because a much larger share of transactions takes place through affiliated networks than was recognized by the indirect methods. These transactions were already included in BEA's quarterly and annual direct investment surveys of affiliated services transactions. Second, the survey results and discussions indicated that transactions in-

creasingly took place at wholesale, rather than at retail, fee rates or, in some cases, even below wholesale fee rates. The indirect methods of estimation made some, but insufficient, allowance for these pricing differences. Third, for those transactions that take place through affiliated networks, the intracompany charge can differ significantly from the retail or wholesale fee, often simply reflecting the amount that affiliates agree to reimburse each other for the provision of financial services. In addition, intracompany charges for the provision of financial services are often combined indistinguishably with other intracompany charges and therefore cannot be

Table 2.—Revisions Due to New Source Data and Methodologies, 1986–95

[Millions of dollars]

(Credits +; debits -) ¹	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Other private services receipts (line 9):										
Revised	26,929	28,466	30,618	36,084	39,193	46,598	49,291	53,436	59,071	61,724
Changes due to new financial services estimates							-1,450	-1,607	-1,336	-1,564
Revisions due to updated source data	-585	-222	-194	-366	-342	-172	-256	-58	1,385	800
Previous	27,514	28,688	30,812	36,450	39,535	46,770	50,997	55,101	59,022	62,488
Other private income receipts (line 13):										
Revised							60,020	53,332	68,946	89,064
Changes due to new financial services estimates							621	771	1,178	2,296
Changes due to SSFFA									2,255	1,643
Revisions due to updated source data									-322	-386
Previous							59,399	52,561	65,835	85,511
Other private services payments (line 23):										
Revised							-23,687	-27,897	-30,980	-33,970
Changes due to new financial services estimates							2,534	4,187	5,224	5,236
Revisions due to updated source data							-7	-85	-599	-1,058
Previous							-26,214	-31,999	-35,605	-38,148
Other private income payments (line 27):										
Revised			-72,314	-93,768	-95,489	-83,063	-67,054	-63,041	-77,614	-97,977
Changes due to new financial services estimates							-1	-2	13	15
Changes due to bond interest income			84	219	172	733	496	398	456	-67
Revisions due to updated source data									-832	1,437
Previous			-72,398	-93,987	-95,661	-83,796	-67,549	-63,437	-77,251	-99,362
Private remittances and other transfers (line 32):										
Revised	-10,578	-11,222	-13,020	-14,041	-14,602	-15,920	-15,696	-16,736	-19,506	-20,696
Changes due to immigrants' remittances	-452	-623	-1,011	-1,343	-1,560	-2,056	-2,312	-2,954	-3,663	-4,485
Revisions due to updated source data							-54	206	-143	-257
Previous	-10,126	-10,599	-12,009	-12,698	-13,042	-13,864	-13,330	-13,988	-15,700	-15,954
Foreign securities (line 45):										
Revised							-49,166	-146,253	-60,270	-98,960
Changes due to new financial services estimates							-2,751	-4,446	-4,550	-4,580
Revisions due to updated source data									-5,921	-611
Previous							-46,415	-141,807	-49,799	-93,769
U.S. nonbanking concerns' claims on unaffiliated foreigners (line 46):										
Revised									-32,804	-34,219
Changes due to SSFFA									1,335	-2,115
Revisions due to updated source data									-1,518	2,532
Previous									-32,621	-34,636
U.S. banks' claims on unaffiliated foreigners (line 47):										
Revised									-8,161	-69,146
Changes due to SSFFA and revisions due to updated source data									-9,076	-10,142
Previous									915	-59,004
U.S. Treasury securities (line 58):										
Revised							37,131	24,381	34,225	99,340
Changes due to new financial services estimates							274	318	256	283
Revisions due to updated source data									158	-24
Previous							36,857	24,063	33,811	99,081
U.S. securities, other than U.S. Treasury securities (line 59):										
Revised							30,043	80,092	57,006	95,268
Changes due to new financial services estimates							176	228	97	-34
Revisions due to updated source data									-1,716	726
Previous							29,867	79,864	58,625	94,576

1. Credits (+): An increase in U.S. receipts and U.S. liabilities, or a decrease in U.S. payments and U.S. claims. Debits (-): An increase in U.S. payments and U.S. claims, or a decrease in U.S. receipts and U.S. liabilities.

NOTE.—Line references are to table 1 of "U.S. International Transactions, First Quarter 1996," in this issue of the SURVEY OF CURRENT BUSINESS.

SSFFA Survey of Selected Foreign Financial Assets held by U.S. residents as of March 31, 1994, conducted by the Federal Reserve Bank of New York and the U.S. Department of the Treasury

reported separately to BEA. Fourth, for transactions that take place through affiliated networks, financial intermediaries often bill each other low amounts because they perform fewer services for one another than they typically perform for retail customers.

The revised estimates for 1994 present a much different statistical picture of financial services with unaffiliated foreigners than the previous estimates. For the newly covered services, \$2.9 billion in receipts and \$0.6 billion in payments were added to the accounts. For the previously covered services, receipts were reduced to \$2.7 billion from \$7.1 billion, and payments were reduced to \$1.0 billion from \$6.7 billion. In total, financial services receipts are now \$5.6 billion, and payments, \$1.6 billion. Other financial services transactions—those that occur through affiliated networks—are recorded as intracompany charges in the direct investment services accounts and are not separately identifiable.

The annual survey results are extrapolated forward by the same activity variables used previously; these extrapolations will be replaced each year with annual sample survey results, which will be routinely included in the revisions to the international accounts published in July. Revisions are carried back to 1992, the year in which BEA's monthly series on services begins. Source data and assumptions do not permit reliable estimation prior to that year.

Adjustments are made to capital flows for foreign securities, U.S. Treasury securities, and U.S. securities other than U.S. Treasury securities to incorporate the new, and lower, charges; the result is to increase capital flows for most series because, previously, too large a deduction for financial services fees was made from the gross transactions data. In addition, the result is to raise the outstanding positions for most series; because portfolio income estimates are based in part on the position estimates, the effect of the revisions is to raise both income receipts and income payments.

Survey of Selected Foreign Financial Assets

The Survey of Selected Foreign Financial Assets was developed by the Federal Reserve Bank of New York and the U.S. Department of the Treasury, with assistance from BEA. A primary purpose of the survey was to collect data on certain types of financial claims on foreigners that could be used to assess the coverage of the same type of claims on the Treasury Department's international capital surveys; the Treasury surveys

are the basis for many of the portfolio capital estimates in BEA's international accounts.

The survey results were also intended as a check on BEA's current methodology for adjusting the Treasury Department's estimates of commercial paper placed in the United States by foreigners; as a check on BEA's current methodology that substitutes Bank for International Settlements (BIS) source data for Treasury Department source data on U.S. nonbank claims for selected countries; and to provide a breakdown of financial claims by type that could be used to improve BEA's methodology for estimating income earned on U.S. bank claims.

The survey collected data on selected U.S. financial claims on foreigners as of March 31, 1994. This date was chosen to coincide with that of Treasury Department's benchmark survey of U.S. holdings of foreign stocks and bonds, for which results are not yet available.

U.S. banks' claims.—Survey results indicated an understatement of outstanding U.S. bank-reported claims of \$45.5 billion, compared with estimates in BEA's international investment position. Consequently, BEA has raised its position estimate for March 1994 and has recalculated quarterly flows beginning with the first quarter of 1994. Much of the undercoverage was in the category of short-term assets held on behalf of U.S. banks' domestic customers. The Treasury Department has taken actions to eliminate the undercoverage from its ongoing surveys. However, for the category of placements of commercial paper in U.S. markets by foreigners, some undercoverage appears to remain; therefore, when undercoverage is evident, BEA will continue to substitute its estimates of commercial paper placements (based on data from market sources) for the Treasury Department data. For 1995, changes in U.S. bank-reported claims increased \$10.1 billion more than previously estimated, as a result of improved coverage as well as updated source data; the two effects cannot be separately identified.

U.S. nonbanks' claims.—On the basis of the survey results, BEA reevaluated its substitution of BIS source data for Treasury Department data on U.S. nonbank-reported claims. Examination of the two sets of data showed that double counting of U.S. banks' domestic customers' claims is likely for Canada and Germany. Therefore, the BIS source data for those countries were adjusted to remove duplication that arose as a result of improved Treasury Department

source data. Revisions to the quarterly flows were made beginning with the first quarter of 1994. For 1995, changes in U.S. nonbank-reported claims increased \$2.1 billion more than previously estimated.

Income receipts on banks' and nonbanks' claims.—"Other" private interest receipts were revised upward to reflect the adjusted positions of banks' and nonbanks' claims. In addition, the survey provided critical information on the composition of bank assets (not previously available) that permitted BEA to adjust its estimates of bank income to reflect current market conditions. Interest receipts for 1994-95 were revised upward; for 1995, receipts were raised \$1.6 billion.

Private remittances

Improved estimates of personal remittances of the foreign-born population of the United States are introduced for 1986-95. BEA is able to improve the accuracy of these measures, which it introduced 4 years ago, with updated data from the 1990 Census of Population, from 1990-94 immigration data from the Immigration and Naturalization Service (INS), from Census Bureau estimates on the annual flow of undocumented aliens, and from newly available 1994 estimates of the foreign-born population from the Census Bureau's Current Population Survey. As with the previous estimates, a simulation model based on family status, age, and length of U.S. residency projects demographic changes in the size and composition of the foreign-born population. Census Bureau records also provide income levels for the foreign-born population, arrayed by family status and duration of U.S. residency.

These data are combined with data on dollar remittances of the foreign-born population from a 1991 sample survey of legalized aliens that was conducted by the U.S. Department of Labor and that was recently made available. The sample survey contained the same questions and surveyed the same respondents as a previous sample survey conducted by INS in 1987. The data from the 1991 survey confirmed the major conclusions of the 1987 survey. The data show that the proportion of income remitted is significantly higher for persons from developing countries than from developed countries, that the proportion of income remitted is highest in the initial years of residency in the United States and drops sharply thereafter, and that the proportion of income remitted is

higher for single foreign-born persons than for married foreign-born persons.

Outward personal remittances of the foreign-born population in the United States were \$11.8 billion in 1995, \$4.5 billion higher than the previous estimate for 1995. Projections in the earlier estimates for both the foreign-born population and income of the foreign-born population proved too conservative.

The improved estimates do not cover inward remittances to the foreign-born population or transfers of assets into or out of the country at the time of migration, all of which should in principle be included in the accounts. Source data are not available to prepare such estimates.

Interest payments on foreign holdings of U.S. bonds

Interest payments on foreign holdings of U.S. bonds have been revised for 1988-95 to incorporate a new estimating methodology. Previously, estimates of interest payments exhibited excessive quarter-to-quarter volatility and were overstated for 1994 and earlier years, primarily because they were based on a cumulated income stream to which changes in income transactions from two quarters earlier were applied.

The new method substantially improves the quality of the estimates because it uses an estimate of outstanding bonds in the derivation of income payments; the position estimates of outstanding bonds can now be compared directly with benchmark survey data obtained from the Treasury Department, which was not possible previously. The new estimates of income are also superior because they are on an accrual basis, because they better capture the effect of redemptions, and because they utilize more up-to-date and comprehensive information on bond yields.

The improved income estimates are derived by multiplying an average market yield on the current portfolio by the position estimate of outstanding bonds for the current period. The position estimate is based on data obtained from the Treasury Department's Foreign Portfolio Investment Survey as of December 31, 1989. This benchmark survey is conducted every 5 years and also provides a geographic distribution of bond holdings.

The new methodology resulted in little change in income payments on U.S. bonds for 1995; for 1988-94, income payments were reduced.

U.S. International Transactions, First Quarter 1996

By Lori A. Trawinski

The estimates in this article incorporate a number of major revisions, including improvements in estimating methodologies and new source data. For a discussion of these changes, see "U.S. International Transactions, Revised Estimates for 1986-95" in this issue.

THE U.S. current-account deficit increased to \$35.6 billion in the first quarter of 1996 from \$30.4 billion (revised) in the fourth quarter of 1995 (table A).¹ An increase in the deficit on goods and services and larger net unilateral transfers more than offset a decrease in the deficit on investment income.

In the capital account, net recorded capital inflows were \$43.1 billion in the first quarter, compared with net inflows of \$1.0 billion in the fourth. Acquisitions of foreign assets by U.S. res-

idents slowed sharply; acquisitions of U.S. assets by foreign residents slowed by a small amount.

The statistical discrepancy—errors and omissions in recorded transactions—was an outflow of \$7.5 billion in the first quarter, compared with an inflow of \$29.4 billion in the fourth.

The following are highlights for the first quarter of 1996:

- The deficit on goods increased, as imports increased and exports changed little.
- The deficit on investment income decreased for the second consecutive quarter, as direct investment receipts continued to increase.
- Capital outflows for U.S. assets abroad slowed, largely as a result of reduced direct investment outflows and of a shift from an increase to a decrease in claims of U.S. banks. Within foreign securities, U.S. net purchases of foreign stocks surged.

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

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

(Millions of dollars, seasonally adjusted)

Line	Lines in tables 1 and 10 in which transactions are included are indicated in ()	1994	1995	1994				1995				1996	Change: 1995 IV-1996 I
				I	II	III	IV	I	II	III	IV		
1	Exports of goods, services, and income (1)	840,006	969,189	197,420	204,809	214,287	223,494	233,086	241,497	244,479	250,128	252,917	2,789
2	Goods, adjusted, excluding military (2)	502,463	575,940	118,462	122,909	127,237	133,855	138,551	142,983	144,984	149,422	150,019	597
3	Services (3)	195,839	210,590	47,117	48,613	49,838	50,271	50,435	51,735	54,226	54,193	54,915	722
4	Income receipts on investments (11)	141,704	182,659	31,841	33,287	37,212	39,368	44,100	46,779	45,269	46,513	47,983	1,470
5	Imports of goods, services, and income (15)	-948,544	-1,082,268	-218,959	-231,327	-244,323	-253,934	-263,501	-274,183	-273,175	-271,409	-277,664	-6,255
6	Goods, adjusted, excluding military (16)	-668,584	-749,364	-155,301	-163,993	-171,652	-177,638	-183,474	-190,910	-187,532	-187,448	-192,757	-5,309
7	Services (17)	-134,097	-142,230	-32,980	-33,411	-33,870	-33,834	-35,027	-35,632	-36,013	-35,558	-36,529	-971
8	Income payments on investments (25)	-145,863	-190,674	-30,678	-33,923	-38,801	-42,462	-45,000	-47,641	-49,630	-48,403	-48,378	25
9	Unilateral transfers (29)	-39,866	-35,075	-8,169	-9,507	-9,975	-12,215	-8,639	-8,290	-8,992	-9,154	-10,841	-1,687
10	U.S. assets abroad, net (increase/capital outflow (-)) (33)	-150,695	-307,856	-36,897	-28,627	-25,569	-59,603	-61,747	-108,299	-39,595	-98,214	-55,732	42,482
11	U.S. official reserve assets, net (34)	5,346	-9,742	-59	3,537	-165	2,033	-5,318	-2,722	-1,893	191	17	-174
12	U.S. Government assets, other than official reserve assets, net (39)	-341	-280	399	491	-288	-943	-154	-179	252	-199	52	251
13	U.S. private assets, net (43)	-155,700	-297,834	-37,237	-32,655	-25,116	-60,693	-56,275	-105,398	-37,954	-98,206	-55,801	42,405
14	Foreign assets in the United States, net (increase/ capital inflow (+)) (48)	285,376	424,462	83,235	45,889	83,619	72,632	90,995	115,421	118,816	99,229	98,816	-413
15	Foreign official assets, net (49)	40,253	109,757	11,036	9,166	19,785	266	21,822	37,380	39,186	11,369	51,582	40,213
16	Other foreign assets, net (56)	245,123	314,705	72,199	36,723	63,834	72,366	69,173	78,041	79,630	87,860	47,234	-40,626
17	Allocations of special drawing rights (62)												
18	Statistical discrepancy (63)	13,724	31,548	-16,630	18,763	-18,039	29,626	9,806	33,854	-41,533	29,420	-7,496	-36,916
19	Memorandum: Balance on current account (70)	-148,405	-148,154	-29,708	-36,025	-40,011	-42,655	-39,054	-40,976	-37,688	-30,435	-35,588	-5,153

P Preliminary.

- Capital inflows for foreign assets in the United States changed little, but the composition of assets changed: Foreign official assets surged, while inflows into private assets slowed sharply.
- The U.S. dollar appreciated in exchange markets, mostly early in the quarter.

U.S. dollar in exchange markets

In the first quarter, the dollar appreciated 2 percent on a trade-weighted quarterly average basis against the currencies of 10 industrial countries. The dollar appreciated against most European currencies, and it also appreciated against the Japanese yen (table B, chart 1).

On a quarterly average basis, the dollar appreciated 3 percent against the German mark. Most of the gain occurred early in the quarter, when market participants expected that decreases in German interest rates would outpace decreases in U.S. interest rates. These expectations were supported by the release of weak German economic data, which indicated that unemployment was rising. The dollar changed little against the German mark in mid-quarter; toward the end of the quarter, the dollar appreciated slightly after the release of economic data that showed that German gross domestic product had declined in the fourth quarter.

The dollar appreciated 4 percent against the Japanese yen. Early in the quarter, the dollar was supported by reports that the U.S. trade deficit with Japan had fallen from its level of a year ago. The dollar fell in mid-quarter when the release of stronger-than-expected Japanese economic data on housing starts and industrial production appeared to reduce the possibility of further Japanese monetary easing. Japanese

monetary authorities reportedly intervened in exchange markets to support the dollar at the end of February. The dollar recovered and traded in a narrow range for the remainder of the quarter.

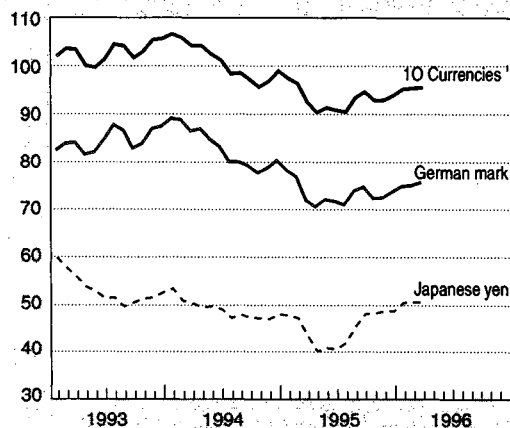
The U.S. dollar appreciated slightly against the Canadian dollar. However, toward the end of the quarter, favorable data on the Canadian Federal budget deficit and Provincial government spending cuts helped bolster the Canadian dollar.

The dollar depreciated 2 percent against the Mexican peso in the first quarter, in contrast to strong appreciation in the fourth. Signs of improving economic conditions and moderating inflation in Mexico helped strengthen the peso. In addition, foreign investors returned to the Mexican capital markets.

CHART 1

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

December 1980=100



1. Currencies of Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, and United Kingdom.

Monthly average rates. Indexes rebased by BEA.
Data: Federal Reserve Board

U.S. Department of Commerce, Bureau of Economic Analysis

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

[December 1980=100]

	1995				1996	1995												1996		
	I	II	III	IV	I	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.		
Trade-weighted average against 10 currencies ¹	95.1	90.5	92.5	92.9	95.1	92.1	90.0	91.0	90.5	90.1	93.1	94.3	92.5	92.6	93.6	94.9	95.1	95.2		
Selected currencies: ²																				
Canada	117.7	114.7	113.3	113.4	114.5	117.7	115.1	113.8	115.2	113.8	113.3	112.9	112.5	113.2	114.5	114.3	115.0	114.2		
European currencies:																				
Belgium	96.4	90.8	93.1	92.6	95.4	91.8	89.8	91.7	91.0	90.3	94.0	95.0	92.0	92.1	93.6	95.1	95.2	96.0		
France	113.4	108.0	108.6	108.2	110.7	109.3	106.5	109.5	108.0	106.1	109.2	110.6	108.4	107.3	108.8	110.1	110.8	111.1		
Germany	75.2	71.1	72.8	72.4	74.7	71.5	70.2	71.7	71.3	70.6	73.5	74.3	71.9	72.1	73.3	74.4	74.6	75.2		
Italy	175.5	178.4	172.6	170.7	168.1	181.4	184.5	175.4	175.4	172.6	172.6	172.6	172.6	169.8	169.8	169.8	167.2	167.2		
Netherlands	77.7	73.2	75.1	74.7	77.0	73.9	72.4	73.9	73.4	72.8	75.8	76.6	74.2	74.3	75.5	76.7	76.9	77.4		
Switzerland	69.8	64.9	66.2	64.6	66.9	65.7	63.9	65.6	65.1	64.9	67.2	66.6	64.3	64.2	65.3	66.3	67.2	67.1		
United Kingdom	148.4	147.1	149.2	150.5	153.4	146.7	146.1	147.9	147.2	147.2	149.9	150.6	148.8	150.3	152.4	153.6	152.9	153.7		
Japan	45.8	40.2	44.8	48.3	50.4	43.1	39.8	40.5	40.3	41.6	45.1	47.8	48.0	48.5	48.5	50.3	50.4	50.4		

1. Currencies of Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, and United Kingdom. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.

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

Current Account

Goods and services

The deficit on goods and services increased to \$24.4 billion in the first quarter from \$19.4 billion in the fourth. The deficit on goods increased \$4.7 billion, and the surplus on services decreased \$0.2 billion.

Goods.—The deficit on goods increased to \$42.7 billion in the first quarter from \$38.0 billion in the fourth, as imports increased and exports changed little.

Exports.—Exports increased \$0.6 billion, or less than 1 percent, to \$150.0 billion in the first quarter. Quantity, measured in chained (1992) dollars, increased 1 percent (table C).

Nonagricultural exports decreased slightly to \$134.2 billion; quantity increased 1 percent, while prices decreased 1 percent. In value, capital goods decreased after a sharp increase, largely reflecting a drop in telecommunications equipment. Consumer goods increased as a result of increases in both durable and nondurable goods. Industrial supplies and materials excluding nonmonetary gold decreased, largely reflecting a downward trend in prices that began in the third quarter of 1995. In contrast, nonmonetary gold increased as prices rose sharply. Automotive products were unchanged.

Agricultural exports increased \$0.6 billion, or 4 percent, to \$15.8 billion for the third consecutive record quarter, reflecting continued strong price increases as well as increases in quantity. Quantity increased 2 percent and prices increased 2 percent. Increases in value were largely in soybeans, corn, and to a lesser extent, meat products. Tight world supplies of wheat, corn, and soybeans in the last half of 1995 led to rising prices for those commodities in the first quarter.

Imports.—Imports increased \$5.3 billion, or 3 percent, to \$192.8 billion in the first quarter. Quantity, measured in chained (1992) dollars, increased 3 percent (table C).

Nonpetroleum imports increased \$4.7 billion, or 3 percent, to \$178.8 billion; quantity increased 4 percent. In value, most major commodity categories increased, led by industrial supplies and materials, automotive products, and consumer goods. The rise in industrial supplies and materials mainly reflected increases in nonmonetary gold and in chemicals excluding medicinals. Automotive products rebounded; the rebound was mostly accounted for by passenger cars from Japan and Korea. Consumer goods increased after a decline, mostly reflecting increases in household goods and in medicinals. Capital goods also increased; the increases were in “other industrial, agricultural, and service industry machinery” and in transportation equipment. These increases were partly offset by decreases in telecommunications equipment, largely from Asia. Semiconductors also decreased, reflecting a decrease in semiconductor orders and a slowdown in the pace of growth in the personal computer business.

Petroleum imports increased \$0.6 billion, or 5 percent, to \$14.0 billion. Sharply higher prices accounted for the increase: The average price per barrel increased to \$17.53 from \$15.76, reflecting low petroleum inventories during a time of rising demand. Domestic consumption increased, partly in response to a protracted period of cold weather in the United States, and domestic production decreased slightly. The average number of barrels imported daily decreased to 8.74 million from 9.31 million.

Balances by area.—The deficit with industrial countries increased to \$21.0 billion in the first quarter from \$17.7 billion in the fourth, reflect-

Table C.—U.S. Trade in Goods, Current and Chained (1992) Dollars

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

	Current dollars							Chained (1992) dollars ¹						
	1994	1995	1995				1996	1994	1995	1995				1996
			I	II	III	IV				I ^P	I	II	III		IV	I^{P}
Exports	502,463	575,940	138,551	142,983	144,984	149,422	150,019	504,627	561,885	136,101	138,818	140,761	146,205	147,802
Agricultural products	47,062	57,228	13,876	13,452	14,732	15,168	15,811	44,440	49,579	12,695	12,097	12,485	12,302	12,598
Nonagricultural products	455,401	518,712	124,675	129,531	130,252	134,254	134,208	460,477	512,497	123,441	126,743	128,327	133,986	135,154
Imports	668,584	749,364	183,474	190,910	187,532	187,448	192,757	675,341	737,905	181,657	185,891	184,397	185,960	191,417
Petroleum and products	51,276	55,080	13,065	14,624	13,988	13,363	13,981	60,084	58,068	14,131	14,394	15,106	14,437	13,547
Nonpetroleum products	617,308	694,284	170,389	176,286	173,544	174,065	178,776	614,934	678,668	167,048	170,985	169,311	171,324	177,710

¹ Preliminary.

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

ing larger deficits with most countries in Western Europe, with Canada, and with Japan.

The deficit with Latin America increased to \$4.5 billion from \$2.4 billion, largely reflecting an increase in imports. The deficit with China decreased for the second consecutive quarter.

Services.—The surplus on services decreased to \$18.4 billion in the first quarter from \$18.6 billion in the fourth, as payments increased more than receipts.

Travel receipts increased to \$16.2 billion, up 2 percent from the fourth quarter. Receipts from Canada increased to \$1.8 billion, up 8 percent. Receipts from Mexico increased to \$0.8 billion, up 20 percent, partly reflecting the recovery of the peso. Receipts from overseas visitors were unchanged at \$13.6 billion. Travel payments increased to \$12.1 billion, up 5 percent. Payments to Canada were \$1.3 billion, up 12 percent, and payments to Mexico were \$1.6 billion, up 19 percent. U.S. travelers spent \$9.3 billion abroad, an increase of 2 percent.

“Other” transportation receipts decreased to \$7.0 billion from \$7.2 billion. A decline in ocean freight receipts resulting from a decline in liner export tonnage accounted for most of the decrease. “Other” transportation payments decreased to \$6.9 billion from \$7.1 billion, largely as the result of a decrease in air port expenditures overseas.

“Other” private service receipts increased to \$16.5 billion from \$15.7 billion. Increases in both affiliated and unaffiliated services accounted for the increase. “Other” private service payments increased to \$9.0 billion from \$8.6 billion.

Transfers under U.S. military agency sales contracts decreased to \$3.1 billion from \$3.3 billion. U.S. direct defense expenditures abroad increased slightly to \$2.5 billion.

Investment income

The deficit on investment income decreased to \$0.4 billion in the first quarter from \$1.9 billion in the fourth. Income receipts on U.S. assets abroad increased, and income payments on foreign assets in the United States decreased slightly.

Direct investment income.—Income receipts on U.S. direct investment abroad increased to \$24.0 billion in the first quarter from \$22.6 billion in the fourth. Higher earnings both in petroleum and in manufacturing industries accounted for most of the increase. The increases in earnings were widespread by area, with Europe and the Caribbean accounting for the largest increases.

Income payments on foreign direct investment in the United States increased to \$8.2 billion from \$7.3 billion. Higher earnings were partly offset by a decrease in interest payments. The increase in earnings was mainly in the chemical manufacturing and insurance industries.

Portfolio investment income.—Receipts of income on “other” private investment abroad were unchanged at \$22.8 billion in the first quarter. A decline in average interest rates offset an increase in U.S. holdings of foreign securities. Payments of income on “other” private investment in the United States were \$24.0 billion, down from \$25.0 billion. Much of the decrease was a result of lower average interest rates.

Receipts of income on U.S. Government assets increased slightly to \$1.2 billion. Payments of income on U.S. Government liabilities were unchanged at \$16.2 billion.

Unilateral transfers

Net unilateral transfers were \$10.8 billion in the first quarter, compared with \$9.2 billion in the fourth. U.S. Government grants accounted for most of the step-up, which partly reflected disbursements delayed as a result of temporary Federal budget constraints in the fourth quarter.

Capital Account

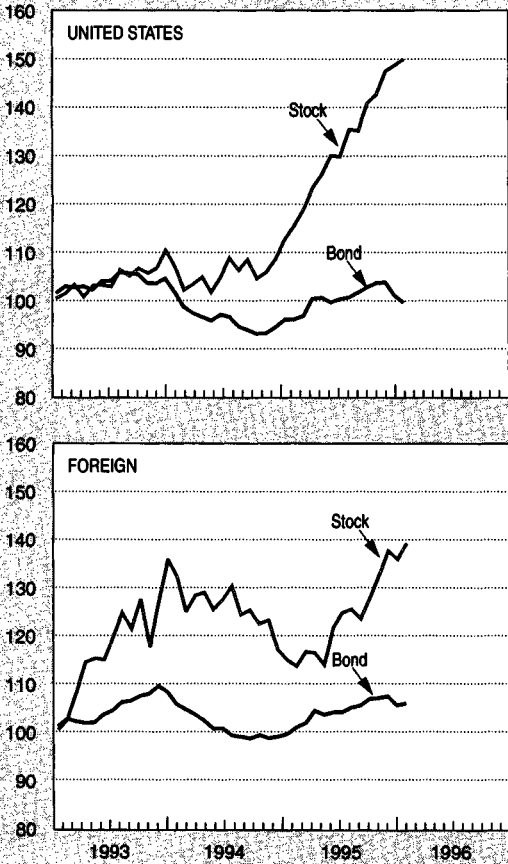
Net recorded capital inflows—that is, net changes in U.S. assets abroad less net changes in foreign assets in the United States—were \$43.1 billion in the first quarter, up from net inflows of \$1.0 billion in the fourth. Acquisitions of foreign assets by U.S. residents slowed sharply and accounted for most of the increase in net inflows. Acquisitions of U.S. assets by foreign residents slowed slightly.

During the first quarter, long-term interest rates increased in most countries. In the United States, bond prices plummeted; prices in foreign bond markets also fell, but not as sharply as in the United States (chart 2). In contrast, U.S. stock prices continued to advance, buoyed by strong flows into both domestic and internationally targeted equity mutual funds. High volumes of merger and acquisition activity continued to support stock prices and also fueled a surge in foreign direct investment in the United States. The U.S. dollar appreciated in exchange markets; most of the gains occurred early in the quarter.

CHART 2

Stock and Bond Price Indexes

December 1992=100



Sources:
 Stock indexes — Morgan Stanley Capital International: U.S. index, and world index excluding United States, in local currencies.
 Bond indexes — Salomon Brothers Inc.: Treasury/government sponsored/corporate index, and non-U.S. world government bond index, in local currencies.
 Indexes released by BEA.
 U.S. Department of Commerce, Bureau of Economic Analysis

U.S. assets abroad

U.S. assets abroad increased \$55.7 billion in the first quarter, compared with an increase of \$98.2 billion in the fourth. The slowdown was a result of sharply reduced direct investment outflows and a shift from an increase to a decrease in claims of U.S. banks.

U.S. official reserve assets.—U.S. official reserve assets were unchanged in the first quarter, following a decrease of \$0.2 billion in the fourth (table D). Increases in the U.S. reserve position at the International Monetary Fund and, to a lesser extent, in the holdings of special drawing rights were offset by a decrease in holdings of Mexican pesos. The decrease resulted from Mexico's repayment of its remaining balance of \$1.3 billion in short-term currency arrangements with the U.S. Treasury and the Federal Reserve System.

Claims reported by banks.—U.S. claims on foreigners reported by U.S. banks decreased \$4.5 billion in the first quarter, in contrast to an increase of \$7.3 billion in the fourth. A shift in banks' own claims from an increase to a decrease more than offset a shift in banks' domestic customers' claims from a decrease to an increase.

Banks' own claims payable in dollars decreased \$1.3 billion, following an increase of \$11.0 billion. The first-quarter decrease was more than accounted for by foreign-owned banks, and it was largely the result of substantial repayments of earlier loans from Japanese parent banks and from own offices in Caribbean banking centers. In contrast, U.S.-owned banks' claims on their

Table D.—Selected Transactions with Official Agencies

(Millions of dollars)

Line	1994	1995	1994				1995				1996	Change: 1995 IV-1996 I	
			I	II	III	IV	I	II	III	IV			
1	Changes in foreign official assets in the United States, net (decrease -)												
	(table 1, line 49)	40,253	109,757	11,036	9,166	19,785	266	21,822	37,380	39,186	11,369	51,582	40,213
2	Industrial countries ¹	30,408	23,081	10,892	16,552	9,535	-6,571	14,067	7,175	5,483	-3,644	39,946	43,590
3	Members of OPEC ²	-1,529	3,959	-1,749	-4,317	3,501	1,036	-412	-341	6,147	-1,435	-1,417	18
4	Other countries	11,374	82,717	1,893	-3,069	6,749	5,801	8,167	30,546	27,556	16,448	13,053	-3,395
5	Changes in U.S. official reserve assets, net (increase -) (table 1, line 34)	5,346	-9,742	-59	3,537	-165	2,033	-5,318	-2,722	-1,893	191	17	-174
	Activity under U.S. official reciprocal currency arrangements with foreign monetary authorities: ³												
6	Foreign drawings, or repayments (-), net		11,800					5,000	5,000	2,500	-700	-1,300	-600
6a	Drawings		18,800					6,000	7,000	4,500	1,300		-1,300
6b	Repayments		-7,000					-1,000	-2,000	-2,000	-2,000	-1,300	700

^P Preliminary.

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

2. Based on data for Venezuela, Indonesia, and other Asian and African oil-exporting countries.

3. Consists of transactions of the Federal Reserve System and the U.S. Treasury Department's Exchange Stabilization Fund.

own foreign offices increased. Claims on foreign public borrowers and on "other" private foreigners increased \$6.5 billion, following a \$14.0 billion increase; the slowdown partly reflected reduced syndicated lending to foreigners after a strong fourth-quarter increase.

Banks' domestic customers' claims payable in dollars increased \$2.2 billion, in contrast to a decrease of \$8.9 billion; the shift was more than accounted for by a surge in dollar deposits abroad. This surge was partly offset by a shift to a decrease from an increase in foreign commercial paper (held in custody by banks) and in other negotiable instruments.

Banks' own claims payable in foreign currencies decreased \$5.3 billion, following an increase of \$5.3 billion.

Foreign securities.—Net U.S. purchases of foreign securities were \$33.5 billion in the first quarter, up from \$32.5 billion in the fourth. Net purchases of foreign stocks surged to a record level, which was slightly higher than the previous record set in the third quarter of 1995. The increase partly reflected sharply higher cash flows into internationally and globally targeted equity mutual funds (chart 3). In contrast, net purchases of foreign bonds slowed.

Net U.S. purchases of foreign stocks were \$22.2 billion, up from \$14.4 billion, as world stock prices advanced. Net purchases from Western Europe and Japan were sharply higher; net pur-

chases from emerging markets in Asia and Latin America also accelerated, but to a lesser extent. However, increases in stock prices in the emerging markets outpaced price increases in the markets in the industrial countries.

Net U.S. purchases of foreign bonds were \$11.3 billion, down from \$18.2 billion. Foreign bond prices fell, though not as sharply as in the United States, as long-term interest rates increased in most countries. New issues of foreign bonds placed in the United States remained strong at \$11.7 billion, down from \$13.0 billion. New issues from the developing countries in Latin America and Asia accounted for nearly half of the first-quarter placements; an overall improvement in the credit quality of these issuers over the past year has coincided with their increased use of U.S. and international capital markets. Net purchases of outstanding bonds were \$3.1 billion, down from \$8.7 billion.

Direct investment.—Net capital outflows for U.S. direct investment abroad were \$26.8 billion in the first quarter, down from \$44.1 billion in the fourth. Equity capital outflows remained strong, but were well below the exceptionally large fourth-quarter outflows. Reinvested earnings were higher than in the fourth quarter. Intercompany debt outflows were lower as a result of repayments of loans to U.S. parents from their foreign affiliates.

Foreign assets in the United States

Foreign assets in the United States increased \$98.8 billion in the first quarter, compared with an increase of \$99.2 billion in the fourth. The increase in foreign assets in the first quarter was nearly the same amount as in the fourth, but the composition of assets changed: Inflows into foreign official assets surged, while inflows into private assets slowed sharply.

Foreign official assets.—Foreign official assets in the United States increased \$51.6 billion in the first quarter, following an increase of \$11.4 billion in the fourth (table D). In the first quarter, the accumulation of dollar assets by industrial countries may have partly reflected intervention purchases of dollars in foreign exchange markets by foreign monetary authorities. Developing countries also continued to accumulate dollar assets.

Liabilities reported by banks.—U.S. liabilities reported by U.S. banks, excluding U.S. Treasury securities, decreased \$29.4 billion in the first

CHART 3

Gross U.S. Purchases of Foreign Stocks and Purchases of Shares of Global and International Mutual Funds



1. Total sales of global and international mutual funds, including reinvested dividends; excludes short-term funds.
Mutual fund data: Investment Company Institute
U.S. Department of Commerce, Bureau of Economic Analysis

quarter, in contrast to an increase of \$32.8 billion in the fourth. Most of the first-quarter decrease was attributable to U.S. banks' repayments of loans to their offices overseas, following an increase in borrowing in the fourth quarter.

Banks' own liabilities payable in dollars decreased \$28.2 billion, in contrast to a \$17.4 billion increase. Foreign-owned banks made repayments to offshore offices, mostly in the Caribbean and in Japan, following fourth-quarter borrowing. U.S.-owned banks repaid loans to their own foreign offices for the fourth consecutive quarter. The repayments partly reflected the slowdown in U.S. domestic loan growth during the past year, which lessened the need for offshore funding.

Banks' own liabilities payable in foreign currencies decreased \$2.9 billion, following an increase of \$10.1 billion. The first-quarter decrease was largely the result of repayments to offices in the Caribbean and in Japan after fourth-quarter borrowing.

U.S. Treasury securities.—Net foreign purchases of U.S. Treasury securities increased to \$11.7 billion in the first quarter from \$1.7 billion in the fourth. Prices in the U.S. Treasury market fell for most of the quarter, as uncertainty about the Federal budget negotiations and the strength of the U.S. economy contributed to a sharp increase in long-term interest rates. Net foreign purchases of bonds and notes increased to \$10.2 billion from \$3.1 billion. Investors from Western Europe, Japan, and Asia shifted from net sales to net purchases. In contrast, investment funds in the Caribbean shifted from strong net purchases to net sales.

Other U.S. securities.—Net foreign purchases of U.S. securities other than U.S. Treasury securities increased to \$35.4 billion in the first quarter from \$27.3 billion in the fourth. Net foreign purchases of U.S. bonds increased sharply. In contrast, net foreign purchases of U.S. stocks decreased.

Net foreign purchases of U.S. federally-sponsored agency bonds increased to a record \$14.4 billion from \$2.8 billion. Included in net purchases were \$3.8 billion of new agency bonds sold abroad. Most of the increase in net purchases was attributable to investment funds in the Caribbean, which shifted from net sales to large net purchases.

Net foreign purchases of U.S. corporate bonds were \$17.5 billion, up from \$14.4 billion. New issues sold abroad by U.S. corporations totalled \$13.5 billion; the volume of new issues has been strong in recent quarters, partly as a result of a large amount of maturing issues.

Net foreign purchases of U.S. stocks decreased to \$3.5 billion from \$10.1 billion in the fourth quarter, which had been boosted by an exceptionally large transaction related to the foreign acquisition of a U.S. company. Net foreign purchases of U.S. stocks were relatively weak, given the rise in U.S. stock prices and the appreciation of the dollar. However, the weakness partly reflected profit-taking, which often occurs after price increases. Canadian investors accelerated their net purchases, and investment funds in the Caribbean shifted from net sales to net purchases. In contrast, investors from the United Kingdom, Japan, and other countries in Asia shifted from net purchases to net sales.

Direct investment.—Net capital inflows for foreign direct investment in the United States reached a record \$29.5 billion in the first quarter, up sharply from \$14.8 billion in the fourth. Equity capital inflows increased strongly and were centered in Europe and Japan, reflecting an increase in merger and acquisition activity. Net intercompany debt inflows also increased, mostly from Europe. Reinvested earnings increased, largely in the chemical manufacturing and insurance industries.


Tables 1 through 10A follow. 

Table 2.—U.S. Trade
[Millions]

Line	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
A	Balance of payments adjustments to Census trade data:													
	EXPORTS													
1	212,275	201,708	218,743	212,621	226,471	253,904	323,335	363,836	392,924	421,764	448,161	465,090	512,627	584,743
	Adjustments:													
2	163	166	169	194	174	257	253	683	890	1,046	1,224	1,181	848	817
3	882	350	330	406	457	718	593	544	741	225	398		88	38
4	967	1,164	1,373	1,345	1,298	1,607	1,845	1,980						
5	4,485	5,014	5,164	6,812										
6														
7	-7,369	-6,546	-5,719	-5,461	-4,549	-5,686	-5,221	-4,667	-5,162	-4,970	-7,767	-8,166	-9,370	-8,641
	-246	-57	-134	-2	-507	-592	-575	-256	-86	-1,152	-1,664	-1,273	-1,730	-1,017
8	211,157	201,799	219,926	215,915	223,344	250,208	320,230	362,120	389,307	416,913	440,352	456,832	502,463	575,940
	IMPORTS													
9	243,942	261,723	330,510	336,383	365,672	406,283	441,925	473,647	495,980	488,452	532,663	580,658	663,256	743,445
	Adjustments:													
10	910	999	1,067	1,021	872	986	826	82	87	88	85	84	86	84
11	1,462	290	474	559	2,163	2,133	3,577	2,134	1,348	948	1,887	6,775	2,752	3,066
12	1,118	1,325	1,504	1,376	1,643	1,830	2,120	2,264	2,525	2,809	2,768	3,129	3,350	
13	114	1,292	-841	-859	-645									
14														
15	-427	-446	-774	-1,005	-1,199	-1,330	-1,686	-1,086	-1,050	-936	-871	-676	-542	-470
	523	3,718	478	613	-81	-137	426	468	-292	-96	-115	-168	-97	-111
16	247,642	268,901	332,418	338,088	368,425	409,765	447,189	477,365	498,337	490,981	536,458	589,441	668,584	749,364
B	Trade in goods, by area and country, adjusted to balance of payments basis, excluding military:⁸													
	EXPORTS													
1	211,157	201,799	219,926	215,915	223,344	250,208	320,230	362,120	389,307	416,913	440,352	456,832	502,463	575,940
2	59,709	55,404	56,907	56,006	60,367	68,582	86,409	98,423	111,381	116,812	114,454	111,256	115,361	132,442
3	46,904	47,746	49,944	48,418	51,841	59,504	74,464	84,536	96,282	101,289	100,823	94,992	100,429	121,482
4	5,173	5,055	5,202	4,803	5,456	6,143	7,385	8,445	10,371	10,697	9,956	9,352	11,079	12,838
5	7,227	6,019	6,055	6,086	7,119	7,947	9,913	11,584	13,682	15,338	14,589	13,228	13,610	14,253
6	9,250	8,642	8,773	8,956	10,461	11,525	14,252	16,393	18,299	20,763	20,349	18,437	18,744	21,862
7	4,665	3,941	4,315	4,556	4,748	5,465	6,670	7,089	7,853	8,450	8,594	6,305	7,007	8,690
8	7,479	7,273	7,503	7,250	7,190	8,026	9,714	11,272	12,769	13,260	13,429	12,639	13,320	16,225
9	10,692	10,567	12,202	11,088	11,152	13,749	18,064	20,346	22,929	21,515	22,398	25,658	25,972	28,024
10	2,418	6,249	5,894	5,679	5,715	6,649	8,466	9,407	10,379	11,266	11,308	9,373	10,697	19,570
11	12,805	7,658	6,963	7,588	8,526	9,078	11,945	13,887	15,099	15,523	13,831	16,264	14,932	10,960
12	39,172	44,521	53,035	55,425	56,495	62,009	74,290	81,090	83,464	85,891	91,361	101,156	114,830	127,585
13	20,692	21,792	23,230	22,148	26,352	27,630	37,185	43,864	47,806	47,213	46,874	46,683	51,816	63,115
14	7,525	6,604	7,849	6,966										
15	4,357	3,885	4,858	5,060	5,073	5,289	6,809	8,101	8,303	8,261	8,697	8,109	9,586	10,500
16	3,747	2,984	4,301	3,249	2,070	2,259	3,805	5,522	4,338	4,839	5,630	6,183	5,346	5,722
17	33,151	25,640	29,765	30,796	30,762	34,949	43,659	48,817	54,295	63,251	75,379	78,204	92,031	95,842
18	3,446	2,556	2,746	3,310	3,878	4,084	4,244	4,863	5,042	6,137	5,742	5,930	7,916	11,155
19	11,736	9,093	12,020	13,386	12,310	14,551	20,583	24,678	28,109	33,138	40,494	41,478	50,741	46,182
20	5,192	2,707	3,387	3,063	3,095	3,530	4,532	2,964	3,052	4,600	5,316	4,475	3,960	4,606
21	12,777	11,284	11,612	11,037	11,479	12,784	14,300	16,312	16,092	19,376	23,827	26,321	29,414	33,899
22	47,095	44,776	44,806	41,147	42,225	49,490	68,021	76,129	79,162	90,257	97,869	105,017	113,404	140,734
23	39,799	38,649	39,028	35,297	36,329	43,685	60,514	68,030	70,904	81,217	88,229	95,623	104,052	130,463
24	11,987	10,218	8,412	6,215	5,780	5,780	7,399	8,362	8,030	11,194	12,697	12,277	11,344	12,329
25	2,920	2,227	3,016	3,860	3,065	3,507	5,100	5,774	4,791	6,261	7,399	8,732	9,242	11,750
26	2,449	2,572	3,120	2,753	2,981	3,975	5,665	6,281	6,783	8,099	9,020	9,844	11,416	14,197
27	5,286	5,732	5,887	5,728	5,863	7,647	10,637	13,116	13,893	14,875	13,840	14,071	16,988	24,200
28	3,206	3,715	3,686	3,444	3,344	4,048	5,757	7,315	8,002	8,728	9,511	10,827	12,168	14,901
29	4,006	4,291	4,766	4,568	5,115	7,097	12,066	10,982	11,079	12,684	14,509	15,337	16,117	18,521
30	6,930	5,873	5,541	5,600	5,639	5,596	7,183	7,973	7,973	8,661	9,144	8,983	8,957	9,973
31	2,446	1,733	1,326	1,534	908	783	1,170	1,342	1,630	1,703	1,813	1,940	1,815	1,496
32	66	78	33	178				52	174	558	389	88	224	89
	Memoranda:													
33	127,098	128,321	141,021	140,545	150,302	165,613	207,317	234,247	253,812	261,288	265,116	270,621	295,246	338,123
34	20,638	15,257	13,775	11,397	10,386	10,714	13,777	12,669	12,712	18,446	19,726	18,692	17,119	18,431
35	63,355	58,143	65,097	63,795	62,656	73,881	99,084	115,030	122,225	136,790	155,422	167,295	190,009	219,386

See footnotes on page 87.

SURVEY OF CURRENT BUSINESS

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In Goods
of dollars)

Not seasonally adjusted									Seasonally adjusted									Line						
1994				1995				1996				1994				1995				1996				
I	II	III	IV	I	II	III	IV	I ^P	I	II	III	IV	I	II	III	IV	I ^P							
120,826	127,227	126,573	138,001	141,211	147,055	143,085	153,392	153,262	120,688	125,350	129,924	136,665	140,621	145,209	147,100	151,813	152,405	1						
254	199	186	209	196	209	197	215	226	254	199	186	209	196	209	197	215	226	2						
38		25	25			13	25		38		25	25		13	25			3						
																		4						
																		5						
-2,066	-2,139	-2,471	-2,694	-2,038	-2,239	-2,087	-2,277	-2,160	-2,066	-2,139	-2,471	-2,694	-2,038	-2,239	-2,087	-2,277	-2,160	6						
-453	-501	-427	-349	-228	-209	-251	-329	-452	-453	-501	-427	-349	-228	-209	-251	-329	-452	7						
118,599	124,786	123,886	135,192	139,141	144,829	140,969	151,001	150,876	118,462	122,909	127,237	133,855	138,551	142,983	144,984	149,422	150,019	8						
147,831	161,598	172,991	180,836	176,206	187,108	189,528	190,603	185,365	152,988	162,641	170,808	176,819	182,128	187,961	186,857	186,499	190,874	9						
22	21	21	22	21	21	21	21	23	22	21	21	22	21	21	21	21	23	10						
1,699	716	214	123	625	2,205		236	1,056	1,699	716	214	123	625	2,205		236	1,056	11						
766	776	769	818	829	853	811	857	935	766	776	769	818	829	853	811	857	935	12						
																		13						
-150	-142	-129	-121	-111	-113	-120	-126	-98	-150	-142	-129	-121	-111	-113	-120	-126	-98	14						
-24	-19	-31	-23	-17	-18	-37	-39	-33	-24	-19	-31	-23	-17	-18	-37	-39	-33	15						
150,144	162,950	173,835	181,855	177,553	190,056	190,203	191,552	187,248	155,301	163,993	171,652	177,638	183,474	190,910	187,532	187,448	192,757	16						
118,599	124,786	123,886	135,192	139,141	144,829	140,969	151,001	150,876	118,462	122,909	127,237	133,855	138,551	142,983	144,984	149,422	150,019	1						
28,837	28,833	26,570	31,121	31,881	33,906	31,198	35,457	34,895	28,864	28,376	27,251	30,870	31,805	33,446	32,039	35,152	34,725	2						
25,214	24,890	23,095	27,230	29,234	30,627	28,921	32,700	31,633	25,235	24,498	23,684	27,012	29,164	30,208	29,692	32,418	31,483	3						
2,399	2,612	2,814	3,254	3,049	3,213	3,254	3,322	3,145	2,401	2,568	2,877	3,233	3,045	3,166	3,333	3,294	3,137	4						
3,335	3,251	3,245	3,779	3,707	3,663	3,235	3,648	3,731	3,342	3,196	3,315	3,757	3,707	3,610	3,313	3,623	3,724	5						
4,632	4,562	4,346	5,204	5,248	5,409	5,247	5,978	5,847	4,488	4,452	4,566	5,240	5,330	5,383	5,929	5,826	6							
1,567	2,012	1,517	1,911	2,088	2,261	1,967	2,374	2,401	1,570	1,981	1,561	1,895	2,084	2,233	2,021	2,352	2,387	7						
3,443	3,097	2,922	3,858	3,790	4,210	3,752	4,473	4,127	3,437	3,058	3,012	3,813	3,767	4,165	3,868	4,425	4,087	8						
7,196	6,671	5,666	6,409	6,573	7,224	6,834	7,393	7,263	7,216	6,554	5,832	6,370	6,571	7,112	7,002	7,339	7,249	9						
2,642	2,685	2,555	2,815	4,779	4,847	4,632	5,512	5,119	2,631	2,653	2,635	2,778	4,750	4,592	4,772	5,456	5,073	10						
3,623	3,943	3,475	3,891	2,647	3,279	2,277	2,757	3,262	3,629	3,878	3,567	3,658	2,641	3,238	2,347	2,734	3,242	11						
26,295	29,679	27,858	30,998	32,055	33,045	30,146	32,339	33,138	26,320	29,203	28,524	30,783	32,019	32,580	30,897	32,089	33,061	12						
12,623	12,550	13,353	13,290	14,787	15,580	16,230	16,518	17,057	12,535	12,411	13,787	13,083	14,649	15,428	16,771	16,267	16,883	13						
																		14						
2,082	2,296	2,712	2,496	2,588	2,663	2,607	2,642	2,975	2,063	2,255	2,771	2,477	2,586	2,621	2,670	2,623	2,972	15						
1,155	1,389	1,459	1,343	1,172	1,463	1,391	1,696	1,929	1,142	1,375	1,511	1,318	1,155	1,454	1,450	1,663	1,897	16						
20,947	22,488	23,343	25,253	23,418	23,507	23,998	24,921	24,656	20,921	22,143	23,962	25,005	23,338	23,185	24,654	24,665	24,521	17						
1,683	1,602	1,930	2,701	2,785	2,969	2,519	2,892	2,549	1,689	1,576	1,976	2,675	2,784	2,915	2,584	2,872	2,544	18						
11,833	12,596	13,016	13,296	11,566	10,847	11,690	12,079	12,980	11,810	12,401	13,362	13,168	11,531	10,694	11,999	11,958	12,909	19						
993	1,023	898	1,046	1,056	1,194	1,282	1,074	1,062	992	1,009	923	1,036	1,049	1,178	1,317	1,062	1,055	20						
6,438	7,267	7,499	8,210	8,009	8,507	8,507	8,676	8,065	6,430	7,157	7,701	8,126	7,974	8,398	8,754	8,773	8,013	21						
26,658	27,551	28,591	30,604	33,242	34,665	35,399	37,428	36,224	26,595	27,146	29,431	30,232	32,999	34,269	36,503	36,963	35,958	22						
24,399	25,319	26,308	28,026	30,884	32,216	32,722	34,641	33,483	24,358	24,932	27,050	30,679	31,832	33,713	34,239	33,233	33,233	23						
2,902	2,635	2,509	3,298	3,194	3,021	2,775	3,339	3,246	2,902	2,596	2,585	3,261	3,177	2,963	2,671	3,298	3,216	24						
2,200	2,476	2,514	2,052	2,905	2,678	2,815	3,352	3,119	2,197	2,439	2,585	2,021	2,857	2,665	2,916	3,312	3,080	25						
2,359	3,087	3,004	2,966	3,282	3,752	3,564	3,599	3,093	2,354	3,042	3,088	2,932	3,268	3,705	3,666	3,558	3,076	26						
3,821	3,769	4,501	4,897	5,727	6,031	6,137	6,305	6,278	3,804	3,715	4,637	4,832	5,678	5,963	6,337	6,222	6,219	27						
2,858	2,889	3,183	3,238	3,343	3,415	3,881	4,262	4,246	2,866	2,832	3,252	3,218	3,343	3,357	3,968	4,233	4,244	28						
4,066	3,838	3,928	4,285	4,605	4,960	4,591	4,365	4,319	4,053	3,783	4,049	4,232	4,576	4,904	4,736	4,305	4,277	29						
2,185	2,144	2,118	2,510	2,297	2,369	2,601	2,706	2,673	2,164	2,127	2,209	2,457	2,260	2,357	2,705	2,651	2,627	30						
560	365	448	442	374	392	373	357	393	549	365	469	432	367	394	387	348	383	31						
2			87					2	2			87					2	32						
70,624	74,206	71,410	79,006	82,317	86,350	81,397	88,059	89,259	70,590	73,079	73,272	78,305	82,060	85,216	83,623	87,224	88,829	33						
4,455	4,023	3,855	4,786	4,624	4,607	4,430	4,770	4,701	4,443	3,970	3,977	4,729	4,593	4,555	4,575	4,708	4,654	34						
43,518	46,557	48,621	51,313	52,200	53,872	55,142	58,172	56,914	43,427	45,860	49,988	50,734	51,898	53,212	56,786	57,490	56,534	35						

Table 3.—Private
[Millions]

Line		1993	1994	1995	Not seasonally adjusted			
					1994			
					I	II	III	IV
1	Exports of private services	172,139	182,704	196,411	42,842	44,169	49,292	46,401
2	Travel (table 1, line 5)	57,875	58,417	61,137	12,818	14,644	17,208	13,747
3	Passenger fares (table 1, line 6)	16,611	17,083	18,534	3,894	4,167	5,049	3,973
4	Other transportation (table 1, line 7)	23,894	25,861	28,063	5,939	6,271	6,633	7,018
5	Freight	8,668	9,698	10,780	2,211	2,425	2,455	2,607
6	Port services	14,222	15,101	16,091	3,462	3,578	3,912	4,149
7	Other	1,005	1,066	1,193	267	269	267	263
8	Royalties and license fees (table 1, line 8)	20,323	22,272	26,953	4,964	5,367	5,631	6,310
9	Affiliated	15,707	17,422	21,619	3,781	4,170	4,411	5,061
10	U.S. parents' receipts	14,936	16,424	20,180	3,573	3,956	4,135	4,761
11	U.S. affiliates' receipts	771	998	1,439	208	214	276	300
12	Unaffiliated	4,616	4,849	5,333	1,183	1,197	1,220	1,249
13	Industrial processes ¹	2,820	3,043	3,316	740	753	767	783
14	Other ²	1,796	1,806	2,017	442	445	453	466
15	Other private services (table 1, line 9)	53,436	59,071	61,724	15,227	13,720	14,771	15,353
16	Affiliated services	16,740	18,162	19,458	4,050	4,408	4,424	5,279
17	U.S. parents' receipts	10,902	11,623	11,933	2,607	2,824	2,799	3,392
18	U.S. affiliates' receipts	5,838	6,539	7,525	1,443	1,584	1,625	1,887
19	Unaffiliated services	36,696	40,910	42,265	11,177	9,312	10,347	10,074
20	Education	6,738	7,175	7,517	2,887	925	1,866	1,497
21	Financial services	4,999	5,626	6,109	1,456	1,374	1,348	1,448
22	Insurance, net	1,020	1,506	1,395	353	380	390	384
23	Premiums received	3,981	4,944	5,575	1,143	1,214	1,272	1,316
24	Losses paid	2,961	3,437	4,180	790	834	882	932
25	Telecommunications	2,785	2,871	2,848	713	718	720	720
26	Business, professional, and technical services	13,296	15,728	16,264	3,740	3,950	4,025	4,014
27	Other unaffiliated services ³	7,858	8,003	8,131	2,028	1,964	1,998	2,013
28	Imports of private services	111,016	121,148	129,655	27,108	30,906	33,563	29,573
29	Travel (table 1, line 19)	40,713	43,782	45,855	8,998	11,848	13,341	9,595
30	Passenger fares (table 1, line 20)	11,313	12,885	14,313	2,862	3,362	3,748	2,913
31	Other transportation (table 1, line 21)	26,328	27,983	29,205	6,496	6,875	7,439	7,173
32	Freight	14,846	16,444	17,089	3,767	4,014	4,328	4,335
33	Port services	10,587	10,621	11,215	2,493	2,637	2,889	2,602
34	Other	895	919	902	237	224	222	236
35	Royalties and license fees (table 1, line 22)	4,765	5,518	6,312	1,465	1,223	1,373	1,458
36	Affiliated	3,364	3,810	5,148	886	630	979	1,116
37	U.S. parents' payments	234	248	430	63	58	55	72
38	U.S. affiliates' payments	3,130	3,562	4,718	823	772	924	1,044
39	Unaffiliated	1,401	1,708	1,163	579	393	394	342
40	Industrial processes ¹	1,054	1,056	819	278	273	261	244
41	Other ²	348	652	344	301	120	133	98
42	Other private services (table 1, line 23)	27,897	30,980	33,970	7,287	7,598	7,662	8,434
43	Affiliated services	10,618	11,755	13,723	2,624	2,870	2,859	3,402
44	U.S. parents' payments	5,721	5,760	6,740	1,203	1,420	1,395	1,742
45	U.S. affiliates' payments	4,897	5,995	6,983	1,421	1,450	1,464	1,660
46	Unaffiliated services	17,279	19,225	20,247	4,663	4,728	4,803	5,031
47	Education	767	816	877	164	203	253	197
48	Financial services	1,371	1,611	1,707	444	384	384	398
49	Insurance, net	3,095	3,781	4,481	862	915	972	1,032
50	Premiums paid	12,093	13,861	13,710	3,348	3,467	3,524	3,521
51	Losses recovered	8,998	10,080	9,230	2,486	2,552	2,553	2,489
52	Telecommunications	6,365	6,924	6,773	1,704	1,736	1,748	1,737
53	Business, professional, and technical services	4,012	4,262	4,502	1,001	1,058	1,053	1,150
54	Other unaffiliated services ³	1,670	1,833	1,908	487	433	394	518
55	Memoranda:							
55	Balance on goods (table 1, line 64)	-132,609	-166,121	-173,424	-31,545	-38,164	-49,949	-46,463
56	Balance on private services (line 1 minus line 28)	61,123	61,556	66,756	15,734	13,263	15,729	16,828
57	Balance on goods and private services (lines 55 and 56)	-71,486	-104,565	-106,668	-15,811	-24,901	-34,220	-29,635

See footnotes on page 87.

Service Transactions
of dollars]

Not seasonally adjusted					Seasonally adjusted										Line
1995				1996	1994				1995				1996		
I	II	III	IV	I ^P	I	II	III	IV	I	II	III	IV	I ^P		
45,676	46,956	54,066	49,712	49,991	44,185	45,390	45,945	47,184	47,092	48,273	50,371	50,673	51,582	1	
13,130	14,736	18,704	14,567	14,430	14,399	14,714	14,493	14,810	14,762	14,825	15,682	15,867	16,183	2	
3,912	4,529	5,656	4,437	4,486	4,237	4,253	4,277	4,316	4,248	4,635	4,815	4,836	4,867	3	
6,661	6,937	7,175	7,290	6,891	6,057	6,288	6,575	6,942	6,784	6,951	7,117	7,211	7,019	4	
2,436	2,712	2,736	2,896	2,648	2,231	2,404	2,466	2,597	2,459	2,689	2,747	2,885	2,672	5	
3,928	3,929	4,144	4,090	3,933	3,559	3,616	3,842	4,083	4,028	3,965	4,075	4,021	4,037	6	
297	297	295	304	310	267	269	267	263	297	297	295	304	310	7	
5,977	6,476	6,877	7,622	6,638	5,237	5,481	5,746	5,808	6,309	6,615	7,014	7,015	6,996	8	
4,692	5,157	5,527	6,243	5,232	4,054	4,284	4,526	4,559	5,024	5,296	5,664	5,636	5,589	9	
4,333	4,868	5,158	5,821	4,866	3,841	4,036	4,239	4,309	4,656	4,964	5,281	5,280	5,213	10	
359	289	369	422	366	213	248	287	250	368	332	383	356	376	11	
1,285	1,319	1,350	1,379	1,407	1,183	1,198	1,220	1,249	1,285	1,319	1,350	1,379	1,407	12	
801	819	838	858	878	740	753	767	783	801	819	838	858	878	13	
484	499	512	522	529	442	445	453	466	484	499	512	522	529	14	
15,996	14,278	15,654	15,796	17,546	14,255	14,654	14,854	15,308	14,989	15,247	15,743	15,744	16,517	15	
4,421	4,698	4,956	5,384	5,209	4,211	4,487	4,530	4,933	4,600	4,773	5,070	5,015	5,416	16	
2,726	2,920	2,984	3,303	3,145	2,722	2,863	2,865	3,172	2,846	2,965	3,050	3,072	3,280	17	
1,695	1,778	1,972	2,061	2,064	1,489	1,624	1,665	1,761	1,754	1,808	2,020	1,943	2,136	18	
11,576	9,579	10,698	10,412	12,336	10,044	10,167	10,324	10,735	10,389	10,474	10,673	10,729	11,101	19	
3,028	965	1,976	1,548	3,156	1,754	1,780	1,844	1,798	1,841	1,860	1,950	1,866	1,922	20	
1,373	1,504	1,574	1,659	1,728	1,456	1,374	1,348	1,448	1,373	1,504	1,574	1,659	1,728	21	
361	346	342	347	362	353	380	390	348	361	346	342	347	362	22	
1,346	1,377	1,409	1,443	1,480	1,143	1,214	1,272	1,316	1,346	1,377	1,409	1,443	1,480	23	
985	1,031	1,068	1,096	1,118	790	834	882	932	985	1,031	1,068	1,096	1,118	24	
717	713	710	708	706	713	718	720	720	717	713	710	708	706	25	
4,044	4,039	4,078	4,104	4,259	3,740	3,950	4,025	4,014	4,044	4,039	4,078	4,104	4,259	26	
2,055	2,012	2,019	2,046	2,124	2,028	1,964	1,998	2,013	2,055	2,012	2,019	2,046	2,124	27	
29,073	33,479	35,919	31,184	30,483	29,605	30,032	30,670	30,839	31,762	32,533	32,844	32,516	33,329	28	
9,405	12,563	13,787	10,100	10,020	10,879	10,882	11,045	10,976	11,397	11,539	11,377	11,541	12,144	29	
3,072	3,828	4,215	3,198	3,289	3,152	3,204	3,299	3,230	3,376	3,658	3,716	3,563	3,589	30	
7,094	7,306	7,642	7,163	6,768	6,646	6,948	7,243	7,145	7,251	7,380	7,434	7,140	6,926	31	
4,357	4,235	4,390	4,107	4,028	3,813	4,045	4,313	4,273	4,409	4,267	4,370	4,043	4,083	32	
2,507	2,846	3,026	2,836	2,530	2,596	2,680	2,708	2,636	2,611	2,888	2,839	2,877	2,634	33	
231	225	226	220	210	237	224	222	236	231	225	226	220	210	34	
1,453	1,450	1,643	1,765	1,658	1,495	1,272	1,349	1,401	1,496	1,508	1,619	1,690	1,704	35	
1,148	1,163	1,350	1,488	1,372	916	879	955	1,059	1,191	1,221	1,325	1,412	1,418	36	
93	100	118	120	97	63	58	55	72	93	100	118	120	97	37	
1,055	1,063	1,232	1,368	1,275	853	821	900	967	1,098	1,121	1,207	1,292	1,321	38	
305	287	293	278	286	579	393	394	342	305	287	293	278	286	39	
220	205	197	197	203	278	273	261	244	220	205	197	197	203	40	
85	82	96	81	83	301	120	133	98	85	82	96	81	83	41	
8,049	8,332	8,632	8,958	8,748	7,433	7,726	7,734	8,087	8,242	8,448	8,698	8,582	8,966	42	
3,090	3,284	3,490	3,660	3,513	2,780	2,970	2,921	3,084	3,286	3,373	3,563	3,511	3,732	43	
1,462	1,652	1,701	1,925	1,551	1,363	1,437	1,442	1,518	1,656	1,660	1,749	1,675	1,760	44	
1,628	1,632	1,789	1,935	1,962	1,417	1,533	1,479	1,566	1,630	1,713	1,804	1,836	1,972	45	
4,959	5,048	5,142	5,098	5,236	4,653	4,756	4,813	5,003	4,956	5,075	5,145	5,071	5,204	46	
177	219	273	209	188	198	202	206	210	213	218	223	225	226	47	
399	410	452	447	476	444	384	384	398	398	410	452	447	476	48	
1,104	1,152	1,182	1,043	1,188	862	915	972	1,032	1,104	1,152	1,182	1,043	1,188	49	
3,458	3,421	3,409	3,422	3,462	3,348	3,467	3,524	3,521	3,458	3,421	3,409	3,422	3,462	50	
2,355	2,269	2,227	2,379	2,273	2,486	2,552	2,553	2,489	2,355	2,269	2,227	2,379	2,273	51	
1,709	1,706	1,678	1,681	1,689	1,704	1,736	1,748	1,737	1,709	1,706	1,678	1,681	1,689	52	
1,077	1,114	1,142	1,170	1,182	1,001	1,058	1,053	1,150	1,077	1,114	1,142	1,170	1,182	53	
496	448	416	549	514	443	461	450	477	457	476	469	507	473	54	
-38,412	-45,227	-49,234	-40,551	-36,372	-36,839	-41,084	-44,415	-43,783	-44,923	-47,927	-42,548	-38,026	-42,738	55	
16,603	13,477	18,147	18,528	19,508	14,580	15,358	15,275	16,345	15,330	15,740	17,527	18,157	18,253	56	
-21,809	-31,750	-31,087	-22,023	-16,864	-22,259	-25,726	-29,140	-27,438	-29,593	-32,187	-25,021	-19,869	-24,485	57	

Table 4.—Selected U.S. Government Transactions

[Millions of dollars]

Line		1993	1994	1995	Not seasonally adjusted									
					1994				1995				1996	
					I	II	III	IV	I	II	III	IV		IP
A1	U.S. Government grants and transactions increasing Government assets, total	23,435	21,209	15,497	3,108	4,861	5,192	8,049	4,063	3,206	4,204	4,024	5,307	
	By category													
2	Grants, net (table 1, line 30, with sign reversed)	16,823	15,816	10,959	2,387	3,709	3,552	6,168	2,846	2,381	2,933	2,799	4,340	
3	Financing military purchases ¹	6,326	5,028	2,437	682	842	1,142	2,362	599	433	535	870	1,729	
4a	Other grants	10,499	10,788	8,522	1,705	2,867	2,410	3,806	2,247	1,948	2,398	1,929	2,611	
4b	Cash contributions received from coalition partners for Persian Gulf operations	-2												
5	Credits and other long-term assets (table 1, line 40, with sign reversed)	6,299	5,208	4,640	757	984	1,219	2,248	1,612	815	1,014	1,199	866	
6	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,132	1,417	1,498	222	349	396	451	312	258	403	526	438	
7	Credits repayable in U.S. dollars	4,632	3,236	2,558	396	508	672	1,658	1,155	418	461	524	289	
8	Credits repayable in other than U.S. dollars	17	4	-11	-1	-1	6	3	3	-1	-9	-3	-6	
9	Other long-term assets	518	550	595	136	128	153	133	143	141	159	153	145	
10	Foreign currency holdings and short-term assets, net (table 1, line 42 with sign reversed)	313	185	-102	-36	169	421	-368	-395	11	257	25	100	
11	Foreign currency holdings (excluding administrative cash holdings), net	-51	22	16	5	-15	20	13	9	-8	17	-1	5	
	Receipts from:													
12	Sales of agricultural commodities	1	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
13	Interest	37	28	10	5	3	17	3	3	3	4	1	3	
14	Repayments of principal	59	38	34	14	10	9	6	9	11	10	3	14	
15	Reverse grants													
16	Other sources	21	14	26	2	3	5	5	3	2	17	4	4	
	Less currencies disbursed for:													
17	Grants and credits in the recipient's currency	6	3	3	(*)			3	3	(*)	(*)			
18	Other grants and credits													
19	Other U.S. Government expenditures	164	55	50	16	28	-4	14	4	24	13	9	16	
20	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net	263	73	-209	-107	167	427	-414	-395	14	100	71	73	
21	Other assets held under Commodity Credit Corporation Charter Act, net	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
22	Assets financing military sales contracts, net ²													
23	Other short-term assets (including changes in administrative cash holdings), net	101	89	91	66	17	-26	32	-9	5	140	-45	22	
	By program													
24	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,132	1,417	1,498	222	349	396	451	312	258	403	526	438	
25	Under Agricultural Trade Development and Assistance Act and related programs	3,399	2,003	1,100	347	558	444	654	247	239	259	355	275	
26	Under Foreign Assistance Act and related programs	14,879	13,407	9,603	2,082	2,486	3,275	5,566	2,388	2,101	2,560	2,555	4,132	
27	Under Export-Import Bank Act	754	1,054	997	147	344	250	313	415	122	310	150	85	
28	Under Commodity Credit Corporation Charter Act	1,472	1,663	442	-85	842	436	470	105	86	122	129	49	
29	Under other grant and credit programs	1,224	1,000	1,151	188	150	245	416	452	263	233	203	155	
30	Other foreign currency assets acquired (lines A13, A14, and A16)	118	80	69	21	16	16	27	15	16	30	8	21	
31	Less foreign currencies used by U.S. Government other than for grants or credits (line A19)	164	55	50	16	28	-4	14	4	24	13	9	16	
32	Other (including changes in administrative cash holdings), net	622	639	687	202	145	126	166	133	146	299	108	168	
	By disposition³													
33	Estimated transactions involving no direct dollar outflow from the United States	16,971	14,724	9,929	2,048	3,686	3,794	5,196	2,543	2,052	2,796	2,539	3,177	
34	Expenditures on U.S. goods	7,075	5,756	3,663	821	901	1,087	2,947	763	737	920	1,243	2,083	
35	Expenditures on U.S. services ⁴	3,338	2,940	2,789	565	568	856	951	756	675	780	579	585	
36	Financing of military sales contracts by U.S. Government ⁵ (line C6)	4,407	3,626	2,399	671	1,005	1,301	649	653	526	620	599	438	
37	By long-term credits	226	662	518	48	200	221	193	104	126	122	166	151	
38	By short-term credits ¹													
39	By grants ¹	4,181	2,964	1,881	622	806	1,080	457	549	401	498	433	287	
40	U.S. Government grants and credits to repay prior U.S. Government credits ^{1,4}	951	1,470	548	101	1,070	92	206	99	28	366	55	14	
41	U.S. Government long- and short-term credits to repay prior U.S. private credits ⁶ and other assets	1,710	1,319	639	164	190	487	478	304	114	140	81	73	
42	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line C11)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
43	Less receipts on short-term U.S. Government assets (a) financing military sales contracts ¹ (b) financing repayment of private credits and other assets, and (c) financing expenditures on U.S. goods	346	332	59	257	20	33	22	28	5	17	9	1	
44	Less foreign currencies used by U.S. Government other than for grants or credits (line A19)	164	55	50	16	28	-4	14	4	24	13	9	16	
45	Estimated dollar payments to foreign countries and international financial institutions	6,463	6,485	5,568	1,060	1,175	1,398	2,852	1,521	1,155	1,408	1,485	2,130	
B1	Repayments on U.S. Government long-term assets, total (table 1, line 41)	6,270	5,052	4,258	1,120	1,643	1,352	937	1,063	647	1,523	1,025	1,018	
2	Receipts of principal on U.S. Government credits	5,723	4,474	3,623	970	1,507	1,208	789	905	488	1,366	864	854	
3	Under Agricultural Trade Development and Assistance Act and related programs	991	679	340	35	254	112	279	43	39	104	154	35	
4	Under Foreign Assistance Act and related programs	2,471	1,717	1,864	501	257	774	186	541	265	850	207	555	
5	Under Export-Import Bank Act	1,798	1,001	1,050	342	248	258	154	265	144	341	300	214	
6	Under Commodity Credit Corporation Charter Act	263	950	229	92	746	65	47	53	38	60	78	50	
7	Under other credit programs	199	126	141	(*)	3	(*)	123	2	3	11	126	(*)	
8	Receipts on other long-term assets	547	577	635	150	135	144	148	158	159	157	161	163	
C1	U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 53)	1,713	2,344	1,082	862	187	501	794	-331	235	-71	1,249	-195	
2	Associated with military sales contracts ²	1,912	2,383	1,054	887	193	505	797	-361	221	-68	1,262	-157	
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds. ¹	11,085	10,730	11,963	2,469	1,869	2,946	3,447	2,416	2,826	2,753	3,968	3,557	
4	Less U.S. Government receipts from principal repayments	586	741	795	316	93	311	21	359	85	307	44	368	
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States	-88	-1,022	-892	-747	-488	-234	448	-84	-280	-454	-74	656	
6	Plus financing of military sales contracts by U.S. Government ⁵ (line A36)	4,407	3,626	2,399	671	1,005	1,301	649	653	526	620	599	438	
7	By long-term credits	226	662	518	48	200	221	193	104	125	122	166	151	
8	By short-term credits ¹													
9	By grants ¹	4,181	2,964	1,881	622	806	1,080	457	549	401	498	433	287	
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits) ² (table 1, line 4)	13,082	12,255	13,405	2,684	3,076	3,666	2,829	3,155	3,327	3,589	3,334	3,128	
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line A42)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	
12	Associated with other liabilities	-199	-39	29	-25	-7	-4	-3	31	13	-3	-13	-39	
13	Sales of nuclear material by Department of Energy/U.S. Enrichment Corporation	-35	-32	-4	-6	-8	-11	-8	(*)	1	-6	1	-1	
14	Sales of space launch and other services by National Aeronautics and Space Administration	-162	9	34	-15	9	15	(*)	12	22	-3	3	-39	
15	Other sales and miscellaneous operations	-1	-15	-1	-5	-7	-8	5	18	-9	(*)	-10	-1	

See footnotes on page 87.

FOOTNOTES TO U.S. INTERNATIONAL TRANSACTIONS TABLES 1-10A

General notes for all tables: P Preliminary. * Less than \$500,000 (\pm) n.a. Not available.

D Suppressed to avoid disclosure of data of individual companies.

Table 1:

1. Credits, +: Exports of goods, services, and income; unilateral transfers to United States; capital inflows (increase in foreign assets (U.S. liabilities) or decrease in U.S. assets); decrease in U.S. official reserve assets; increase in foreign official assets in the United States.

Debits, -: Imports of goods, services, and income; unilateral transfers to foreigners; capital outflows (decrease in foreign assets (U.S. liabilities) or increase in U.S. assets); increase in U.S. official reserve assets; decrease in foreign official assets in the United States.

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 4; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 18; and fuels purchased by airline and steamship operators in lines 7 and 21.

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. For all areas, amounts outstanding March 31, 1996, were as follows in millions of dollars: Line 34, 84,212; line 35, 11,053; line 36, 11,049; line 37, 15,249; line 38, 46,861. Data are preliminary.

8. Includes sales of foreign obligations to foreigners.

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

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

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

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

13. Conceptually, the sum of lines 70 and 62 is equal to "net foreign investment" in the national income and product accounts (NIPA's). However, the foreign transactions account in the NIPA's (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 the "Reconciliation and Other Special Tables" section in this issue of the Survey of Current Business. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.5 of the full set of NIPA tables (published annually in the July issue of the Survey). Additional footnotes for historical data in June 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, June 1990, June 1992, June 1993, June 1995, and July 1996 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 June 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" month data supplied by the Census Bureau (see Technical Notes in the December 1985 Survey).

Seasonally adjusted data reflect the application of seasonal factors developed jointly by Census and BEA. The seasonally adjusted data are the sum of seasonally adjusted five-digit end-use categories (see Technical Notes in the June 1990 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. Beginning in 1990, the Census Bureau replaced its compiled export statistics with counterpart Canadian import statistics. Similarly, Statistics Canada replaced its compiled export statistics with counterpart U.S. import statistics. This exchange of data has eliminated the need for the inland freight adjustment on U.S. exports, but not on U.S. imports.

3. 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.

4. Exports of military equipment under U.S. military agency sales contracts with foreign governments (line A6), and direct imports by the Department of Defense and the Coast Guard (line A14), to the extent such trade is identifiable from Customs declarations. The exports are included in tables 1 and 10, line 4 (transfers under U.S. military agency sales contracts); the imports are included in tables 1 and 10, line 18 (direct defense expenditures).

5. 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 June issues of the Survey for historical data).

6. Deduction of foreign charges for repair of U.S. vessels abroad, which are included in tables 1 and 10, line 21 (other transportation); coverage adjustments for special situations in which shipments were omitted from Census data; and the deduction of the value of repairs and alterations to U.S.-owned equipment shipped abroad for repair. 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 June issues of the Survey for historical data).

7. For 1988-89, correction for the understatement of crude petroleum imports from Canada.

8. Annual and unadjusted quarterly data shown in this table correspond to country and area data in table 10, lines 2 and 16. 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 (beginning in January 1993, excludes Ecuador); *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."

9. 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.

10. 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."

11. Includes nuclear fuel materials and fuels.

Table 3:

1. Patented techniques, processes, and formulas and other intangible property rights that are used in goods production.

2. Copyrights, trademarks, franchises, rights to broadcast live events, and other intangible property rights.

3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign governments and international organizations in the United States. Payments (imports) include mainly wages of foreign residents temporarily employed in the United States and Canadian and Mexican commuters in U.S. border areas.

Table 4:

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 A3. Deliveries against these military sales contracts are included in line C10; see footnote 2. Of the line A3 items, part of these military expenditures is applied in lines A40 and A43 to reduce short-term assets previously recorded in lines A38 and C8; this application of funds is excluded from lines C3 and C4. A second part of line A3 expenditures finances future deliveries under military sales contracts for the recipient countries and is applied directly to lines A39 and C9. A third part of line A3, disbursed directly to finance purchases by recipient countries from commercial suppliers in the United States, is included in line A34. A fourth part of line A3, representing dollars paid to the recipient countries to finance purchases from countries other than the United States, is included in line A45.

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 A35 includes foreign currency collected as interest and line A40 includes foreign currency collected as principal, as recorded in lines A13 and A14, respectively.

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

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

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

Table 5:

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

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

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

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

Table 6:

1. Primarily provincial, regional, and municipal.

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

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

Table 7:

1. Deposits (line A5) include other financial claims (line A6) for some countries due to the commingling of these categories in foreign source data.

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

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

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

5. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Beginning in January 1993, excludes Ecuador.

Table 8:

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

2. U.S.-owned banks are mainly U.S.-chartered banks and Edge Act subsidiaries. U.S. brokers' and dealers' accounts may be commingled in some categories. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States.

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

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

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

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

7. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Beginning in January 1993, excludes Ecuador.

8. Includes Eastern Europe and international and regional organizations.

Table 9:

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

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

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

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

5. U.S.-owned banks are mainly U.S.-chartered banks and Edge Act subsidiaries. U.S. brokers' and dealers' liabilities may be commingled in some categories. Foreign-owned banks are U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States.

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

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

8. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Beginning in January 1993, excludes Ecuador.

9. Includes Eastern Europe and international and regional organizations.

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

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

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

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

17. Details not shown separately; see totals in lines 49 and 56.

18. Details not shown separately are included in line 61.

Table 10a: For footnotes 1-13, see table 1.

14. Details not shown separately are included in line 61.

NOTE.—Country data are based on information available from U.S. reporting sources. In some instances the statistics may not necessarily reflect the ultimate foreign transactor. For instance, U.S. export statistics reflect country of reported destination; in many cases the exports may be transhipped to third countries (especially true for the Netherlands and Germany). The geographic breakdown of security transactions reflects country with which transaction occurred but may not necessarily reflect the ultimate sources of foreign funds or ultimate destination of U.S. funds. Data for individual countries within the European Union (6) may not add to the published totals for the European Union (6), because in several instances estimates for the group are not available for each country. In addition, country data may not add to the European Union (6) totals because of rounding.

Table 5.—Direct Investment: Income, Capital, Royalties and
[Millions]

Line	(Credits +; debits -)	1993	1994	1995	Not seasonally adjusted			
					1994			
					I	II	III	IV
U.S. direct investment abroad:								
1	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 12)	61,460	68,659	88,882	15,602	16,134	17,802	19,121
2	Earnings	59,778	66,529	86,425	15,152	15,697	17,190	18,490
3	Distributed earnings	28,847	33,067	31,955	6,773	6,240	6,808	13,246
4	Reinvested earnings	30,931	33,462	54,470	8,380	9,457	10,382	5,243
5	Interest ¹	1,681	2,130	2,457	450	437	612	631
6	U.S. parents' receipts	4,257	4,895	6,447	1,052	1,178	1,253	1,411
7	U.S. parents' payments	-2,575	-2,765	-3,991	-602	-742	-641	-780
8	Less: Current-cost adjustment	917	1,387	2,103	298	327	361	401
9	Less: Withholding taxes	1,162	1,278	1,240	267	256	269	486
10	Equals: Income without current-cost adjustment, after deduction of withholding taxes ²	59,381	65,994	85,539	15,037	15,551	17,172	18,234
11	Petroleum	8,582	7,544	9,338	1,632	1,526	1,851	2,335
12	Manufacturing	21,699	27,688	35,775	5,825	6,638	6,908	8,497
13	Other	29,100	30,583	40,426	7,380	7,388	8,413	7,402
14	Capital with current-cost adjustment (table 1, line 44)	-78,164	-54,465	-95,509	-24,125	-12,432	-5,603	-12,306
15	Equity capital	-24,565	-12,750	-36,292	-2,592	-2,481	-2,831	-4,846
16	Increases in equity capital ³	-33,082	-24,244	-47,736	-4,826	-5,301	-4,681	-9,437
17	Decreases in equity capital ⁴	8,517	11,495	11,444	2,233	2,820	1,850	4,581
18	Reinvested earnings	-30,931	-33,462	-54,470	-9,380	-9,457	-10,382	-5,243
19	Intercompany debt	-22,668	-8,254	-4,747	-13,153	-494	7,611	-2,217
20	U.S. parents' receivables	-26,513	-14,227	-23,631	-9,588	-8,995	2,524	631
21	U.S. parents' payables	3,846	5,974	18,884	-4,565	8,500	5,086	-3,048
22	Less: Current-cost adjustment (line 8 with sign reversed)	-917	-1,387	-2,103	-298	-327	-361	-401
23	Equals: Capital without current-cost adjustment ²	-77,247	-63,078	-93,406	-23,827	-12,105	-5,242	-11,905
24	Equity capital (line 15)	-24,565	-12,750	-36,292	-2,592	-2,481	-2,831	-4,846
25	Petroleum	-126	-336	1,412	-160	-176	-178	178
26	Manufacturing	-9,284	-3,948	-17,914	-1,218	-861	-67	-1,803
27	Other	-15,156	-8,466	-19,790	-1,214	-1,444	-2,587	-3,221
28	Reinvested earnings without current-cost adjustment (line 18 less line 22)	-30,014	-32,075	-52,367	-8,082	-9,130	-10,021	-4,842
29	Petroleum	-2,598	-811	-3,148	-556	353	-535	-74
30	Manufacturing	-12,019	-16,565	-24,839	-3,495	-4,631	-4,610	-3,830
31	Other	-15,397	-14,699	-24,381	-4,031	-4,852	-4,877	-938
32	Intercompany debt (line 19)	-22,668	-8,254	-4,747	-13,153	-494	7,611	-2,217
33	Petroleum	-2,815	-944	-931	-425	-444	-423	349
34	Manufacturing	2,781	-5,020	-768	-4,810	1,983	-265	-1,928
35	Other	-22,634	-2,290	-3,048	-7,918	-2,033	8,298	-638
36	Royalties and license fees, before deduction of withholding taxes, net	14,702	16,176	19,750	3,509	3,898	4,080	4,689
37	U.S. parents' receipts (table 1, part of line 8)	14,936	16,424	20,180	3,573	3,956	4,135	4,761
38	U.S. parents' payments (table 1, part of line 22)	-234	-248	-430	-63	-58	-55	-72
39	Other private services, before deduction of withholding taxes, net	5,181	5,863	5,193	1,404	1,405	1,405	1,649
40	U.S. parents' receipts (table 1, part of line 9)	10,902	11,623	11,933	2,607	2,824	2,799	3,392
41	U.S. parents' payments (table 1, part of line 23)	-5,721	-5,760	-6,740	-1,203	-1,420	-1,395	-1,742
Foreign direct investment in the United States:								
42	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 26)	-5,556	-21,230	-31,418	-2,992	-4,509	-6,980	-6,750
43	Earnings	378	-13,615	-23,116	-1,411	-2,368	-5,009	-4,827
44	Distributed earnings	-8,807	-9,102	-9,825	-3,262	-2,030	-1,072	-2,738
45	Reinvested earnings	9,185	-4,513	-13,290	1,851	-338	-3,937	-2,089
46	Interest ¹	-5,934	-7,616	-8,303	-1,581	-2,141	-1,971	-1,923
47	U.S. affiliates' payments	-8,964	-10,371	-12,574	-2,190	-2,858	-2,637	-2,887
48	U.S. affiliates' receipts	3,031	2,756	4,271	608	717	666	764
49	Less: Current-cost adjustment	512	143	612	32	24	32	55
50	Less: Withholding taxes	-175	-203	-216	-47	-56	-50	-49
51	Equals: Income without current-cost adjustment, after deduction of withholding taxes ²	-5,893	-21,171	-31,815	-2,977	-4,477	-6,961	-6,756
52	Petroleum	-1,382	-1,830	-2,768	-419	-155	-752	-504
53	Manufacturing	-3,841	-10,604	-16,447	-1,626	-2,869	-3,151	-2,958
54	Other	-670	-8,737	-12,599	-932	-1,453	-3,058	-3,294
55	Capital with current-cost adjustment (table 1, line 57)	43,022	49,760	60,236	2,285	5,106	21,886	20,483
56	Equity capital	28,101	34,500	39,544	7,222	3,475	8,063	15,740
57	Increases in equity capital ³	34,834	39,809	44,991	8,405	4,624	9,964	16,817
58	Decreases in equity capital ⁴	-6,733	-5,310	-5,447	-1,182	-1,150	-1,901	-1,077
59	Reinvested earnings	-9,185	4,513	13,290	-1,851	338	3,937	2,089
60	Intercompany debt	24,105	10,748	7,402	-3,086	1,293	9,886	2,654
61	U.S. affiliates' payables	25,386	6,098	15,437	-816	-1,938	4,622	4,229
62	U.S. affiliates' receivables	-1,281	4,650	-8,035	-2,269	3,231	5,264	-1,575
63	Less: Current-cost adjustment (line 49 with sign reversed)	-512	-143	-612	-32	-24	-32	-55
64	Equals: Capital without current-cost adjustment ²	43,534	49,903	60,848	2,317	5,130	21,918	20,538
65	Equity capital (line 56)	28,101	34,500	39,544	7,222	3,475	8,063	15,740
66	Petroleum	388	1,139	2,272	159	29	349	602
67	Manufacturing	8,771	12,939	18,053	2,567	920	1,949	7,502
68	Other	18,943	20,422	19,219	4,495	2,526	5,765	7,636
69	Reinvested earnings without current-cost adjustment (line 59 less line 63)	-8,673	4,656	13,902	-1,819	362	3,969	2,144
70	Petroleum	317	523	2,503	-706	113	681	435
71	Manufacturing	-1,676	4,285	8,018	119	1,155	1,921	1,090
72	Other	-7,314	-152	3,382	-1,232	-906	1,367	619
73	Intercompany debt (line 60)	24,105	10,748	7,402	-3,086	1,293	9,886	2,654
74	Petroleum	-2,336	355	-1,115	500	128	-115	-158
75	Manufacturing	6,217	5,502	1,175	1,479	-2,135	3,710	2,448
76	Other	20,225	4,891	8,342	-5,064	3,301	6,291	364
77	Royalties and license fees, before deduction of withholding taxes, net	-2,359	-2,564	-3,279	-614	-557	-648	-744
78	U.S. affiliates' payments (table 1, part of line 22)	-3,130	-3,562	-4,718	-823	-772	-924	-1,044
79	U.S. affiliates' receipts (table 1, part of line 8)	771	998	1,439	208	214	276	300
80	Other private services, before deduction of withholding taxes, net	941	543	543	22	134	161	227
81	U.S. affiliates' payments (table 1, part of line 23)	-4,897	-5,995	-6,983	-1,421	-1,450	-1,464	-1,660
82	U.S. affiliates' receipts (table 1, part of line 9)	5,838	6,539	7,525	1,443	1,584	1,625	1,887

See footnotes on page 87.

Table 6.—Securities Transactions

[Millions of dollars]

Line	(Credits +; debits -)	1993	1994	1995	Not seasonally adjusted									
					1994				1995				1996	
					I	II	III	IV	I	II	III	IV	I ^a	
A1	Foreign securities, net U.S. purchases (-), (table 1, line 45 or lines 2 + 13 below)	-146,253	-60,270	-98,960	-19,528	-9,221	-12,395	-19,126	-7,571	-23,011	-35,839	-32,539	-33,492	
2	Stocks, net U.S. purchases	-63,376	-48,077	-50,697	-19,199	-12,536	-6,987	-9,355	-4,090	-10,200	-22,051	-14,356	-22,210	
3	New issues in the United States	-13,903	-14,303	-8,863	-3,711	-4,737	-2,433	-3,422	-428	-2,216	-1,183	-6,036	-2,834	
4	Of which Western Europe	-4,770	-8,075	-5,365	-2,090	-3,643	-1,078	-1,264	-152	-1,253	-715	-3,245	-757	
5	Canada	-408	-201	(P)	.....	-45	.....	-156	(P)	-156	-102	-621	-565
6	Latin America	-2,945	-2,992	(P)	-774	-497	-1,144	-577	.....	(P)	(P)	-224	-394
7	Transactions in outstanding stocks, net	-49,473	-33,774	-41,834	-15,488	-7,799	-4,554	-5,933	-3,662	-7,984	-20,868	-9,320	-19,736	
8	Western Europe	-21,678	-9,217	-15,959	-2,211	507	-5,225	-2,288	-2,021	-3,771	-6,600	-3,567	-6,746	
9	Of which United Kingdom	-9,524	-4,867	-8,458	-589	436	-2,514	-2,200	-1,662	-2,045	-2,871	-1,880	-2,012	
10	Canada	-4,713	-2,259	1,099	-1,022	-474	-1,062	299	913	469	-659	376	-945	
11	Japan	-6,177	-14,542	-19,398	-9,639	-4,400	774	-1,277	-400	-3,103	-11,752	-4,143	-7,924	
12	Other	-16,905	-7,756	-7,576	-2,616	-3,432	959	-2,667	-2,154	-1,579	-1,857	-1,986	-3,761	
13	Bonds, net U.S. purchases	-82,877	-12,193	-48,263	-329	3,315	-5,408	-9,771	-3,481	-12,811	-13,788	-18,183	-11,282	
14	New issues in the United States	-60,921	-48,965	-39,368	-15,501	-8,961	-12,988	-11,515	-6,471	-7,268	-12,645	-12,984	-11,664	
15	By issuer:													
16	Central governments and their agencies and corporations	-10,718	-8,473	-3,095	-1,911	-2,822	-2,122	-1,618	-912	-532	-1,262	-389	-2,722	
17	Other governments and their agencies and corporations ¹	-15,969	-10,754	-4,838	-5,144	-1,568	-2,510	-1,532	-1,472	-210	-2,017	-1,139	-2,716	
18	Private corporations	-32,586	-28,540	-30,276	-8,173	-4,571	-7,885	-7,911	-4,075	-6,243	-9,032	-10,925	-6,026	
19	International financial institutions ²	-1,648	-1,198	-1,159	-273	.....	-471	-454	-12	-283	-334	-530	-200
20	By area:													
21	Western Europe	-16,783	-14,102	-13,005	-2,801	-2,985	-4,703	-3,613	-2,877	-2,617	-2,835	-4,676	-3,178	
22	Canada	-14,932	-8,061	-10,732	-4,153	-1,224	-1,893	-791	-1,975	-2,175	-4,152	-2,430	-2,575	
23	Japan .....	.....	-110	-330	-60	.....	-50	.....	-310	.....	-20	.....	
24	Latin America	-14,726	-11,791	-5,083	-3,338	-3,112	-2,951	-2,390	-950	-938	-1,536	-1,659	-3,130	
25	Other countries	-12,832	-13,703	-9,059	-4,876	-1,640	-2,970	-4,217	-657	-945	-3,788	-3,669	-2,581	
26	International financial institutions ²	-1,648	-1,198	-1,159	-273	.....	-471	-454	-12	-283	-334	-530	-200
27	Redemptions of U.S.-held foreign bonds ³	8,889	9,216	10,579	2,520	1,564	1,579	3,553	1,210	3,186	2,731	3,452	3,475	
28	Western Europe	1,563	2,552	2,734	1,116	84	221	1,131	321	1,384	518	511	2,508	
29	Canada	5,196	2,830	3,509	867	613	704	646	415	966	998	1,110	988	
30	Other countries	1,665	2,572	2,437	406	867	491	808	474	543	1,015	405	579	
31	International financial institutions ²	465	1,262	1,899	131	.....	163	968	.....	273	200	1,426	.....
32	Other transactions in outstanding bonds, net ³	-30,845	27,556	-19,474	12,652	10,712	6,001	-1,809	1,780	-8,729	-3,874	-8,651	-3,093	
33	Western Europe	-58,196	25,274	-15,970	12,530	14,440	3,291	-4,987	3,595	-9,184	-3,448	-6,933	-2,241	
34	Of which United Kingdom	-53,896	22,392	-14,112	12,176	14,691	543	-5,018	3,374	-9,450	-2,782	-5,254	-2,843	
35	Canada	-713	233	-834	-1,008	691	258	232	238	-1,729	-1,706	2,363	-519	
36	Japan	2,857	-3,409	-5,807	-3,246	-387	501	-277	-1,964	1,111	-3,231	-1,723	-478	
37	Other	25,207	5,458	3,137	4,376	-4,032	1,951	3,163	-89	1,073	4,511	-2,358	145	
B1	U.S. securities, excluding Treasury securities and transactions of foreign official agencies, net foreign purchases (+), (table 1, line 59 or lines 2 + 10 below)	80,092	57,006	95,268	21,079	12,362	13,398	10,167	15,480	20,496	31,971	27,321	35,437	
2	Stocks, net foreign purchases	18,968	3,368	13,357	7,367	-2,105	759	-2,653	-3,755	2,071	4,977	10,064	3,468	
3	By area:													
4	Western Europe	10,325	6,147	10,632	7,299	1,362	-136	-2,378	-1,986	369	2,346	9,903	2,121	
5	Of which Germany	1,627	2,075	-1,877	1,847	593	17	-382	-462	-1,022	-244	-149	284	
6	Switzerland	2,942	-130	-2,406	793	210	91	-1,224	-966	-1,382	-892	634	743	
7	United Kingdom	4,393	601	7,751	2,361	182	-635	-1,307	-170	2,708	2,562	2,631	-717	
8	Canada	-3,323	-1,289	-1,663	-66	-202	-663	-358	-225	-900	-641	103	1,067	
9	Japan	3,783	1,104	-2,808	-1,423	-227	2,421	333	-1,741	-366	-1,557	856	-828	
10	Other	8,183	-2,594	7,196	1,557	-3,038	-863	-250	197	2,968	4,829	-798	1,108	
11	Corporate and other bonds, net foreign purchases	61,124	53,638	81,911	13,712	14,467	12,639	12,820	19,235	18,425	26,994	17,257	31,969	
12	By type:													
13	New issues sold abroad by U.S. corporations	33,669	40,862	59,261	9,104	8,749	10,304	12,705	16,499	12,107	16,279	14,376	13,511	
14	U.S. federally-sponsored agency bonds, net	31,347	15,577	24,975	5,770	3,585	1,695	4,527	5,378	5,047	11,722	2,828	14,421	
15	Other outstanding bonds, net	-3,892	-2,801	-2,325	-1,162	2,133	640	-4,412	-2,642	1,271	-1,007	53	4,037	
16	By area:													
17	Western Europe	21,984	34,102	68,955	8,537	5,272	10,632	9,661	17,456	14,532	19,779	17,188	20,523	
18	Of which Germany	885	660	5,788	-78	-100	-264	1,102	1,859	568	2,132	1,229	2,235	
19	Switzerland	-630	1,052	487	363	94	90	505	157	-95	559	-134	-72	
20	United Kingdom	19,804	31,493	57,347	7,890	6,698	9,980	6,925	15,310	15,168	14,363	12,506	14,271	
21	Canada	1,643	1,295	2,359	-186	18	760	703	650	644	705	360	497	
22	Japan	11,555	5,473	2,233	-535	3,485	1,826	697	303	1,437	1,662	-1,169	909	
23	Other countries	26,473	12,254	8,911	5,802	5,628	-588	1,412	1,040	1,907	5,022	942	9,965	
24	International financial institutions ²	-531	514	-547	94	64	9	347	-214	-95	-174	-64	75	
Memoranda:														
Other foreign transactions in marketable, long-term U.S. securities included elsewhere in international transactions accounts:														
Foreign official assets in the United States (lines in table 9):														
1	U.S. Treasury marketable bonds (line A4)	1,328	41,818	39,466	3,177	12,935	19,491	6,215	7,960	12,296	11,792	7,418	26,044	
2	Other U.S. Government securities (line A6)	4,062	6,077	3,734	177	2,360	2,222	1,318	1,126	1,326	518	764	52	
3	U.S. corporate and other bonds (part of line A14)	627	-18	220	-8	-111	-156	257	178	-457	-117	616	-9	
4	U.S. stocks (part of line A14)	1,958	-2,455	3,046	-745	-854	-644	-212	87	3,406	-111	-336	-202	
5	Other foreign transactions in U.S. Treasury bonds and notes (table 9, line B4)	21,790	36,577	94,060	10,654	-12,263	9,406	28,780	24,814	31,123	34,979	3,144	10,218	

See footnotes on page 87.

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

(Millions of dollars)

Line	(Credits +; increase in U.S. liabilities or decrease in U.S. assets. Debits -; decrease in U.S. liabilities or increase in U.S. assets.)	1993	1994	1995	Not seasonally adjusted										Amounts out- standing Dec. 31, 1995
					1994				1995				1996		
					I	II	III	IV	I	II	III	IV	I		
A1	Claims, total (table 1, line 46)	1,581	-32,804	-34,219	-1,504	-10,080	-9,204	-12,016	-4,537	-22,904	7,500	-14,278	n.a.	311,140	
2	Financial claims	3,656	-30,209	-33,133	-1,456	-9,244	-8,885	-10,624	-5,918	-22,041	7,554	-12,728	n.a.	285,992	
3	Denominated in U.S. dollars	14,286	-27,130	-26,289	1,097	-11,027	-8,919	-8,281	-5,465	-22,872	12,005	-9,957	n.a.	223,671	
4	Denominated in foreign currencies	-10,630	-3,079	-6,844	-2,553	1,783	34	-2,343	-453	831	-4,451	-2,771	n.a.	62,321	
5	By type: Deposits ¹	5,106	-30,113	-33,080	-1,231	-9,652	-8,865	-10,365	-6,409	-21,984	7,962	-12,649	n.a.	281,870	
6	Other claims ^{1,2}	-1,450	-96	-53	-225	408	-20	-259	491	-57	-408	-79	n.a.	4,122	
7	By area: Industrial countries ³	427	-1,685	-23,501	4,761	-2,991	-920	-2,535	-653	-5,913	-10,950	-5,985	n.a.	119,498	
8	Of which United Kingdom	8,309	2,294	-9,960	4,709	-2,122	-1,184	891	-1,102	-804	-1,709	-6,345	n.a.	48,284	
9	Canada	1,659	-6,518	276	-3,016	534	-1,694	-2,342	1,724	-1,845	755	-358	n.a.	9,697	
10	Caribbean banking centers ⁴	9,326	-24,429	-9,850	-5,566	-4,391	-7,636	-6,836	-5,871	-15,993	18,745	-6,731	n.a.	152,916	
11	Other	-6,097	-4,095	218	-651	-1,862	-329	-1,253	606	-135	-241	-12	n.a.	13,578	
12	Commercial claims	-2,075	-2,595	-1,088	-48	-836	-319	-1,392	1,381	-863	-54	-1,550	n.a.	25,148	
13	Denominated in U.S. dollars	-1,570	-2,348	-1,576	56	-678	-310	-1,416	783	-723	-195	-1,441	n.a.	23,120	
14	Denominated in foreign currencies	-505	-247	490	-104	-158	-9	24	598	-140	141	-109	n.a.	2,028	
15	By type: Trade receivables	-1,640	-2,733	-1,815	-156	-894	-350	-1,333	743	-911	-83	-1,564	n.a.	22,973	
16	Advance payments and other claims	-435	138	729	108	58	31	-59	638	48	29	14	n.a.	2,175	
17	By area: Industrial countries ³	-1,075	-1,056	358	39	-174	-18	-903	1,323	-470	345	-840	n.a.	14,300	
18	Members of OPEC ⁵	-31	-87	-171	63	12	-90	-72	118	-20	-94	-175	n.a.	1,526	
19	Other	-969	-1,452	-1,273	-150	-674	-211	-417	-60	-373	-305	-535	n.a.	9,322	
B1	Liabilities, total (table 1, line 60)	10,489	-7,710	34,578	2,454	-1,701	-2,328	-6,135	9,076	7,285	6,945	11,272	n.a.	232,891	
2	Financial liabilities	7,274	-7,483	34,705	2,157	-2,021	-1,279	-6,340	8,939	9,168	6,101	10,497	n.a.	206,953	
3	Denominated in U.S. dollars	9,392	-15,217	30,475	1,394	-1,292	-7,962	-7,357	6,233	9,678	5,034	9,530	n.a.	180,079	
4	Denominated in foreign currencies	-2,118	7,734	4,230	763	-729	6,683	1,017	2,706	-510	1,067	967	n.a.	26,874	
5	By area: Industrial countries ³	10,581	6,631	7,639	2,033	1,356	4,567	-1,325	3,009	-2,023	3,565	3,088	n.a.	44,348	
6	Of which United Kingdom	9,836	3,735	10,203	1,109	2,306	944	-624	1,342	-351	4,711	4,501	n.a.	32,760	
7	Caribbean banking centers ⁴	-9,101	-14,342	26,908	121	-3,132	-6,146	-5,185	6,100	11,200	2,508	7,100	n.a.	146,100	
8	Other	5,794	228	158	3	-245	300	170	-170	-9	28	309	n.a.	16,505	
9	Commercial liabilities	3,215	-227	-127	297	320	-1,049	205	137	-1,883	844	775	n.a.	25,938	
10	Denominated in U.S. dollars	3,184	-914	541	-519	336	-830	199	799	-2,108	882	968	n.a.	24,731	
11	Denominated in foreign currencies	31	687	-668	816	-16	-119	6	-662	225	-38	-193	n.a.	1,207	
12	By type: Trade payables	-755	1,203	1,006	177	932	-361	455	-161	683	-466	950	n.a.	11,013	
13	Advance receipts and other liabilities	3,970	-1,430	-1,133	120	-612	-688	-250	298	-2,566	1,310	-175	n.a.	14,925	
14	By area: Industrial countries ³	3,584	275	-272	466	6	-635	438	579	-1,913	991	71	n.a.	15,113	
15	Members of OPEC ⁵	-312	151	440	-6	360	-184	-19	205	-19	-138	392	n.a.	2,721	
16	Other	-57	-653	-295	-163	-46	-230	-214	-647	49	-9	312	n.a.	8,104	

See footnotes on page 87.

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

(Millions of dollars)

Line	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)	1993	1994	1995	Not seasonally adjusted										Amounts outstanding Mar. 31, 1996
					1994				1995				1996		
					I	II	III	IV	I	II	III	IV	I ^a		
1	Total (table 1, line 47)	29,947	-8,161	-69,146	6,534	-2,208	795	-13,282	-29,114	-41,236	8,476	-7,272	4,510	757,453	
2	By type:														
3	Banks' own claims	15,997	3,883	-54,296	-419	8,314	-3,456	-556	-19,941	-32,612	14,562	-16,305	6,582	594,643	
3	Payable in dollars	13,847	2,145	-39,960	6,843	-3,475	3,215	-4,438	-7,526	-28,135	6,703	-11,002	1,256	525,095	
	By borrower:														
	Claims on:														
4	own foreign offices	17,609	1,962	-20,415	5,842	-11,793	6,873	1,040	-10,119	-8,180	3,607	-5,723	10,652	293,250	
5	unaffiliated foreign banks	10,909	-10,817	13,139	2,710	-5,272	1,065	-9,320	6,183	-6,981	5,185	8,752	-2,868	101,568	
6	foreign public borrowers ¹	1,243	5,792	882	3,396	4,272	-3,513	1,637	-276	-164	1,498	-176	-5,122	27,622	
7	other private foreigners	-15,914	5,208	-33,566	-5,105	9,318	-1,210	2,205	-3,314	-12,810	-3,587	-13,855	-1,406	102,655	
	By bank ownership: ²														
	U.S.-owned banks' claims on:														
8	own foreign offices	7,656	-8,949	10,057	-3,593	-6,953	3,040	-1,443	-6,288	9,567	8,347	-1,569	-1,405	126,746	
9	unaffiliated foreign banks	127	847	-69	2,185	1,318	909	-3,565	2,914	-1,158	-762	-1,063	3,005	33,358	
10	other foreigners	-10,239	736	-29,314	-3,757	8,834	-5,469	1,128	-815	-14,320	-2,740	-11,439	-4,415	85,462	
	Foreign-owned banks' claims on:														
11	own foreign offices	9,953	10,911	-30,472	9,435	-4,840	3,833	2,483	-3,831	-17,747	-4,740	-4,154	12,057	166,504	
12	unaffiliated foreign banks	10,782	-11,664	13,208	525	-6,590	156	-5,755	3,269	-5,823	5,947	9,815	-5,873	68,210	
13	other foreigners	-4,432	10,264	-3,370	2,048	4,756	746	2,714	-2,775	1,346	651	-2,592	-2,113	44,815	
14	Payable in foreign currencies	2,150	1,738	-14,336	-7,262	11,789	-6,671	3,882	-12,415	-4,477	7,859	-5,303	5,326	69,548	
15	Banks' domestic customers' claims	13,950	-12,044	-14,850	6,953	-10,522	4,251	-12,726	-9,173	-8,624	-6,086	9,033	-2,072	162,810	
16	Payable in dollars	13,618	-14,311	-19,342	7,870	-8,800	2,560	-15,941	-11,028	-7,466	-9,702	8,854	-2,153	156,746	
17	Deposits	5,833	-23,095	7,300	-1,700	-7,426	-1,046	-12,923	-2,323	-2,427	3,512	8,538	-11,271	68,800	
18	Foreign commercial paper ³	799	9,848	-13,497	5,928	2,288	1,574	58	-6,859	911	-6,880	-689	3,856	51,215	
19	Other negotiable and readily transferable instruments ⁴	7,537	-745	-7,768	3,633	-2,250	1,189	-3,317	81	-3,297	-4,105	-447	3,106	18,914	
20	Outstanding collections and other	-551	-319	-5,377	9	-1,412	843	241	-1,927	-2,653	-2,249	1,452	2,156	17,817	
21	Payable in foreign currencies	332	2,267	4,492	-917	-1,722	1,691	3,215	1,855	-1,158	3,616	179	81	6,064	
	By area:														
22	Industrial countries ⁵	30,571	-4,749	-34,267	4,926	-1,370	3,942	-12,247	-27,236	-11,624	14,175	-9,582	14,924	383,459	
23	Western Europe	13,951	-4,397	-31,045	2,109	5,064	-640	-10,930	-17,957	-2,379	6,399	-17,108	1,389	249,786	
24	Of which United Kingdom	11,723	-6,956	-15,083	-2,834	3,845	-1,475	-6,492	-6,652	687	7,638	-16,756	-2,483	121,713	
25	Canada	-5,318	1,202	-147	-190	-5,298	4,119	2,511	-9,005	4,062	1,761	3,035	2,680	34,684	
26	Japan	22,705	-3,072	-5,067	2,609	-1,748	-1,785	-2,148	-1,892	-11,958	7,317	1,466	11,077	90,524	
27	Other	-767	1,516	1,992	338	612	2,248	-1,680	1,618	-1,349	-1,302	3,025	-222	8,465	
28	Caribbean banking centers ⁶	3,195	-11,472	-23,616	1,336	-5,428	-1,669	-5,711	5,615	-19,707	-7,996	-1,528	-3,757	230,601	
	Other areas	-3,819	8,060	-11,263	272	4,590	-1,478	4,676	-7,493	-9,905	2,297	3,838	-6,657	151,807	
29	Of which Members of OPEC, included below ⁷	2,050	3,087	4,002	855	-1,496	1,723	2,005	1,164	-753	-285	3,876	2,953	13,006	
30	Latin America	-6,908	2,424	-3,110	-3,144	3,784	3,688	-1,904	-863	-2,194	1,582	-1,535	1,089	66,290	
31	Asia	-341	5,762	-8,400	2,700	794	-4,934	7,202	-7,691	-6,324	2,341	5,274	-4,379	58,477	
32	Africa	-57	965	-37	60	-69	424	550	182	-124	-226	151	-55	2,317	
33	Other ⁸	3,487	-1,091	284	656	81	-656	-1,172	999	737	-1,400	-52	-3,312	24,723	
	Memoranda:														
1	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above)	36,464	-17,459	9,767	2,568	-7,911	2,329	-14,445	5,400	-4,289	4,876	3,780	3,244	199,076	
	By borrower:														
	Claims on:														
2	own foreign offices	18,335	-8,798	-7,463	-1,131	-1,166	1,900	-8,401	-408	655	-3,237	-4,473	6,267	108,926	
3	unaffiliated foreign banks	15,231	-12,775	18,789	2,100	-8,373	-756	-5,746	5,511	-4,335	8,685	8,928	-3,914	59,980	
4	foreign public borrowers	3,333	4,481	1,145	2,152	1,920	560	-151	811	295	616	-577	852	7,204	
5	all other foreigners	-435	-367	-2,704	-553	-292	625	-147	-514	-904	-1,188	-98	39	22,966	
	By bank ownership: ²														
6	U.S.-owned IBF's	2,095	-10,201	4,165	-5,897	626	-1,878	-3,052	234	6,057	695	-2,821	-332	63,143	
7	Foreign-owned IBF's	34,369	-7,258	5,602	8,465	-8,537	4,207	-11,393	5,166	-10,346	4,181	6,601	3,576	135,933	
8	Banks' dollar acceptances payable by foreigners	792	-509	47	201	187	-44	-853	-21	-344	-29	441	-647	9,026	

See footnotes on page 87.

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) ¹	Australia							
		1993	1994	1995	1995				1996
					I	II	III	IV		IP
1	Exports of goods, services, and income	15,040	17,237	18,854	4,624	4,620	4,704	4,905	4,974
2	Goods, adjusted, excluding military ²	8,109	9,586	10,500	2,588	2,663	2,607	2,642	2,975
3	Services ³	3,836	4,152	4,271	968	1,029	1,162	1,112	1,046
4	Transfers under U.S. military agency sales contracts ⁴	255	405	250	67	58	57	68	41
5	Travel	1,428	1,431	1,496	316	351	455	374	344
6	Passenger fares	512	427	442	91	111	129	111	106
7	Other transportation	246	202	242	55	62	62	63	76
8	Royalties and license fees ⁵	468	514	553	124	127	145	158	135
9	Other private services ⁵	923	1,168	1,281	310	321	312	338	342
10	U.S. Government miscellaneous services	3	5	7	5		2		2
11	Income receipts on U.S. assets abroad	3,096	3,499	4,084	1,069	928	935	1,152	953
12	Direct investment receipts	2,271	2,384	2,759	769	589	618	783	682
13	Other private receipts	824	1,115	1,325	300	339	317	369	271
14	U.S. Government receipts	(*)							
15	Imports of goods, services, and income	-5,275	-5,364	-6,100	-1,591	-1,435	-1,556	-1,517	-1,433
16	Goods, adjusted, excluding military ²	-3,297	-3,201	-3,401	-906	-825	-848	-822	-828
17	Services ³	-2,243	-2,011	-2,110	-553	-485	-523	-549	-567
18	Direct defense expenditures	-43	-53	-61	-20	-15	-16	-10	-13
19	Travel	-859	-784	-752	-205	-174	-167	-206	-214
20	Passenger fares	-347	-422	-443	-121	-87	-121	-114	-129
21	Other transportation	-607	-243	-290	-66	-72	-76	-76	-74
22	Royalties and license fees ⁵	-26	-18	-14	-5	-3	-3	-3	-3
23	Other private services ⁵	-326	-447	-516	-122	-129	-130	-135	-124
24	U.S. Government miscellaneous services	-35	-44	-34	-15	-5	-10	-4	-10
25	Income payments on foreign assets in the United States	265	-152	-589	-132	-125	-185	-147	-38
26	Direct investment payments	534	168	-159	-38	-19	-73	-29	72
27	Other private payments	-200	-241	-321	-68	-94	-84	-75	-71
28	U.S. Government payments	-69	-79	-109	-26	-12	-28	-43	-39
29	Unilateral transfers, net	-73	-83	-93	-25	-22	-21	-25	-31
30	U.S. Government grants ⁴								
31	U.S. Government pensions and other transfers	-31	-32	-32	-8	-8	-8	-8	-8
32	Private remittances and other transfers ⁶	-43	-51	-61	-17	-14	-13	-17	-23
33	U.S. assets abroad, net (increase/capital outflow (-))	-7,013	-1,573	-4,002	1,747	-1,637	-2,540	-1,571	-4,152
34	U.S. official reserve assets, net ⁷								
35	Gold								
36	Special drawing rights								
37	Reserve position in the International Monetary Fund								
38	Foreign currencies								
39	U.S. Government assets, other than official reserve assets, net	4	6	3	2	1			
40	U.S. credits and other long-term assets								
41	Repayments on U.S. credits and other long-term assets ⁸	2	2						
42	U.S. foreign currency holdings and U.S. short-term assets, net	2	4	3	2	1			
43	U.S. private assets, net	-7,017	-1,579	-4,005	1,745	-1,638	-2,540	-1,571	-4,152
44	Direct investment	-1,981	-721	-5,711	-726	-348	-976	-3,661	-1,847
45	Foreign securities	-3,895	-2,338	11	342	15	680	-1,026	-1,969
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-44	-273	-92	295	-116	-458	187	n.a.
47	U.S. claims reported by U.S. banks, not included elsewhere	-1,097	1,753	1,787	1,833	-1,189	-1,786	2,929	-336
48	Foreign assets in the United States, net (increase/capital inflow (+))	-1,987	3,926	1,564	-696	-991	1,788	1,462	1,171
49	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
50	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
51	U.S. Treasury securities ⁹	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
52	Other ¹⁰	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
53	Other U.S. Government liabilities ¹¹	-13	-166	-23		20	-22	-21	8
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
55	Other foreign official assets ¹²	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
56	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
57	Direct investment	214	1,090	473	175	-260	409	148	1,373
58	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. securities other than U.S. Treasury securities	-198	659	648	194	671	-283	66	-230
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	318	166	266	59	-184	213	178	n.a.
61	U.S. liabilities reported by U.S. banks, not included elsewhere	18 2,309	18 2,177	18 200	18 -1,124	18 -1,238	18 1,471	18 1,091	18 20
62	Allocations of special drawing rights								
63	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)	-691	-14,143	-10,224	-4,059	-535	-2,375	-3,254	-529
64	Memoranda:								
65	Balance on goods (lines 2 and 16)	4,812	6,385	7,099	1,682	1,838	1,759	1,820	2,147
66	Balance on services (lines 3 and 17)	1,593	2,141	2,161	414	544	639	563	479
67	Balance on goods and services (lines 64 and 65)	6,405	8,526	9,260	2,096	2,382	2,398	2,383	2,626
68	Balance on investment income (lines 11 and 25)	3,360	3,348	3,495	937	803	750	1,005	915
69	Balance on goods, services, and income (lines 1 and 15 or lines 66 and 67) ¹³	9,765	11,873	12,755	3,033	3,185	3,149	3,388	3,541
70	Unilateral transfers, net (line 29)	-73	-83	-93	-25	-22	-21	-25	-31
71	Balance on current account (lines 1, 15, and 29 or lines 68 and 69) ¹³	9,692	11,790	12,662	3,008	3,163	3,128	3,363	3,510

See footnotes on page 87.

Table 10a.—U.S. International Transactions,
[Millions]

Line	(Credits +; debits -) ¹	Belgium-Luxembourg			France			Germany		
		1993	1994	1995 ^P	1993	1994	1995 ^P	1993	1994	1995 ^P
1	Exports of goods, services, and income	14,325	17,760	20,848	23,201	23,972	27,503	36,714	37,314	43,297
2	Goods, adjusted, excluding military ²	9,352	11,079	12,838	13,228	13,610	14,263	18,437	18,744	21,882
3	Services ³	2,348	2,544	2,681	6,930	6,677	7,611	11,888	11,699	12,978
4	Transfers under U.S. military agency sales contracts ⁴	114	34	70	47	107	45	342	186	255
5	Travel	399	442	461	1,706	1,639	1,830	3,957	3,577	4,023
6	Passenger fares	229	218	238	1,055	823	921	1,397	1,296	1,474
7	Other transportation	266	367	378	538	449	441	1,011	1,269	1,265
8	Royalties and license fees ⁵	585	657	713	1,560	1,582	1,942	2,135	2,242	2,699
9	Other private services ⁵	751	825	820	2,011	2,070	2,414	2,900	3,088	3,214
10	U.S. Government miscellaneous services	4	1	1	13	7	18	146	41	48
11	Income receipts on U.S. assets abroad	2,625	4,137	5,329	3,043	3,685	5,639	6,389	6,871	8,437
12	Direct investment receipts	1,428	2,654	3,462	1,319	1,639	2,910	3,064	3,680	4,832
13	Other private receipts	1,197	1,483	1,867	1,723	2,046	2,729	1,742	2,038	2,638
14	U.S. Government receipts	(⁶)	(⁶)	.....	1	(⁶)	.....	1,583	1,153	967
15	Imports of goods, services, and income	-10,289	-12,057	-13,473	-22,459	-25,297	-28,416	-48,448	-51,297	-56,773
16	Goods, adjusted, excluding military ²	-7,056	-8,464	-8,755	-15,214	-16,674	-17,175	-28,494	-31,678	-36,764
17	Services ³	-1,151	-1,278	-1,555	-5,082	-5,828	-6,106	-12,906	-12,213	-12,166
18	Direct defense expenditures	-146	-86	-117	-39	-47	-66	-5,716	-4,585	-4,080
19	Travel	-223	-295	-377	-2,181	-2,511	-2,723	-2,436	-2,458	-2,567
20	Passenger fares	-112	-98	-103	-364	-460	-500	-713	-763	-823
21	Other transportation	-259	-293	-325	-496	-531	-502	-1,365	-1,514	-1,596
22	Royalties and license fees ⁵	-58	-86	-100	-266	-275	-324	-548	-603	-639
23	Other private services ⁵	-286	-347	-458	-1,534	-1,782	-1,755	-1,826	-1,958	-2,139
24	U.S. Government miscellaneous services	-67	-73	-75	-202	-222	-236	-302	-322	.....
25	Income payments on foreign assets in the United States	-2,082	-2,315	-3,163	-2,163	-2,795	-5,135	-5,408	-7,406	-7,843
26	Direct investment payments	-181	-230	-445	142	52	-1,713	-8	-2,006	-1,657
27	Other private payments	-915	-1,018	-1,360	-1,932	-2,345	-2,770	-1,945	-2,192	-2,680
28	U.S. Government payments	-986	-1,067	-1,358	-373	-502	-652	-3,095	-3,208	-3,506
29	Unilateral transfers, net	-36	-41	-63	-133	-155	-139	1,283	1,190	1,434
30	U.S. Government grants ⁴ .....	.....	.....	.....	.....	.....	.....	1	.....	.....
31	U.S. Government pensions and other transfers	-16	-17	-16	-60	-60	-61	-121	-281	-291
32	Private remittances and other transfers	-20	-24	-37	-73	-95	-78	1,403	1,471	1,725
33	U.S. assets abroad, net (increase/capital outflow (-))	-3,178	-4,955	-9,234	-2,922	-4,974	-9,858	-15,943	-3,334	-11,736
34	U.S. official reserve assets, net ⁷ .....	.....	.....	.....	-1	.....	.....	-1,002	3,198	2,648
35	Gold .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
36	Special drawing rights .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
37	Reserve position in the International Monetary Fund .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
38	Foreign currencies .....	.....	.....	.....	-1	.....	.....	-1,002	3,198	2,648
39	U.S. Government assets, other than official reserve assets, net	-7	5	-3	-5	.....	-4	6	-7	-12
40	U.S. credits and other long-term assets .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
41	Repayments on U.S. credits and other long-term assets ⁸ .....	.....	.....	.....	1	1	.....	.....	.....	.....
42	U.S. foreign currency holdings and U.S. short-term assets, net	-7	5	-3	-6	-1	-4	6	-7	-12
43	U.S. private assets, net	-3,171	-4,960	-9,231	-2,916	-4,974	-9,854	-14,947	-6,525	-14,372
44	Direct investment	-4,361	-4,176	-4,176	496	-2,770	-5,954	-4,262	-1,846	-2,481
45	Foreign securities	-386	-1,392	-1,950	-3,792	-595	-412	-4,585	-1,248	-895
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	597	-130	-1,236	-2,287	241	-1,672	-4,903	-953	-8,984
47	U.S. claims reported by U.S. banks, not included elsewhere	979	-1,222	-1,869	2,667	-1,850	-1,816	-1,197	-2,478	-2,012
48	Foreign assets in the United States, net (increase/capital inflow (+))	7,073	-5,197	6,638	9,572	7,817	-857	8,981	14,785	17,627
49	Foreign official assets in the United States, net	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)
50	U.S. Government securities	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)
51	U.S. Treasury securities ⁹	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)
52	Other ¹⁰	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)
53	Other U.S. Government liabilities ¹¹	-56	44	17	9	-17	46	-216	-18	-45
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)
55	Other foreign official assets ¹²	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)
56	Other foreign assets in the United States, net	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)
57	Direct investment	-274	1,019	1,903	6,778	3,987	3,719	7,698	6,551	8,118
58	U.S. Treasury securities	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)
59	U.S. securities other than U.S. Treasury securities	-1,300	-2,875	-509	2,078	-169	-61	2,513	2,733	3,911
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-257	311	-36	829	-449	-694	231	810	220
61	U.S. liabilities reported by U.S. banks, not included elsewhere	14,890	14,396	14,526	14,122	14,465	14,367	14,124	14,709	14,523
62	Allocations of special drawing rights .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
63	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above item with sign reversed)	-7,895	4,490	-4,726	-7,259	-1,363	11,767	15,413	1,342	6,151
64	Memoranda:	.....	.....	.....	.....	.....	.....	.....	.....	.....
65	Balance on goods (lines 2 and 16)	2,296	2,615	4,083	-1,986	-3,064	-2,922	-10,057	-12,934	-14,882
66	Balance on services (lines 3 and 17)	1,197	1,266	1,126	1,848	849	1,505	-1,018	-514	812
67	Balance on goods and services (lines 64 and 65)	3,493	3,881	5,209	-138	-2,215	-1,417	-11,075	-13,448	-14,070
68	Balance on investment income (lines 11 and 25)	543	1,822	2,166	880	890	504	1,341	-535	594
69	Balance on goods, services, and income (lines 1 and 15 or lines 66 and 67) ¹³	4,036	5,703	7,375	742	-1,325	-913	-9,734	-13,983	-13,476
70	Unilateral transfers, net (line 29)	-36	-41	-63	-133	-155	-139	1,283	1,190	1,434
71	Balance on current account (lines 1, 15, and 29 or lines 68 and 69) ¹³	4,000	5,662	7,322	609	-1,480	-1,052	-8,451	-12,793	-12,042

See footnotes on page 87.

by Selected Countries (published annually)

of dollars]

Italy			Netherlands			Mexico			Venezuela			South Africa			Line
1993	1994	1995 ^P	1993	1994	1995 ^P	1993	1994	1995 ^P	1993	1994	1995 ^P	1993	1994	1995 ^P	
12,403	13,778	15,982	20,472	22,761	30,646	53,596	64,089	56,789	7,633	6,649	7,845	2,906	3,014	3,749	1
6,305	7,007	8,690	12,639	13,320	16,225	41,478	50,741	46,182	4,475	3,960	4,606	2,188	2,168	2,792	2
4,164	4,280	4,460	4,294	5,121	6,011	8,451	8,844	6,231	2,472	2,151	2,460	509	616	693	3
61	111	53	142	220	252	4	8	2	19	18	17				4
1,203	1,219	1,234	751	756	818	5,119	4,866	2,857	1,740	1,534	1,866	203	288	309	5
519	437	477	122	132	152	554	733	584							6
448	560	509	781	856	976	509	589	473							7
908	969	1,105	1,086	1,495	1,858	464	558	414	86	67	93	82	37	112	8
1,021	979	1,076	1,409	1,661	1,953	1,781	2,068	1,877	627	532	484	191	201	223	9
4	5	6	3	1	2	20	22	24							10
1,934	2,491	2,832	3,539	4,320	8,410	3,667	4,504	4,376	686	538	779	209	230	264	11
1,246	1,718	1,960	2,389	2,410	6,075	2,525	2,434	1,594	542	382	640	174	191	183	12
688	773	872	1,147	1,909	2,335	1,057	2,003	2,245	143	155	139	35	39	81	13
			3	1		85	67	537	1	1					14
-17,853	-20,189	-21,884	-13,576	-14,248	-16,637	-50,261	-60,393	-72,999	-9,846	-9,827	-11,304	-2,116	-2,380	-2,878	15
-13,197	-14,784	-16,335	-8,481	-6,004	-6,396	-40,429	-60,053	-62,361	-8,417	-8,371	-9,719	-1,845	-2,031	-2,209	16
-4,012	-4,379	-4,401	-2,199	-2,531	-3,023	-8,354	-8,732	-8,797	-747	-774	-710	-265	-339	-432	17
-451	-511	-520	-111	-99	-53	-18	-12	-7	-1	-1	-1	(*)	(*)	-9	18
-1,498	-1,651	-1,895	-331	-380	-427	-5,162	-5,334	-5,316	-746	-773	-709	-127	-141	-190	19
-465	-458	-501	-387	-557	-665	-641	-601	-560							20
-826	-976	-960	-425	-468	-553	-354	-428	-423							21
-36	-53	-75	-249	-285	-430	-12	-27	-46	-746	-773	-709	(*)	-4	(*)	22
-666	-653	-463	-664	-706	-853	-2,014	-2,135	-2,241							23
-70	-77	-87	-32	-36	-42	-153	-195	-204							24
-644	-1,026	-1,148	-2,896	-5,713	-7,218	-1,478	-1,608	-1,841	-682	-682	-875	-6	-10	-37	25
160	-23	-71	-1,944	-4,214	-5,262	-54	-52	-63	-44	27	47	2	2	1	26
-703	-819	-871	-1,188	-1,461	-1,461	-474	-609	-808	-418	-504	-712	-8	-12	-27	27
-101	-184	-206	-173	-311	-495	-960	-947	-970	-220	-205	-210			-11	28
-267	-276	-293	-37	-37	-43	-3,427	-3,604	-3,811	-49	-50	-59	-113	-159	-165	29
						-24	-3	-4	(*)	(*)	(*)	-79	-109	-123	30
-217	-212	-218	-18	-19	-19	-232	-234	-218	-4	-4	-4	-4	-4	-4	31
-50	-64	-75	-19	-18	-24	-3,171	-3,367	-3,589	-45	-46	-54	-31	-46	-38	32
-7,125	610	-3,696	-8,279	-4,160	-17,678	-14,700	-5,473	-12,084	-1,559	151	109	215	-948	-716	33
								-11,800							34
															35
															36
															37
															38
-6	-1	5	-1	2	4	197	237	206	-1	1	4	3	-6	2	39
						-36	-7		-4						40
						231	247	206	3	1	4				41
-6	-1	5	-1	2	4	2	-3		(*)	(*)		3	-6	2	42
-7,119	611	-3,701	-8,278	-4,162	-17,682	-14,897	-5,710	-490	-1,558	150	105	212	-942	-718	43
-1,427	-2,086	-2,855	-1,398	-7,134	-3,327	-2,516	-3,327	-2,113	-555	-706	-603	-72	-156	-288	44
-6,034	-836	-2,430	-5,927	-3,598	-4,285	-11,856	-3,630	-609	-259	-381	381	-91	-723	-334	45
	189	-91	-734	-1,068	-3,351	-493	-104	427	71	66	66	-27	-34	-179	46
349	3,344	1,675	-219	1,580	-2,912	-32	1,351	1,805	-662	1,166	261	402	-29	83	47
3,043	429	2,598	10,632	4,106	5,477	7,677	-17,285	14,636	1,116	733	-2,330	298	-110	558	48
(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	49
(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	50
(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	51
(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	52
72	-236	48	29	-1	-72	3	-2	-1	-7	3	1	(*)	(*)	(*)	53
(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	54
(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	55
(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	56
-605	1,466	-182	2,967	-2,272	-184	-112	1,276	-453	-817	96	13	11	-11	-1	57
(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	58
1,060	990	-996	-922	4,359	4,884	-172	311	426	420	-396	106	-1	-34	128	59
86	-244	33	309	119	-270	44	90	-67	-16	157	-60	27	-61	-9	60
14 2,430	14 -1,547	14 3,695	14 8,249	14 1,901	14 1,119	14 7,914	14 -18,960	14 14,731	14 1,536	14 873	14 -2,390	14 261	14 -4	14 440	61
															62
9,799	5,648	7,293	-9,212	-8,422	-1,765	7,115	22,666	17,469	2,705	2,344	5,739	-1,190	583	-748	63
-6,892	-7,777	-7,645	4,158	7,316	9,829	1,049	688	-16,179	-3,942	-4,411	-5,113	343	137	583	64
152	-99	59	2,095	2,988	97	112	112	-2,566	-1,725	1,377	1,750	244	277	261	65
-6,740	-7,876	-7,586	6,253	9,906	12,817	1,146	800	-18,745	-2,217	-3,034	-3,363	587	414	844	66
1,290	1,465	1,684	643	-1,393	1,192	2,189	2,896	2,536	4	-144	-96	203	220	227	67
-5,450	-6,411	-5,902	6,896	6,513	14,009	3,335	3,696	-16,210	-2,213	-3,178	-3,459	790	634	1,071	68
-267	-276	-293	-37	-43	-43	-3,427	-3,604	-3,811	-49	-50	-59	-113	-159	-165	69
-5,717	-6,687	-6,195	6,859	8,476	13,966	-92	92	-20,021	-2,262	-3,228	-3,518	677	475	906	70

Foreign Direct Investment in the United States

- New Investment in 1995
- Affiliate Operations in 1994

By Mahnaz Fahim-Nader and William J. Zeile

IN 1995, outlays by foreign direct investors to acquire or establish businesses in the United States increased for the third consecutive year (chart 1). Outlays increased 19 percent in 1995, to \$54.4 billion, following increases of 74 percent in 1994 and 71 percent in 1993 (table 1).¹ Despite the recent increases, outlays in 1995 remained well below the peak levels of 1988–90, when new investments from Japan were much higher (chart 2).

The increase in outlays in 1995 reflected continued, albeit diminished, economic growth in

the United States and abroad, as well as several factors specific to particular industries, and it coincided with a sharp increase in overall merger and acquisition activity in the United States.

Additional highlights on new investment in 1995 are as follows:

- Most—58 percent—of the outlays in 1995 were financed with funds from foreign parents rather than from U.S. sources or from other foreign sources.
- As in the past, most new investment was accounted for by outlays to acquire existing companies rather than by outlays to establish new companies.
- By industry, more than one-half of the new investment outlays were in manufacturing. Within manufacturing, the outlays were largest in chemicals.

Table 1.—Selected Data on Newly Acquired or Established U.S. Businesses and on Nonbank U.S. Affiliates, 1977–95

	Newly acquired or established U.S. businesses		All nonbank U.S. affiliates			Addendum: Employment by newly acquired or established U.S. businesses as a percent of employment by all nonbank U.S. affiliates ³
	Outlays (millions of dollars)	Employment ¹ (thousands of employees)	Employment (thousands of employees)	Gross product (millions of dollars)	U.S. affiliate share of gross product originating in private industries ² (percent)	
1977	n.a.	n.a.	1,218.7	35,222	2.3	n.a.
1978	n.a.	n.a.	1,429.9	42,920	2.5	n.a.
1979	n.a.	n.a.	1,753.2	55,424	2.9	n.a.
1980	12,172	292.5	2,033.9	70,906	3.4	14.4
1981	23,219	442.8	2,416.6	98,828	4.2	18.3
1982	10,817	233.8	2,448.1	103,489	4.3	9.6
1983	8,091	108.1	2,546.5	111,490	4.3	4.2
1984	15,197	172.5	2,714.3	128,761	4.4	6.4
1985	23,106	275.5	2,862.2	134,852	4.3	9.6
1986	39,177	438.0	2,937.9	142,120	4.3	14.9
1987	40,310	394.1	3,224.3	157,869	4.5	12.2
1988	72,692	736.3	3,844.2	190,384	5.0	19.2
1989	71,163	722.0	4,511.5	223,420	5.6	16.0
1990	65,932	474.3	4,734.5	239,279	5.7	10.0
1991	25,538	249.0	4,871.9	257,634	6.0	5.1
1992	15,333	141.5	4,715.4	266,333	5.9	3.0
1993	26,229	289.1	*4,765.6	*285,738	6.0	6.1
1994	*45,626	*289.3	*4,866.6	*320,060	6.2	5.9
1995	*54,368	*366.2	n.a.	n.a.	n.a.	n.a.

* Revised.

† Preliminary.

n.a. Not available.

1. See footnote 8 in text for more information.

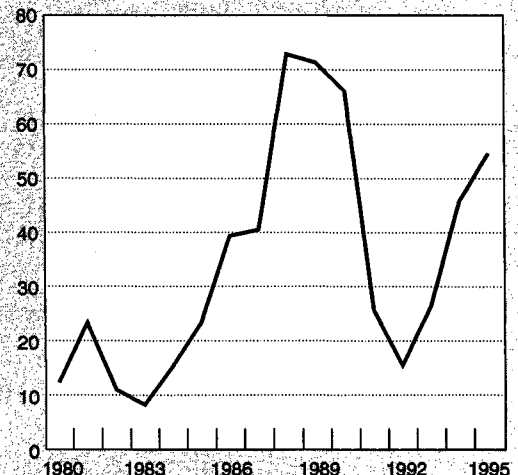
2. For improved comparability with U.S. affiliate gross product, gross product originating in private industries was adjusted to exclude gross product originating in depository institutions and private households, imputed rental income from owner-occupied housing, and business transfer payments and subsidies.

3. Because the data on new affiliates include bank affiliates, the percentages shown in this column are biased upward. In all years, the bias is less than 1 percentage point; in most years, it is in the range of less than 0.3 percentage point.

CHART 1

Outlays for New Investment in the United States by Foreign Direct Investors, 1980–95

Billions \$



U.S. Department of Commerce, Bureau of Economic Analysis

- By investing country, the new investment outlays were largest for Germany, followed by the United Kingdom.

Most measures of the overall operations of nonbank U.S. affiliates of foreign companies—including existing as well as new affiliates—increased in 1994, the latest year for which such measures are available.² The gross product of affiliates increased 12 percent to \$320.1 billion in

2. A U.S. affiliate is a U.S. business enterprise in which there is foreign direct investment—that is, in which a single foreign person owns or controls, directly or indirectly, 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise. An affiliate is called a “U.S. affiliate” to denote that it is located in the United States; in this article, “affiliate” and “U.S. affiliate” are used interchangeably. “Person” is broadly defined to include any individual, corporation, branch, partnership, associated group, association, estate, trust, or other organization and any government (including any corporation, institution, or other entity or instrumentality of a government). A “foreign” person is any person resident outside the United States—that is, outside the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and all U.S. territories and possessions.

1994.³ The increase reflected both the growth in new investments and the unusually strong growth in the operations of existing affiliates. The share of total gross product originating in private U.S. businesses that was accounted for by affiliates increased to 6.2 percent in 1994 from 6.0 percent in 1993 (chart 3). Although the affiliate share remained small, it has increased substantially since 1986, when it was 4.3 percent. Unlike the growth in 1994, the growth in 1986–93 was mainly due to new investments rather than to expansions of existing operations.

Additional highlights of the operations of U.S. affiliates in 1994 are as follows:

3. The estimates of gross product and the other data items on affiliate operations for 1994 are preliminary. The estimates for 1993 are revised; for most of the key data items, the revisions from the preliminary estimates were small, resulting in changes to the totals by 0.5 to 2.5 percent. However, the revised estimates of net income show losses only about one-half as large as the preliminary estimates.

BEA Data on Foreign Direct Investment in the United States

BEA collects three broad sets of data on foreign direct investment in the United States (FDIUS): (1) new investment data, (2) financial and operating data of U.S. affiliates, and (3) balance of payments and direct investment position data. This article presents the first two sets of data; the balance of payments and direct investment position data appear in the articles “The International Investment Position of the United States in 1995,” “U.S. International Transactions, First Quarter 1996,” and “Direct Investment Positions on a Historical-Cost Basis: Country and Industry Detail for 1995 and Changes in Geographic Composition Since 1982” in this issue of the SURVEY OF CURRENT BUSINESS.

Each of the three data sets focuses on a distinct aspect of FDIUS. The *new investment data* track U.S. businesses that are newly acquired or established by foreign direct investors, regardless of whether the invested funds were raised in the United States or abroad; the *financial and operating data* provide a picture of the overall activities of the U.S. affiliates; and the *balance of payments and direct investment position data* track cross-border transactions and positions of both new and existing U.S. affiliates with their foreign parents.

New investment data.—The data on outlays by foreign direct investors to acquire or establish affiliates in the United States are collected in BEA’s survey of new FDIUS. The data on investment outlays and on the number and types of investment and investors are on a calendar year basis.

In addition, the new investment survey collects selected data on the operations of the newly acquired or established affiliates. For newly acquired affiliates, these data are for (or as of the end of) the most recent fiscal year preceding the acquisition, and for newly established businesses, they are projected for (or as of the end of) the first year of operation. The data cover the entire op-

erations of the business, irrespective of the percentage of foreign ownership.

Financial and operating data of U.S. affiliates.—The data on the overall operations of U.S. affiliates are collected in BEA’s annual and benchmark surveys of FDIUS. The data cover U.S. affiliates’ balance sheets and income statements, employment and employee compensation, merchandise trade, research and development expenditures, sources of finance, and selected data by State. In addition, the gross product of affiliates is estimated from data reported in the surveys.

Except in benchmark survey years, these data, unlike the new investment data, cover only nonbank affiliates. All data on the overall operations of nonbank U.S. affiliates are on a fiscal year basis. The data cover the entire operations of the U.S. affiliate, irrespective of the percentage of foreign ownership.

Balance of payments and the direct investment position data.—These data cover the U.S. affiliate’s cross-border transactions and positions with its foreign parent or other members of its foreign parent group and hence focus on the foreign parent’s share, or interest, in the affiliate rather than on the affiliate’s overall size or level of operations. The major items included in the U.S. balance of payments are direct investment capital flows, direct investment income, royalties and license fees, and other services transactions with the foreign parent group. These data are collected in the quarterly survey of FDIUS.

For a more detailed discussion of the differences between these three sets of data, see “A Guide to BEA Statistics on Foreign Direct Investment in the United States,” SURVEY 70 (February 1990): 29–37. For a discussion of the data on affiliate operations in comparison with the data on new investment, see the appendix “Sources of Data” in “Foreign Direct Investment in the United States: New Investment in 1994 and Affiliate Operations in 1993,” SURVEY 75 (May 1995): 68–70.

- The net income of affiliates surged to \$13.4 billion in 1994, following 4 consecutive years of losses. Profit-type return—operating profits on an economic-accounting basis—more than tripled to \$30.5 billion.
- Employment by affiliates increased 2 percent, following a 1-percent rise in 1993. The increases in employment resulting from new investments were less than in 1993, but they far exceeded the decreases in employment resulting from sales and liquidations of foreign ownership interests.
- Merchandise exports and imports of affiliates increased at a slower pace than total

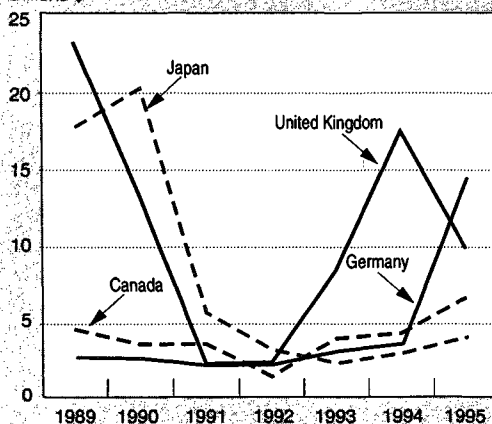
U.S. merchandise exports and imports. As a result, the affiliate shares of total U.S. merchandise trade—22 percent of exports and 33 percent of imports—were slightly lower than in 1993.

- By country of ultimate beneficial owner (UBO), British-owned affiliates continued to account for the largest share of total affiliate gross product; in 1994, their share increased to more than 21 percent.⁴ The share of Australian-owned affiliates dropped substantially, as a result of selloffs.
- Affiliates owned by foreign governments accounted for 4 percent of total affiliate gross product. Most countries had little or no Government-owned investment, but the Government-owned share was substantial for a few investing countries, including France, Italy, and several predominantly oil-producing countries.
- By industry, affiliate shares of all-U.S.-business employment continued to be largest in mining and in manufacturing. Within manufacturing, the affiliate share was largest in chemicals.
- By State, the affiliate share of total business employment was largest in Hawaii; in

CHART 2

Outlays for New Investment in the United States by Foreign Direct Investors from Selected Countries, 1989–95

Billions \$

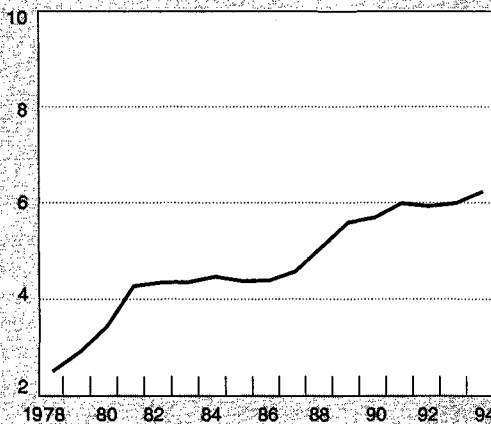


U.S. Department of Commerce, Bureau of Economic Analysis

CHART 3

U.S. Affiliate Share of Gross Product Originating in Private Industries, 1978–94

Percent



U.S. Department of Commerce, Bureau of Economic Analysis

Acknowledgments

The survey from which the data on new foreign direct investment in the United States were drawn was conducted under the supervision of Joseph F. Cherry III, assisted by Erik A. Kasari, Edward J. Kozierka, Nicole Leiker, and Ronald McNeil. The survey from which the data on U.S. affiliate operations were drawn was conducted under the supervision of David H. Galler, assisted by Juris E. Abolins, Chester C. Braham, Constance C. Deve, Beverly A. Feeser, Vincent Goins, Earl F. Holmes, Lonnie Hunter, Betty Jones, Carol Lefkowitz, Edna Ludden, Gregory McCormick, Sidney Moskowitz, Clarence D. Smith, Marie P. Smith, John R. Starnes, Kimyetta Whitehead, Demetria Williams, and Dorrett Williams. The estimates of U.S. affiliate gross product were prepared by Ned G. Howenstine, Jeffrey H. Lowe, and Dale P. Shannon. Computer programming for data estimation and the generation of data tables was provided by Arnold Gilbert, Angela M. Roberts, Peter Bowman, and Suet Ng.

1994, the share dipped slightly to less than 12 percent. The affiliate share of manufacturing employment was largest in Delaware, increasing slightly to more than 27 percent.

New Investment in 1995

Outlays to acquire and establish U.S. businesses, including both those made directly by foreign investors and those made through their existing U.S. affiliates, increased 19 percent to \$54.4 billion in 1995, following a 74-percent increase in 1994 (table 2).⁵ The growth in outlays for new foreign direct investment in the United States in 1995 coincided with, but was somewhat smaller than, a sharp increase in overall merger activity in the United States.⁶ As in the past, most—85 percent—of the outlays in 1995 were to acquire existing U.S. companies rather than to establish new U.S. companies.

The increase in outlays in 1995 occurred in an economic environment that was conducive to an increase in new investments. Real economic growth in the United States and in the major investor countries, though generally less rapid than

in 1994, remained positive. In addition, the depreciation of the U.S. dollar against several major foreign currencies lowered the costs of new U.S. investments in terms of foreign currencies, and a decline in interest rates in the United States and abroad lowered the cost of external funds for mergers and acquisitions.

In addition to these general economic factors, factors specific to particular industries appear to have motivated a number of large new investments. In chemicals and allied products, drug manufacturers' desire to realize economies of scale in research and marketing operations—partly in response to pressure from governments, insurance companies, and healthcare organizations to contain costs and hold down price increases—led a number of foreign companies to merge with or acquire drug companies in the United States. In "finance, except depository institutions," European banks' desire to expand geographically—to broaden their range

5. The new investment data are limited to all U.S. business enterprises (including banks) that have total assets of over \$1 million or that own at least 200 acres of U.S. land in the year they are acquired or established. U.S. enterprises that do not meet these criteria are required to file partial reports, primarily for identification purposes, but the data from these reports are not included in the accompanying tables. For 1995, the total assets of the U.S. enterprises that filed partial reports were only \$143.9 million, or about 0.1 percent of the total assets of \$98.4 billion of the U.S. enterprises that filed complete reports.

A U.S. business enterprise is categorized as "established" if (a) the foreign parent or its existing U.S. affiliate creates a new legal entity that is organized and begins operating as a new U.S. business enterprise or (b) the foreign parent directly purchases U.S. real estate. A U.S. business enterprise is categorized as "acquired" if the foreign parent or its existing U.S. affiliate (a) obtains a voting equity interest in a previously existing, separate legal entity that was already organized and operating as a U.S. business enterprise and continues to operate it as a separate legal entity, (b) purchases a business segment or operating unit of an existing U.S. business enterprise that is organized as a new separate legal entity, or (c) purchases through the existing U.S. affiliate a U.S. business enterprise or a business segment or an operating unit of a U.S. business enterprise, and merges it into its own operations rather than continuing or organizing it as a separate legal entity.

The data on acquisitions do not cover the acquisition of additional equity in an existing U.S. affiliate by the foreign parent, the acquisition of an existing U.S. affiliate from a different foreign investor, or the expansions of plants by an existing U.S. affiliate.

6. In a news release dated December 29, 1995, the Securities Data Company reported a 32-percent increase in overall merger and acquisition activity in the United States in 1995.

Industry Name Changes

The following changes have been made to the names of the industries shown in the stubs of the tables in this article, in order to conform with the nomenclature used in the 1987 Standard Industrial Classification.

"Machinery, except electrical" is now designated "industrial machinery and equipment," and electric and electronic equipment is now designated "electronic and other electric equipment." The substance of these changes had already been reflected in the data beginning with the 1987 benchmark survey of foreign direct investment in the United States.

"Banking" is now designated "depository institutions," and "finance, except banking" is now designated "finance, except depository institutions." The substance of these changes had already been reflected in the data beginning with the 1992 benchmark survey of foreign direct investment in the United States. For convenience, the new terminology is used for all years in tables that show data both before and after 1992 (see footnote 1 to table 4). However, the terms "bank" and "nonbank" will continue to be used to refer to groups of affiliates ("nonbank U.S. affiliates").

Table 2.—Investment Outlays, Investments, and Investors, 1989–95

	Outlays (millions of dollars)							Number						
	1989	1990	1991	1992	1993	1994 ^r	1995 ^p	1989	1990	1991	1992	1993	1994 ^r	1995 ^p
Investments, total	71,163	65,932	25,538	15,333	26,229	45,626	54,368	1,580	1,617	1,091	941	980	1,036	1,133
Acquisitions	59,708	55,315	17,806	10,616	21,761	38,753	46,452	837	839	561	463	554	605	650
Establishments	11,455	10,617	7,732	4,718	4,468	6,873	7,917	743	778	530	478	426	431	483
Investors, total	71,163	65,932	25,538	15,333	26,229	45,626	54,368	1,742	1,768	1,220	1,019	1,094	1,144	1,231
Foreign direct investors	22,538	14,026	8,985	4,058	6,720	13,628	11,313	727	670	438	350	368	345	347
U.S. affiliates	48,625	51,906	16,653	11,275	19,509	31,999	43,055	1,015	1,098	782	669	726	799	884

^r Revised.
^p Preliminary.

of services and to gain more direct access to the large U.S. capital market—resulted in a number of U.S. acquisitions. In both industries, some of the acquired companies became available for acquisition when diversified U.S. companies divested themselves of business segments unrelated to their core businesses.

As in 1994, outlays in 1995 included more large investments than in the previous 3 years. In both years, there were four investments of \$2 billion or more and eight investments of \$1 billion or more (table 3). Investments of \$1 billion or more

accounted for about three-eighths of total outlays in each year.

By industry, outlays increased in all industries except wholesale trade, services, and “other industries.” Increases were particularly large in manufacturing (\$7.3 billion) and “finance, except depository institutions” (\$3.6 billion). In manufacturing, increases in chemicals and allied products (particularly drugs) and machinery (particularly industrial machinery and equipment) more than offset decreases in food and kindred products, primary and fabricated metals, and “other manufacturing.” In “finance, except depository institutions,” most of the increase was accounted for by “other finance.”

By country, the four nations whose investors made the largest outlays in 1995—Germany, the United Kingdom, Canada, and Switzerland—accounted for two-thirds of the total (table 4). Outlays by German investors surged \$10.8 billion, to \$14.2 billion, the largest level of outlays for that country since 1980, the first year that data on new investments were available. Outlays by Japanese investors, at \$3.8 billion, increased for the second year in a row; however, despite the increase, these

Table 3.—Number of Investments by Size of Outlays, 1989–95

	1989	1990	1991	1992	1993	1994 ^r	1995 ^p
Total	1,580	1,617	1,091	941	980	1,036	1,133
\$2 billion or more	4	5	1	0	1	4	4
\$1 billion–\$1.9 billion	6	6	1	0	1	4	4
\$100 million–\$99 million ..	110	74	45	28	47	71	76
\$10 million–\$99 million	483	499	273	252	252	273	335
Less than \$10 million	977	1,033	771	661	679	684	714
Addenda:							
Percent of total outlays accounted for by:							
Investments of \$1 billion or more	36	40	12	0	19	39	37
Investments of \$100 million or more	74	73	59	42	64	78	76

^r Revised.

^p Preliminary.

Table 4.—Investment Outlays by Industry of U.S. Business Enterprise and by Country of Ultimate Beneficial Owner, 1989–95

(Millions of dollars)

	1989	1990	1991	1992	1993	1994 ^r	1995 ^p
Total	71,163	65,932	25,538	15,333	26,229	45,626	54,368
By industry:							
Petroleum	1,189	1,141	702	463	882	469	1,731
Manufacturing	35,958	23,898	11,461	6,014	11,090	21,218	28,493
Food and kindred products	6,515	997	1,247	404	1,294	4,567	4,233
Chemicals and allied products	11,584	7,518	2,897	1,644	5,035	6,905	13,716
Primary and fabricated metals	3,545	2,447	797	1,187	1,297	1,485	578
Machinery	4,346	3,795	4,929	1,002	1,778	1,867	5,350
Other manufacturing	9,969	9,141	1,591	1,778	1,686	6,393	4,616
Wholesale trade	2,634	1,676	623	698	837	2,156	(^D)
Retail trade	1,861	1,250	1,605	256	1,495	1,542	2,957
Depository institutions ¹	349	897	482	529	958	2,026	2,592
Finance, except depository institutions ¹	4,186	2,121	2,199	797	1,599	2,195	5,751
Insurance	1,901	2,093	2,102	291	1,105	450	(^D)
Real estate	6,438	7,771	3,823	2,161	1,883	2,647	2,679
Services	10,058	19,369	2,256	2,023	4,162	7,163	4,142
Other industries	6,587	5,716	284	2,101	2,218	5,760	3,983
By country²:							
Canada	4,403	3,430	3,454	1,351	3,797	4,128	6,481
Europe	40,724	36,011	13,994	8,344	16,845	31,920	36,654
France	3,469	10,217	4,976	406	1,249	1,404	1,217
Germany ³	2,435	2,363	1,922	1,964	2,841	3,328	14,155
Netherlands	3,629	2,247	1,661	1,331	2,074	1,537	885
Switzerland	4,923	3,905	1,327	1,259	804	5,044	4,198
United Kingdom	23,047	13,096	2,169	2,255	8,238	17,261	9,676
Other Europe	3,221	4,183	1,939	1,129	1,639	3,346	6,523
Latin America and Other Western Hemisphere	1,084	796	375	1,438	874	1,352	1,329
South and Central America	650	399	108	1,152	527	(^D)	(^D)
Other Western Hemisphere	434	397	267	286	347	(^D)	(^D)
Africa	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)
Middle East	243	472	1,006	238	1,308	(^D)	500
Asia and Pacific	24,530	23,170	6,560	3,716	3,004	5,263	9,169
Australia	4,574	1,412	251	164	129	1,522	2,488
Japan	17,410	19,933	5,357	2,921	2,065	2,715	3,758
Other Asia and Pacific	2,546	1,825	952	631	810	1,026	2,923
United States ⁴	(^D)	(^D)	(^D)	(^D)	(^D)	201	(^D)

^r Revised.

^p Preliminary.

^D Suppressed to avoid disclosure of data of individual companies.

1. Prior to 1992, “depository institutions” excludes, and “finance, except depository institutions” includes, savings institutions and credit unions. Beginning with 1992, savings institutions and credit unions have been reclassified from “finance, except depository institutions” to “depository institutions.”

2. For investments in which more than one investor participated, each investor and each investor's outlays are classified by country of each ultimate beneficial owner.

3. Prior to 1990, this line includes data only for the Federal Republic of Germany. Beginning in 1990, this line also includes the former German Democratic Republic (GDR). This change has no effect on the data because, prior to 1991, there were no U.S. affiliates of the former GDR.

4. See footnote 4 in text for explanation.

Table 5.—Selected Operating Data of U.S. Business Enterprises Acquired or Established, by Industry of U.S. Business Enterprise, 1994–95

	1994 ^r					1995 ^p				
	Millions of dollars			Number of employees	Number of hectares of land owned ¹	Millions of dollars			Number of employees	Number of hectares of land owned ¹
	Total assets	Sales	Net income			Total assets	Sales	Net income		
All industries	77,829	56,261	1,229	289,287	488,958	98,390	53,649	1,885	366,168	407,409
Petroleum	1,217	(D)	1	1,403	(D)	4,460	(D)	(D)	(D)	(D)
Manufacturing	25,251	19,593	114	101,387	(D)	40,196	28,190	(D)	130,388	16,566
Wholesale trade	3,259	6,582	(D)	9,600	656	(D)	5,410	(D)	8,499	(D)
Retail trade	2,894	(D)	-109	(D)	(D)	4,139	8,069	72	130,220	625
Depository institutions	12,619	(D)	(D)	(D)	(D)	16,325	(D)	(D)	(D)	(D)
Finance, except depository institutions	4,903	569	79	(D)	0	12,277	812	(D)	2,558	0
Insurance	1,870	519	8	(D)	(D)	(D)	(D)	(D)	(D)	0
Real estate	4,054	(D)	-4	(D)	6,003	2,915	288	40	97	3,859
Services	5,348	3,292	-68	31,848	4,403	5,888	3,393	45	47,576	(D)
Other industries	16,413	15,093	648	66,174	(D)	7,933	2,820	(D)	(D)	(D)

^r Revised.
^p Preliminary.
^D Suppressed to avoid disclosure of data of individual companies.
 1. One hectare equals 2.471 acres. Thus, for all industries, the number of acres of land owned

in 1994 and 1995 were 1,208,216 and 1,006,708, respectively.
 NOTE.—For newly acquired businesses, data cover the most recently completed financial reporting year. For newly established businesses, data are projections for the first full year of operations.

outlays were only about a fifth as large as those in the peak year of 1990 (chart 2). Outlays by Japanese investors continued to be dampened by slow economic recovery in Japan, weak corporate profits, and continued liquidity problems in the banking system.

The portion of outlays financed with funds from foreign parents increased \$4.5 billion, to \$31.5 billion. The increase contributed to the overall increase in net capital inflows for foreign direct investment in the United States (FDIUS) recorded in the U.S. balance of payments accounts for 1995.⁷ Outlays financed with funds from U.S. or other foreign sources increased \$4.2 billion, to \$22.8 billion.

The total assets of newly acquired or established affiliates were \$98.4 billion in 1995, up from \$77.8 billion in 1994 (table 5). Of the total, assets of businesses acquired in 1995 were \$80.7 billion.

U.S. businesses that were newly acquired or established employed 366,000 persons in 1995, up from 289,000 in 1994. In 1995, manufacturing and retail trade accounted for the largest shares of employment (36 percent each).

Affiliate Operations in 1994

In 1994, the gross product of nonbank U.S. affiliates increased 12 percent, the fastest rate of increase since 1989 (table 6). In contrast to the earlier years, much of the 1994 increase was due to expansions in existing operations; new in-

vestments played an important, but secondary, role.

Affiliate sales increased 9 percent, and expenditures for new plant and equipment increased 8 percent; employee compensation increased a relatively modest 4 percent. Following 4 consecutive years of losses, the net income of affiliates surged to a positive \$13 billion, the highest level in current dollars since at least 1977, when BEA began collecting annual data on affiliate operations.

Employment by affiliates increased 2 percent in 1994, following an increase of only 1 percent in 1993 (chart 4). New investments added 235,200 employees in 1994—compared with 261,900 in 1993—but sales and liquidations reduced employment by only 161,000—compared with 239,900 (table 7).⁸ Increases in employment from expansions of existing operations were also smaller than in 1993, as were employment decreases from affiliate cutbacks.

In 1994, U.S. merchandise exports shipped by affiliates increased 7 percent, and U.S. merchandise imports shipped to affiliates increased 9 percent. For both exports and imports, the rate of increase was slower than that for the corresponding all-U.S. totals. As a result, affiliates' shares of total U.S. merchandise exports and total U.S. merchandise imports fell slightly in 1994, to 22 percent and 33 percent, respectively. Sixty percent of the total merchandise imports by affiliates was accounted for by wholesale trade affiliates, which typically function as distribution agents that buy and resell the goods they import

7. In addition to outlays from foreign parents to acquire or establish U.S. affiliates, net capital inflows for FDIUS include foreign parents' financing of their existing U.S. affiliates. In 1995, net capital inflows for FDIUS increased \$10.5 billion, to \$60.2 billion. Estimates of these inflows appear in tables 1 and 5 in the article "U.S. International Transactions, First Quarter 1996" in this issue.

8. The increase in employment from new investments is smaller than the number of employees of newly acquired or established U.S. businesses in 1994 shown in table 1. The difference partly reflects differences in coverage and timing and the existence of some changes in nonbank affiliate employment that could not be categorized. For more information, see the note to table 7, and see the appendix "Sources of Data" in SURVEY 75 (May 1995): 68–70.

with little or no further processing or assembly. Wholesale trade affiliates accounted for 50 percent of the merchandise exports of affiliates, and manufacturing affiliates accounted for 43 percent.

Gross product

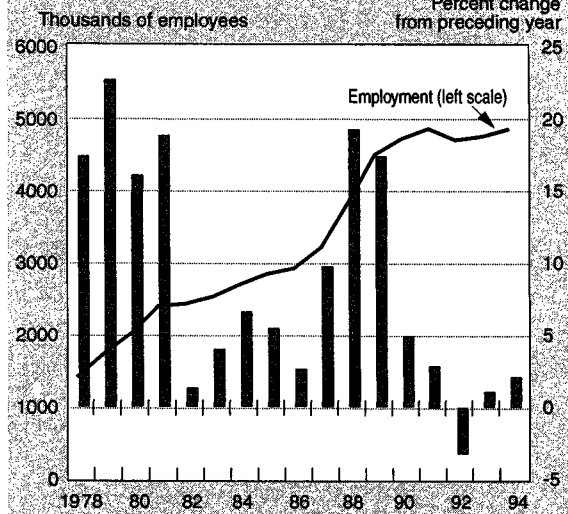
In 1994, gross product originating in affiliates increased 12 percent to \$320 billion, following an increase of 7 percent in 1993. Estimates of real affiliate gross product are not available, but these increases were well above the 2.2-percent and 2.6-percent increases in prices recorded for U.S. businesses in 1994 and 1993.⁹

The share of U.S. affiliates in total U.S. gross domestic product originating in private industries rose to 6.2 percent in 1994 from 6.0 percent in 1993 (table 1). Except for a slight dip in 1992, the affiliate share has increased every year since 1985.

9. The data used to estimate affiliate gross product are reported to BEA in current dollars. BEA's chain-type price index for the gross domestic product of nonfarm U.S. businesses, less housing, increased 2.6 percent in 1993 and 2.2 percent in 1994. The rates of price increase for affiliate gross product were probably lower, because affiliate gross product is heavily concentrated in manufacturing, where price increases have tended to be lower than in other industries.

CHART 4

Employment of Nonbank U.S. Affiliates, 1978-94



U.S. Department of Commerce, Bureau of Economic Analysis

Table 6.—Selected Data of Nonbank U.S. Affiliates of Foreign Direct Investors, 1977-94

	Millions of dollars					Thou- sands of employ- ees	Millions of dollars							
	Gross product	Sales	Net income	Employee com- pensation	Total assets		Gross prop- erty, plant, and equip- ment	Expend- itures for new plant and equip- ment	Re- search and devel- opment expenditures ¹	U.S. merchandise exports shipped by affiliates		U.S. merchandise imports shipped to affiliates		
										Total	Of which: To the foreign parent group ²	Total	Of which: From the fore- ign parent group ²	
1977	35,222	193,991	3,966	18,781	1,218.7	143,488	66,785	7,558	933	24,858	11,691	43,896	30,878	
1978	42,920	241,543	4,843	24,225	1,429.9	181,187	80,683	9,318	1,230	32,169	16,570	56,567	39,466	
1979	55,424	327,870	7,301	31,686	1,753.2	228,556	101,209	11,150	1,584	44,341	22,073	63,039	45,295	
1980	70,906	412,390	8,759	40,047	2,033.9	291,339	127,838	16,891	1,946	52,199	20,983	75,803	47,010	
1981	98,828	510,218	11,234	54,798	2,416.6	406,985	187,956	26,716	3,110	64,066	26,911	82,259	52,196	
1982	103,489	518,087	3,830	61,487	2,448.1	476,439	225,235	28,068	3,744	60,236	25,024	84,290	51,915	
1983	111,490	536,640	5,584	66,807	2,546.5	531,738	244,012	23,179	4,164	53,854	22,577	81,464	54,802	
1984	128,761	593,571	9,605	73,155	2,714.3	602,522	269,462	25,225	4,738	58,186	27,072	100,489	70,451	
1985	134,852	632,983	5,398	79,933	2,862.2	741,077	295,181	28,919	5,240	56,401	25,900	113,331	81,740	
1986	142,120	672,004	2,458	86,492	2,937.9	838,039	320,215	28,516	5,804	49,560	21,873	125,732	93,418	
1987	157,869	744,617	7,820	96,009	3,224.3	943,654	353,278	33,035	6,521	48,091	19,109	143,537	108,201	
1988	190,384	886,407	12,049	119,588	3,844.2	1,200,823	418,069	44,322	7,834	69,541	26,425	155,533	118,362	
1989	223,420	1,056,845	9,286	144,158	4,511.5	1,431,315	489,461	55,164	9,465	86,316	34,276	171,847	129,926	
1990	239,279	1,175,857	-4,535	163,592	4,734.5	1,550,238	578,355	69,580	11,522	92,308	37,764	182,936	137,458	
1991	257,634	1,185,858	-11,018	175,969	4,871.9	1,752,628	640,140	69,816	11,872	96,933	42,222	178,702	132,166	
1992	266,333	1,231,972	-21,331	182,079	4,715.4	1,825,219	660,826	61,366	13,695	103,925	48,767	184,464	137,799	
1993 ^r	285,738	1,329,435	-4,354	193,000	4,765.6	2,065,804	705,665	63,243	14,199	106,615	47,350	200,599	150,789	
1994 ^p	320,060	1,447,628	13,377	200,841	4,866.6	2,208,329	751,105	68,281	15,602	113,774	51,722	219,172	164,066	
Percent change from preced- ing year:														
1985	4.7	6.6	-43.8	9.3	5.4	23.0	9.5	14.6	10.6	-3.1	-4.3	12.8	16.0	
1986	5.4	6.2	-54.5	8.2	2.6	13.1	8.5	-1.4	10.8	-12.1	-15.5	10.9	14.3	
1987	11.1	10.8	218.1	11.0	9.7	12.6	10.3	15.8	12.4	-3.0	-12.6	14.2	15.8	
1988	20.6	19.0	54.1	24.6	19.2	27.3	18.3	34.2	20.1	44.6	38.3	8.4	9.4	
1989	17.4	19.2	-22.9	20.5	17.4	19.2	17.1	24.5	20.8	24.1	29.7	10.5	9.8	
1990	7.1	11.3	n.m.	13.5	4.9	8.3	18.2	26.1	21.7	6.9	10.2	6.5	5.8	
1991	7.7	.9	n.m.	7.6	2.9	13.1	10.7	.3	3.0	5.0	11.8	-2.3	-3.8	
1992	3.4	3.9	n.m.	3.5	-3.2	4.1	3.2	-12.1	15.4	7.2	15.5	3.2	4.3	
1993	7.3	7.9	n.m.	6.0	1.1	13.2	6.8	3.1	3.7	2.6	-2.9	8.7	9.4	
1994	12.0	8.9	n.m.	4.1	2.1	6.9	6.4	8.0	9.9	6.7	9.2	9.3	8.8	

^r Revised.

^p Preliminary.

n.m. Not meaningful.

1. Research and development funded by affiliates, whether performed by the affiliates them- selves or by others.

2. The foreign parent group consists of (1) the foreign parent, (2) any foreign person, proceed- ing up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, upto and including the UBO, and (3) any foreign person, proceeding down the ownership chain(s) of each of these members, that is owned more than 50 percent by the person above it.

The large increase in affiliate gross product in 1994 reflected unusually strong growth in the operations of existing affiliates. New investments played an important, but secondary, role, accounting for about two-fifths of the increase in affiliate gross product. In contrast, new investments accounted for about three-fourths of the increase in 1993.¹⁰

By industry.—Affiliates in manufacturing continued to account for almost one-half of the gross product of all affiliates in 1994 (table 8). In contrast, for all U.S. businesses, manufacturing accounts for only one-fifth of total gross product.¹¹

10. Based on the methodology used to construct the estimates in table 7, the change in affiliate gross product from new investments was estimated as the gross product of large affiliates that were acquired or established during the year plus the change in the gross product of large affiliates that had an increase in employment and had acquired another U.S. business during the year.

11. The most recent data on gross product by industry indicate that manufacturing accounted for 20.1 percent of the gross product originating in U.S. private industries in 1993. See "Gross Product by Industry, 1993," SURVEY 75 (April 1995): 47. Revised estimates of gross product by industry are scheduled for publication in the SURVEY later this year.

Table 7.—Sources of Change in Nonbank U.S. Affiliate Employment, 1989–94

(Thousands of employees)

Line		1989	1990	1991	1992	1993	1994
1	Change in total affiliate employment	667.3	223.0	137.5	-156.5	50.2	101.1
	Change in employment of large affiliates resulting from:						
2	New investments	596.6	481.6	291.1	101.7	261.9	235.2
3	Expansions of existing operations	125.1	107.9	107.4	141.1	110.2	93.3
4	Sales or liquidations of businesses	-123.2	-354.1	-152.2	-316.2	-239.9	-161.0
5	Cutbacks in existing operations	-68.6	-126.5	-136.4	-132.2	-95.1	-70.8
6	Combinations of new investments and sales or liquidations of businesses	76.7	-16.9	-9.6	-18.0	6.3	-9.0
7	Change not accounted for in lines 2–6	60.7	131.1	37.3	67.1	6.8	13.4

NOTE.—Lines 2–6 cover large affiliates—that is, affiliates with more than 500 employees. Coverage is limited to large affiliates because a substantial number of small affiliates change their organizational structures and in such cases it is particularly difficult to determine the reasons for the changes.

All of the change in an affiliate's employment is shown on one line, even if the change was not entirely attributable to that factor, because it was impossible to disaggregate the change in an affiliate's employment by source of change.

Employment of new affiliates was classified in "new investments," and employment of affiliates that were liquidated or sold was classified in "sales and liquidations." For all other affiliates, classification depended on (1) whether the affiliate's employment increased or decreased, (2) whether the affiliate acquired another business during the year, or (3) whether the affiliate sold a business or business segment during the year.

Line 2 equals the yearend employment of affiliates that were acquired or established during the year plus the change in employment of existing affiliates that had an increase in employment and had acquired another U.S. business during the year.

Line 3 equals the change in employment of affiliates that did not acquire another U.S. business but had an increase in employment.

Line 4 equals the employment at the end of the prior year of affiliates that were liquidated or sold during the year plus the change in employment of affiliates that had a decline in employment and sold a business or business segment during the year.

Line 5 equals the change in employment of affiliates that did not sell a business or business segment but had a decline in employment.

Line 6 equals the change in employment of affiliates that both acquired and sold a business or business segment during the year.

Line 7 equals the change in employment of large affiliates not accounted for in lines 2–6 plus all changes in employment for affiliates with fewer than 500 employees. It includes changes resulting from the addition to the survey universe of affiliates that were required to report in earlier years but did not.

Table 8.—Gross Product of Nonbank U.S. Affiliates by Industry of Affiliate, 1988–94

	Millions of dollars							Percent of all-industries total							Addendum: Percent change in affiliate gross product, 1993–94
	1988	1989	1990	1991	1992	1993	1994	1988	1989	1990	1991	1992	1993	1994	
All industries	190,384	223,420	239,279	257,634	266,333	285,738	320,060	100.0	100.0	100.0	100.0	100.0	100.0	100.0	12.0
Petroleum	21,448	24,216	26,678	24,705	25,553	25,919	28,146	11.3	10.8	11.1	9.6	9.6	9.1	8.8	8.6
Manufacturing	90,877	109,198	119,849	125,934	134,127	142,478	157,815	47.7	48.9	50.1	48.9	50.4	49.9	49.3	10.8
Food and kindred products	7,991	9,917	11,243	12,260	12,283	11,548	12,599	4.2	4.4	4.7	4.8	4.6	4.0	3.9	9.1
Chemicals and allied products	28,215	32,354	37,217	38,996	41,940	44,300	48,858	14.8	14.5	15.6	15.1	15.7	15.5	15.3	10.3
Primary metal industries	5,149	6,998	8,436	8,568	8,710	9,971	10,199	2.7	3.1	3.5	3.3	3.3	3.5	3.2	2.3
Fabricated metal products	5,248	8,653	6,186	6,305	6,310	6,498	6,855	2.8	3.9	2.6	2.4	2.4	2.3	2.1	5.5
Industrial machinery and equipment	7,642	10,937	10,257	10,455	10,160	10,402	13,327	4.0	4.9	4.3	4.1	3.8	3.6	4.2	28.1
Electronic and other electric equipment	10,450	10,887	13,091	14,370	15,694	16,512	18,138	5.5	4.9	5.5	5.6	5.9	5.8	5.7	9.9
Paper and allied products	2,921	2,994	3,240	3,627	3,513	3,752	4,283	1.5	1.3	1.4	1.4	1.3	1.3	1.3	14.2
Printing and publishing	3,730	4,236	5,631	5,528	6,054	7,530	8,110	2.0	1.9	2.4	2.1	2.3	2.6	2.5	7.7
Rubber and plastics products	3,350	3,810	5,149	4,296	5,459	5,992	6,916	1.8	1.7	2.2	1.7	2.0	2.1	2.2	15.4
Stone, clay, and glass products	5,281	5,918	5,757	5,691	6,215	6,497	6,992	2.8	2.6	2.4	2.2	2.3	2.3	2.2	7.6
Motor vehicles and equipment	1,227	1,669	2,616	3,191	2,659	3,738	4,667	.6	.7	1.1	1.2	1.0	1.3	1.5	24.8
Instruments and related products	2,729	3,211	4,234	5,498	6,100	6,596	6,265	1.4	1.4	1.8	2.1	2.3	2.3	2.0	-5.0
Other manufacturing	6,944	7,612	6,792	7,148	9,029	9,142	10,606	3.6	3.4	2.8	2.8	3.4	3.2	3.3	16.0
Wholesale trade	21,527	23,455	24,516	28,451	31,000	33,358	40,672	11.3	10.5	10.2	11.0	11.6	11.7	12.7	21.9
Motor vehicles and equipment	6,110	6,125	6,507	8,157	7,866	8,918	10,889	3.2	2.7	2.7	3.2	3.0	3.1	3.4	22.1
Other	15,417	17,330	18,009	20,294	23,134	24,440	29,783	8.1	7.8	7.5	7.9	8.7	8.6	9.3	21.9
Retail trade	13,889	16,273	17,078	21,441	19,896	20,862	23,396	7.3	7.3	7.1	8.3	7.5	7.3	7.3	12.1
Finance, except depository institutions ¹	9,252	10,816	3,442	4,034	3,222	2,495	2,027	4.9	4.8	1.4	1.6	1.2	.9	.6	-18.8
Insurance	5,304	3,959	5,835	6,789	5,666	7,000	8,795	2.8	1.8	2.4	2.6	2.1	2.4	2.7	25.6
Real estate	5,209	6,530	6,763	7,039	6,390	6,723	5,732	2.7	2.9	2.8	2.7	2.4	2.4	1.8	-14.7
Services	11,153	13,275	17,533	18,362	20,260	23,591	24,892	5.9	5.9	7.3	7.1	7.6	8.3	7.8	5.5
Hotels and other lodging places	1,558	1,930	2,737	3,276	3,383	3,870	4,448	.8	.9	1.1	1.3	1.3	1.4	1.4	14.9
Business services	5,367	6,131	7,489	7,756	8,953	8,710	9,531	2.8	2.7	3.1	3.0	3.4	3.0	3.0	9.4
Motion pictures, including television tape and film	567	830	2,163	1,559	1,995	4,123	4,649	.3	.4	.9	.6	.7	1.4	1.5	12.8
Other	3,661	4,384	5,144	5,771	5,928	6,888	6,264	1.9	2.0	2.1	2.2	2.2	2.4	2.0	-9.1
Agriculture, forestry, and fishing	433	662	795	824	659	548	578	.2	.3	.3	.3	.2	.2	.2	5.3
Mining	2,534	3,255	3,495	4,848	5,527	4,983	5,521	1.3	1.5	1.5	1.9	2.1	1.7	1.7	10.8
Construction	2,094	3,014	4,014	3,999	3,230	3,026	3,348	1.1	1.3	1.7	1.6	1.2	1.1	1.0	10.7
Transportation	5,582	7,566	7,361	9,182	7,609	11,408	11,748	2.9	3.4	3.1	3.6	2.9	4.0	3.7	3.0
Communication and public utilities	1,083	1,200	1,921	2,025	3,195	3,345	7,389	.6	.5	.8	.8	1.2	1.2	2.3	120.9

1. Affiliate data for 1988–91 include, but data for 1992–94 exclude, savings institutions and credit unions.

Gross product of manufacturing affiliates increased 11 percent, slightly below the average for affiliates in all industries combined. Within manufacturing, affiliate gross product increased more than 20 percent in two industries: Industrial machinery and equipment and motor vehicles and equipment. The large increase in industrial machinery and equipment was mainly due to changes in the industry classification of affiliates with operations in more than one industry.

The industries with the largest increases in the shares of affiliate gross product were communication and public utilities and wholesale trade. The increase in the share for wholesale trade, to 12.7 percent, reflected increases in the value added of existing affiliates. The increase in share for communication and public utilities, to 2.3 percent, was mainly accounted for by foreign acquisitions of minority shares in U.S. companies; as a result of these acquisitions, the share of affiliate gross product accounted for by majority-owned affiliates dropped to less than 30 percent (table 9). However, majority-owned affiliates continued to account for more than two-thirds of affiliate gross

product in most industries and for nearly 80 percent of the gross product of all nonbank affiliates combined.

The largest decreases in the shares of affiliate gross product were in real estate and services. The drop in the share for real estate was largely accounted for by increased operating losses and partial selloffs by affiliates. The decrease for services was mainly due to selloffs.

By country.—In 1994, affiliates with UBO's in the seven largest investing countries—the United Kingdom, Japan, Canada, Germany, the Netherlands, France, and Switzerland—continued to account for more than 80 percent of the gross product of all affiliates (table 10 and chart 5). The United Kingdom remained the largest investing country.

The share of total affiliate gross product accounted for by British-owned affiliates increased to 21.5 percent after decreasing in 1993. Much of the increase was accounted for by acquisitions of minority-ownership interests in companies in the communication, wholesale trade, and mining industries. The share of Netherlands-owned affiliates also increased as a result of minority-stake acquisitions. Despite the prominence of transactions involving minority-ownership interests in these countries' new investments, majority-owned affiliates continued to account for more than 80 percent of the gross product of British- and Netherlands-owned affiliates (table 11).

Increases in the shares of Japanese-, German-, and French-owned affiliates were mainly due to

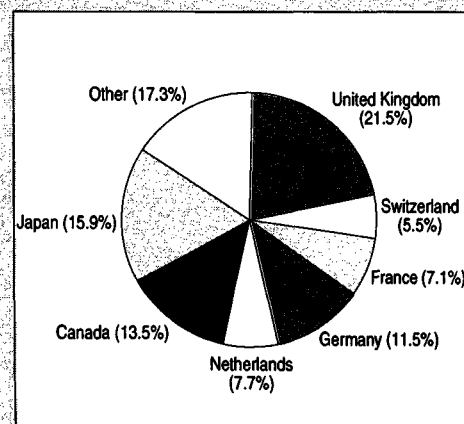
Table 9.—Gross Product of Majority-Owned Affiliates as a Percentage of that of All Nonbank U.S. Affiliates, by Industry of Affiliate, 1992–94

	1992	1993	1994
All Industries	80.6	78.0	78.9
Petroleum	82.4	80.3	79.9
Manufacturing	82.5	80.9	82.3
Food and kindred products	99.3	99.1	97.6
Chemicals and allied products	76.2	73.6	73.9
Primary metal industries	50.7	51.8	59.6
Fabricated metal products	90.8	91.9	91.0
Industrial machinery and equipment	79.8	78.5	86.9
Electronic and other electric equipment	93.3	94.0	94.0
Paper and allied products	G	G	G
Printing and publishing	91.6	G	H
Rubber and plastics products	91.9	92.3	91.9
Stone, clay, and glass products	85.4	89.4	93.4
Motor vehicles and equipment	77.0	75.9	75.9
Instruments and related products	98.0	95.9	93.3
Other manufacturing	H	79.2	82.2
Wholesale trade	94.8	95.6	95.2
Motor vehicles and equipment	99.5	99.8	99.8
Other	93.2	94.0	93.5
Retail trade	78.4	75.9	74.9
Finance, except depository institutions	28.7	49.7	79.8
Insurance	G	59.3	66.3
Real estate	77.5	76.0	73.9
Services	81.1	72.9	78.0
Hotels and other lodging places	84.6	88.0	86.6
Business services	83.7	82.7	84.9
Motion pictures, including television tape and film	98.4	F	F
Other	69.3	G	H
Agriculture, forestry, and fishing	60.5	66.7	64.2
Mining	77.0	73.8	80.4
Construction	81.0	80.6	80.0
Transportation	44.3	26.8	29.0
Communication and public utilities	F	60.3	25.9

NOTE.—Size ranges are given in cells that are suppressed to avoid disclosure of data of individual companies. The percentage size ranges are: C—0.1 to 19.9; E—20.0 to 39.9; F—40.0 to 59.9; G—60.0 to 79.9; H—80.0 to 100.

CHART 5

Investing Country Shares in the Gross Product of All Nonbank U.S. Affiliates, 1994



U.S. Department of Commerce, Bureau of Economic Analysis

increases in the gross product of existing affiliates. The increases in the shares of Japanese- and French-owned affiliates both followed decreases in 1993; the share of German-owned affiliates increased for the third consecutive year.

The shares of Canadian- and Swiss-owned affiliates dropped substantially in 1994. The decrease for Canadian-owned affiliates was partly due to large decreases in the gross product of affiliates in the insurance industry. The decrease for Swiss-owned affiliates was mainly accounted for by selloffs.

Among other investing countries, the shares of Australian- and Swedish-owned affiliates fell.

The drop for Australian-owned affiliates was more than accounted for by selloffs of minority-ownership interests in several large companies in the primary metal manufacturing and transportation industries. As a result of these selloffs, the majority-owned-affiliate share of the gross product of Australian-owned affiliates increased from only 30 percent in 1993 to more than 80 percent in 1994. Selloffs of minority-owned affiliates also more than accounted for the drop in the share of Swedish-owned affiliates.

Government-owned affiliates.—Although affiliates owned by foreign governments have accounted for a small share of the gross product of all

Table 10.—Gross Product of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1988–94

	Millions of dollars							Percent of all-countries total							Addendum: Percent change in affiliate gross product, 1993–94
	1988	1989	1990	1991	1992	1993	1994	1988	1989	1990	1991	1992	1993	1994	
All countries	190,384	223,420	239,279	257,634	266,333	285,738	320,060	100.0	100.0	100.0	100.0	100.0	100.0	100.0	12.0
Canada	35,384	35,984	38,304	39,289	33,479	41,062	43,256	18.6	16.1	16.0	15.3	12.6	14.4	13.5	5.3
Europe	111,522	129,952	139,824	149,305	161,226	168,296	191,972	58.6	58.2	58.4	58.0	60.5	58.9	60.0	14.1
Belgium	3,542	3,502	3,108	2,879	3,725	3,711	4,263	1.9	1.6	1.3	1.1	1.4	1.3	1.3	14.9
Denmark	685	892	1,014	1,155	1,143	1,689	1,821	.4	.4	.4	.4	.4	.6	.6	7.8
Finland	370	431	940	1,071	1,262	1,435	1,690	.2	.2	.4	.4	.5	.5	.5	17.8
France	10,828	13,226	14,934	17,132	18,899	19,274	22,674	5.7	5.9	6.2	6.6	7.1	6.7	7.1	17.6
Germany ¹	17,905	20,844	24,133	25,733	28,716	32,055	36,961	9.4	9.3	10.1	10.0	10.8	11.2	11.5	15.3
Ireland	1,552	1,792	1,702	1,695	1,852	1,655	1,994	.8	.8	.7	.7	.7	.6	.6	20.5
Italy	1,574	1,172	1,404	2,081	2,318	2,541	2,952	.8	.5	.6	.8	.9	.9	.9	16.2
Luxembourg	363	450	500	559	697	814	974	.2	.2	.2	.2	.3	.3	.3	19.7
Netherlands	17,517	19,120	18,255	18,607	19,657	20,765	24,684	9.2	8.6	7.6	7.2	7.4	7.3	7.7	18.9
Norway	396	441	450	492	563	709	883	.2	.2	.2	.2	.2	.2	.3	24.5
Sweden	4,561	4,823	4,861	6,787	7,053	5,944	5,436	2.4	2.2	2.0	2.6	2.6	2.1	1.7	-8.5
Switzerland	10,589	14,441	14,604	15,290	17,117	16,847	17,626	5.6	6.5	6.1	5.9	6.4	5.9	5.5	4.6
United Kingdom	40,048	47,249	53,259	55,017	57,412	59,864	68,893	21.0	21.1	22.3	21.4	21.6	21.0	21.5	15.1
Other	1,591	1,568	660	807	812	992	1,119	.8	.7	.3	.3	.3	.3	.3	12.8
Latin America and Other Western Hemisphere	7,119	8,584	8,639	9,137	8,739	10,126	11,635	3.7	3.8	3.6	3.5	3.3	3.5	3.6	14.9
Mexico	122	501	723	776	1,109	1,400	1,541	.1	.2	.3	.3	.4	.5	.5	10.1
Panama	1,476	3,036	1,356	1,489	1,638	1,460	1,595	.8	1.4	.6	.6	.6	.5	.5	9.2
Venezuela	1,609	1,725	2,283	2,669	3,124	3,757	4,531	.8	.8	1.0	1.0	1.2	1.3	1.4	20.6
Bermuda	1,072	1,042	1,385	1,398	1,153	1,274	1,642	.6	.5	.6	.5	.4	.4	.5	28.9
Netherlands Antilles	1,025	1,033	1,285	1,368	1,071	1,233	1,261	.5	.5	.5	.5	.4	.4	.4	2.3
Other	1,815	1,247	1,606	1,437	645	1,002	1,065	1.0	.6	.7	.6	.2	.4	.3	6.3
Africa	1,289	1,195	1,260	1,241	1,267	1,387	1,515	.7	.5	.5	.5	.5	.5	.5	9.3
South Africa	836	809	912	891	877	897	995	.4	.4	.4	.3	.3	.3	.3	10.9
Other	453	385	348	350	390	489	520	.2	.2	.1	.1	.1	.2	.2	6.2
Middle East	2,608	4,225	3,142	3,919	3,460	4,556	5,549	1.4	1.9	1.3	1.5	1.3	1.6	1.7	21.8
Kuwait	811	868	774	998	953	1,062	1,101	.4	.4	.3	.4	.4	.4	.3	3.7
Saudi Arabia	1,274	2,881	2,009	2,493	2,117	2,923	3,146	.7	1.3	.8	1.0	.8	1.0	1.0	7.6
Other	523	476	359	428	390	571	1,303	.3	.2	.2	.2	.1	.2	.4	128.3
Asia and Pacific	30,423	41,655	46,269	52,551	54,318	56,342	61,156	16.0	18.6	19.3	20.4	20.4	19.7	19.1	8.5
Australia	4,127	7,399	8,096	8,809	8,101	7,732	4,795	2.2	3.3	3.4	3.4	3.0	2.7	1.5	-38.0
Hong Kong	787	739	799	974	1,056	1,395	1,547	.4	.3	.3	.4	.4	.5	.5	10.9
Japan	24,014	31,098	34,484	40,056	42,659	44,539	50,992	12.6	13.9	14.4	15.5	16.0	15.6	15.9	14.5
Korea, Republic of	422	303	497	560	549	693	708	.2	.1	.2	.2	.2	.2	.2	2.2
Taiwan	117	10	426	545	560	744	1,258	.1	(*)	.2	.2	.2	.3	.4	69.1
Other	955	2,106	1,967	1,607	1,392	1,239	1,856	.5	.9	.8	.6	.5	.4	.6	49.9
United States	2,041	1,825	1,842	2,191	3,843	3,969	4,976	1.1	.8	.8	.9	1.4	1.4	1.6	25.4

* Less than 0.05 percent.

1. For the years prior to 1990, includes data only for the Federal Republic of Germany. Beginning with 1990, also includes the former German Democratic Republic (GDR). This change has no effect on the data because there were no U.S. affiliates of the former GDR prior to 1990.

Table 11.—Gross Product of Majority-owned Affiliates as a Percentage of that of All Nonbank U.S. Affiliates, by Country of UBO, 1992–94

	1992	1993	1994
All countries	80.6	78.0	78.9
Canada	66.1	56.6	55.8
Europe	87.8	86.5	84.8
Belgium	95.7	97.0	98.7
Denmark	H	H	100.6
Finland	92.1	93.1	93.4
France	87.9	87.2	87.9
Germany	84.3	82.0	81.4
Ireland	E	E	E
Italy	87.7	90.7	88.5
Luxembourg	67.0	F	F
Netherlands	90.5	89.4	81.3
Norway	74.8	74.7	75.0
Sweden	61.8	72.0	94.9
Switzerland	92.4	92.2	91.1
United Kingdom	91.9	88.2	84.8
Other	81.7	83.7	79.8
Latin America and Other Western Hemisphere ...	80.3	77.2	82.4
Mexico	76.5	73.9	82.2
Panama	98.3	97.5	97.8
Venezuela	G	65.6	69.1
Bermuda	87.5	85.5	87.7
Netherlands Antilles	74.6	92.5	91.7
Other	H	66.7	96.5
Africa	E	E	F
South Africa	F	F	F
Other	C	C	E
Middle East	E	32.1	39.8
Kuwait	53.5	52.0	57.0
Saudi Arabia	C	12.6	9.0
Other	H	95.2	99.8
Asia and Pacific	74.1	76.0	84.0
Australia	43.9	30.4	83.6
Hong Kong	89.5	95.5	93.5
Japan	79.1	82.5	83.0
Korea, Republic of	78.5	82.0	109.8
Taiwan	93.9	95.2	94.1
Other	75.4	87.3	88.1
United States	G	F	E

NOTES.—Shares of more than 100 percent may result where the gross product of minority-owned affiliates is negative.

Size ranges are given in cells that are suppressed to avoid disclosure of data of individual companies. The percentage size ranges are: C—0.1 to 19.9; E—20.0 to 39.9; F—40.0 to 59.9; G—60.0 to 79.9; H—80.0 to 100.

nonbank affiliates (less than 5 percent recently), they have figured prominently in the affiliate operations of some investing countries—notably France, Italy, and several oil-producing countries (table 12).¹²

In 1989, affiliates of Government-owned enterprises accounted for 40 percent of the gross product of all French-owned affiliates; however, the Government-owned share declined rapidly, to 16.2 percent in 1994. The decreases in the shares in 1990–91 largely reflected new investments by privately owned French companies, and the decreases in 1992–94 reflected the privatization of parent companies in France.

Privatization was also the main factor behind a recent drop in the share of Government-owned affiliates in the gross product of affiliates with UBO's in Italy, from 24.9 percent in 1992 to 9.0 percent in 1994.

Government-owned affiliates have continued to account for a dominant share of the gross product of affiliates with UBO's in Venezuela, Kuwait, and Saudi Arabia. Investments by government entities in Venezuela and Saudi Arabia have mainly been in the petroleum industry; investments by government entities in Kuwait have mainly been in real estate.

Share of U.S. employment

In 1994, the share of total U.S. private-industry employment accounted for by affiliates was 5.0 percent, the same as in 1993. The share decreased in 1992 and 1993 after increasing steadily from 1.8 percent in 1977 to 5.3 percent in 1991. The recent decreases partly reflected the concentration of affiliate activity in manufacturing, in which

12. Government-owned affiliates include affiliates that are owned by foreign governments, government-owned or government-sponsored enterprises, quasi-government organizations or agencies, and government-run pension funds.

Table 12.—Gross Product of Government-Owned Nonbank U.S. Affiliates by Country of UBO, 1988–94

	Millions of dollars							As a percentage of gross product of all nonbank affiliates of the UBO country						
	1988	1989	1990	1991	1992	1993	1994	1988	1989	1990	1991	1992	1993	1994
All countries	7,637	10,364	11,574	12,748	12,363	12,850	13,457	4.0	4.6	4.8	4.9	4.6	4.5	4.2
Canada	(P)	(P)	(P)	(P)	232	210	218	A	A	A	A	.7	.5	.5
Finland	49	56	161	234	229	254	296	13.3	12.9	17.1	21.9	18.1	17.7	17.5
France	4,163	5,296	5,282	5,579	4,468	4,115	3,666	38.4	40.0	35.4	32.6	23.6	21.3	16.2
Germany	253	231	189	210	(P)	187	(P)	1.4	1.1	.8	.8	A	.6	A
Italy	134	194	399	427	577	346	265	8.5	16.5	28.5	20.5	24.9	13.6	9.0
Venezuela	(P)	(P)	1,826	2,210	2,800	3,213	4,076	H	H	80.0	82.8	89.7	85.5	90.0
Kuwait	722	824	720	907	860	949	974	89.1	95.0	93.0	90.9	90.2	89.3	88.5
Saudi Arabia	(P)	(P)	(P)	(P)	(P)	(P)	(P)	B	F	H	H	H	G	G
Other countries	595	567	972	841	1,086	(P)	1,226	.5	.4	.6	.5	.6	A	.6

(P) Suppressed to avoid disclosure of data of individual companies.

NOTES.—The UBO countries listed in this table are those countries in table 10 for which the gross product of government-owned affiliates was at least \$200 million in 1994.

Size ranges are given in percentage cells that are suppressed. The percentage size ranges are: A—0.1 to 4.9; B—5.0 to 9.9; C—10.0 to 19.9; E—20.0 to 39.9; F—40.0 to 59.9; G—60.0 to 79.9; H—80.0 to 100.0.

recent employment growth at the all-U.S. level has been much slower than in services and most other industries.

By industry.—In 1994, as in most previous years, the shares of total U.S. private-industry employment accounted for by affiliates were largest in mining and manufacturing (table 13).¹³ Excluding petroleum and coal products, the affiliate shares within manufacturing were largest in chemicals and in stone, clay, and glass products.¹⁴

Among the major industries, the affiliate share in communication and public utilities increased the most, from 1.7 percent to 3.6 percent, re-

flecting new acquisitions. The affiliate share in mining decreased the most, from 14.6 percent to 13.6 percent, mainly because of selloffs of affiliates classified in the coal mining and primary metal industries.

The affiliate share in manufacturing increased slightly to 11.8 percent. Within manufacturing, the largest increase was in apparel and other textile products, largely due to acquisitions (chart 6). The affiliate share in chemicals also increased substantially, to slightly more than one-third, mainly as a result of acquisitions in drugs. In both the apparel and chemicals industries, the affiliate share has increased every year since 1987, when BEA began collecting annual data on affiliate employment by industry of sales.

The largest decrease in the affiliate share within manufacturing was in stone, clay, and glass products. The decrease, from 20.7 percent to

13. The employment data used to estimate shares are by industry of sales, a basis that approximates the establishment-based disaggregation of the corresponding data for all U.S. businesses. See the box "Using Employment Data to Estimate Affiliate Shares of the U.S. Economy" on the next page.

14. The precise share for petroleum and coal products cannot be calculated from the affiliate data. See footnote 5 to table 13.

Table 13.—Employment by Nonbank U.S. Affiliates by Industry of Sales, 1988–94¹

	Thousands of employees							As a percentage of total U.S. employment in nonbank private industries ²						
	1988	1989	1990	1991	1992	1993	1994	1988	1989	1990	1991	1992	1993	1994
All industries ³	3,844	4,511	4,734	4,872	4,715	4,766	4,867	4.3	4.9	5.1	5.3	5.1	5.0	5.0
Manufacturing ⁴	1,732	1,993	2,114	2,159	2,129	2,134	2,172	8.9	10.2	11.0	11.7	11.7	11.7	11.8
Chemicals and allied products	289	318	332	341	348	354	356	27.2	29.5	30.5 ⁽⁵⁾	31.4 ⁽⁵⁾	32.1 ⁽⁵⁾	32.9 ⁽⁵⁾	33.6 ⁽⁵⁾
Petroleum and coal products	82	86	90	91	78	62	59	5 ⁽⁵⁾	5 ⁽⁵⁾	5 ⁽⁵⁾	5 ⁽⁵⁾	5 ⁽⁵⁾	5 ⁽⁵⁾	5 ⁽⁵⁾
Stone, clay, and glass products	90	107	110	102	107	108	105	15.7	18.6	19.8	19.6	20.8	20.7	19.6
Primary metal industries	81	97	112	111	110	113	117	10.6	12.6	14.8	15.4	15.9	16.6	16.7
Electronic and other electric equipment	243	275	271	276	263	259	262	13.7	15.7	16.2	17.3	17.2	16.9	16.6
Rubber and plastics products	93	101	129	126	130	130	134	10.8	11.4	14.5	14.5	14.8	14.3	14.1
Instruments and related products	85	101	112	118	111	112	113	8.2	9.8	11.2	12.2	11.9	12.4	13.0
Motor vehicles and equipment	63	76	90	96	90	98	107	7.4	8.9	11.2	12.2	11.0	11.7	11.9
Industrial machinery and equipment	160	213	218	220	217	218	227	7.5	10.0	10.3	10.9	11.2	11.2	11.4
Food and kindred products	177	203	207	211	198	184	187	10.8	12.4	12.5	12.6	11.9	10.9	11.1
Fabricated metal products	85	100	101	109	110	114	115	5.9	6.9	7.1	8.0	8.3	8.5	8.3
Paper and allied products	47	48	50	52	52	52	51	6.8	6.9	7.1	7.6	7.5	7.5	7.3
Printing and publishing	95	108	109	103	101	113	110	6.0	6.8	6.8	6.6	6.6	7.4	7.0
Textile mill products	34	33	37	40	45	44	45	4.6	4.6	5.4	6.0	6.7	6.5	6.7
Apparel and other textile products	16	26	28	29	32	46	60	1.5	2.4	2.7	2.9	3.2	4.7	6.1
Other transportation equipment	27	33	41	50	50	38	34	2.3	2.8	3.5	4.5	4.9	4.2	4.0
Lumber, wood, furniture, and fixtures	29	24	28	32	31	33	34	2.2	1.9	2.2	2.7	2.6	2.7	2.7
Other	38	45	49	52	56	54	57	6.3	7.4	8.5	9.3	10.2	9.7	10.1
Mining	73	81	93	88	79	89	82	10.2	11.6	13.0	12.6	12.3	14.6	13.6
Transportation	124	174	221	218	198	250	251	3.7	5.0	6.2	6.2	5.6	6.8	6.5
Insurance	111	122	127	144	143	140	137	5.2	5.6	5.8	6.4	6.5	6.3	6.1
Wholesale trade	294	322	355	344	346	359	378	4.8	5.1	5.7	5.6	5.6	5.9	6.1
Finance, except depository institutions ⁶	103	100	63	71	70	60	65	9.0	8.7	5.2	6.0	6.3	5.0	5.0
Retail trade	772	948	848	890	798	831	849	3.9	4.7	4.2	4.5	4.0	4.1	4.0
Communication and public utilities	14	23	29	29	33	39	79	.6	1.0	1.3	1.3	1.5	1.7	3.6
Services ⁷	426	529	660	719	702	673	669	1.6	1.9	2.3	2.5	2.3	2.2	2.1
Real estate	31	31	34	33	32	31	28	2.3	2.3	2.5	2.4	2.4	2.2	2.0
Agriculture, forestry, and fishing	20	33	33	44	32	31	32	1.0	1.8	1.8	2.3	1.7	1.7	1.7
Construction	63	72	80	73	68	64	62	1.2	1.3	1.5	1.5	1.4	1.3	1.2
Unspecified ⁸	81	85	78	61	87	64	62	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. Not applicable.

1. In this table, petroleum is not shown as a separate major industry. Instead, in order to be consistent with the all-U.S. data on employment by industry, affiliate employment in the various petroleum subindustries is distributed among the other major industries. Thus, manufacturing includes petroleum and coal products, wholesale trade includes petroleum wholesale trade, retail trade includes gasoline service stations, and so on.

2. The data on U.S. employment in private industries that were used in calculating these percentages are classified by industry of establishment. They are from table 6.4C of the "National Income and Product Accounts (NIPA) Tables" (see the January/February 1996 issue of the SURVEY OF CURRENT BUSINESS). The total for U.S. employment in nonbank private industries is equal to employment in private industries less the employment of depository institutions and private households. The U.S. private-industry employment totals used to calculate the affiliate shares in "all industries" in this table differ from the U.S. employment totals used to calculate affiliate shares in tables 14 and 15; the data used for tables 14 and 15 are from BEA's Regional Economic Information System. The estimates used for table 14, unlike those used for this table, do not exclude employment in depository institutions. The estimates used for tables 14 and 15, unlike those used for this table, exclude U.S. residents temporarily employed abroad by U.S. businesses. They may also differ from the NIPA estimates used for this table because of different definitions and revision schedules.

3. For consistency with the coverage of the data on U.S. employment in private industries, U.S. affiliate employment in Puerto Rico, in "other U.S. areas," and in the "foreign" category was excluded from the U.S.-affiliate employment total when the percentage shares on this line were computed.

4. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing employment ac-

counted for by affiliates shown in this table differ from those shown in table 15. In this table, employment is classified by industry of sales, and the total for manufacturing includes some nonmanufacturing employees (see the box "Using Employment Data to Estimate Affiliate Shares of the U.S. Economy"), whereas in table 15, affiliate manufacturing employment consists only of employees on the payroll of manufacturing plants. Data on the latter basis are not available for the subindustries within manufacturing shown in this table.

5. The affiliate and all-U.S. employment data in petroleum and coal products are not comparable and, hence, are not shown here, because affiliate employment in this industry includes a substantial number of nonmanufacturing employees. Separate data on the manufacturing establishments of U.S. affiliates, from a joint project of BEA and the Bureau of the Census, indicate that the affiliate share of employment in petroleum and coal products was 18.8 percent in 1988, 20.7 percent in 1989, 22.9 percent in 1990, and 22.5 percent in 1991.

6. Affiliate data for 1988–91 include, but data for 1992–94 exclude, savings institutions and credit unions. For consistency with the coverage of the data on U.S. employment in "finance, except depository institutions," U.S. affiliate employment in savings institutions and credit unions was excluded from the U.S. affiliate total in this industry when percentage shares for 1988–91 on this line were calculated.

7. Excludes private households.

8. In the breakdown of employment by industry of sales, U.S. affiliates that filed long forms in the annual surveys (that is, affiliates with assets, sales, or net income or loss greater than \$50 million) had to specify their eight largest sales categories, and U.S. affiliates that filed short forms had to specify their three largest sales categories. Employment in all unspecified industries combined is shown on this line.

19.6 percent, was more than accounted for by affiliate selloffs in glass products.

By State.—In 1994, as in 1993, the share of private-industry employment accounted for by affiliates was highest in Hawaii, followed by

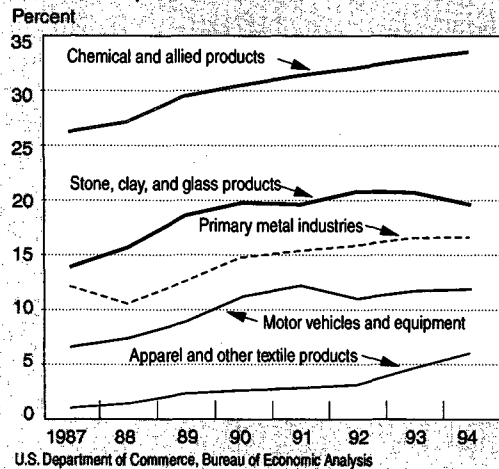
Delaware, South Carolina, and North Carolina (table 14).

The affiliate share dipped to 11.5 percent in Hawaii and to 10.7 percent in Delaware, continuing a downward trend in both States. In South Carolina, the affiliate share increased to 8.3 percent after dropping in 1993. In North Carolina, the affiliate share held steady at 7.6 percent.

In manufacturing, the affiliate shares were highest in Delaware, West Virginia, Kentucky, and South Carolina (table 15). In all four States, the affiliate share was higher in 1994 than in 1993.

CHART 6

U.S.-Affiliate Share of U.S.-Private-Industry Employment for Selected Manufacturing Industries, 1987-94



Profitability

The net income of affiliates—after-tax profits on a financial-accounting basis—jumped from -\$4.4 billion in 1993 to a new high of \$13.4 billion in 1994; the turnaround reversed 4 consecutive years of losses.¹⁵ The jump resulted from a sharp increase in affiliate operating profits, as “profit-type return”—before-tax profits generated from current production on an economic-accounting basis—increased from \$8.8 billion in 1993 to

15. Net income of affiliates is as shown in the affiliates' income statements; it includes capital gains and losses, income from investments, and other nonoperating income.

Using Employment Data to Estimate Affiliate Shares of the U.S. Economy

In this article, data on employment are used to estimate affiliate shares of the U.S. economy because these data can be disaggregated on the basis of industry of sales, a basis that approximates the disaggregation of the data for all U.S. businesses on the basis of industry of establishment. Thus, the data on affiliate employment can be used to calculate the affiliate shares of the U.S. economy at a greater level of detail than can be calculated using the gross-product or other data, which can only be disaggregated on the basis of industry of affiliate.¹

In the classification by industry of sales, the affiliate's employment (and sales) data are distributed among all of the industries in which it reports sales. As a result, employment classified by industry of sales should approximate that classified by industry of establishment (or plant), because an affiliate that has an establishment

in an industry usually also has sales in that industry.²

In the classification by industry of affiliate, all of the operations data (including the employment data) for an affiliate are assigned to that affiliate's “primary” industry—the industry in which it has the most sales.³ As a result, any affiliate operations that take place in secondary industries will be classified as operations in the primary industry.

The pattern of change in employment by industry of sales may differ from the pattern by industry of affiliate, because changes in employment in the affiliate's secondary industries may not parallel those in their primary industries. In addition, changes in the classification of affiliates may have different effects on the distribution of employment among industries.

2. However, if one establishment of an affiliate provides all of its output to another establishment of the affiliate, the affiliate will not have sales in the industry of the first establishment. For example, if an affiliate operates both a metal mine and a metal-manufacturing plant and if the entire output of the mine is used by the manufacturing plant, all of the affiliate's sales will be in metal manufacturing, and none in metal mining. When the mining employees are distributed by industry of sales, they are classified in manufacturing even though the industry of the establishment is mining.

3. An affiliate's primary industry is based on a breakdown of the affiliate's sales by three-digit International Surveys Industry Classification code. These codes are adapted from the *Standard Industrial Classification Manual*, 1987.

1. Establishment-level data from a joint project of BEA and the Bureau of the Census can be used to calculate affiliate shares of U.S. economic activity at an even greater level of detail. These data show each four-digit manufacturing industry in the Standard Industrial Classification; they are currently available for 1987-91. The data for 1990 are analyzed in “Characteristics of Foreign-Owned U.S. Manufacturing Establishments,” SURVEY 74 (January 1994): 34-59. The data for 1991 are analyzed in “Differences in Foreign-Owned U.S. Manufacturing Establishments by Country of Owner,” SURVEY 76 (March 1996): 43-60.

Table 14.—Employment by Nonbank U.S. Affiliates by State, 1988–94

	Thousands of employees							As a percentage of total private industry employment in the State ¹						
	1988	1989	1990	1991	1992	1993	1994	1988	1989	1990	1991	1992	1993	1994
Total²	3,844.2	4,511.5	4,734.5	4,871.9	4,715.4	4,765.6	4,866.6	4.2	4.8	5.0	5.2	5.0	5.0	4.9
New England	249.5	290.3	280.6	286.1	269.2	273.6	285.0	4.2	4.9	5.0	5.4	5.1	5.1	5.2
Connecticut	72.3	87.6	75.9	81.3	82.5	77.9	76.5	4.8	5.8	5.2	5.9	6.1	5.7	5.6
Maine	24.4	27.1	26.6	26.6	24.1	24.2	24.8	5.4	5.9	5.9	6.2	5.6	5.5	5.5
Massachusetts	110.3	129.1	131.2	128.6	114.3	119.6	129.8	3.9	4.6	4.9	5.1	4.6	4.7	5.0
New Hampshire	22.4	25.1	25.9	28.4	27.9	30.7	29.6	4.7	5.3	5.8	6.7	6.5	7.0	6.4
Rhode Island	12.2	13.1	13.3	14.0	12.9	14.1	16.5	2.9	3.1	3.3	3.7	3.4	3.7	4.3
Vermont	7.9	8.3	7.7	7.2	7.5	7.1	7.8	3.6	3.7	3.5	3.4	3.5	3.2	3.5
Mideast	838.4	928.1	930.2	956.9	892.2	919.0	924.0	4.9	5.3	5.4	5.8	5.4	5.5	5.5
Delaware	41.8	41.9	43.1	41.5	35.8	33.2	33.7	14.2	13.7	13.9	13.7	11.8	10.8	10.7
District of Columbia	8.8	10.5	11.4	11.1	9.9	10.8	11.1	2.1	2.5	2.6	2.7	2.4	2.6	2.7
Maryland	62.1	71.7	79.6	77.1	73.5	74.9	78.9	3.5	3.9	4.4	4.4	4.3	4.3	4.4
New Jersey	203.9	222.8	227.0	229.6	216.3	212.6	211.2	6.4	6.9	7.2	7.7	7.3	7.1	6.9
New York	342.8	376.9	347.5	371.8	340.8	351.1	356.0	4.9	5.4	5.0	5.6	5.2	5.3	5.4
Pennsylvania	179.0	204.3	221.6	225.8	215.9	236.4	233.1	4.0	4.5	4.8	5.0	4.8	5.2	5.1
Great Lakes	655.0	772.5	812.8	818.9	811.8	796.6	801.7	4.1	4.7	4.9	5.0	4.9	4.7	4.6
Illinois	214.1	244.8	245.8	250.4	247.2	238.2	229.0	4.8	5.3	5.3	5.5	5.4	5.1	4.8
Indiana	83.4	98.1	126.9	124.8	127.2	124.6	129.0	4.0	4.5	5.8	5.7	5.7	5.4	5.4
Michigan	116.2	142.8	139.6	138.9	143.8	150.1	159.4	3.5	4.2	4.1	4.1	4.2	4.3	4.4
Ohio	170.2	207.9	219.1	220.8	211.4	206.9	209.4	4.1	4.9	5.1	5.3	5.0	4.8	4.7
Wisconsin	71.1	78.9	81.4	84.0	82.2	76.8	74.9	3.8	4.1	4.1	4.2	4.0	3.6	3.4
Plains	185.1	235.4	248.4	266.7	256.9	247.4	256.6	2.8	3.5	3.6	3.9	3.7	3.4	3.4
Iowa	28.6	30.9	32.8	33.7	33.3	31.4	35.4	3.0	3.1	3.2	3.2	3.1	2.9	3.1
Kansas	27.8	30.7	29.6	35.0	27.2	29.3	31.5	3.2	3.5	3.3	3.8	2.9	3.1	3.2
Minnesota	51.4	81.9	89.8	94.5	92.3	84.6	82.9	2.9	4.5	4.9	5.1	4.9	4.3	4.1
Missouri	59.0	72.1	73.7	77.6	77.6	76.7	80.4	3.0	3.6	3.6	3.9	3.8	3.7	3.7
Nebraska	12.7	13.7	14.9	16.8	16.3	16.3	17.2	2.2	2.3	2.4	2.7	2.6	2.5	2.6
North Dakota	2.7	2.9	3.1	4.2	4.6	4.5	3.8	1.4	1.4	1.5	2.0	2.1	2.0	1.6
South Dakota	2.9	3.2	4.5	4.9	5.6	4.6	5.4	1.4	1.5	1.9	2.1	2.3	1.8	2.0
Southeast	949.6	1,105.5	1,153.1	1,191.6	1,185.6	1,233.6	1,258.0	4.6	5.3	5.4	5.6	5.5	5.5	5.4
Alabama	42.0	64.7	55.7	65.0	61.7	61.6	60.6	3.3	4.9	4.1	4.8	4.5	4.3	4.2
Arkansas	25.7	32.2	29.2	30.4	30.8	30.4	31.6	3.5	4.2	3.7	3.8	3.8	3.6	3.6
Florida	154.1	178.3	205.7	211.2	196.0	203.8	198.2	3.4	3.8	4.4	4.6	4.2	4.2	3.9
Georgia	143.7	157.2	161.0	162.6	156.4	167.6	173.7	5.9	6.3	6.4	6.6	6.2	6.4	6.2
Kentucky	47.7	56.0	65.7	71.3	71.2	75.7	78.7	4.1	4.7	5.3	5.8	5.6	5.8	5.8
Louisiana	56.2	65.2	61.4	62.2	62.1	60.4	59.4	4.6	5.2	4.7	4.7	4.7	4.4	4.2
Mississippi	20.2	24.1	23.6	23.6	23.4	23.2	24.0	2.8	3.3	3.1	3.1	3.0	2.8	2.8
North Carolina	157.4	176.7	181.0	181.0	191.4	211.4	221.8	6.1	6.6	6.7	6.9	7.1	7.6	7.6
South Carolina	85.1	101.4	104.7	110.1	111.7	105.8	112.4	7.0	8.1	8.1	8.7	8.8	8.1	8.3
Tennessee	98.2	114.1	116.9	120.4	124.2	129.7	131.4	5.4	6.1	6.2	6.4	6.4	6.4	6.2
Virginia	92.7	106.2	113.3	119.1	122.1	128.9	131.6	4.0	4.5	4.8	5.2	5.3	5.4	5.3
West Virginia	26.6	29.4	34.9	34.7	34.6	35.1	34.6	5.5	6.0	6.9	6.9	6.8	6.7	6.4
Southwest	337.9	381.4	417.6	428.4	424.5	412.3	426.5	4.1	4.5	4.8	4.9	4.8	4.5	4.5
Arizona	48.0	54.4	57.1	56.7	52.7	52.4	50.1	3.9	4.3	4.5	4.5	4.1	3.9	3.4
New Mexico	15.1	15.8	17.4	14.8	13.6	16.2	18.4	3.6	3.7	3.9	3.3	2.9	3.3	3.6
Oklahoma	38.4	41.5	43.6	44.0	42.9	39.0	37.9	4.2	4.5	4.5	4.5	4.4	3.9	3.6
Texas	236.4	269.7	299.5	312.9	315.3	304.7	320.1	4.2	4.7	5.0	5.2	5.2	4.9	4.9
Rocky Mountain	62.9	74.1	99.9	110.0	108.8	107.4	115.6	2.6	3.0	3.9	4.1	4.0	3.7	3.8
Colorado	34.2	42.0	56.3	62.0	61.5	60.0	65.3	2.8	3.3	4.4	4.7	4.5	4.2	4.3
Idaho	5.6	8.0	11.7	12.9	13.7	11.3	11.8	2.0	2.6	3.7	3.9	4.0	3.1	3.1
Montana	3.8	4.1	5.1	5.5	5.1	5.3	5.0	1.7	1.8	2.2	2.3	2.0	2.0	1.8
Utah	15.4	15.8	21.0	24.0	22.9	25.0	27.7	2.8	2.8	3.5	3.9	3.6	3.7	3.8
Wyoming	3.9	4.2	5.8	5.6	5.6	5.8	5.8	2.8	2.9	3.9	3.7	3.6	3.7	3.5
Far West	544.0	690.7	761.4	779.6	731.6	723.2	760.5	3.8	4.6	4.9	5.2	4.9	4.9	5.0
Alaska	7.6	10.6	13.2	13.4	9.8	9.5	8.8	5.0	6.5	7.7	7.6	5.5	5.2	4.6
California	407.0	514.9	555.9	561.1	522.7	528.6	552.4	3.8	4.6	4.9	5.2	4.9	5.0	5.2
Hawaii	34.8	45.0	53.0	56.0	53.8	52.4	51.0	8.8	10.7	12.0	12.4	11.9	11.7	11.5
Nevada	13.7	19.5	22.7	25.1	23.2	22.1	22.8	2.8	3.7	4.0	4.4	4.0	3.6	3.4
Oregon	25.1	30.8	39.1	41.9	41.9	42.5	47.0	2.6	3.0	3.7	4.0	3.9	3.9	4.0
Washington	55.8	69.9	77.5	82.1	80.2	77.6	78.5	3.4	4.0	4.2	4.5	4.3	4.1	4.0
Puerto Rico	14.7	19.0	16.1	19.3	19.8	28.9	21.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other U.S. areas ³	4.6	8.6	9.0	10.0	10.0	11.3	11.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Foreign ⁴	2.6	5.9	5.0	4.3	4.7	2.9	5.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. Not available.

1. The data on employment in private industries used to calculate the shares shown in this table are from BEA's Regional Economic Information System. The totals are equal to employment in private industries less employment of private households. The U.S. employment totals used to calculate affiliate shares in this table differ from those used for table 13, which are from table 6.4C of the "National Income and Product Accounts (NIPA) Tables." They differ from the NIPA estimates of employment because they include depository institutions and, by definition, they exclude U.S. residents temporarily employed by U.S. businesses. They also may differ from the NIPA estimates because of different definitions and revision schedules.

2. For consistency with the coverage of the private-industry employment data, U.S. affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S. affiliate employment total when the percentage shares on this line were computed.

3. Consists of the U.S. Virgin Islands, Guam, American Samoa, and all other outlying U.S. areas.

4. Consists of employees of U.S. affiliates working abroad.

Table 15.—Manufacturing Employment by Nonbank U.S. Affiliates by State, 1988–94

	Thousands of employees							As a percentage of total manufacturing employment in the State ¹						
	1988	1989	1990	1991	1992	1993	1994	1988	1989	1990	1991	1992	1993	1994
Total²	1,611.9	1,885.4	2,025.9	2,053.1	2,059.6	2,079.3	2,126.7	8.2	9.5	10.4	11.0	11.2	11.3	11.4
New England	98.7	118.3	112.7	115.8	110.5	115.7	119.6	7.3	9.1	9.2	10.1	10.0	10.8	11.2
Connecticut	28.4	38.3	30.5	32.2	31.9	32.0	31.6	7.6	10.6	8.9	9.9	10.4	10.8	11.0
Maine	8.4	8.7	7.7	7.7	7.0	7.9	8.7	7.7	8.2	7.5	8.0	7.5	8.6	9.4
Massachusetts	41.7	49.0	52.8	54.3	50.3	50.3	52.0	7.1	8.7	10.1	11.2	10.8	11.0	11.5
New Hampshire	10.2	11.8	11.4	11.6	11.9	15.0	15.3	8.6	10.3	10.7	11.7	12.1	15.3	15.1
Rhode Island	7.5	7.5	6.8	6.6	6.1	7.4	8.6	6.6	6.8	6.7	7.0	6.7	8.2	9.7
Vermont	2.5	3.0	3.5	3.4	3.3	3.1	3.4	5.0	6.1	7.5	7.6	7.5	7.1	7.6
Mideast	302.1	348.5	355.5	356.9	346.5	350.9	341.7	9.3	10.9	11.6	12.3	12.5	12.9	12.7
Delaware	13.3	12.6	13.2	20.3	18.4	17.8	17.3	18.8	17.1	18.3	29.0	27.2	27.2	27.4
District of Columbia .....	.4	.4	.8	.4	.4	.5	1.1	2.4	2.5	5.0	2.7	2.8	3.6	8.2
Maryland	24.1	28.0	31.8	29.5	27.5	27.0	27.5	11.4	13.4	15.4	15.2	14.9	15.0	15.3
New Jersey	78.6	97.0	97.1	93.0	91.2	89.9	86.9	11.8	15.0	16.2	16.6	17.2	17.3	17.0
New York	91.8	99.1	101.3	102.2	99.8	99.9	99.7	7.5	8.3	8.9	9.6	9.8	10.1	10.3
Pennsylvania	93.9	111.4	111.3	111.5	109.2	115.8	109.2	8.8	10.5	10.8	11.3	11.4	12.2	11.5
Great Lakes	343.3	398.8	448.1	446.5	455.3	457.3	464.7	8.1	9.3	10.5	10.9	11.2	11.1	10.9
Illinois	94.0	108.0	116.3	120.0	118.5	117.8	118.0	9.5	10.9	11.8	12.6	12.8	12.6	12.3
Indiana	53.8	65.1	87.9	80.8	86.1	86.7	88.6	8.4	10.0	13.7	13.0	13.6	13.4	13.3
Michigan	67.0	69.4	72.3	70.7	75.3	80.0	82.4	7.0	7.2	7.6	7.8	8.3	8.8	8.6
Ohio	88.3	113.5	124.9	128.0	130.1	130.2	131.9	7.9	10.1	11.2	11.9	12.3	12.3	12.2
Wisconsin	40.2	42.8	46.7	47.0	45.3	42.6	43.8	7.2	7.6	8.3	8.5	8.2	7.6	7.5
Plains	82.1	100.9	109.7	118.8	116.7	113.9	119.7	5.9	7.1	7.7	8.5	8.4	8.1	8.3
Iowa	17.3	20.0	20.6	20.2	21.5	19.5	20.4	7.6	8.5	8.7	8.6	9.3	8.2	8.3
Kansas	9.0	10.1	11.4	15.3	13.1	14.0	14.9	4.9	5.4	6.1	8.2	7.1	7.6	7.9
Minnesota	22.1	29.8	33.1	35.2	33.5	30.1	31.4	5.6	7.4	8.2	8.8	8.4	7.4	7.5
Missouri	26.1	31.4	33.5	35.5	35.3	37.5	39.4	6.0	7.1	7.6	8.5	8.5	9.1	9.5
Nebraska	5.0	6.6	7.4	8.6	8.3	8.4	8.7	5.2	6.7	7.3	8.6	8.2	8.1	8.0
North Dakota	1.1	1.2	1.1	1.4	2.0	1.8	1.9	6.6	7.2	6.3	7.7	10.8	9.2	8.9
South Dakota	1.5	1.8	2.6	2.6	3.0	2.6	3.0	4.7	5.5	7.5	7.4	8.0	6.5	6.8
Southeast	450.7	515.9	557.3	573.4	595.7	614.3	633.6	9.5	10.9	11.8	12.5	12.9	13.2	13.3
Alabama	25.0	27.0	32.9	36.9	40.1	39.2	39.4	6.5	7.0	8.5	9.6	10.4	10.1	10.1
Arkansas	15.2	18.3	17.8	18.5	18.8	19.4	21.7	6.6	7.9	7.6	7.9	7.9	7.9	8.5
Florida	33.7	44.8	48.1	48.7	46.2	49.3	48.4	6.2	8.3	9.2	9.8	9.5	10.1	9.9
Georgia	62.2	68.4	71.7	74.4	72.4	76.4	78.1	10.7	12.0	12.7	13.7	13.2	13.7	13.5
Kentucky	27.1	37.4	43.7	47.4	48.0	52.0	54.9	9.8	13.1	15.2	16.8	16.8	17.6	17.9
Louisiana	16.8	20.4	20.9	23.1	24.3	23.3	22.7	9.8	11.5	11.4	12.4	13.1	12.5	12.1
Mississippi	13.6	15.2	15.6	14.3	13.2	13.6	14.3	5.7	6.2	6.3	5.7	5.2	5.3	5.4
North Carolina	93.4	101.1	106.5	108.6	119.5	120.6	128.7	10.7	11.6	12.3	13.1	14.2	14.2	14.9
South Carolina	47.4	52.3	64.0	63.7	64.9	65.3	68.0	12.2	13.4	16.6	17.1	17.4	17.3	17.9
Tennessee	62.0	68.3	68.5	71.3	77.6	82.8	84.4	12.1	13.0	13.1	14.1	15.0	15.6	15.6
Virginia	39.6	45.1	50.2	48.4	51.2	52.5	53.0	9.2	10.5	11.7	11.7	12.5	12.9	13.0
West Virginia	14.7	17.6	17.4	18.1	19.5	19.9	20.0	16.7	19.9	19.8	21.6	23.6	23.9	24.3
Southwest	113.4	126.2	140.9	143.9	142.9	138.3	144.8	8.3	9.2	10.1	10.4	10.6	10.0	10.2
Arizona	12.7	13.4	12.1	12.0	11.4	11.1	12.3	6.6	7.1	6.5	6.7	6.6	6.3	6.5
New Mexico	2.6	2.6	3.2	3.1	3.2	2.9	3.7	6.4	6.0	7.3	7.3	7.8	6.8	8.2
Oklahoma	12.0	13.3	16.9	17.8	16.5	15.0	15.1	7.3	8.0	10.0	10.5	10.1	8.9	8.8
Texas	86.1	96.9	108.7	111.0	111.8	109.3	113.7	8.9	9.9	10.9	11.2	11.5	11.0	11.2
Rocky Mountain	20.4	24.1	27.2	26.8	27.0	29.1	34.1	5.5	6.3	7.0	6.9	6.9	7.2	8.2
Colorado	9.4	10.4	12.9	12.3	13.7	14.5	17.7	5.1	5.5	6.9	6.6	7.4	7.7	9.2
Idaho	2.3	4.3	4.5	5.1	4.1	3.2	3.5	3.9	7.0	7.1	8.0	6.2	4.6	4.8
Montana	1.4	1.4	1.4	1.3	1.3	1.5	1.1	6.4	6.2	6.2	6.0	5.7	6.4	4.7
Utah	6.5	7.3	7.5	7.2	6.8	8.8	10.5	6.6	7.1	7.0	6.7	6.4	8.0	9.0
Wyoming .....	.8	.7	.9	.9	1.1	1.1	1.3	9.1	7.8	9.3	9.5	11.9	11.4	12.9
Far West	192.2	235.3	262.3	257.1	250.3	243.8	249.5	6.9	8.3	9.3	9.7	9.9	10.0	10.3
Alaska	2.9	2.3	3.9	3.2	2.5	2.9	2.4	18.7	14.3	22.5	17.7	13.7	16.8	14.3
California	157.0	196.6	215.4	208.1	196.6	191.1	195.7	7.2	9.0	10.0	10.3	10.4	10.6	10.9
Hawaii	1.6	2.6	2.9	2.8	2.6	2.5	1.9	7.3	12.0	13.6	13.6	13.1	13.4	10.6
Nevada	1.2	1.7	2.4	3.2	3.6	3.8	4.2	4.8	6.6	9.0	12.3	13.6	12.7	12.3
Oregon	10.6	11.6	14.5	15.8	18.0	18.5	20.4	4.8	5.2	6.5	7.3	8.5	8.6	9.1
Washington	18.9	20.5	23.2	24.0	27.0	25.0	24.9	5.5	5.6	6.2	6.8	7.8	7.3	7.3
Puerto Rico	7.9	12.3	9.7	11.0	11.5	13.2	14.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other U.S. areas³ .....	.2	2.1	2.0	2.1	2.5	2.4	2.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Foreign⁴ .....	.8	3.0	.7	1.2	.9	.3	2.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. Not available.

1. The data on employment in manufacturing used to calculate the shares shown in this table are from BEA's Regional Economic Information System. The U.S. manufacturing employment totals used to calculate shares in this table differ from the NIPA estimates for manufacturing used for table 13 (see footnote 2 to table 13). They differ from the NIPA estimates of employment because, by definition, they exclude U.S. residents temporarily employed abroad by U.S. businesses. They also may differ from the NIPA estimates because of different definitions and revision schedules.

2. Total affiliate manufacturing employment and the shares of all-U.S.-business manufacturing employment accounted for by affiliates in this table differ from those shown in table 13 (see footnote 4 to table 13). For consistency with the coverage of the private-industry employment data, U.S. affiliate employment in Puerto Rico, in "other U.S. areas," and in "foreign" was excluded from the U.S. affiliate total when the percentage shares on this line were computed.

3. Consists of the U.S. Virgin Islands, Guam, American Samoa, and all other outlying U.S. areas.

4. Consists of employees of U.S. affiliates working abroad.

\$30.5 billion in 1994 (table 16).¹⁶ (U.S. income taxes paid by affiliates also increased sharply, from \$8.7 billion in 1993 to \$17.1 billion in 1994.) In contrast, large changes in the net income of affiliates in 1992 and 1993 were mainly due to factors unconnected with profit-type return.¹⁷

The increase in profitability in 1994 reflected increased growth in affiliate sales coupled with reduced growth in operating expenses, particularly labor costs: The growth rate for affiliate sales increased from 7.9 percent in 1993 to 8.9 percent in 1994, but the growth rate for employee compensation decreased from 6.0 percent to 4.1 percent.

By major industry, affiliate net income turned positive in 1994 in manufacturing, wholesale trade, and retail trade. Net income remained negative in real estate and services; however, affiliate losses in services were substantially smaller than in 1993.

16. Affiliates' profit-type return is before deduction of income taxes or depletion charges, and it excludes capital gains and losses, income from investments, and other nonoperating income. In table 16, it includes an inventory valuation adjustment (IVA). (Conceptually, it should also include a capital consumption adjustment (CCADJ), but estimates of CCADJ by industry are not available; estimates of profit-type return with both IVA and CCADJ are presented for all industries combined in table 17.) For a more detailed description of this measure and for a comparison between it and the corresponding measure used in the U.S. national income and product accounts, see "Gross Product of U.S. Affiliates of Foreign Companies," SURVEY 70 (June 1990): 53.

17. The large losses reported for 1992 on a net-income basis partly reflected one-time adjustments to earnings made by many affiliates to conform with the new accounting standards for post-employment and post-retirement benefits and for deferred income taxes. The adjustments reduced net income substantially, but they had no effect on the profit-type-return measure.

Data Availability

New investment data

A set of supplementary tables containing detail on the number of investments and investors for 1992-94 and on investment outlays and selected operating data for the newly acquired or established businesses for 1992-95 is available for \$10.00. Send a check payable to the "Bureau of Economic Analysis" to the Public Information Office, Order Desk, BE-53, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230, or to order using Visa or MasterCard, call (202) 606-9827. When ordering, please specify the title "BE-13 Supplementary Tables for the July 1996 SURVEY Article" and the accession number: 50-96-20-105. In addition, comparable table sets for 1987-91 and 1980-86 are available:

1987-91: Accession No. 50-95-20-106, price \$18.00.

1980-86: Accession No. 50-89-20-106, price \$18.00.

For further information, call (202) 606-9828.

The supplementary tables are also available on 3/2-inch, high-density computer diskettes:

1992-95: Accession No. 50-96-40-405, price \$20.00.

1980-91: Accession No. 50-96-40-406, price \$20.00.

To order or for further information, call (202) 606-9815.

Operations data

Publications and computer diskettes presenting the revised estimates of U.S. affiliate operations for 1993 and the preliminary estimates for 1994 from the annual surveys will be available later this summer. These estimates are comparable with those in this article, but they are presented in greater detail.

The detailed estimates of U.S. affiliate operations for 1977-92 are available on computer diskettes; for order information, call (202) 606-9815. The estimates for 1977-92 are also available in a series of annual publications; for order information, call (202) 606-9893.

Table 16.—Net Income and Profit-Type Return of Nonbank U.S. Affiliates by Industry of Affiliate, 1988-94

(Millions of dollars)

	Net income ¹							Profit-type return ²						
	1988	1989	1990	1991	1992	1993	1994	1988	1989	1990	1991	1992	1993	1994
All industries	12,049	9,286	-4,535	-11,018	-21,331	-4,354	13,377	14,167	10,949	770	-1,669	2,914	8,798	30,508
Petroleum	1,947	2,722	2,811	508	-485	1,098	390	4,243	5,042	6,041	2,962	3,044	3,298	3,931
Manufacturing	7,542	5,698	-31	-3,265	-9,171	-6,351	7,640	7,681	6,769	852	169	1,680	4,329	14,956
Food and kindred products	831	444	89	210	238	-1,621	136	-90	-534	-366	236	384	151	1,077
Chemicals and allied products	4,368	4,894	4,923	3,886	-1,281	3,338	5,513	5,468	6,229	5,031	4,386	4,602	6,323	8,602
Primary and fabricated metals	1,088	791	363	-1,072	-2,029	-1,854	584	1,013	1,162	369	-572	-483	-78	594
Machinery	-181	-394	-3,659	-3,105	-2,749	-3,970	-490	-195	-517	-2,834	-1,992	-2,049	-2,060	1,016
Other manufacturing	1,436	-36	-1,746	-3,186	-3,350	-2,244	1,897	1,484	430	-1,348	-1,890	-774	-7	3,667
Wholesale trade	1,456	728	-1,189	-1,284	-335	-70	3,785	991	1,029	-193	6	770	1,529	6,026
Retail trade	257	-1,371	-964	-614	-2,086	-611	1,164	36	-1,280	-751	125	14	272	2,003
Finance, except depository institutions²	419	1,289	-1,425	-839	551	1,087	689	651	1,058	-670	75	547	894	734
Insurance	1,851	2,203	2,284	2,602	2,318	4,960	3,007	1,532	1,049	2,297	1,498	1,966	2,726	3,625
Real estate	-829	-353	-2,055	-3,370	-4,672	-3,142	-2,555	-837	-857	-1,922	-2,291	-2,706	-2,199	-2,460
Services	-744	-1,193	-2,042	-3,737	-3,125	-2,359	-844	-673	-1,375	-2,138	-3,295	-2,310	-1,620	-294
Of which:														
Hotels and other lodging places	-155	-347	-977	-1,458	-1,603	-1,427	-1,015	-279	-620	-1,018	-1,504	-1,541	-1,206	-891
Motion pictures, including television tape and film	-237	-346	-501	-1,365	-1,200	-422	-294	-324	-578	-962	-1,220	-682	-434	-423
Other industries	149	-436	-1,924	-1,019	-4,326	1,034	101	544	-487	-2,746	-919	-91	-431	1,987
Of which:														
Transportation	-17	-17	-2,948	-1,046	-1,355	2,055	-1,005	424	-329	-3,221	-1,252	-1,178	-533	-391
Communication and public utilities	-164	-371	596	-274	-2,346	-457	810	-210	-411	-297	-492	-20	-94	1,451

1. Net income is after-tax profits on a financial accounting basis, as shown in affiliates' income statements. It includes capital gains and losses, income from investments, and other nonoperating income.

2. Profit-type return is a component of gross product originating in U.S. affiliates. It is before income taxes; ex-

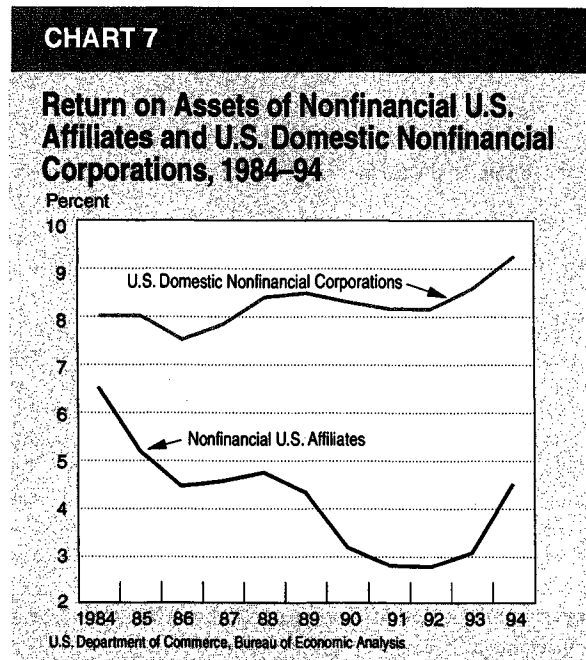
cludes capital gains, income from investments, and other nonoperating income; is before deduction of depletion charges; and includes an inventory valuation adjustment.

3. Estimates for 1988-91 include, but those for 1992-94 exclude, savings institutions and credit unions.

Profit-type return of affiliates increased in every major industry except finance and real estate. The increases were especially large in manufacturing and wholesale trade, partly reflecting substantial increases in sales growth.¹⁸ Within manufacturing, profit-type return turned positive in primary and fabricated metals, machinery, and "other manufacturing."

In some industries, profit-type return has been negative for several years (that is, affiliates have continued to incur losses from current operations). In 1994, as in earlier years, operating

18. In both manufacturing and wholesale trade, the growth rates for affiliate sales increased from less than 9 percent in 1993 to about 11 percent in 1994.



losses were particularly large for affiliates in real estate. Within services, profit-type return has been negative in the hotel and motion-picture industries, and within "other industries," profit-type return has been negative in transportation.

Return on assets.—The return on assets for nonfinancial U.S. affiliates has been consistently lower than that for all U.S. nonfinancial corporations over the last decade (chart 7 and table 17).¹⁹ For U.S. affiliates, the rate of return during 1984-94 ranged from 2.8 percent in 1991 and 1992 to

19. For both groups of firms, the rates of return are measured as profit-type return plus interest paid as a percentage of total assets. In the computation of these measures, both the return and the assets generating the return are valued in prices of the current period.

In chart 7 and table 17, rates of return of U.S. affiliates are compared with those of U.S. corporations because almost all U.S. affiliates are organized as corporations, and in terms of both their size and other aspects of their operations, the characteristics of U.S. affiliates correspond most closely to those of corporate businesses. However, because the all-U.S. data cover only corporations, the data in table 17 cannot be used to compute affiliates' share of all-U.S.-business activity.

The rate of return for U.S. domestic nonfinancial corporations is measured as the ratio of property income to the value of total assets. Property income includes returns to creditors as well as to shareholders and is computed as the sum of profits from current production—corporate profits with inventory valuation adjustment and capital consumption adjustment—and interest paid. As a "domestic" measure, this income excludes earnings on U.S. investments abroad and includes earnings generated by foreign-owned assets in the United States.

Total assets of U.S. domestic nonfinancial corporations, as published by the Board of Governors of the Federal Reserve System in *Balance Sheets for the U.S. Economy, 1945-94* (Washington, DC: June 1995), consist of tangible assets, measured at current-replacement cost (or at estimated market value, in the case of land), and financial assets. To obtain a domestic measure, the financial-asset component of the total assets has been adjusted by BEA, to the extent possible, to exclude claims on foreign assets.

The rate of return for nonfinancial U.S. affiliates is measured as the ratio of profit-type return plus interest paid to the value of total assets. The profit-type return used in this ratio incorporates an inventory valuation adjustment (see footnote 16) and a capital consumption adjustment. In the measure of total assets used for U.S. affiliates, fixed capital and inventories have been adjusted to current-replacement cost; in addition, the value of land has been converted to current-period prices, using general price indexes.

Table 17.—Return on Assets of Nonfinancial U.S. Affiliates and U.S. Domestic Nonfinancial Corporations, 1984-94

	Nonfinancial U.S. affiliates ¹					U.S. domestic nonfinancial corporations				
	Billions of dollars				Rate of return (col. 1/ col. 4) x 100 (percent)	Billions of dollars				Rate of return (col. 6/ col. 9) x 100 (percent)
	Property income			Total assets ³		Property income			Total assets ³	
	Total	Profit-type return ²	Monetary interest paid			Total	Profits from cur- rent pro- duction	Monetary interest paid		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
1984	29.7	12.7	17.1	455.5	6.5	420.3	212.7	207.6	5,241.7	8.0
1985	24.8	9.5	15.3	477.5	5.2	443.5	215.8	227.7	5,530.9	8.0
1986	23.4	7.1	16.3	523.0	4.5	435.9	195.5	240.4	5,792.6	7.5
1987	26.6	8.7	17.9	581.8	4.6	477.0	225.2	251.8	6,080.3	7.8
1988	33.0	8.7	24.3	695.3	4.8	543.6	257.5	286.1	6,471.3	8.4
1989	37.2	4.9	32.3	856.8	4.3	583.3	238.7	344.6	6,873.3	8.5
1990	32.5	-5.1	37.6	1,018.9	3.2	585.5	231.0	354.5	7,046.4	8.3
1991	31.6	-7.6	39.2	1,123.0	2.8	565.5	223.2	342.3	6,931.5	8.2
1992	32.3	-3.3	35.6	1,157.1	2.8	551.0	250.0	301.0	6,755.2	8.2
1993	37.2	2.3	34.9	1,208.7	3.1	583.2	297.3	285.9	6,797.2	8.6
1994	58.2	23.3	34.9	1,288.1	4.5	653.7	364.6	289.1	7,063.2	9.3

1. Excludes finance, except depository institutions, and insurance (in addition to depository institutions, which are excluded from all data on U.S. affiliate operations).

2. Profit-type return as shown in table 16 plus a capital consumption adjustment (CCAdj). (Estimates of CCAdj by industry are not available.)

3. Average of beginning- and end-of-year value.


Sources of data for U.S. domestic nonfinancial corporations: (a) Property income and monetary interest paid are from tables 1.16 and 8.18 in the national income and product accounts, as revised in the January/February 1996 SURVEY OF CURRENT BUSINESS. (b) Total assets are from Federal Reserve Board of Governors, *Balance Sheets for the U.S. Economy, 1945-94*, (Washington DC: June 1995).

6.5 percent in 1984. For all U.S. nonfinancial corporations, the rates were higher and more stable, ranging from 7.5 percent in 1986 to 9.3 percent in 1994.

To some extent, the relatively low rates of return for U.S. affiliates may reflect the newness of much foreign direct investment in the United States. The data on new investment indicate that initial rates of return were particularly low for the companies acquired or established during 1984-94. An estimate of property income on an economic-accounting basis cannot be derived from the data on new investment, but an examination of the net income data for newly established or acquired affiliates suggests that the initial profitability of these affiliates has been very low or, in many cases, negative. For the newly established companies, profitability was often low because of startup costs. For many of the newly acquired companies, profitability was low or neg-

ative at the time of the acquisition and, in many cases, may have remained low for some time, as returns were reduced by restructuring costs, writeoffs, and other expenses.

It is important to note that the relatively low rates of return for U.S. affiliates may reflect the particular objectives of foreign direct investors. For example, some foreign investors may settle for a below-average rate of return in order to gain access to the large U.S. market or to scarce raw materials, to take advantage of economies of scale and technological efficiencies in other parts of their worldwide operations, or to respond to differences across countries in the cost and availability of capital, the tax treatment of income, or tariff and nontariff barriers.²⁰

Tables 18 through 23.2 follow. 

20. For a discussion of the rates of return on direct investment from a balance-of-payments perspective, see "Rates of Return on Direct Investment," SURVEY 72 (August 1992): 79-86.

Table 18.—Investment Outlays by Type of Investment and Investor, by Industry of U.S. Business Enterprise, 1994–95

(Millions of dollars)

	1994 ^r					1995 ^r				
	Total (1)	By type of investment		By type of investor		Total (6)	By type of investment		By type of investor	
		Acquisitions (2)	Establishments (3)	Foreign direct investors (4)	U.S. affiliates (5)		Acquisitions (7)	Establishments (8)	Foreign direct investors (9)	U.S. affiliates (10)
All Industries	45,626	38,753	6,873	13,628	31,999	54,368	46,452	7,917	11,313	43,055
Petroleum	469	243	226	(P)	(P)	1,731	(P)	(P)	10	1,721
Petroleum and coal products manufacturing	(P)	0	0	0	0	(P)	(P)	0	5	(P)
Other	(P)	243	(P)	(P)	219	(P)	(P)	(P)	5	(P)
Manufacturing	21,218	19,980	1,238	6,718	14,499	28,493	24,245	4,247	5,192	23,301
Food and kindred products	4,567	4,567	1	(P)	(P)	4,233	(P)	(P)	(P)	(P)
Beverages	39	39	0	0	39	(P)	(P)	(P)	0	(P)
Other	4,529	4,528	1	(P)	(P)	4,009	(P)	(P)	(P)	3,836
Chemicals and allied products	6,905	6,709	196	(P)	(P)	13,716	(P)	(P)	3,536	10,180
Industrial chemicals and synthetics	(P)	(P)	0	(P)	(P)	(P)	155	(P)	4	(P)
Drugs	4,208	(P)	0	(P)	(P)	11,986	(P)	(P)	(P)	(P)
Soap, cleaners, and toilet goods	(P)	(P)	0	(P)	(P)	(P)	4	(P)	(P)	(P)
Other	(P)	(P)	(P)	4	(P)	(P)	(P)	5	578	(P)
Primary and fabricated metals	1,485	646	839	340	1,145	578	472	106	(P)	(P)
Primary metal industries	1,159	(P)	(P)	(P)	(P)	233	(P)	(P)	(P)	(P)
Ferrous	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)
Nonferrous	(P)	(P)	(P)	(P)	719	(P)	(P)	(P)	(P)	(P)
Fabricated metal products	326	(P)	(P)	(P)	(P)	345	(P)	(P)	(P)	(P)
Machinery	1,867	1,799	69	856	1,011	5,350	4,795	554	981	4,368
Industrial machinery and equipment	1,494	1,474	20	727	767	3,170	3,151	19	319	2,651
Computer and office equipment	389	(P)	(P)	356	33	(P)	(P)	(P)	210	(P)
Other	1,105	(P)	(P)	371	733	(P)	(P)	4	109	(P)
Electronic and other electric equipment	374	325	49	129	245	2,180	1,644	535	663	1,517
Audio, video, and communications equipment	22	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)
Electronic components and accessories	209	181	28	53	156	1,690	1,196	492	223	1,467
Other	143	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)
Other manufacturing	6,393	6,259	134	2,061	4,332	4,616	4,104	512	(P)	(P)
Textile products and apparel	243	242	1	(P)	(P)	(P)	117	26	(P)	(P)
Lumber, wood, furniture, and fixtures	21	19	2	2	19	249	(P)	0	(P)	(P)
Paper and allied products	(P)	(P)	(P)	97	(P)	(P)	(P)	0	(P)	(P)
Printing and publishing	1,453	1,437	15	102	1,351	336	333	4	0	336
Newspapers	(P)	(P)	(P)	(P)	(P)	(P)	(P)	4	0	(P)
Other	54	54	0	4	50	28	(P)	4	(P)	(P)
Rubber products	308	293	15	8	300	467	(P)	(P)	(P)	(P)
Miscellaneous plastics products	334	334	(P)	(P)	(P)	638	(P)	(P)	(P)	634
Stone, clay, and glass products	740	689	51	44	696	223	146	85	4	137
Transportation equipment	706	655	51	44	663	112	(P)	(P)	(P)	(P)
Motor vehicles and equipment	34	34	0	0	34	110	(P)	(P)	(P)	(P)
Other transportation equipment	504	(P)	(P)	197	307	2,248	2,248	0	148	2,099
Instruments and related products	(P)	(P)	3	(P)	(P)	(P)	(P)	2	2	(P)
Other	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)
Wholesale trade	2,156	1,979	177	317	1,839	(P)	1,195	(P)	261	(P)
Motor vehicles and equipment	(P)	(P)	(P)	(P)	(P)	16	(P)	(P)	(P)	(P)
Professional and commercial equipment and supplies	(P)	(P)	3	2	(P)	(P)	(P)	0	(P)	(P)
Metals and minerals, except petroleum	42	(P)	(P)	42	5	(P)	(P)	5	(P)	(P)
Electrical goods	231	227	4	194	38	33	(P)	1	(P)	(P)
Machinery, equipment, and supplies	80	58	22	19	61	308	(P)	(P)	(P)	(P)
Other durable goods	48	(P)	(P)	(P)	(P)	187	(P)	(P)	84	103
Groceries and related products	75	75	0	1	74	232	(P)	(P)	(P)	(P)
Farm product raw materials	90	(P)	(P)	88	0	(P)	(P)	0	0	(P)
Other nondurable goods	1,190	1,139	52	13	1,177	12	2	10	2	10
Retail trade	1,542	1,536	6	(P)	(P)	2,957	2,873	84	615	2,342
General merchandise stores	(P)	(P)	(P)	(P)	4	(P)	(P)	0	0	(P)
Food stores	(P)	(P)	0	(P)	(P)	(P)	(P)	2	2	(P)
Apparel and accessory stores	(P)	(P)	6	(P)	(P)	(P)	(P)	(P)	(P)	(P)
Other	882	882	(P)	8	874	1,159	1,077	82	(P)	(P)
Depository institutions ¹	2,026	(P)	(P)	(P)	(P)	2,592	(P)	(P)	(P)	(P)
Finance, except depository institutions ¹	2,195	139	2,056	760	1,435	5,751	4,212	1,539	1,650	4,101
Insurance	450	(P)	(P)	(P)	(P)	(P)	(P)	3	(P)	(P)
Real estate	2,647	468	2,179	938	1,710	2,679	1,298	1,381	473	2,206
Services	7,163	6,704	460	423	6,740	4,142	3,807	335	430	3,713
Hotels and other lodging places	(P)	93	(P)	(P)	(P)	469	(P)	(P)	(P)	(P)
Business services	3,827	3,786	41	152	3,675	1,599	1,509	91	(P)	(P)
Computer and data processing services	3,364	3,354	11	81	3,283	421	(P)	(P)	(P)	(P)
Other business services	462	432	30	71	392	1,178	(P)	(P)	6	1,172
Motion pictures, including television tape and film	112	(P)	(P)	5	106	19	(P)	19	(P)	(P)
Engineering, architectural, and surveying services	21	(P)	(P)	5	16	1	(P)	0	(P)	(P)
Accounting, research, management, and related services	(P)	(P)	20	95	(P)	461	(P)	0	0	(P)
Health services	76	76	(P)	74	(P)	(P)	(P)	0	0	(P)
Other services	353	302	51	(P)	(P)	(P)	(P)	71	14	(P)
Other industries	5,760	5,578	182	(P)	(P)	3,983	3,908	75	480	3,503
Agriculture, forestry, and fishing	(P)	(P)	(P)	(P)	(P)	60	51	9	42	18
Mining	780	(P)	(P)	2	780	(P)	(P)	(P)	0	68
Coal	(P)	619	(P)	0	(P)	(P)	(P)	(P)	0	(P)
Other	(P)	(P)	2	0	(P)	(P)	(P)	0	0	(P)
Construction	(P)	(P)	3	5	(P)	(P)	(P)	4	(P)	33
Transportation	197	195	3	117	80	858	(P)	(P)	(P)	(P)
Communication and public utilities	(P)	(P)	9	(P)	499	2,615	(P)	(P)	(P)	(P)

^r Revised.
^p Preliminary
⁰ Suppressed to avoid disclosure of data of individual companies.

¹ Less than \$500,000.
 1. See footnote 1, table 4.

Table 19.1.—Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 1994

(Millions of dollars)

	All industries	Petroleum	Manufacturing					Wholesale trade	Retail trade	Depository institutions ¹	Finance, except depository institutions ¹	Insurance	Real estate	Services	Other industries	
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery									Other manufacturing
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All countries	45,626	469	21,218	4,567	6,905	1,485	1,867	6,393	2,156	1,542	2,026	2,195	450	2,647	7,163	5,760
Canada	4,128	236	970	(P)	(P)	109	30	701	60	(P)	(P)	(P)	245	233	(P)	602
Europe	31,920	128	15,345	(P)	5,938	(P)	1,488	3,081	1,707	1,088	1,775	745	98	942	5,295	4,795
Austria	3	0	0	0	0	0	0	0	0	0	0	3	0	(P)	0	0
Belgium	(P)	0	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0
Denmark	(P)	0	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0
Finland	(P)	0	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0
France	1,404	1	933	0	(P)	0	6	(P)	54	(P)	(P)	(P)	0	56	74	(P)
Germany	3,328	(P)	2,449	0	(P)	(P)	331	546	51	(P)	0	(P)	1	502	101	(P)
Ireland	(P)	0	(P)	0	0	0	0	0	0	0	0	0	(P)	0	0	0
Italy	412	0	245	0	(P)	0	52	(P)	(P)	(P)	0	(P)	0	(P)	0	0
Liechtenstein	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Luxembourg	172	0	(P)	0	0	0	0	0	0	0	0	0	0	(P)	0	0
Netherlands	1,537	0	470	(P)	(P)	0	0	(P)	52	(P)	(P)	(P)	(P)	131	(P)	4
Norway	(P)	(P)	(P)	0	0	0	0	0	0	0	0	0	0	0	0	5
Spain	(P)	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0
Sweden	1,105	0	102	0	0	0	2	(P)	(P)	(P)	0	5	0	(P)	2	2
Switzerland	5,044	0	(P)	0	0	0	0	(P)	(P)	(P)	18	(P)	0	86	388	0
United Kingdom	17,261	2	6,041	0	0	0	579	1,555	141	1,024	0	63	0	111	4,657	0
Other	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Latin America and Other Western Hemisphere	1,352	(P)	(P)	(P)	(P)	36	2	(P)	47	(P)	(P)	12	1	(P)	(P)	(P)
South and Central America	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)
Brazil	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mexico	912	0	523	0	0	0	2	0	0	0	0	2	0	0	0	0
Panama	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Venezuela	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Western Hemisphere	(P)	0	4	0	0	0	0	4	(P)	(P)	0	4	1	(P)	0	5
Bahamas	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bermuda	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands Antilles	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
U. K. Islands, Caribbean	(P)	0	4	0	0	0	0	4	0	0	0	0	0	4	0	0
Other	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Africa	(P)	0	0	0	0	0	5	0	0	0	0	3	0	0	0	0
South Africa	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	5	0	5	0	0	0	5	0	0	0	0	0	0	0	0	0
Middle East	(P)	0	132	0	0	0	17	0	0	0	0	0	0	149	86	0
Israel	157	0	0	0	0	0	0	0	0	0	0	0	0	0	12	0
Kuwait	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lebanon	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Saudi Arabia	172	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
United Arab Emirates	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asia and Pacific	5,263	(P)	1,815	(P)	52	(P)	320	466	325	(P)	1,070	(P)	1,198	665	58	3
Australia	1,522	0	816	0	0	0	0	0	0	0	0	0	0	0	0	0
China	42	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Hong Kong	233	0	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0
Indonesia	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Japan	2,715	1	756	0	0	209	131	366	144	(P)	0	0	0	720	0	0
Korea, Republic of	(P)	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
Malaysia	162	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Zealand	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Philippines	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Singapore	297	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taiwan	56	0	0	0	0	0	0	0	0	0	0	0	0	44	0	0
Other	3	3	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0
United States²	201	0	43	(P)	3	(P)	5	0	(P)	0	0	(P)	(P)	(P)	0	0
Addenda:																
European Union (12) ³	25,027	95	10,410	275	5,546	421	1,129	3,038	513	1,086	1,775	574	89	856	4,893	4,735
OPEC ⁴	305	(P)	(P)	0	(P)	0	5	0	0	0	0	3	(P)	114	80	0

^P Suppressed to avoid disclosure of data of individual companies.
^{*} Less than \$500,000.

1. See footnote 1, table 4.

2. See footnote 4 in text for explanation.

3. The European Union (12) comprises Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, and the United Kingdom. Prior to 1993, the European Union was known as the European Communities (12).

4. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE.—Data for 1994 are revised. For investments in which more than one investor participated, each investor and each investor's outlays are classified by the country of each individual ultimate beneficial owner.

Table 19.2.—Investment Outlays, Country of Ultimate Beneficial Owner by Industry of U.S. Business Enterprise, 1995

[Millions of dollars]

	All industries	Petroleum	Manufacturing						Wholesale trade	Retail trade	Depository institutions ¹	Finance, except depository institutions ¹	Insurance	Real estate	Services	Other industries
			Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery	Other manufacturing								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All countries	54,368	1,731	28,493	4,233	13,716	578	5,350	4,616	(P)	2,957	2,592	5,751	(P)	2,679	4,142	3,983
Canada	6,481	(P)	1,284	(P)	(P)	(P)	(P)	501	(P)	(P)	0	(P)	3	103	431	2,862
Europe	36,654	(P)	23,703	4,015	12,971	236	2,918	3,563	941	1,845	672	4,631	(P)	753	2,141	(P)
Austria	8	0	4	0	0	0	0	4	0	0	0	4	0	0	0	0
Belgium	38	0	20	0	0	0	0	0	0	0	0	0	0	0	18	0
Denmark	(P)	0	(P)	0	(P)	0	5	0	0	0	0	0	0	0	(P)	0
Finland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
France	1,217	0	664	0	(P)	(P)	82	434	(P)	0	0	(P)	0	0	2	(P)
Germany	14,155	0	9,861	(P)	9,431	(P)	239	156	778	4	0	(P)	0	0	65	0
Ireland	106	0	0	0	0	0	0	0	(P)	0	0	0	0	0	0	(P)
Italy	(P)	0	(P)	0	0	0	0	0	1	(P)	0	0	0	0	0	0
Liechtenstein	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Luxembourg	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands	885	(P)	367	(P)	0	0	0	0	1	(P)	0	(P)	0	0	153	3
Norway	14	0	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0
Spain	147	0	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0
Sweden	(P)	0	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0
Switzerland	4,198	(P)	2,277	(P)	(P)	(P)	146	0	1	0	0	(P)	0	0	0	0
United Kingdom	9,676	(P)	6,295	(P)	271	127	1,575	5	132	128	0	(P)	0	64	578	528
Other	5	0	5	0	0	0	0	0	0	0	0	0	0	0	0	(P)
Latin America and Other Western Hemisphere	1,329	(P)	144	0	5	(P)	5	(P)	9	49	(P)	(P)	0	34	(P)	(P)
South and Central America	(P)	(P)	(P)	0	5	0	0	0	9	0	(P)	(P)	0	0	0	0
Brazil	5	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0
Mexico	146	0	0	0	0	0	0	0	4	0	0	0	0	0	0	0
Panama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Venezuela	(P)	(P)	5	0	5	0	0	0	1	0	0	0	0	0	0	0
Other	(P)	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	(P)
Other Western Hemisphere	(P)	0	(P)	0	0	0	5	(P)	0	(P)	0	0	0	0	0	1
Bahamas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bermuda	166	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0
Netherlands Antilles	(P)	0	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0
U. K. Islands, Caribbean	64	0	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Africa	(P)	0	(P)	0	(P)	(P)	0	2	0	0	0	0	0	0	0	0
South Africa	(P)	0	(P)	0	(P)	(P)	0	0	0	0	0	0	0	0	0	0
Other	2	0	2	0	0	0	0	2	0	0	0	0	0	0	0	0
Middle East	500	0	(P)	0	(P)	0	0	0	0	(P)	0	1	0	263	(P)	(P)
Israel	(P)	0	(P)	0	(P)	0	0	0	0	0	0	0	0	3	0	0
Kuwait	31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lebanon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Saudi Arabia	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
United Arab Emirates	(P)	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
Other	(P)	0	0	0	0	0	0	0	0	0	0	0	0	2	0	(P)
Asia and Pacific	9,169	(P)	3,086	(P)	233	205	(P)	(P)	(P)	(P)	(P)	683	0	1,526	1,301	(P)
Australia	2,488	0	(P)	0	0	0	0	0	0	0	0	0	0	0	5	0
China	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0
Hong Kong	252	0	4	0	0	0	4	0	0	0	0	0	0	0	0	0
Indonesia	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Japan	3,758	(P)	1,233	(P)	(P)	(P)	869	169	108	22	0	501	0	712	1,103	17
Korea, Republic of	1,257	0	1,213	0	0	0	0	0	0	0	0	0	0	0	4	0
Malaysia	57	0	(P)	0	0	0	0	5	0	0	0	0	0	0	0	0
New Zealand	(P)	0	0	0	0	0	0	0	(P)	0	0	0	0	0	0	0
Philippines	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Singapore	863	0	2	0	0	0	2	0	0	0	0	0	0	0	0	0
Taiwan	286	0	235	0	(P)	0	0	0	1	0	0	0	0	0	0	0
Other	113	0	(P)	0	1	0	0	0	0	0	0	0	0	0	0	4
United States²	(P)	0	0	0	0	0	0	0	0	3	0	0	0	0	0	(P)
Addenda:																
European Union (15) ³	32,436	(P)	21,412	3,878	12,747	236	2,767	1,784	932	1,845	672	4,304	(P)	743	898	585
OPEC ⁴	504	(P)	2	0	0	0	0	2	0	24	0	(P)	0	271	(P)	(P)

^P Suppressed to avoid disclosure of data of individual companies.

* Less than \$500,000.

1. See footnote 1, table 4.

2. See footnote 4 in text for explanation.

3. The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom. Prior to 1995, Austria, Finland, and Sweden were not members of the European Union.

4. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

NOTE: Data for 1995 are preliminary. For investments in which more than one investor participated, each investor and each investor's outlays are classified by the country of each individual ultimate beneficial owner.

Table 21.1.—Selected Data of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1993

	Millions of dollars				Thousands of employ-ees	Millions of dollars						
	Gross product	Sales	Net income	Employee compensa-tion		Total assets	Gross property, plant, and equipment		Expendi-tures for new plant and equip-ment	Research and devel-opment ex-penditures	U.S. mer-chandise exports shipped by affiliates	U.S. mer-chandise imports shipped to affiliates
							Total	Of which: Commercial prop-erty				
All countries	285,738	1,329,435	-4,354	193,000	4,765.6	2,065,804	705,665	173,867	63,243	14,199	106,615	200,599
Canada	41,062	137,798	1,731	25,572	669.9	260,951	103,492	22,304	5,893	2,159	7,195	12,061
Europe	168,296	696,725	174	117,234	2,889.7	1,076,213	368,499	70,065	32,878	9,362	45,983	69,349
Austria	445	2,489	-14	316	7.4	3,033	638	88	88	12	202	553
Belgium	3,711	17,157	72	2,082	101.7	12,001	9,834	1,848	629	68	355	1,282
Denmark	1,689	3,924	-7	1,441	62.8	3,905	1,740	127	272	33	347	553
Finland	1,435	6,883	-194	1,203	25.8	6,508	2,881	218	354	63	624	1,138
France	19,274	97,174	-1,574	15,289	359.4	214,103	48,935	15,580	3,757	1,235	12,466	9,200
Germany	32,055	136,688	504	23,429	564.2	149,611	63,093	10,118	7,713	2,209	8,464	20,123
Ireland	1,655	6,258	-366	1,297	32.4	7,607	4,303	435	356	13	239	248
Italy	2,541	14,113	-639	2,221	46.5	20,931	5,909	569	487	142	1,835	2,751
Liechtenstein	143	533	-67	146	3.4	701	630	370	28	3	30	136
Luxembourg	814	3,536	-6	616	17.2	2,736	1,432	659	63	8	241	576
Netherlands	20,765	78,206	198	11,226	294.4	126,583	64,537	13,533	4,221	697	3,815	8,589
Norway	709	4,138	-13	523	11.6	3,543	1,968	193	211	30	469	557
Spain	229	1,304	-42	204	6.4	3,962	780	234	39	12	33	178
Sweden	5,944	27,138	-496	4,779	107.7	34,806	10,710	1,513	4,427	200	2,445	4,546
Switzerland	16,847	75,829	307	13,833	285.9	159,781	26,459	3,820	2,457	2,423	5,864	5,739
United Kingdom	59,864	220,049	2,523	38,498	958.0	325,439	124,157	20,490	7,744	2,211	8,465	12,509
Other	174	1,325	-14	150	5.0	961	493	270	31	3	90	669
Latin America and Other Western Hemisphere	10,126	39,864	343	5,432	141.3	45,796	21,428	5,150	1,846	539	3,251	6,389
South and Central America	7,416	31,231	600	3,535	86.4	33,615	14,095	2,067	1,177	(P)	2,668	7,216
Brazil	459	2,935	765	153	2.8	9,732	655	188	54	1	435	1,190
Mexico	1,400	5,890	-123	1,085	27.7	8,082	2,937	946	247	16	451	1,244
Panama	1,460	4,060	-376	1,183	23.3	4,336	3,088	363	220	(P)	511	147
Venezuela	3,757	16,270	238	937	26.1	10,164	6,930	356	622	8	(P)	3,910
Other	340	2,076	95	177	6.5	1,301	486	215	34	(*)	(P)	725
Other Western Hemisphere	2,709	8,634	-256	1,897	54.9	12,181	7,332	3,083	669	(P)	582	1,173
Bahamas	50	496	-123	53	2.1	1,274	701	339	52	13	84	151
Bermuda	1,274	4,430	64	844	30.5	5,641	2,795	1,168	255	(P)	99	573
Netherlands Antilles	1,233	2,386	-50	804	15.8	3,118	2,582	826	269	129	270	99
United Kingdom Islands, Caribbean	133	1,179	-141	176	5.8	1,921	1,146	697	86	4	78	346
Other	19	142	-7	21	.7	227	109	53	7	1	51	4
Africa	1,387	5,272	-404	720	15.3	(P)	5,929	(P)	(P)	(P)	482	839
South Africa	897	4,399	-475	597	13.1	3,167	2,057	54	(P)	(P)	(P)	699
Other	489	873	70	123	2.2	(P)	3,871	(P)	(P)	(*)	(P)	140
Middle East	4,556	16,747	196	1,451	44.2	25,506	19,488	13,267	1,088	51	489	3,676
Israel	251	1,653	-60	289	5.4	2,314	515	233	57	42	167	(P)
Kuwait	1,062	2,264	65	216	9.7	9,107	8,988	7,140	463	1	(P)	(P)
Lebanon	121	588	-19	99	2.9	687	467	88	31	1	23	(*)
Saudi Arabia	2,923	11,742	296	744	20.2	11,273	7,452	4,170	420	7	(P)	(P)
United Arab Emirates	167	401	-59	88	5.4	1,738	1,743	1,417	101	0	19	33
Other	33	99	-27	14	.6	387	324	219	16	(*)	1	(*)
Asia and Pacific	56,342	417,522	-8,336	40,759	966.4	569,175	174,106	61,438	18,605	1,977	48,635	105,793
Australia	7,732	31,242	-838	6,106	140.1	47,072	13,648	1,815	1,817	48	717	1,418
China	258	1,932	7	77	1.6	957	596	40	39	3	(P)	(P)
Hong Kong	1,395	5,272	-193	946	35.1	7,663	5,002	4,054	240	13	163	1,253
Indonesia	120	868	-28	90	5.0	699	347	189	25	0	(P)	46
Japan	44,539	357,655	-6,705	31,674	731.1	490,432	143,770	52,062	15,285	1,801	43,187	94,431
Korea, Republic of	693	11,293	-145	489	10.6	7,877	2,063	656	211	55	2,913	5,893
Malaysia	105	276	2	71	3.1	772	451	347	19	3	(P)	7
New Zealand	306	2,017	-58	268	8.6	1,245	814	44	15	3	13	522
Philippines	(P)	(P)	(P)	(P)	1	491	361	178	18	1	14	(P)
Singapore	112	1,134	-169	167	4.9	2,452	1,374	1,013	121	16	112	261
Taiwan	744	4,355	-145	573	15.8	8,404	5,083	621	770	35	563	1,129
Other	(P)	(P)	(P)	(P)	H	1,111	598	418	46	2	90	282
United States	3,969	15,506	1,943	1,734	38.7	(P)	12,724	(P)	(P)	(P)	581	493
Addenda:												
European Union ¹	142,637	578,526	656	96,320	2,444.9	867,282	325,070	63,837	25,298	6,629	36,260	56,011
OPEC ²	8,466	32,024	629	2,169	67.5	35,053	28,614	13,301	1,815	16	697	7,117

^P Suppressed to avoid disclosure of data of individual companies.
^{*} Less than \$500,000.

NOTES.—Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.
 Estimates for 1993 are revised.

1. The European Union comprises Belgium, Denmark, France, Germany, Greece, Ireland, Luxembourg, Netherlands, Portugal, Spain, and the United Kingdom. Prior to 1993, the European Union was known as the European Communities (12).

2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

Table 21.2.—Selected Data of Nonbank U.S. Affiliates by Country of Ultimate Beneficial Owner, 1994

	Millions of dollars					Thousands of employees	Millions of dollars					
	Gross product	Sales	Net income	Employee compensation	Total assets		Gross property, plant, and equipment		Expenditures for new plant and equipment	Research and development expenditures	U.S. merchandise exports shipped by affiliates	U.S. merchandise imports shipped to affiliates
							Total	Of which: Commercial property				
All countries	320,060	1,447,628	13,377	200,841	4,866.6	2,208,329	751,105	172,754	68,281	15,602	113,774	219,172
Canada	43,256	145,221	3,214	26,254	682.4	262,334	107,578	22,025	7,222	2,363	7,368	12,636
Europe	191,972	769,034	7,742	124,288	2,989.4	1,166,048	392,457	68,708	33,875	10,165	48,846	77,816
Austria	431	2,481	30	298	6.9	4,164	626	89	112	12	418	755
Belgium	4,263	17,586	470	2,105	96.1	12,398	9,904	1,880	576	77	419	1,372
Denmark	1,821	4,265	85	1,436	60.1	4,267	1,887	90	280	40	401	578
Finland	1,690	7,756	60	1,248	28.9	6,925	3,029	244	259	64	683	1,129
France	22,674	111,139	-254	16,422	369.2	210,783	51,121	15,313	3,913	1,385	11,989	11,685
Germany	36,961	152,588	970	24,880	584.1	163,003	68,019	10,970	7,888	2,450	9,613	23,511
Ireland	1,994	7,004	-65	1,344	31.6	8,611	4,594	431	363	14	296	275
Italy	2,952	15,524	-106	2,236	46.0	23,538	6,034	552	478	170	1,981	2,992
Liechtenstein	168	608	-50	153	3.7	722	587	312	27	3	34	150
Luxembourg	974	4,171	38	738	18.8	3,002	1,500	673	85	12	238	789
Netherlands	24,684	89,007	1,217	12,675	323.4	137,922	66,379	13,155	5,240	723	4,692	8,552
Norway	883	4,671	53	589	13.2	4,392	2,280	191	268	38	496	480
Spain	297	1,582	4	222	6.6	4,584	859	290	89	13	56	211
Sweden	5,436	28,340	122	4,338	89.0	33,855	8,492	1,388	837	273	2,817	5,064
Switzerland	17,626	76,543	185	14,021	292.3	183,989	26,477	3,610	2,626	2,409	5,005	6,364
United Kingdom	68,893	243,692	4,997	41,139	1,013.9	362,587	140,051	19,230	10,743	2,479	9,353	13,160
Other	223	2,079	-14	185	5.5	1,308	628	290	111	3	152	767
Latin America and Other Western Hemisphere	11,635	44,819	970	5,954	138.0	49,324	23,069	5,265	2,182	538	5,202	8,542
South and Central America	8,305	31,689	779	3,766	77.9	36,017	14,948	2,135	1,413	398	3,085	7,438
Brazil	197	2,989	190	199	3.6	8,682	725	191	57	1	517	1,240
Mexico	1,541	6,818	-199	1,205	29.5	9,903	3,107	1,039	236	22	459	1,457
Panama	1,595	4,458	60	1,302	23.0	5,472	3,163	342	214	367	754	325
Venezuela	4,531	15,140	567	858	14.9	10,605	7,438	309	850	8	(P)	3,587
Other	440	2,284	162	202	6.9	1,354	516	252	56	(*)	(P)	830
Other Western Hemisphere	3,330	13,130	190	2,189	60.1	13,307	8,121	3,130	769	140	2,118	1,103
Bahamas	52	391	-41	54	2.1	1,089	470	160	33	(*)	1	9
Bermuda	1,642	8,869	143	1,026	34.2	6,572	3,584	1,146	315	21	(P)	671
Netherlands Antilles	1,261	2,285	128	856	15.9	3,065	2,523	803	267	114	271	102
United Kingdom Islands, Caribbean	348	1,430	-36	231	7.2	2,349	1,432	969	150	5	(P)	316
Other	28	155	-3	21	7	233	112	53	4	(*)	52	4
Africa	1,515	6,557	124	763	16.1	(P)	6,437	(P)	(P)	53	602	985
South Africa	995	5,404	95	625	13.6	3,615	2,210	40	(P)	(P)	504	801
Other	520	1,153	29	138	2.6	(P)	4,227	(P)	(P)	(P)	98	184
Middle East	5,549	19,925	106	2,047	65.7	26,484	20,262	13,184	979	79	678	3,734
Israel	344	2,085	-114	373	6.5	2,790	592	241	54	72	386	531
Kuwait	1,101	2,450	263	254	7.4	8,927	8,711	6,599	264	1	135	68
Lebanon	160	500	-20	104	2.8	580	472	108	14	(*)	50	(*)
Saudi Arabia	3,146	10,998	29	832	22.8	10,974	7,786	4,253	434	6	83	(P)
United Arab Emirates	(P)	(P)	(P)	(P)	(P)	1,802	1,421	121	0	24	(P)	(P)
Other	(P)	(P)	(P)	(P)	J	1,412	941	562	92	(*)	1	(*)
Asia and Pacific	61,156	445,586	-1,347	39,714	934.9	608,807	185,728	61,889	20,712	2,340	50,447	114,940
Australia	4,795	20,355	21	2,778	70.5	37,417	12,743	1,728	1,019	59	522	972
China	231	1,989	-38	75	1.3	997	526	66	42	3	(P)	(P)
Hong Kong	1,547	6,123	-150	1,021	36.2	8,021	5,144	4,116	259	14	151	1,603
Indonesia	131	984	-23	99	5.4	717	382	190	21	0	(P)	36
Japan	50,992	388,713	-768	33,236	756.5	536,061	154,743	52,076	18,239	2,013	45,103	101,425
Korea, Republic of	708	15,152	-318	632	12.3	9,199	2,339	657	233	167	2,598	7,851
Malaysia	420	1,291	-16	334	9.5	1,522	663	396	(P)	7	95	(P)
New Zealand	398	2,011	-25	334	8.3	1,190	825	46	34	4	7	584
Philippines	304	861	21	227	6.4	512	362	163	16	1	17	55
Singapore	199	1,535	-66	199	6.1	2,837	1,503	1,105	134	30	152	542
Taiwan	1,258	5,661	70	645	17.0	8,977	5,633	633	584	40	537	1,291
Other	172	911	-56	134	5.4	1,359	864	712	2	2	105	312
United States	4,976	16,486	2,569	1,819	40.0	(P)	15,574	(P)	(P)	63	630	519
Addenda:												
European Union ¹	165,601	646,988	7,339	103,535	2,552.4	931,310	350,776	62,833	29,684	7,363	39,241	63,128
OPEC ²	9,484	30,531	815	2,239	57.4	35,212	29,470	12,802	1,962	15	625	6,826

P Suppressed to avoid disclosure of data of individual companies.

* Less than \$500,000.

NOTES.—Size ranges are given in cells that are suppressed. The size ranges are: A—1 to 499; F—500 to 999; G—1,000 to 2,499; 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.

Estimates for 1994 are preliminary.

1. The European Union comprises Belgium, Denmark, France, Germany, Greece, Ireland, Luxembourg, Netherlands, Portugal, Spain, and the United Kingdom. Prior to 1993, the European Union was known as the European Communities (12).

2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

Table 23.1.—Employment by Nonbank U.S. Affiliates, State by Country of Ultimate Beneficial Owner, 1993

(Thousands of employees)

	All countries	Canada	Europe						Latin America and Other Western Hemisphere	Africa	Middle East	Asia and Pacific			United States
			Total	Of which:								Total	Of which:		
				France	Germany	Netherlands	Switzerland	United Kingdom					Australia	Japan	
Total	4,765.6	669.9	2,889.7	359.4	564.2	294.4	285.9	958.0	141.3	15.3	44.2	966.4	140.1	731.1	38.7
New England:															
Connecticut	77.9	7.1	61.9	9.0	13.1	11.8	7.2	14.6	1.1	(*)	.3	7.0	1.4	5.5	.4
Maine	24.2	11.2	10.7	.8	1.5	1.1	.6	5.0	1.1	0	(*)	1.2	.1	1.0	.1
Massachusetts	119.6	17.1	79.9	9.8	12.5	4.1	6.0	39.0	1.7	0	3.0	16.7	3.1	12.3	1.1
New Hampshire	30.7	5.7	19.9	1.3	4.9	1.4	1.2	9.4	1.5	0	.2	2.9	.8	1.9	.4
Rhode Island	14.1	1.9	10.6	.5	2.4	1.2	.7	4.6	.1	0	(*)	1.1	.3	.8	.3
Vermont	7.1	2.4	3.4	.5	.6	.2	1.0	.9	(*)	0	(*)	1.2	(*)	1.1	(*)
Mideast:															
Delaware	33.2	J	8.9	.4	1.3	.6	.6	4.7	.2	(*)	.9	1.2	(*)	.7	F
District of Columbia	10.8	1.2	5.4	.7	.3	.5	.2	2.7	.1	0	.3	3.8	.3	2.8	(*)
Maryland	74.9	11.7	51.5	6.6	7.5	7.7	5.0	16.3	2.1	(*)	.5	8.7	1.2	7.0	.4
New Jersey	212.6	29.5	139.5	16.4	30.4	12.7	27.2	37.1	4.0	G	F	35.4	1.7	28.8	2.1
New York	351.1	51.1	228.1	29.0	38.6	36.2	21.2	74.3	5.4	.2	4.4	53.4	4.2	43.4	8.4
Pennsylvania	236.4	28.5	176.6	21.2	34.6	19.4	8.3	75.0	5.2	.3	2.9	21.6	5.6	15.6	1.2
Great Lakes:															
Illinois	238.2	27.7	144.3	12.5	26.6	12.7	25.1	48.9	4.8	.2	2.6	56.7	6.7	46.0	1.8
Indiana	124.6	15.2	69.0	15.6	14.9	5.8	4.4	20.5	1.9	.5	G	36.3	1.5	34.0	F
Michigan	150.1	21.5	84.0	10.3	28.8	3.6	5.4	26.5	2.2	.7	.5	41.1	10.2	30.3	.1
Ohio	206.9	20.2	127.4	15.1	17.3	13.6	14.5	49.2	6.4	1.0	1.0	49.9	1.5	46.5	1.1
Wisconsin	76.8	14.2	54.7	4.2	15.0	5.7	8.4	13.8	.9	.2	.1	6.7	1.8	4.2	(*)
Plains:															
Iowa	31.4	6.3	20.5	3.0	3.6	2.0	1.8	7.2	A	F	(*)	3.7	.1	3.3	.1
Kansas	29.3	7.6	17.2	2.9	3.3	1.4	2.3	5.7	.3	.2	(*)	3.7	.5	2.5	.2
Minnesota	84.6	10.2	48.6	3.8	12.9	4.0	5.3	17.0	.7	.3	.2	24.2	J	4.2	.3
Missouri	76.7	17.5	44.5	6.6	7.2	4.3	5.7	13.7	1.3	.1	2.1	10.5	1.4	7.1	.7
Nebraska	16.3	1.7	11.9	1.9	3.0	.4	1.4	4.1	.3	.2	.1	2.1	.4	1.5	(*)
North Dakota	4.5	1.7	2.3	.8	.3	.2	.2	.8	(*)	.2	0	.2	.1	.1	0
South Dakota	4.6	1.5	2.4	.1	.5	.2	1.2	1.2	(*)	(*)	0	.6	(*)	.5	0
Southeast:															
Alabama	61.6	8.5	37.7	11.7	3.9	1.6	4.0	9.2	1.8	.5	1.2	11.6	2.0	8.7	.3
Arkansas	30.4	5.7	16.9	2.8	2.0	1.8	1.8	4.3	.3	.4	.4	6.7	1.2	5.2	.1
Florida	203.8	25.5	129.2	17.4	20.0	9.8	8.2	46.6	13.4	.2	2.4	32.1	5.4	22.0	1.0
Georgia	167.6	20.9	104.3	12.7	14.1	17.1	9.2	34.9	3.6	2.2	3.9	31.7	5.7	22.8	.9
Kentucky	75.7	10.8	37.1	5.0	9.6	2.5	1.9	12.9	1.3	.2	2.6	23.6	1.3	20.0	.2
Louisiana	60.4	8.7	37.2	3.4	7.9	7.0	2.3	11.4	7.8	.1	.7	5.6	1.5	2.6	.3
Mississippi	23.2	4.7	13.7	2.7	2.0	.7	2.3	4.3	1.4	.3	(*)	3.0	.9	1.9	.1
North Carolina	211.4	30.5	158.3	14.1	33.8	10.0	10.6	54.0	1.3	.2	1.4	18.2	G	15.1	1.4
South Carolina	106.8	8.2	80.6	14.8	18.5	13.5	5.3	13.7	2.2	.5	.7	13.7	.7	12.1	(*)
Tennessee	129.7	19.7	75.1	10.4	7.4	7.2	6.1	27.2	1.4	.2	.9	32.3	5.6	25.1	(*)
Virginia	128.9	15.4	89.4	11.7	15.1	4.9	6.3	26.8	4.3	(*)	.4	18.5	.7	16.1	.7
West Virginia	35.1	6.6	25.0	2.5	7.2	3.6	3.1	6.6	1.2	(*)	(*)	2.3	.2	1.9	0
Southwest:															
Arizona	52.4	7.2	23.4	3.3	3.9	1.7	2.2	9.3	1.3	A	G	18.9	10.6	6.8	.2
New Mexico	16.2	1.3	11.0	1.1	5.7	1.5	.3	2.0	.6	(*)	(*)	3.0	1.3	1.7	.3
Oklahoma	39.0	7.5	23.3	5.2	4.0	1.5	1.4	6.1	2.7	.2	.1	4.9	.5	4.0	.4
Texas	304.7	55.3	172.4	21.7	34.6	21.2	17.4	48.6	18.4	1.1	4.8	50.2	8.9	32.5	2.5
Rocky Mountains:															
Colorado	60.0	13.6	32.9	3.8	5.3	3.2	4.1	11.3	.9	.3	.2	11.0	1.8	7.8	1.1
Idaho	11.3	1.6	9.1	.4	H	.2	.9	2.7	(*)	(*)	(*)	.6	(*)	.2	(*)
Montana	5.3	2.0	2.4	.5	F	.2	.2	.9	(*)	(*)	0	.8	.5	.3	(*)
Utah	25.0	5.1	16.4	.8	5.2	.8	1.6	6.0	.2	.2	0	3.1	.4	1.8	(*)
Wyoming	5.8	.9	4.7	1.1	.8	.4	(*)	1.9	.2	(*)	0	(*)	(*)	(*)	0
Far West:															
Alaska	9.5	1.9	2.8	.2	.2	.4	.2	1.8	.2	0	0	3.8	.4	2.8	.6
California	528.6	50.3	265.3	33.4	50.6	24.0	29.9	91.7	18.7	.9	1.6	186.9	16.5	144.7	4.8
Hawaii	52.4	1.5	3.6	.6	.4	.7	.4	1.1	4.0	0	0	43.1	3.5	37.5	.2
Nevada	22.1	5.3	11.7	.8	3.2	3.0	.5	3.5	.2	.9	(*)	3.7	2.1	1.4	.2
Oregon	42.5	3.5	24.0	1.2	9.4	1.0	1.7	6.6	.9	(*)	.1	13.9	1.0	12.0	.1
Washington	77.6	9.6	42.4	2.7	11.8	3.0	5.4	14.0	.9	.5	.1	22.9	3.5	17.4	1.3
Puerto Rico	28.9	1.1	14.0	.4	1.1	.9	4.0	5.7	1	0	(*)	3.7	.2	1.5	G
Other U.S. areas ¹	11.3	G	1.7	.1	.1	.1	.5	.3	1.7	.1	(*)	6.3	.1	3.7	A
Foreign ²	2.9	1.6	1.0	.1	.1	.1	.1	.4	.1	0	(*)	.2	(*)	.2	(*)

* Less than 50 employees.

1. See footnote 3 to table 14.

2. See footnote 4 to table 14.

NOTES.—Size ranges are given in employment cells that are suppressed. The size ranges are: A—1 to 499;

F—500 to 999; G—1,000 to 2,499; H—2,500 to 4,999; I—5,000 to 9,999; J—10,000 to 24,999; K—25,000 to 49,999; L—50,000 to 99,999; M—100,000 or more.

Estimates for 1993 are revised.

Table 23.2.—Employment by Nonbank U.S. Affiliates, State by Country of Ultimate Beneficial Owner, 1994
 [Thousands of employees]

	All countries	Canada	Europe						Latin America and Other Western Hemisphere	Africa	Middle East	Asia and Pacific			United States
			Total	Of which:								Total	Of which:		
				France	Germany	Netherlands	Switzerland	United Kingdom					Australia	Japan	
Total	4,866.6	682.4	2,989.4	369.2	584.1	323.4	292.3	1,013.9	138.0	16.1	65.7	934.9	70.5	756.5	40.0
New England:															
Connecticut	76.5	5.9	61.8	8.8	13.3	10.8	7.1	15.9	1.0	.1	.2	7.0	.5	6.4	.5
Maine	24.8	11.3	11.2	.5	1.5	1.1	.9	5.9	1.0	0	(*)	1.2	.1	1.0	.1
Massachusetts	129.8	17.7	90.7	9.2	12.6	5.1	13.1	42.3	1.7	(*)	3.4	15.1	.5	13.0	1.1
New Hampshire	29.6	5.0	20.1	1.4	5.0	1.2	1.2	9.6	1.6	0	.3	2.2	(*)	2.0	.4
Rhode Island	16.5	3.0	12.2	.6	2.5	.9	.7	5.9	.1	.1	(*)	.8	(*)	.8	.3
Vermont	7.8	3.2	3.5	.5	.6	.2	1.1	.9	(*)	0	(*)	1.1	(*)	1.1	(*)
Mideast:															
Delaware	33.7	20.4	10.1	1.5	1.4	.5	.7	4.9	A	(*)	.7	1.2	(*)	.7	G
District of Columbia	11.1	1.4	5.6	.5	.3	.4	.3	3.3	.1	0	.3	3.6	.2	2.7	(*)
Maryland	78.9	11.7	55.8	7.1	7.7	7.0	5.3	20.0	2.2	0	.5	8.3	.8	7.1	.3
New Jersey	211.2	26.3	140.0	21.0	30.7	11.6	23.8	38.5	3.9	G	.9	36.8	1.0	30.4	G
New York	356.0	50.8	232.4	29.9	41.8	35.4	21.1	77.1	4.7	.1	4.6	54.6	3.3	43.0	8.8
Pennsylvania	233.1	23.9	180.6	21.6	34.4	20.9	9.1	75.7	3.2	.3	3.1	21.0	4.1	16.2	1.2
Great Lakes:															
Illinois	229.0	31.7	134.8	13.1	26.6	11.2	17.3	49.1	5.3	.2	2.1	52.9	3.9	44.3	1.9
Indiana	129.0	16.1	70.5	17.9	15.3	5.1	4.5	20.3	G	.6	G	38.3	1.3	36.2	.5
Michigan	159.4	27.2	96.6	10.3	28.6	11.3	7.4	29.2	2.4	.8	.5	31.8	2.1	29.1	.1
Ohio	209.4	19.9	128.1	14.1	19.5	13.9	15.2	49.5	6.4	.9	1.1	51.8	1.2	48.8	1.2
Wisconsin	74.9	14.8	52.8	4.4	14.8	5.9	5.6	14.7	1.0	.2	(*)	6.0	.9	4.4	(*)
Plains:															
Iowa	35.4	6.4	23.8	3.2	3.9	2.0	1.8	10.5	.4	.7	(*)	4.1	.1	3.7	.1
Kansas	31.5	7.5	19.2	3.5	4.0	1.5	2.3	6.5	.5	.3	.1	3.8	.4	2.6	.2
Minnesota	82.9	10.4	63.5	4.1	13.3	21.3	3.7	16.6	.7	.3	.2	7.5	.7	3.8	.4
Missouri	80.4	18.1	47.1	6.1	7.2	4.1	5.9	17.8	1.6	.1	2.2	10.3	1.2	6.8	1.0
Nebraska	17.2	2.2	12.3	2.0	3.2	.4	1.2	4.4	.5	.2	(*)	1.9	.1	1.6	(*)
North Dakota	3.8	1.6	1.9	.3	.3	.2	.1	.9	.1	.2	0	.1	0	.1	0
South Dakota	5.4	2.1	2.9	.2	.9	.2	.1	1.3	(*)	(*)	0	.4	(*)	.3	0
Southeast:															
Alabama	60.6	8.9	36.2	11.2	4.1	1.6	3.8	9.0	2.4	.5	1.3	10.9	.8	8.7	.3
Arkansas	31.6	5.2	17.4	3.0	2.1	1.9	2.4	4.0	.7	.4	.5	7.3	1.1	5.5	(*)
Florida	198.2	24.5	123.6	18.9	19.5	9.2	9.2	42.6	11.2	.2	5.9	31.7	4.6	22.3	1.0
Georgia	173.7	18.9	111.6	11.8	16.2	17.7	9.6	40.1	4.3	2.2	4.8	30.9	3.1	24.6	.9
Kentucky	78.7	11.0	37.3	4.6	9.9	1.5	2.0	14.0	1.4	.2	2.7	25.9	1.3	21.7	.2
Louisiana	59.4	10.0	33.2	3.2	7.8	6.6	2.0	8.7	7.4	.1	2.7	5.7	1.5	2.6	.3
Mississippi	24.0	4.8	13.6	2.7	1.8	.8	2.1	4.5	1.5	.3	.1	3.6	.9	2.5	.1
North Carolina	221.8	31.8	163.4	14.5	35.4	9.5	12.7	56.5	4.0	.2	1.6	19.7	1.7	16.9	1.1
South Carolina	112.4	10.4	82.7	14.1	18.4	14.0	6.0	15.5	2.8	.5	1.5	14.4	.5	12.9	(*)
Tennessee	131.4	18.6	78.0	5.4	7.4	15.8	5.0	29.1	2.8	.2	1.1	30.7	2.2	26.7	(*)
Virginia	131.6	16.2	90.8	10.8	14.9	4.4	7.1	29.0	4.2	(*)	.3	19.3	.3	15.9	.8
West Virginia	34.6	7.1	24.9	2.4	7.5	2.4	3.5	6.9	.3	(*)	(*)	2.4	.3	2.0	0
Southwest:															
Arizona	50.1	7.8	27.0	3.5	5.2	1.4	2.6	11.8	G	.1	I	8.5	.8	6.4	.2
New Mexico	18.4	G	12.6	1.1	I	G	.3	3.4	.5	A	.4	H	.4	G	A
Oklahoma	37.9	7.5	21.8	5.9	4.2	1.4	1.7	5.9	2.7	.2	.7	4.7	.4	3.8	.4
Texas	320.1	59.1	179.9	21.9	36.8	20.2	18.6	55.4	19.6	1.6	7.7	50.3	8.2	32.0	1.9
Rocky Mountains:															
Colorado	65.3	9.2	40.3	3.7	5.8	3.0	4.7	18.2	.8	.3	.5	13.1	1.0	10.0	1.1
Idaho	11.8	1.3	9.5	.6	H	A	.9	3.0	.1	(*)	(*)	.4	.4	.2	(*)
Montana	5.0	2.0	2.5	.4	.7	.3	.2	1.0	(*)	(*)	(*)	.4	(*)	.4	(*)
Utah	27.7	5.5	17.9	1.8	5.6	.8	1.6	6.4	.2	.2	.3	3.6	.3	2.4	(*)
Wyoming	5.8	.6	4.9	1.3	.8	.2	(*)	1.9	.2	(*)	0	.1	(*)	.1	0
Far West:															
Alaska	8.8	1.7	3.3	.2	.1	.7	.1	2.1	.2	0	0	3.0	.1	2.2	.7
California	552.4	54.3	273.9	37.2	51.1	24.5	34.0	94.6	20.9	1.0	5.4	191.7	11.9	152.4	5.3
Hawaii	51.0	1.5	4.8	.6	.4	2.0	.4	1.2	4.2	(*)	(*)	40.3	1.9	36.7	.2
Nevada	22.8	5.9	12.4	1.1	3.5	3.1	.6	3.4	.2	.9	.2	2.8	1.2	1.5	.4
Oregon	47.0	3.8	26.5	1.5	11.1	1.0	2.5	6.6	.9	(*)	.3	15.4	.9	13.5	.1
Washington	78.5	10.1	44.2	3.0	12.2	4.4	5.4	11.8	1.2	.6	.4	20.7	1.4	17.2	1.4
Puerto Rico	21.6	1.1	14.3	.8	1.5	.9	3.4	5.6	A	0	(*)	4.1	A	1.7	G
Other U.S. areas ¹	11.4	G	2.2	.1	.1	.1	.5	.4	1.3	.1	(*)	6.3	0	3.5	A
Foreign ²	5.4	1.7	1.2	(*)	.1	.2	.5	.5	.1	0	(*)	G	.1	G	A

* Less than 50 employees.

1. See footnote 3 to table 14.
2. See footnote 4 to table 14.

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

Estimates for 1994 are preliminary.

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