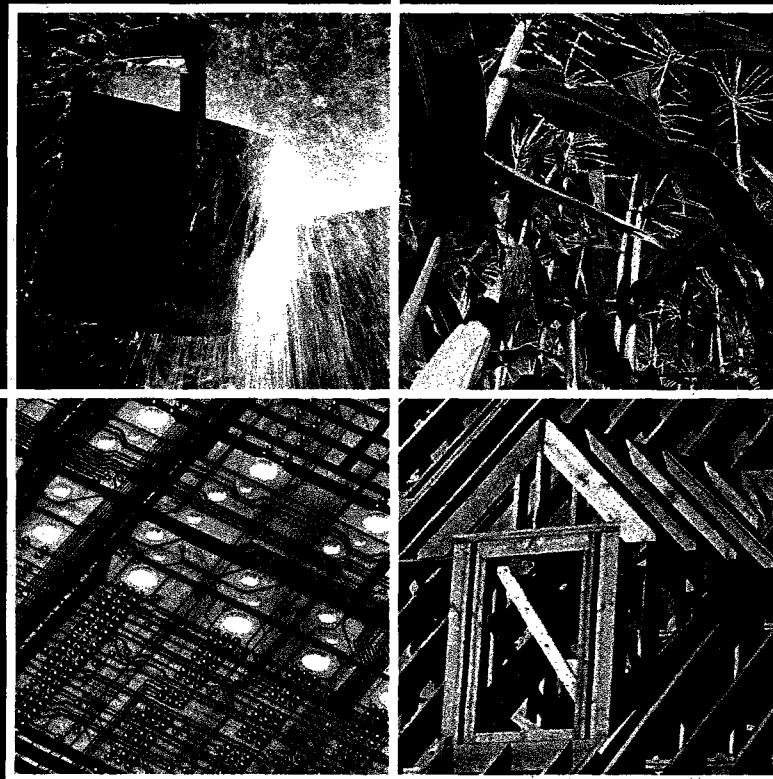


APRIL 2002

# SURVEY OF CURRENT BUSINESS



In This Issue . . .

Alternative Measures of Personal Saving

Ownership-Based Framework of the U.S. Current Account

U.S. International Transactions, Fourth Quarter and Year 2001

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



## U.S. Department of Commerce

Donald L. Evans, *Secretary*

### Economics and Statistics Administration

Kathleen B. Cooper, *Under Secretary for Economic Affairs*

### Bureau of Economic Analysis

J. Steven Landefeld, *Director*

Rosemary D. Marcuss, *Deputy Director*

Dennis J. Fixler, *Chief Statistician*

Barbara M. Fraumeni, *Chief Economist*

Suzette Kern, *Associate Director for Management  
and Chief Administrative Officer*

Ralph Kozlow, *Associate Director for International Economics*

Alan C. Lorish, Jr., *Chief Information Officer*

Brent R. Moulton, *Associate Director for National  
Economic Accounts*

Sumiye Okubo, *Associate Director for Industry Accounts*

### BEA Advisory Committee

The BEA Advisory Committee advises the Director of BEA on matters related to the development and improvement of BEA's national, regional, industry, and international economic accounts, especially in areas of new and rapidly growing economic activities arising from innovative and advancing technologies, and provides recommendations from the perspective of businessmen, academicians, researchers, and experts in government and international affairs.

William D. Nordhaus, *Chair, Yale University*

Alan J. Auerbach, *University of California, Berkeley*

Michael J. Boskin, *Stanford University*

Barry Bosworth, *The Brookings Institution*

Susan M. Collins, *The Brookings Institution  
and Georgetown University*

Gail D. Fosler, *The Conference Board*

Robert J. Gordon, *Northwestern University*

Maurine A. Haver, *Haver Analytics*

Charles Hulten, *University of Maryland*

Dale W. Jorgenson, *Harvard University*

Karen R. Polenske, *Massachusetts Institute of Technology*

Joel Prakken, *Macroeconomic Advisers*

The SURVEY OF CURRENT BUSINESS (ISSN 0039-6222) is published monthly by the Bureau of Economic Analysis of the U.S. Department of Commerce. Editorial correspondence should be addressed to the Editor-in-Chief, SURVEY OF CURRENT BUSINESS, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

Subscriptions to the SURVEY OF CURRENT BUSINESS are maintained, and the prices are set, by the U.S. Government Printing Office, an agency of the U.S. Congress. To subscribe, call 202-512-1800, or go to <bookstore.gpo.gov>. To inquire about your subscription call 202-512-1806. Send changes of address to Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Postage paid at Washington, DC and at additional mailing offices (USPS 337-790).

#### Subscription and single-copy prices

Second-class mail: \$50.00 domestic, \$62.50 foreign

First-class mail: \$95.00

Single copy: \$22.00 domestic, \$27.50 foreign

Unless stated otherwise, the information in this journal is in the public domain and may be reprinted without the permission of the Bureau of Economic Analysis. Citation of the SURVEY OF CURRENT BUSINESS as the source is appreciated.

The Secretary of Commerce has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department.

---

Editor-in-Chief: Douglas R. Fox  
Production Manager: Delores J. Barber  
Graphic Designer: W. Ronnie Foster  
Manuscript Editor: M. Gretchen Gibson  
Production Editor: Ernestine T. Gladden  
Editor: Kristina L. Maze  
Technical Advisor: Brian V. Moran

---

This issue went to the printer on April 15, 2002. It incorporates data from the following monthly BEA news releases:

U.S. International Trade in Goods and Services (March 19),  
Gross Domestic Product (March 28), and  
Personal Income and Outlays (March 29).

# SURVEY OF CURRENT BUSINESS

April 2002 Volume 82 Number 4

www.bea.gov

## Special in this issue

---

### 13 Alternative Measures of Personal Saving

The two-decade downtrend in the NIPA measure of the personal saving rate has raised questions about the adequacy of savings to fund capital accumulation or the retirement of the baby boom generation. To provide background for addressing these questions, alternative measures of personal saving are presented that exclude defined-benefit pension plans, treat consumer durable goods as investment, remove the effects of inflation from nominal interest income and outlays, or remove capital gains taxes from personal tax payments. In addition, concerns about the funding of capital accumulation should be viewed within the broader context of national saving, which includes saving by the business and government sectors as well as the household sector. Concerns about retirement preparedness should be viewed within the broader context of household wealth.

## Regular features

---

### 1 Business Situation: Final Estimates for the Fourth Quarter of 2001

Real GDP increased 1.7 percent in the fourth quarter of 2001, according to the “final” estimate; the “preliminary” estimate issued last month had shown a 1.3-percent increase. The upward revision was largely attributable to an upward revision to exports and a downward revision to imports (which are subtracted in calculating GDP). Corporate profits increased \$125.0 billion (17.9 percent at a quarterly rate) in the fourth quarter after decreasing \$62.8 billion (–8.3 percent) in the third. The fiscal position of the Federal Government shifted to a current surplus of \$97.4 billion from a current deficit of \$13.6 billion, and the State and local government current surplus increased to \$24.8 billion from \$1.9 billion.

### 29 U.S. International Transactions, Fourth Quarter and Year 2001

In the fourth quarter of 2001, the U.S. current-account deficit edged up \$0.3 billion, to \$98.8 billion. Decreases in the deficit on goods and the deficit on income were offset by a decrease in the surplus on services and an increase in net outflows for unilateral current transfers. In the financial account, net recorded inflows increased \$117.0 billion, to \$157.3 billion, as

— Continued on the next page —

financial inflows for foreign-owned assets in the United States increased more than financial outflows for U.S.-owned assets abroad.

In the year 2001, the U.S. current-account deficit decreased \$27.2 billion, to \$417.4 billion. Most of the decrease was accounted for by a decrease in the deficit on goods, but an increase in the surplus on services and a decrease in net outflows for unilateral transfers also contributed. In contrast, the deficit on income increased. In the financial account, net recorded financial inflows increased \$12.6 billion, to \$455.9 billion. Financial outflows for U.S.-owned assets abroad decreased more than financial inflows for foreign-owned assets in the United States.

## Reports and statistics

---

11 Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade, 2001:IV

25 An Ownership-Based Framework of the U.S. Current Account, 1989–99

D–1 BEA Current and Historical Data

Inside back cover: Getting BEA's Estimates

Back cover: Schedule of Upcoming News Releases

## Business Situation

### Final Estimates for the Fourth Quarter of 2001

ACCORDING to the “final” estimates of the national income and product accounts (NIPAs), the fourth-quarter 2001 rebound in real gross domestic product (GDP) and in real final sales of domestic product was somewhat more vigorous than was reported last month in the “preliminary” estimates. Real GDP is now estimated to have increased 1.7 percent in the fourth quarter, 0.3 percentage point more than in the preliminary estimates, and real final sales is estimated to have increased 3.8 percent, 0.2 percentage point more than in the preliminary estimates (table 1 and chart 1).<sup>1</sup> The source data underlying these and other revisions to the NIPAs are discussed in the section “Revisions.”

The final and preliminary estimates paint pictures

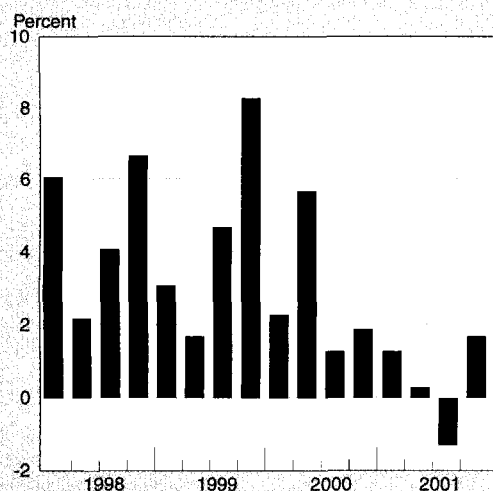
1. Quarterly estimates in the NIPAs are expressed at seasonally adjusted annual rates. Quarter-to-quarter dollar changes are the differences between the published estimates. Quarter-to-quarter percent changes are annualized and are calculated from unrounded data unless otherwise specified.

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

*Daniel Larkins, Frederick von Batchelder, and Shelly Smith prepared this article.*

**CHART 1**

#### Real Gross Domestic Product



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

U.S. Bureau of Economic Analysis

of the economy that are similar in many important respects. In both estimates,

- The increase in fourth-quarter GDP reflected increases in consumer spending and in government spending (table 2).<sup>2</sup> Imports, which are subtracted in the calculation of GDP, decreased.
- The increase in GDP was damped by decreases in inventory investment, fixed investment, and exports.
- The upswing in GDP from the third quarter to the fourth primarily reflected accelerations in consumer spending and in government spending.

2. In the NIPAs, consumer spending is shown as personal consumption expenditures, government spending is shown as government consumption expenditures and gross investment, and inventory investment is shown as change in private inventories.

**Table 1. Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers**  
[Seasonally adjusted at annual rates]

	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter							
	2001	2001				2001			
	IV	I	II	III	IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>9,348.6</b>	<b>30.6</b>	<b>7.2</b>	<b>-31.3</b>	<b>38.2</b>	<b>1.3</b>	<b>0.3</b>	<b>-1.3</b>	<b>1.7</b>
Less: Exports of goods and services	1,022.2	-3.4	-35.8	-56.1	-30.0	-1.2	-11.9	-18.8	-10.9
Plus: Imports of goods and services	1,434.9	-19.9	-33.6	-51.8	-28.3	-5.0	-8.4	-13.0	-7.5
<b>Equals: Gross domestic purchases</b> .....	<b>9,737.0</b>	<b>16.0</b>	<b>10.0</b>	<b>-25.3</b>	<b>41.9</b>	<b>0.7</b>	<b>0.4</b>	<b>-1.0</b>	<b>1.7</b>
Less: Change in private inventories	-119.3	-69.9	-11.2	-23.6	-57.4	.....	.....	.....	.....
<b>Equals: Final sales to domestic purchasers</b> .....	<b>9,830.3</b>	<b>76.7</b>	<b>19.9</b>	<b>-6.2</b>	<b>92.8</b>	<b>3.2</b>	<b>0.8</b>	<b>-0.3</b>	<b>3.9</b>
Personal consumption expenditures .....	6,540.3	47.4	39.9	15.5	96.4	3.0	2.5	1.0	6.1
Durable goods .....	1,021.7	23.0	15.7	2.1	81.5	10.6	7.0	0.9	39.4
Nondurable goods .....	1,893.6	11.2	1.4	2.6	11.6	2.4	0.3	0.6	2.5
Services .....	3,658.2	16.3	24.7	10.6	17.8	1.8	2.8	1.2	2.0
Private fixed investment .....	1,621.9	8.2	-43.9	-24.8	-49.7	1.9	-9.7	-5.7	-11.4
Nonresidential .....	1,245.0	-0.6	-53.0	-28.9	-47.0	-0.2	-14.6	-8.5	-13.8
Structures .....	249.9	8.4	-9.4	-5.5	-26.9	12.3	-12.2	-7.5	-33.6
Equipment and software .....	1,005.6	-11.6	-44.5	-23.8	-13.8	-4.1	-15.4	-8.8	-5.3
Residential .....	376.0	7.6	5.4	2.2	-4.5	8.5	5.9	2.4	-4.6
Government consumption expenditures and gross investment .....	1,663.9	20.6	19.6	1.1	39.8	5.3	5.0	0.3	10.2
Federal .....	574.9	4.3	2.5	4.9	15.3	3.2	1.8	3.6	11.4
National defense .....	373.2	6.5	2.1	2.9	7.9	7.5	2.3	3.2	9.0
Nondefense .....	201.6	-2.2	0.5	2.0	7.3	-4.3	0.9	4.2	16.0
State and local .....	1,088.4	16.2	16.9	-3.6	24.6	6.4	6.6	-1.3	9.6
<b>Addendum: Final sales of domestic product</b> .....	<b>9,440.9</b>	<b>91.1</b>	<b>17.0</b>	<b>-12.3</b>	<b>88.4</b>	<b>4.0</b>	<b>0.7</b>	<b>-0.5</b>	<b>3.8</b>

Note. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates usually are not additive. Chained (1996) dollar levels and residuals, which measure the extent of nonadditivity in each table, are shown in NIPA tables 1.2, 1.4, and 1.6. Percent changes are calculated from unrounded data. Percent changes in major aggregates are shown in NIPA table S.1. (See “Selected NIPA Tables,” which begins on page D-2 in this issue.)

- The strength in consumer spending was concentrated in durable goods, which registered its biggest increase since the third quarter of 1986. Motor vehicle purchases surged.
- The strength in government spending partly reflected an upturn in State and local government spending, which had decreased in the third quarter as a result of a large sale of existing structures.<sup>3</sup> (The impact of this rebound on GDP was offset by a corresponding reduction in private nonresidential structures.)
- Inventories were liquidated for the fourth consecutive quarter. The pace of liquidation was almost twice as fast as the already rapid pace of the third quarter, and the ratio of real private inventories to

3. In the third quarter, the Port Authority of New York leased properties at the World Trade Center to two private corporations. In the NIPA's, such a transaction is treated as a sale of an existing asset. The transaction resulted in a \$12.8 billion decrease (in current dollars at an annual rate) in State and local government gross investment and an offsetting increase of the same amount in private net purchases of used structures.

**Table 2. Contributions to Percent Change in Real Gross Domestic Product**  
[Seasonally adjusted at annual rates]

	2001			
	I	II	III	IV
<b>Percent change at annual rate:</b>				
Gross domestic product .....	1.3	0.3	-1.3	1.7
<b>Percentage points at annual rates:</b>				
Personal consumption expenditures .....	2.05	1.72	0.67	4.14
Durable goods .....	0.83	0.56	0.07	2.84
Nondurable goods .....	0.49	0.06	0.12	0.50
Services .....	0.73	1.10	0.48	0.80
Gross private domestic investment .....	-2.28	-2.16	-1.79	-4.12
Fixed investment .....	0.33	-1.74	-0.97	-1.96
Nonresidential .....	-0.02	-1.99	-1.08	-1.75
Structures .....	0.39	-0.44	-0.26	-1.27
Equipment and software .....	-0.41	-1.55	-0.82	-0.47
Residential .....	0.35	0.25	0.10	-0.21
Change in private inventories .....	-2.61	-0.42	-0.81	-2.16
Net exports of goods and services .....	0.63	-0.12	-0.27	-0.14
Exports .....	-0.13	-1.37	-2.13	-1.14
Goods .....	-0.19	-1.45	-1.55	-0.72
Services .....	0.06	0.08	-0.58	-0.42
Imports .....	0.76	1.25	1.86	1.00
Goods .....	0.87	1.21	1.20	0.40
Services .....	-0.11	0.05	0.66	0.59
Government consumption expenditures and gross investment .....	0.92	0.87	0.05	1.76
Federal .....	0.19	0.11	0.21	0.66
National defense .....	0.28	0.09	0.12	0.34
Nondefense .....	-0.09	0.02	0.09	0.32
State and local .....	0.73	0.76	-0.16	1.10

Note. More detailed contributions to percent change in real gross domestic product are shown in NIPA table 8.2. Contributions to percent change in major components of real gross domestic product are shown in tables 8.3 through 8.6.

final sales fell from 2.22 to 2.16—a record low level and the biggest quarter-to-quarter decrease since 1983.<sup>4</sup>

- The weakness in fixed investment was marked by
  - a third consecutive decrease in nonresidential structures,
  - a fifth consecutive decrease in nonresidential equipment and software, and
  - a decrease in residential investment after three quarterly increases.
- Real gross domestic purchases increased 1.7 percent after a third-quarter decrease of 1.0 percent.<sup>5</sup>
- The price index for gross domestic purchases increased after a third-quarter dip that reflected insurance expenditures associated with the terrorist attacks on September 11<sup>th</sup>.<sup>6</sup>
- Real disposable personal income decreased about 8 percent after jumping more than 12 percent, and the personal saving rate (measured as personal saving as a percentage of current-dollar disposable personal income) fell to 0.4 percent from 3.8 percent. These sharp movements primarily reflected large taxpayer refunds in the third quarter under the Economic Growth and Tax Relief Reconciliation Act of 2001.
- Real final sales of computers increased about 30 percent in the fourth quarter after decreasing in the second and third quarters, and real motor vehicle output increased for the third consecutive quarter.

4. Other real inventory-sales ratios reached their lowest levels since 1966 (see NIPA table 5.13B).

5. Gross domestic purchases is calculated as the sum of personal consumption expenditures, gross private domestic investment, and government consumption expenditures and gross investment; thus, gross domestic purchases includes imports of goods and services, which are subtracted in the calculation of GDP, and does not include exports of goods and services, which are added in the calculation of GDP.

6. In the NIPA's, insurance expenditures are defined as premiums net of benefits; thus, the large benefit payments associated with the September 11<sup>th</sup> attacks resulted in a reduction in the average net price of insurance. See the box "The Terrorist Attacks of September 11<sup>th</sup> as Reflected in the National Income and Product Accounts," SURVEY OF CURRENT BUSINESS 81 (November 2001): 2-3. Revised estimates were presented in the box "Adjustments for the Terrorist Attacks," SURVEY 81 (December 2001): 2.

## Revisions

The 0.3-percentage-point upward revision to real GDP growth in the fourth quarter is the same as the average revision (without regard to sign) from the preliminary to the final estimates over the past 20 years (table 3).

An upward revision to exports of services and a downward revision to imports of services combined to contribute 0.17 percentage point to the revision to real GDP. The revisions mainly reflected the incorporation of revised and newly available data from BEA's international transactions accounts.

An upward revision to consumer spending on services contributed another 0.05 percentage point to real GDP. The revision mainly reflected the incorporation of newly available data on bank service charges for the fourth quarter from the Federal Deposit Insurance Corporation (FDIC).

Revisions to nonresidential structures and to equipment and software each subtracted 0.04 percentage point to the real GDP revision. The revision to structures reflected revised Census Bureau data on construction put-in-place for November and December. The revision to equipment and software mainly reflected the incorporation of more complete data on receipts from software company reports to the Securities and Exchange Commission.

The price index for gross domestic purchases increased 0.5 percent according to the final estimate; the preliminary estimate had shown a 0.4-percent increase. The small revision primarily reflected revisions to prices of services purchased by consumers—specifically, the implicit price for imputed financial services was revised up on the basis of newly available data from the FDIC.

**Table 3. Revisions to Change in Real Gross Domestic Product and Prices, Fourth Quarter 2001**

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Final estimate minus preliminary estimate	
	Preliminary estimate	Final estimate	Percentage points	Billions of chained (1996) dollars
<b>Gross domestic product</b> .....	<b>1.4</b>	<b>1.7</b>	<b>0.3</b>	<b>5.9</b>
<i>Less: Exports</i> .....	-12.2	-10.9	1.3	3.6
<i>Plus: Imports</i> .....	-6.9	-7.5	-0.6	-2.3
<b>Equals: Gross domestic purchases</b> .....	<b>1.7</b>	<b>1.7</b>	<b>0.0</b>	<b>1.0</b>
<i>Less: Change in private inventories</i> .....	.....	.....	.....	0.7
<b>Equals: Final sales to domestic purchasers</b> .....	<b>3.9</b>	<b>3.9</b>	<b>0.0</b>	<b>0.4</b>
Personal consumption expenditures .....	6.0	6.1	0.1	1.8
Durable goods .....	39.2	39.4	0.2	0.4
Nondurable goods .....	2.4	2.5	0.1	0.3
Services .....	1.8	2.0	0.2	1.1
Private fixed investment .....	-11.0	-11.4	-0.4	-1.9
Nonresidential .....	-13.1	-13.8	-0.7	-2.5
Structures .....	-32.6	-33.6	-1.0	-0.9
Equipment and software .....	-4.8	-5.3	-0.5	-1.3
Residential .....	-5.0	-4.6	0.4	0.3
Government consumption expenditures and gross investment .....	10.1	10.2	0.1	0.2
Federal .....	11.6	11.4	-0.2	-0.2
National defense .....	9.4	9.0	-0.4	-0.3
Nondefense .....	15.7	16.0	0.3	0.1
State and local .....	9.4	9.6	0.2	0.4
<b>Addendum:</b>				
Final sales of domestic product .....	3.6	3.8	0.2	5.3
Gross domestic purchases price index .....	0.4	0.5	0.1	.....
GDP price index .....	-0.2	-0.1	0.1	.....

Note. The final estimates for the fourth quarter of 2001 incorporate the following revised or additional major source data that were not available when the preliminary estimates were prepared.

*Personal consumption expenditures:* Retail sales for December (revised), bank services data for the fourth quarter, and international transactions accounts data on net foreign travel for the fourth quarter.

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

*Residential fixed investment:* Construction put-in-place for November and December (revised) and sales of new houses for October, November, and December (revised).

*Exports and imports of goods and services:* International transactions accounts data for the third quarter (revised) and the fourth quarter (new).

*Government consumption expenditures and gross investment:* Construction put-in-place for November and December (revised), detailed data on Federal civilian employment for November and December (revised), and detailed financial data for the fourth quarter from the Department of Defense.

*Wages and salaries:* Employment, average hourly earnings, and average weekly hours for December (revised). *GDP prices:* Export and import prices for October through December (revised), unit-value index for petroleum imports for December (revised), data on imputed financial services from the Federal Deposit Insurance Corporation, and prices of single-family houses under construction for the quarter (revised).

Gross National Product, next page

## Gross National Product

Real gross national product (GNP) increased 2.6 percent in the fourth quarter after decreasing 1.3 percent in the third (table 4).<sup>7</sup> The increase in GNP was larger than the increase in GDP because income receipts from the rest of the world decreased less than income payments to the rest of the world. The decrease in receipts was mainly accounted for by interest; the decrease in payments was about evenly split between interest and profits.

“Command-basis” GNP—which measures the purchasing power of goods and services produced by the U.S. economy—increased 1.8 percent in the fourth quarter (chart 2). The smaller increase in this measure than in GNP reflects a deterioration in the terms of

7. GNP is a measure of goods and services produced by labor and property supplied by U.S. residents. It is equal to GDP plus income receipts from the rest of the world less income payments to the rest of the world.

**Table 4. Relation of Real Gross Domestic Product, Real Gross National Product, and Real Command-Basis Gross National Product**  
[Seasonally adjusted at annual rates]

	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter							
	2001	2001				2001			
	IV	I	II	III	IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>9,348.6</b>	<b>30.6</b>	<b>7.2</b>	<b>-31.3</b>	<b>38.2</b>	<b>1.3</b>	<b>0.3</b>	<b>-1.3</b>	<b>1.7</b>
<i>Plus: Income receipts from the rest of the world</i> .....	270.4	-24.0	-30.7	-23.4	-25.8	-23.2	-30.7	-26.3	-30.6
<i>Less: Income payments to the rest of the world</i> .....	255.0	-10.6	-29.5	-23.9	-46.8	-11.1	-29.3	-26.2	-49.0
<b>Equals: Gross national product</b> .....	<b>9,364.7</b>	<b>17.4</b>	<b>6.4</b>	<b>-30.6</b>	<b>59.8</b>	<b>0.8</b>	<b>0.3</b>	<b>-1.3</b>	<b>2.6</b>
<i>Less: Exports of goods and services and income receipts from the rest of the world</i> .....	1,290.3	-29.1	-68.2	-80.2	-57.5	-7.4	-17.0	-20.6	-16.0
<i>Plus: Command-basis exports of goods and services and income receipts from the rest of the world</i> <sup>1</sup> .....	1,356.8	-20.5	-54.4	-34.4	-76.1	-5.2	-13.6	-9.0	-19.6
<b>Equals: Command-basis gross national product</b> .....	<b>9,431.1</b>	<b>26.1</b>	<b>20.2</b>	<b>15.2</b>	<b>41.0</b>	<b>1.1</b>	<b>0.9</b>	<b>0.6</b>	<b>1.8</b>
<b>Addendum:</b>									
<b>Terms of trade</b> <sup>2</sup> .....	<b>105.1</b>	<b>0.6</b>	<b>1.1</b>	<b>3.5</b>	<b>-1.2</b>	<b>2.4</b>	<b>4.4</b>	<b>14.3</b>	<b>-4.4</b>

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

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

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

trade.<sup>8</sup> The terms of trade had improved sharply in the third quarter.

The national saving rate—gross saving as a percentage of GNP—decreased to 16.6 percent, its lowest level since the third quarter of 1994.

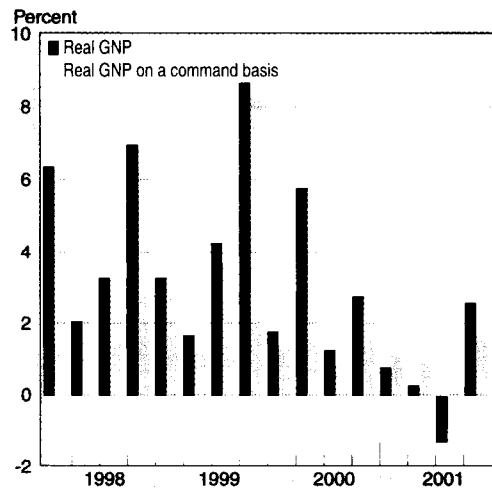
8. In the estimates of command-basis GNP, the current-dollar value of the sum of exports of goods and services and income receipts is deflated by the implicit price deflator (IPD) for the sum of imports of goods and services and income payments.

The terms of trade is a measure of the relationship between the prices that are received by U.S. producers for exports of goods and services and the prices that are paid by U.S. purchasers for imports of goods and services. It is measured by the following ratio, with the decimal point shifted two places to the right: In the numerator, the IPD for the sum of exports of goods and services and of income receipts; in the denominator, the IPD for the sum of imports of goods and services and of income payments.

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

**CHART 2**

## Real Gross National Product



Note.—Percent change at annual rate from preceding quarter; based on seasonally adjusted estimates.

U.S. Bureau of Economic Analysis



### Corporate Profits

Profits from current production—which excludes non-operating items, such as special charges and capital gains and losses, and which is based on depreciation of fixed assets and inventory withdrawals valued at current cost—increased 17.9 percent (quarterly rate) in the fourth quarter of 2001 but was still 3.0 percent below its year-earlier level (table 5).<sup>9</sup> In contrast, profits before tax—which is based on inventory and depreciation practices used in tax accounting—decreased 9.0 percent in the fourth quarter, and profits after tax decreased 10.6 percent.

The difference between the current-production measure and the tax-accounting measures primarily reflects the effect of retroactive provisions of the Job Creation and Worker Assistance Act of 2002, which allowed increased depreciation, leading to lower profits on a tax-accounting basis (see the box, page 6).

In both measures, the change from the third to the fourth quarter reflected several special circumstances. In the third quarter, profits of insurance companies

had been reduced about \$40 billion by payments of benefits in the wake of the September 11<sup>th</sup> terrorist attacks, and airline profits had been increased \$20 billion by subsidies provided in the special airline bill passed by Congress after the attacks. In both the third and the fourth quarters, profits were reduced \$9.0 billion (annual rate) by settlement payments to the States by tobacco companies.

Large increases in profits from current production were recorded by domestic nonfinancial corporations, domestic financial corporations, and the rest-of-the-world sector. For domestic nonfinancial corporations, the increase mainly reflected a rise in unit profits (after five consecutive quarterly decreases), as unit costs decreased more than unit prices. An increase in the real output of domestic nonfinancial corporations also boosted profits.<sup>10</sup>

The increase in profits of domestic financial corporations partly reflected the rebound in insurance profits.

The increase in profits from the rest of the world

9. Profits from current production is estimated as the sum of profits before tax, the inventory valuation adjustment, and the capital consumption adjustment; it is shown in NIPA tables 1.9, 1.14, 1.16, and 6.16C (see "Selected NIPA Tables," which begins on page D-2 of this issue) as corporate profits with inventory valuation and capital consumption adjustments. Percent changes in profits are shown at quarterly, not annual, rates.

10. "Output" here is nonfinancial corporate gross product. It is a measure of the contribution, or value added, of nonfinancial corporations to the Nation's output and is measured as the sum of income generated by these businesses.

**Table 5. Corporate Profits**  
[Quarterly estimates seasonally adjusted]

	Billions of dollars (annual rate)						Percent change from preceding period <sup>1</sup>			
	Level		Change from preceding period				2000	2001	2001	
	2001	2001 IV	2000	2001	2001				III	IV
					III	IV				
<b>Profits from current production</b> .....	<b>767.1</b>	<b>822.0</b>	<b>51.2</b>	<b>-109.3</b>	<b>-62.8</b>	<b>125.0</b>	<b>6.2</b>	<b>-12.5</b>	<b>-8.3</b>	<b>17.9</b>
Domestic industries.....	617.8	655.0	29.1	-121.8	-64.9	104.1	4.1	-16.5	-10.5	18.9
Financial.....	167.3	183.0	9.2	-22.2	-29.3	46.9	5.1	-11.7	-17.7	34.5
Nonfinancial.....	450.5	472.0	19.8	-99.6	-35.6	57.2	3.7	-18.1	-7.9	13.8
Rest of the world.....	149.3	167.0	22.2	12.5	2.1	20.9	19.3	9.1	1.5	14.3
Receipts (inflows).....	190.8	182.2	31.6	-14.1	-8.1	-3.7	18.2	-6.9	-4.2	-2.0
Payments (outflows).....	41.5	15.2	9.4	-26.6	-10.2	-24.6	16.0	-39.0	-20.5	-61.7
IVA.....	2.2	16.6	-9.5	14.6	11.9	13.5	.....	.....	.....	.....
CCAdj.....	66.4	186.1	-8.3	23.0	-16.9	172.7	.....	.....	.....	.....
Profits before tax.....	698.5	619.4	69.1	-146.9	-57.7	-61.2	8.9	-17.4	-7.8	-9.0
Profits tax liability.....	216.0	194.1	18.5	-55.5	-23.1	-10.8	7.3	-20.4	-10.1	-5.3
Profits after tax.....	482.5	425.2	50.6	-91.4	-34.7	-50.4	9.7	-15.9	-6.8	-10.6
<b>Profits from current production less tax liability</b> .....	<b>551.2</b>	<b>627.9</b>	<b>32.7</b>	<b>-53.8</b>	<b>-39.8</b>	<b>135.9</b>	<b>5.7</b>	<b>-8.9</b>	<b>-7.5</b>	<b>27.6</b>
Cash flow from current production.....	933.1	997.1	54.5	-19.3	13.5	78.5	6.1	-2.0	1.5	8.5
<b>Domestic industry profits:</b>										
Corporate profits of domestic industries with IVA.....	551.4	468.9	37.5	-144.9	-47.9	-68.6	5.7	-20.8	-8.2	-12.8
Financial.....	180.0	181.2	13.4	-24.4	-29.9	27.8	7.0	-12.0	-16.3	18.1
Nonfinancial.....	371.4	287.7	24.0	-120.4	-18.0	-96.4	5.1	-24.5	-4.5	-25.1
Manufacturing.....	79.5	50.3	-8.5	-75.7	-9.4	-33.7	-5.2	-48.7	-10.0	-40.1
Transportation and public utilities.....	52.4	25.7	8.4	-15.0	-7.8	-29.1	14.2	-22.3	-12.5	-53.1
Wholesale trade.....	40.4	41.9	6.7	-20.1	11.4	-3.5	12.5	-33.3	33.4	-7.6
Retail trade.....	85.5	84.3	4.7	3.7	1.7	-3.0	6.1	4.5	2.0	-3.5
Other.....	113.6	85.5	12.7	-13.3	-13.9	-27.1	11.1	-10.5	-11.0	-24.0
<b>Unit price, costs, and profits of nonfinancial corporations:</b>										
Unit price.....	1.062	1.061	0.026	0.019	0.007	-0.008	.....	.....	.....	.....
Unit labor cost.....	0.713	0.709	0.020	0.028	0.007	-0.012	.....	.....	.....	.....
Unit nonlabor cost.....	0.262	0.262	0.007	0.011	0.008	-0.007	.....	.....	.....	.....
Unit profits from current production.....	0.086	0.090	-0.001	-0.021	-0.006	0.010	.....	.....	.....	.....

1. Quarterly percent changes are not annualized.  
Note. Levels of these and other profits series are shown in NIPA tables 1.14, 1.16, 6.16C, and 7.15.

IVA Inventory valuation adjustment  
CCAdj Capital consumption adjustment

was more than accounted for by a sharp reduction in outflows from domestic affiliates of foreign corporations.<sup>11</sup>

Cash flow from current production, a profits-related measure of internally generated funds available for investment, increased \$78.5 billion after increasing

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

\$13.5 billion.<sup>12</sup> 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, increased from 74.6 percent to 84.4 percent, its highest value since the second quarter of 1997 and very close to its average level (84.0 percent) during 1991–99.

**Profits with inventory valuation adjustment.** In contrast to the sharp increase in profits from current

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

### Retroactive Provisions of the Job Creation and Worker Assistance Act of 2002

Estimates of corporate profits for the fourth quarter of 2001 reflect certain retroactive provisions of the Job Creation and Worker Assistance Act of 2002, which was signed into law on March 9, 2002. The act includes the following provisions that are related to depreciation and to the carryback period for net operating losses:

- An immediate writeoff of 30 percent is allowed on certain investments contracted for after September 10, 2001, and before September 11<sup>th</sup>, 2004;
- Tax benefits retroactive to September 11<sup>th</sup> are included for the area of New York City that was damaged in the terrorist attacks; and
- For tax year 2002 and for tax year 2001, the period for carrying back net operating losses is temporarily extended from 2 years to 5 years.

These provisions increased the depreciation that corporations could claim in the fourth quarter by \$146.5 bil-

lion and, thus, reduced profits before taxes (PBT) by the same amount (table A).<sup>1</sup> (PBT is based on the inventory- and depreciation-accounting practices used for Federal corporate income tax returns.) As a result, profits tax liability was reduced \$35.3 billion, and profits after tax were reduced \$111.2 billion.

Profits from current production were not affected by the act, because they do not depend on the depreciation-accounting practices used for Federal income tax purposes; instead, this measure of profits is based on an estimate of the value of fixed capital actually used up in the production process.<sup>2</sup> However, because the act did reduce tax liability, profits from current production *on an after-tax basis* were raised \$35.3 billion.

The capital consumption adjustment (CCAdj) is the difference between the depreciation specified in the tax code and the depreciation underlying profits from current production. Because the act raised tax depreciation \$146.5 billion, the CCAdj was increased by the same amount.

As with profits from current production, the effects of the retroactive provisions of the act on nonfarm proprietors' income with IVA and CCAdj were offsetting; nonfarm proprietors' income without IVA and CCAdj was reduced and the related CCAdj was increased by the same amounts. The other major NIPA components or aggregates were not affected.

**Table A. Effects of the Job Creation and Worker Assistance Act of 2002 on Selected Measures of Corporate Profits**

[Seasonally adjusted at annual rates]

	Billions of dollars			Percent change <sup>1</sup>
	Level		Change	
	2001:III	2001:IV	2001:IV	
Profits before tax .....	680.6	619.4	-61.2	-9.0
Tax effect* .....		-146.5		
Excluding tax effect .....	680.6	765.9	85.3	12.5
Tax liability .....	204.9	194.1	-10.8	-5.3
Tax effect* .....		-35.3		
Excluding tax effect .....	204.9	229.4	24.5	12.0
Profits after tax .....	475.6	425.2	-50.4	-10.6
Tax effect* .....		-111.2		
Excluding tax effect .....	475.6	536.4	60.8	12.8
Profits from current production .....	697.0	822.0	125.0	17.9
Tax effect* .....		0.0		
Excluding tax effect .....	697.0	822.0	125.0	17.9
Profits from current production less tax liability .....	492.1	627.9	135.8	27.6
Tax effect* .....		35.3		
Excluding tax effect .....	492.1	592.6	100.5	20.4

\* Estimated impact of the retroactive provisions of the Job Creation and Worker Assistance Act of 2002

1. Not at annual rates.

1. The effect of the legislation was incorporated into the NIPA estimates on a "best-change" basis. Thus, the adjustments reflect the changes from the revised third-quarter levels of a series to the revised fourth-quarter levels. The quarterly levels of these series will be revised to incorporate the effects of the act in the upcoming NIPA annual revision scheduled for release on July 31, 2002. Taxes paid by proprietors are recorded in the NIPAs as personal taxes and are recorded on a cash basis; thus, the effects of the act on personal taxes paid by proprietors will be reflected in the estimates for 2002.

2. This estimate is derived by valuing assets at current cost and by using consistent depreciation profiles based on used-asset prices.

production, profits with inventory valuation adjustment (IVA) decreased sharply. The difference between the two measures is the capital consumption adjustment (CCAdj), which increased sharply, reflecting the depreciation that corporations could claim for Federal corporate income taxes under the retroactive provisions of the Job Creation and Worker Assistance Act of 2002 (see the box).

Estimates of the CCAdj do not exist at the detailed industry level; they are available only for total financial and total nonfinancial industries. For all major categories of nonfinancial industries, profits with IVA fell (chart 3). Profits of manufacturing, of the transportation group, and of "other" nonfinancial corporations all dropped very sharply; profits of wholesale and retail trade decreased less.<sup>13</sup> Within manufacturing, two of the biggest decreases were posted by motor vehicles and by petroleum; large decreases were also posted by manufacturers of "other durable goods" and "other nondurable goods."<sup>14</sup>

13. "Other" nonfinancial corporations include the agriculture, mining, construction, and services industries, along with some activities included in the "finance, insurance, and real estate" group.

14. "Other" durable-goods manufacturing includes the lumber, furniture, stone, transportation equipment excluding motor vehicles, instruments, and miscellaneous manufacturing industries. "Other" nondurable-goods manufacturing includes the tobacco, textile, apparel, paper, printing, rubber, and leather industries.

**The year 2001.** Although profits from current production ended the year with a large increase, for the year as a whole they were down \$109.3 billion (12.5 percent), to \$767.1 billion; in 2000, they had increased \$51.2 billion (6.2 percent).<sup>15</sup> Domestic nonfinancial corporations accounted for most of the decrease in 2001, as a decrease in profits per unit more than offset an increase in output, but profits of domestic financial corporations also decreased. These decreases in domestic profits were partly offset by an increase in profits from the rest of the world that reflected a bigger decrease in payments by domestic affiliates of foreign corporations than in receipts from foreign affiliates of U.S. corporations.

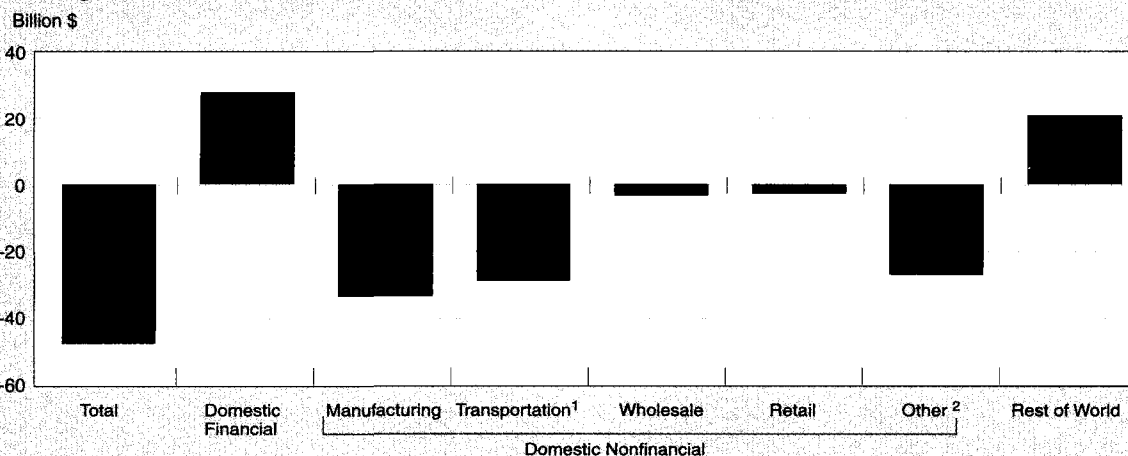
Domestic profits with IVA decreased \$144.9 billion. The weakness was widespread. Profits of both financial and nonfinancial corporations decreased, and in nonfinancial corporations, profits of most major industry groups were lower in 2001 than in 2000.

Profits before tax decreased more than profits from current production. The difference between the two measures reflected increases in both the CCAdj and the IVA.

15. These changes are calculated from *annual* levels for 2000 and 2001. Current-production profits in the fourth quarter of 2001 profits were \$25.6 billion (3.0 percent) less than in the fourth quarter of 2000.

**CHART 3**

**Corporate Profits with Inventory Valuation Adjustment:  
Change from 2001:III to 2001:IV**



1. Also includes communications and public utilities.

2. "Other" nonfinancial corporations includes the agriculture, mining, construction, and services industries, along with some activities included in the "finance, insurance, and real estate" group.

Note.—Based on seasonally adjusted estimates.

U.S. Bureau of Economic Analysis

## Government Sector

The fiscal position of the government sector, as measured by the combined current position of the Federal Government and of State and local governments, shifted from a current deficit of \$11.7 billion in the third quarter to a current surplus of \$122.2 billion in the fourth quarter (table 6).<sup>16</sup> The shift was mostly attributable to an upturn in the Federal fiscal position, but a rise in the State and local current surplus also contributed.

### Federal

Fueled by a sharp upturn in current receipts, the fiscal position of the Federal Government shifted from a current deficit of \$13.6 billion in the third quarter to a current surplus of \$97.4 billion in the fourth. Current expenditures decelerated.

**Current receipts.** Federal current receipts increased \$119.6 billion in the fourth quarter after decreasing \$184.4 billion in the third. The upturn was mostly accounted for by an upturn in personal tax and nontax receipts. Corporate profits tax accruals and indirect business tax and nontax accruals decreased less in the fourth quarter than in the third. In contrast, contributions for social insurance turned down in the fourth quarter.

Personal tax and nontax receipts increased \$134.6 billion after decreasing \$162.8 billion. The sharp upturn was accounted for by an upturn in income taxes, which increased \$134.8 billion after decreasing \$162.6 billion. Refunds, which are an offset to income tax receipts, were boosted \$140.7 billion in the third quarter as a result of provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001.

Corporate profits tax accruals decreased \$11.0 billion, following a \$19.9 billion decrease. The fourth-quarter decrease was more than accounted for by provisions of the Job Creation and Worker Assistance Act of 2002 (for details, see the box on page 6).

Indirect business tax and nontax accruals decreased \$0.7 billion after decreasing \$1.8 billion. The smaller decrease was more than accounted for by excise taxes, which decreased \$0.1 billion after decreasing \$2.1 billion. Excise taxes on gasoline turned up, increasing \$0.2 billion after a \$0.8 billion decrease. Air transport excise taxes decreased \$0.5 billion, following a \$1.2 billion decrease. Third-quarter air transport tax receipts were reduced because of the airport closures that re-

sulted from the terrorist attacks on the World Trade Center and the Pentagon on September 11<sup>th</sup>, 2001, and as a result of fewer passengers after the airports reopened.

Contributions for social insurance decreased \$3.2 billion after increasing \$0.1 billion. The downturn primarily reflected a downturn in contributions for social security (old-age, survivors, disability, and health insurance), which decreased \$3.3 billion after no change.

**Table 6. Government Sector Current Receipts and Expenditures**  
[Billions of dollars, seasonally adjusted at annual rates]

	Level	Change from preceding quarter				
	2001	2001				
	IV	I	II	III	IV	
Current Receipts .....	3,060.8	22.9	7.7	-177.2	133.5	
Current expenditures .....	2,938.6	46.5	27.3	42.5	-0.4	
Current surplus or deficit (-) .....	122.2	-23.6	-19.6	-219.7	133.9	
Social insurance funds .....	97.6	-8.4	-2.7	-8.8	-6.6	
Other .....	24.6	-15.1	-16.8	-211.0	140.5	
<b>Federal Government</b>						
Current Receipts .....	2,026.7	9.9	4.1	-184.4	119.6	
Personal tax and nontax receipts .....	1,031.8	10.9	8.6	-162.8	134.6	
Corporate profits tax accruals .....	166.4	-14.4	-7.7	-19.9	-11.0	
Indirect business tax and nontax accruals .....	109.5	-0.5	-0.2	-1.8	-0.7	
Contributions for social insurance .....	719.1	13.9	3.4	0.1	-3.2	
Current expenditures .....	1,929.3	27.1	22.6	16.0	8.6	
Consumption expenditures .....	525.0	13.4	2.6	3.6	11.3	
National defense .....	347.9	13.0	1.2	3.6	4.8	
Nondefense .....	177.0	0.4	1.4	0.0	6.4	
Transfer payments (net) .....	853.1	8.8	11.6	15.3	14.5	
To persons .....	840.5	28.4	10.5	14.6	9.6	
To the rest of the world .....	12.6	-19.7	1.3	0.6	4.9	
Grants-in-aid to State and local governments .....	285.0	13.9	17.2	-14.8	18.6	
Net interest paid .....	219.1	-6.4	-11.0	-10.0	-13.4	
Subsidies less current surplus of government enterprises .....	47.1	-2.7	2.2	21.9	-22.4	
Subsidies .....	38.1	-2.1	0.1	20.7	-22.6	
Of which: Agricultural subsidies .....	15.1	-2.7	-0.3	0.4	-3.4	
Less: Current surplus of government enterprises .....	-9.1	0.5	-2.1	-1.1	-0.3	
Less: Wage accruals less disbursements .....	0.0	0.0	0.0	0.0	0.0	
Current surplus or deficit (-) .....	97.4	-17.2	-18.6	-200.3	111.0	
Social insurance funds .....	97.7	-8.6	-2.9	-8.8	-6.6	
Other .....	-0.3	-8.6	-15.7	-191.4	117.5	
<b>State and local governments</b>						
Current Receipts .....	1,319.1	27.0	20.9	-7.7	32.5	
Personal tax and nontax receipts .....	300.9	4.5	-2.4	6.8	2.7	
Corporate profits tax accruals .....	27.8	-2.3	-1.1	-3.2	0.3	
Indirect business tax and nontax accruals .....	694.5	10.6	6.9	3.3	10.8	
Contributions for social insurance .....	10.9	0.2	0.3	0.2	0.1	
Federal grants-in-aid .....	285.0	13.9	17.2	-14.8	18.6	
Current expenditures .....	1,294.3	33.3	21.9	11.7	9.6	
Consumption expenditures .....	997.7	16.7	14.6	9.9	6.5	
Transfer payments to persons .....	297.6	5.1	5.4	4.5	4.8	
Net interest paid .....	-1.1	-0.3	-0.3	-0.1	-0.2	
Less: Dividends received by government .....	0.4	0.0	0.0	0.0	0.0	
Subsidies less current surplus of government enterprises .....	0.5	11.8	2.2	-2.6	-1.5	
Subsidies .....	10.5	12.2	2.5	-3.2	-1.4	
Less: Current surplus of government enterprises .....	10.0	0.3	0.3	-0.6	0.1	
Less: Wage accruals less disbursements .....	0.0	0.0	0.0	0.0	0.0	
Current surplus or deficit (-) .....	24.8	-6.3	-1.0	-19.4	22.9	
Social insurance funds .....	-0.1	0.2	0.1	0.1	0.0	
Other .....	24.9	-6.5	-1.2	-19.4	22.9	
<b>Addendum:</b>						
Net lending or net borrowing (-) <sup>1</sup> .....	15.3	-23.3	-34.0	-205.7	107.6	
Federal government .....	76.6	-10.3	-26.0	-208.0	109.9	
State and local government .....	-61.2	-13.0	-8.0	2.3	-2.3	

16. Net saving equals gross saving less consumption of fixed capital (CFC). The estimates of gross saving, CFC, and net saving are shown in NIPA table 5.1.

For NIPA estimates of government current receipts, current expenditures, and the current surplus or deficit for 2000 and 2001, see NIPA tables 3.1, 3.2, and 3.3 in this issue.

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

**Current expenditures.** Current expenditures increased \$8.6 billion in the fourth quarter after increasing \$16.0 billion in the third. The deceleration was more than accounted for by a sharp downturn in “subsidies less current surplus of government enterprises.” In contrast, grants-in-aid to State and local governments turned up.

“Subsidies less current surplus of government enterprises” decreased \$22.4 billion after increasing \$21.9 billion. The sharp downturn was more than accounted for by subsidies, which decreased \$22.6 billion after increasing \$20.7 billion. In the third quarter, airlines received \$5.0 billion (\$20.0 billion at an annual rate) in Federal Government aid as part of the Air Transportation Safety and System Stabilization Act.<sup>17</sup> The current surplus of government enterprises, which is an offset to subsidies, decreased \$0.3 billion after a \$1.1 billion decrease. Within enterprises, the U.S. Postal Service current surplus decreased \$0.3 billion after a \$0.9 billion decrease.

Net interest paid decreased \$13.4 billion, following a \$10.0 billion decrease. Gross interest paid decreased \$11.6 billion after decreasing \$9.3 billion, reflecting larger decreases in interest paid to persons and business and to the rest of the world.

“Transfer payments to persons (net)” increased \$14.5 billion, following a \$15.3 billion increase. The deceleration was more than accounted for by transfer payments to persons, which increased \$9.6 billion after a \$14.6 billion increase. The deceleration was mainly accounted for by benefit payments for social security (old-age, survivors, and disability insurance), which decreased \$0.5 billion after a \$4.4 billion increase. In the third quarter, one-time, retroactive social security payments were made to correct the underpayment of benefits associated with an error in the indexing of the benefits. In contrast, transfer payments to the rest of the world accelerated, increasing \$4.9 billion after a \$0.6 billion increase.

Grants-in-aid to State and local governments turned up, increasing \$18.6 billion after decreasing \$14.8 billion. Grants for State Medicaid programs, for education, and for health and hospitals (including payments to States for children’s health insurance programs) turned up.

Consumption expenditures accelerated, increasing \$11.3 billion after increasing \$3.6 billion. The acceleration was primarily attributable to nondefense consumption expenditures, which increased \$6.4 billion after no change. Within nondefense consumption expenditures, services accelerated, increasing \$4.4 billion after a \$0.8 billion increase; “other services” (which in-

clude expenditures for research and development, for utilities, and for travel), turned up. Nondurable goods also turned up, increasing \$1.8 billion after a \$0.7 billion decrease. Within nondurable goods, the Commodity Credit Corporation inventory change turned up, increasing \$1.4 billion after a \$0.4 billion decrease.

Defense consumption expenditures increased \$4.8 billion after a \$3.6 billion increase. The acceleration was more than accounted for by an acceleration in services, which increased \$6.4 billion after a \$2.1 billion increase. Within services, “other services” (which include expenditures for research and development, for installation support, and for personnel support), accelerated, increasing \$3.3 billion after a \$0.8 billion increase. Also within services, compensation accelerated, increasing \$2.8 billion after a \$1.5 billion increase. In contrast, durable goods turned down, decreasing \$1.4 billion after a \$2.0 billion increase; spending on parts for aircraft and for ships turned down.

### State and local

The State and local government current surplus increased \$22.9 billion in the fourth quarter after decreasing \$19.4 billion in the third. Current receipts turned up, and current expenditures decelerated.

**Current receipts.** State and local government current receipts increased \$32.5 billion after decreasing \$7.7 billion. The turnaround was primarily accounted for by an upturn in Federal grants-in-aid. Indirect business tax and nontax accruals accelerated, and corporate profits tax accruals turned up slightly. In contrast, personal tax and nontax receipts decelerated.

Indirect business tax and nontax accruals increased \$10.8 billion after increasing \$3.3 billion. The acceleration was mainly accounted for by sales taxes, which increased \$7.6 billion after increasing \$0.2 billion. General sales taxes turned up, reflecting an upturn in general retail sales in the fourth quarter.

Corporate profits tax accruals increased \$0.3 billion, following a \$3.2 billion decrease. The fourth-quarter increase was dampened as a result of provisions of the Job Creation and Worker Assistance Act of 2002 (for details, see the box on page 6).

Personal tax and nontax receipts increased \$2.7 billion after increasing \$6.8 billion. The deceleration was more than accounted for by personal income taxes, which increased \$1.9 billion after increasing \$6.1 billion.

**Current expenditures.** Current expenditures increased \$9.6 billion after increasing \$11.7 billion. The deceleration was more than accounted for by a deceleration in consumption expenditures.

Consumption expenditures increased \$6.5 billion after increasing \$9.9 billion. The deceleration was

17. In the NIPAs, subsidies are recorded on an accrual basis.

largely accounted for by nondurable goods, which decreased \$5.3 billion after decreasing \$2.1 billion. Within nondurable goods, petroleum products continued to decrease.

“Subsidies less current surplus of government enterprises” decreased \$1.5 billion after decreasing \$2.6 billion. The smaller decrease was more than accounted for by subsidies, which decreased \$1.4 billion after decreasing \$3.2 billion; electricity purchases by the State of California continued to decrease. The current surplus of government enterprises turned up, increasing \$0.1 billion after decreasing \$0.6 billion; in the third quarter, enterprise revenues for airports and tunnels fell as a result of the events of September 11<sup>th</sup>, 2001, and of the subsequent reduction in air traffic.

### Net lending or net borrowing

“Net lending or net borrowing (–)” is an alternative measure of the Government fiscal position. Net lending is the financing requirement of the government sector and is derived as the current surplus plus the consumption of fixed capital and “capital transfers received (net)” less gross investment and net purchases of nonproduced assets.

The government fiscal position shifted from net borrowing of \$92.3 billion in the third quarter to net lending of \$15.3 billion in the fourth quarter, reflecting a sharp shift in the Federal Government fiscal position. State and local government net lending decreased in the fourth quarter.

Government gross investment increased \$25.7 billion after decreasing \$12.1 billion.<sup>18</sup> The upturn was mostly attributable to State and local government gross investment, which increased \$21.0 billion after decreasing \$14.2 billion. The upturn was accounted for by investment in structures, which returned to a more normal level after a drop in the third quarter that reflected the lease of the World Trade Center (see footnote 3).

18. See also table 3.7 on page D–10 in this issue.

### The government sector in 2001

The combined current surplus of the Federal Government and of State and local governments decreased \$114.9 billion, to \$136.5 billion, in 2001. The decrease was mostly accounted for by a decrease in the Federal Government current surplus.

The Federal Government current surplus decreased \$99.6 billion, to \$119.0 billion, in 2001. Current receipts decreased, while current expenditures increased.

Federal current receipts decreased \$18.6 billion, to \$2,028.2 billion. Corporate profits tax accruals decreased \$48.2 billion, and indirect business taxes decreased \$0.3 billion. In contrast, contributions for social insurance increased \$29.1 billion, and personal tax and nontax receipts increased \$0.6 billion.

Federal current expenditures increased \$80.9 billion, to \$1,909.2 billion. “Transfer payments (net)” increased \$52.4 billion, grants-in-aid to State and local governments increased \$28.6 billion, consumption expenditures increased \$20.4 billion, and “subsidies less current surplus of government enterprises” increased \$5.6 billion. In contrast, net interest paid decreased \$26.0 billion.

The State and local government current surplus decreased \$15.2 billion, to \$17.6 billion, in 2001. Current expenditures increased more than current receipts.

State and local current receipts increased \$70.7 billion, to \$1,293.3 billion. Indirect business tax and nontax accruals increased \$31.5 billion, Federal grants-in-aid increased \$28.6 billion, personal tax and nontax receipts increased \$17.4 billion, and contributions for social insurance increased \$0.6 billion. In contrast, corporate profits tax accruals decreased \$7.4 billion.

State and local current expenditures increased \$86.0 billion, to \$1,275.8 billion. Consumption expenditures increased \$55.2 billion, transfer payments to persons increased \$19.7 billion, and “subsidies less current surplus of government enterprises” increased \$11.6 billion. In contrast, net interest paid decreased \$0.5 billion.

## Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade, 2001:IV

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

### Data availability

Quarterly estimates for 2001:II–2001:III of real manufacturing and trade inventories, sales, and inventory-sales ratios and of real manufacturing inventories by stage of fabrication were published in the January 2002 SURVEY OF CURRENT BUSINESS, and quarterly estimates for 1996:IV–2001:I were published in the October 2001

### SURVEY.

These estimates are also available as downloadable files on BEA's Web site at <www.bea.gov>; click on "GDP and related data" and look under "Supplementary estimates, historical underlying detail," and click on "Change in private inventories."

The most recent estimates are also available by subscription from BEA: On diskette as part of the NIPA monthly update (product number NDS-0171, price \$204.00) and as separate monthly printouts (product number NLS-0166, price \$108.00). To order, call the BEA Order Desk at 1-800-704-0415 (outside the United States, 202-606-9666).

**Table 1B. Real Manufacturing and Trade Inventories, Seasonally Adjusted, End of Period**  
[Billions of chained (1996) dollars]

	2001		2001						2002
	III	IV	Aug.	Sep.	Oct. <sup>a</sup>	Nov. <sup>a</sup>	Dec. <sup>a</sup>	Jan. <sup>a</sup>	
<b>Manufacturing and trade industries</b>	<b>1,172.4</b>	<b>1,144.9</b>	<b>1,177.6</b>	<b>1,172.4</b>	<b>1,157.9</b>	<b>1,147.1</b>	<b>1,144.9</b>	<b>1,148.0</b>	
<b>Manufacturing industries</b>	<b>465.9</b>	<b>454.9</b>	<b>470.3</b>	<b>465.9</b>	<b>463.5</b>	<b>458.4</b>	<b>454.9</b>	<b>453.5</b>	
Durable goods industries	292.9	283.7	296.9	292.9	291.3	286.9	283.7	282.4	
Wood product manufacturing	9.1	8.3	9.1	9.1	8.9	8.5	8.3	8.5	
Nonmetallic mineral product manufacturing	9.7	9.3	9.7	9.7	9.6	9.5	9.3	9.3	
Primary metal manufacturing	22.4	22.0	22.5	22.4	22.3	22.2	22.0	21.7	
Fabricated metal product manufacturing	33.3	32.3	33.4	33.3	33.1	32.7	32.3	32.2	
Machinery manufacturing	42.1	40.5	42.2	42.1	41.6	41.0	40.5	40.2	
Computer and electronic product manufacturing	64.9	60.6	68.1	64.9	63.9	62.9	60.6	60.5	
Electrical equipment, appliance, and component manufacturing	15.6	15.3	15.7	15.6	15.6	15.5	15.3	15.2	
Transportation equipment manufacturing	68.3	68.2	68.4	68.3	68.7	67.5	68.2	67.8	
Furniture and related product manufacturing	7.6	7.1	7.6	7.6	7.4	7.3	7.1	7.0	
Miscellaneous manufacturing	17.3	17.3	17.4	17.3	17.3	17.2	17.3	17.3	
Nondurable goods industries	173.0	171.2	173.5	173.0	172.2	171.5	171.2	171.1	
Food manufacturing	34.7	34.9	35.0	34.7	34.6	34.8	34.9	35.2	
Beverage and tobacco product manufacturing	12.0	11.9	12.0	12.0	11.8	11.8	11.9	11.9	
Textile mills	6.8	6.5	6.8	6.8	6.7	6.6	6.5	6.4	
Textile product mills	4.4	4.4	4.5	4.4	4.4	4.4	4.4	4.4	
Apparel manufacturing	9.6	8.9	9.8	9.6	9.4	9.2	8.9	8.8	
Leather and allied product manufacturing	1.3	1.3	1.4	1.3	1.3	1.3	1.3	1.2	
Paper manufacturing	16.7	17.0	16.6	16.7	16.8	16.9	17.0	16.9	
Printing and related support activities	6.0	5.8	6.2	6.0	6.0	5.9	5.8	5.8	
Petroleum and coal product manufacturing	11.2	10.8	11.2	11.2	10.7	10.6	10.8	10.6	
Chemical manufacturing	52.7	52.4	52.5	52.7	53.0	52.6	52.4	52.5	
Plastics and rubber product manufacturing	17.5	17.3	17.4	17.5	17.4	17.4	17.3	17.3	
<b>Merchant wholesale industries</b>	<b>318.9</b>	<b>312.5</b>	<b>319.2</b>	<b>318.9</b>	<b>316.0</b>	<b>313.5</b>	<b>312.5</b>	<b>312.4</b>	
Durable goods industries	198.1	192.1	199.0	198.1	197.4	194.1	192.1	191.6	
Nondurable goods industries	120.2	119.6	119.6	120.2	118.0	118.7	119.6	120.0	
<b>Retail trade industries</b>	<b>387.0</b>	<b>377.0</b>	<b>387.7</b>	<b>387.0</b>	<b>378.3</b>	<b>375.0</b>	<b>377.0</b>	<b>381.4</b>	
Motor vehicle and parts dealers	121.9	113.9	122.0	121.9	113.1	111.6	113.9	116.7	
Furniture and home furnishings, electronics, and appliance stores	28.5	29.2	28.5	28.5	28.6	28.8	29.2	29.7	
Building materials, garden equipment and supply stores	38.7	38.5	38.6	38.7	38.8	38.3	38.5	38.7	
Food and beverage stores	30.3	30.4	30.3	30.3	30.4	30.4	30.4	30.2	
Clothing and accessory stores	31.3	29.7	31.1	31.3	31.0	30.2	29.7	30.5	
General merchandise stores	64.1	63.1	64.4	64.1	64.2	64.0	63.1	63.2	
Other retail stores	72.1	71.8	72.4	72.1	71.7	71.3	71.8	72.2	

<sup>a</sup> Preliminary.  
<sup>b</sup> Revised.  
 Note: Estimates in this table are based on the North American Industry Classification System (NAICS).  
 Chained (1996) dollar inventory series are calculated to ensure that the chained (1996) dollar change in inventories for 1996 equals the current-dollar change in inventories for 1996 and that the average of the 1995 and 1996 end-of-year chain-weighted and fixed-weighted inventories are equal. Chained (1996) dollar final sales are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

**Table 2B. Real Manufacturing and Trade Sales, Seasonally Adjusted at Monthly Rate**  
[Billions of chained (1996) dollars]

	2001		2001						2002
	III	IV	Aug.	Sep.	Oct. <sup>a</sup>	Nov. <sup>a</sup>	Dec. <sup>a</sup>	Jan. <sup>a</sup>	
<b>Manufacturing and trade industries</b>	<b>842.4</b>	<b>855.7</b>	<b>851.9</b>	<b>825.0</b>	<b>858.1</b>	<b>851.0</b>	<b>858.0</b>	<b>865.9</b>	
<b>Manufacturing industries</b>	<b>328.1</b>	<b>328.9</b>	<b>333.2</b>	<b>316.5</b>	<b>328.4</b>	<b>326.6</b>	<b>331.6</b>	<b>337.6</b>	
Durable goods industries	189.1	187.9	192.3	180.9	187.8	187.1	188.7	193.4	
Wood product manufacturing	7.0	7.1	7.0	7.1	7.0	7.1	7.1	7.1	
Nonmetallic mineral product manufacturing	6.9	6.8	7.1	6.6	6.8	6.7	6.8	6.9	
Primary metal manufacturing	12.7	12.3	12.9	12.3	12.6	12.3	12.0	12.6	
Fabricated metal product manufacturing	19.3	19.1	19.6	18.9	19.3	19.1	18.9	19.3	
Machinery manufacturing	22.6	21.6	23.3	21.3	22.2	21.4	21.0	22.3	
Computer and electronic product manufacturing	44.3	44.3	43.5	43.3	43.8	44.0	45.1	45.9	
Electrical equipment, appliance, and component manufacturing	10.2	9.8	10.6	9.7	10.0	9.6	9.8	9.7	
Transportation equipment manufacturing	51.6	52.9	53.2	48.0	51.7	52.9	54.2	55.6	
Furniture and related product manufacturing	5.5	5.3	5.6	5.2	5.4	5.3	5.3	5.4	
Miscellaneous manufacturing	9.2	9.0	9.4	9.0	9.1	9.0	8.9	9.2	
Nondurable goods industries	138.6	140.5	140.6	135.1	140.1	139.0	142.4	143.7	
Food manufacturing	37.4	38.0	37.6	37.1	37.6	38.1	38.4	39.1	
Beverage and tobacco product manufacturing	7.2	7.1	7.4	7.0	7.4	6.8	7.1	7.1	
Textile mills	4.0	3.8	4.0	3.9	3.9	3.7	3.7	3.7	
Textile product mills	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	
Apparel manufacturing	5.0	5.0	5.0	4.9	5.0	5.0	5.2	5.1	
Leather and allied product manufacturing	7	7	7	7	7	7	7	6	
Paper manufacturing	12.4	12.2	12.5	12.2	12.5	12.1	11.9	12.3	
Printing and related support activities	7.7	7.6	7.9	7.4	7.7	7.5	7.6	7.6	
Petroleum and coal product manufacturing	14.6	16.5	15.0	13.5	15.2	15.6	18.7	18.4	
Chemical manufacturing	32.7	32.5	33.3	31.8	32.7	32.6	32.2	32.6	
Plastics and rubber product manufacturing	14.6	14.5	14.6	14.3	14.5	14.4	14.6	14.8	
<b>Merchant wholesale industries</b>	<b>238.5</b>	<b>239.4</b>	<b>240.0</b>	<b>236.1</b>	<b>237.7</b>	<b>239.8</b>	<b>240.7</b>	<b>242.8</b>	
Durable goods industries	130.4	128.7	131.9	128.2	128.3	129.3	128.7	130.4	
Nondurable goods industries	108.1	110.4	108.3	107.7	109.2	110.3	111.6	112.0	
<b>Retail trade industries</b>	<b>282.5</b>	<b>294.6</b>	<b>285.7</b>	<b>278.2</b>	<b>299.5</b>	<b>291.6</b>	<b>292.7</b>	<b>293.1</b>	
Motor vehicle and parts dealers	73.0	81.3	74.1	71.0	87.8	78.5	77.6	74.4	
Furniture and home furnishings, electronics, and appliance stores	25.6	27.3	25.9	25.5	26.2	27.5	28.2	28.0	
Building materials, garden equipment and supply stores	25.6	26.0	26.0	25.2	26.0	26.2	25.9	26.5	
Food and beverage stores	36.4	36.7	36.4	36.5	36.5	36.7	36.9	36.8	
Clothing and accessory stores	16.1	16.4	16.4	15.4	16.1	16.2	16.7	17.1	
General merchandise stores	38.7	39.3	38.9	38.6	38.9	39.2	39.9	40.7	
Other retail stores	69.5	70.3	70.6	68.4	70.0	70.3	70.7	73.1	

<sup>a</sup> Preliminary.  
<sup>b</sup> Revised.  
 Note: Estimates in this table are based on the North American Industry Classification System (NAICS).  
 Chained (1996) dollar final sales are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

**Table 3B. Real Inventory-Sales Ratios for Manufacturing and Trade, Seasonally Adjusted**  
[Ratio, based on chained (1996) dollars]

	2001		2001					2002
	III	IV	Aug.	Sep.	Oct. <sup>1</sup>	Nov. <sup>2</sup>	Dec. <sup>1</sup>	Jan. <sup>2</sup>
<b>Manufacturing and trade industries</b>	<b>1.39</b>	<b>1.34</b>	<b>1.38</b>	<b>1.42</b>	<b>1.35</b>	<b>1.35</b>	<b>1.33</b>	<b>1.33</b>
<b>Manufacturing industries</b>	<b>1.42</b>	<b>1.38</b>	<b>1.41</b>	<b>1.47</b>	<b>1.41</b>	<b>1.40</b>	<b>1.37</b>	<b>1.34</b>
Durable goods industries	1.55	1.51	1.54	1.62	1.55	1.53	1.50	1.46
Wood product manufacturing	1.29	1.17	1.31	1.28	1.27	1.21	1.17	1.20
Nonmetallic mineral product manufacturing	1.40	1.38	1.37	1.47	1.40	1.41	1.38	1.35
Primary metal manufacturing	1.76	1.79	1.74	1.83	1.77	1.80	1.84	1.72
Fabricated metal product manufacturing	1.72	1.69	1.71	1.76	1.72	1.71	1.71	1.67
Machinery manufacturing	1.86	1.88	1.81	1.98	1.87	1.91	1.93	1.80
Computer and electronic product manufacturing	1.47	1.37	1.57	1.50	1.46	1.43	1.34	1.32
Electrical equipment, appliance, and component manufacturing	1.53	1.56	1.49	1.61	1.55	1.61	1.56	1.58
Transportation equipment manufacturing	1.32	1.29	1.29	1.42	1.33	1.28	1.26	1.22
Furniture and related product manufacturing	1.39	1.33	1.36	1.47	1.38	1.39	1.34	1.29
Miscellaneous manufacturing	1.88	1.92	1.86	1.92	1.91	1.92	1.93	1.89
<b>Nondurable goods industries</b>	<b>1.25</b>	<b>1.22</b>	<b>1.23</b>	<b>1.28</b>	<b>1.23</b>	<b>1.23</b>	<b>1.20</b>	<b>1.19</b>
Food manufacturing	.93	.92	.93	.94	.92	.91	.91	.90
Beverage and tobacco product manufacturing	1.66	1.68	1.62	1.72	1.60	1.75	1.67	1.67
Textile mills	1.71	1.71	1.71	1.75	1.69	1.78	1.74	1.71
Textile product mills	1.63	1.62	1.63	1.63	1.63	1.61	1.62	1.66
Apparel manufacturing	1.93	1.77	1.95	1.96	1.88	1.85	1.72	1.73
Leather and allied product manufacturing	2.02	1.89	2.03	2.03	1.97	1.95	1.92	1.95
Paper manufacturing	1.35	1.39	1.33	1.37	1.34	1.40	1.42	1.38
Printing and related support activities	.78	.76	.79	.80	.78	.78	.77	.77
Petroleum and coal product manufacturing	.77	.66	.75	.83	.71	.68	.58	.58
Chemical manufacturing	1.61	1.61	1.58	1.66	1.62	1.61	1.63	1.61
Plastics and rubber product manufacturing	1.19	1.19	1.19	1.22	1.20	1.21	1.19	1.17
<b>Merchant wholesale industries</b>	<b>1.34</b>	<b>1.31</b>	<b>1.33</b>	<b>1.35</b>	<b>1.33</b>	<b>1.31</b>	<b>1.30</b>	<b>1.29</b>
Durable goods industries	1.52	1.49	1.51	1.55	1.54	1.50	1.49	1.47
Nondurable goods industries	1.11	1.08	1.11	1.12	1.08	1.08	1.07	1.07
<b>Retail trade industries</b>	<b>1.37</b>	<b>1.28</b>	<b>1.36</b>	<b>1.39</b>	<b>1.26</b>	<b>1.29</b>	<b>1.29</b>	<b>1.30</b>
Motor vehicle and parts dealers	1.67	1.40	1.65	1.72	1.29	1.42	1.47	1.57
Furniture and home furnishings, electronics, and appliance stores	1.11	1.07	1.10	1.12	1.09	1.05	1.04	1.06
Building materials, garden equipment and supply stores	1.51	1.48	1.49	1.54	1.50	1.46	1.48	1.46
Food and beverage stores	.83	.83	.83	.83	.83	.83	.82	.82
Clothing and accessory stores	1.95	1.82	1.90	2.03	1.92	1.87	1.78	1.79
General merchandise stores	1.66	1.61	1.66	1.66	1.65	1.63	1.58	1.55
Other retail stores	1.04	1.02	1.03	1.05	1.03	1.01	1.02	.99

<sup>1</sup> Preliminary.  
<sup>2</sup> Revised.  
Note: Estimates in this table are based on the North American Industry Classification System (NAICS).

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

	2001		2001					2002
	III	IV	Aug.	Sep.	Oct. <sup>1</sup>	Nov. <sup>2</sup>	Dec. <sup>1</sup>	Jan. <sup>2</sup>
<b>Materials and supplies</b>								
<b>Manufacturing industries</b>	<b>159.7</b>	<b>156.1</b>	<b>161.6</b>	<b>159.7</b>	<b>159.2</b>	<b>158.2</b>	<b>156.1</b>	<b>155.3</b>
Durable goods industries	97.3	94.4	98.9	97.3	96.9	95.7	94.4	93.8
Wood product manufacturing	3.8	3.6	3.9	3.8	3.8	3.7	3.6	3.7
Nonmetallic mineral product manufacturing	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.2
Primary metal manufacturing	7.7	7.5	7.8	7.7	7.7	7.6	7.5	7.5
Fabricated metal product manufacturing	11.5	11.1	11.6	11.5	11.5	11.3	11.1	11.3
Machinery manufacturing	16.1	15.9	16.1	16.1	16.0	16.0	15.9	15.7
Computer and electronic product manufacturing	23.1	21.7	23.8	23.1	22.7	22.3	21.7	21.6
Electrical equipment, appliance, and component manufacturing	6.3	6.1	6.4	6.3	6.3	6.1	6.1	6.0
Transportation equipment manufacturing	15.8	15.6	16.1	15.8	15.9	15.6	15.6	15.3
Furniture and related product manufacturing	3.3	3.1	3.4	3.3	3.3	3.1	3.1	3.1
Miscellaneous manufacturing	6.2	6.3	6.4	6.2	6.3	6.3	6.3	6.2
<b>Nondurable goods industries</b>	<b>62.3</b>	<b>61.6</b>	<b>62.7</b>	<b>62.3</b>	<b>62.3</b>	<b>62.4</b>	<b>61.6</b>	<b>61.4</b>
Food manufacturing	11.8	11.5	11.8	11.8	11.6	11.6	11.5	11.6
Beverage and tobacco product manufacturing	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Textile mills	2.1	2.0	2.1	2.1	2.1	2.0	2.0	1.9
Textile product mills	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Apparel manufacturing	2.4	2.1	2.4	2.4	2.3	2.3	2.1	2.1
Leather and allied product manufacturing	.4	.4	.4	.4	.4	.4	.4	.4
Paper manufacturing	8.2	8.3	8.2	8.2	8.3	8.3	8.3	8.3
Printing and related support activities	1.9	1.9	2.1	1.9	2.0	2.0	1.9	1.9
Petroleum and coal product manufacturing	3.2	3.2	3.2	3.2	3.2	3.1	3.2	2.9
Chemical manufacturing	17.3	17.2	17.3	17.3	17.4	17.6	17.2	17.3
Plastics and rubber product manufacturing	7.4	7.4	7.4	7.4	7.5	7.5	7.4	7.4
<b>Work-in-process</b>								
<b>Manufacturing industries</b>	<b>134.4</b>	<b>130.4</b>	<b>134.4</b>	<b>134.4</b>	<b>133.5</b>	<b>131.2</b>	<b>130.4</b>	<b>131.2</b>
Durable goods industries	105.8	102.6	106.0	105.8	105.6	103.5	102.6	103.0
Wood product manufacturing	1.7	1.6	1.7	1.7	1.7	1.6	1.6	1.6
Nonmetallic mineral product manufacturing	1.5	1.4	1.4	1.5	1.5	1.4	1.4	1.4
Primary metal manufacturing	7.5	7.2	7.5	7.5	7.4	7.4	7.2	7.2
Fabricated metal product manufacturing	10.6	10.4	10.6	10.6	10.5	10.6	10.4	10.5
Machinery manufacturing	12.0	11.3	12.1	12.0	12.0	11.6	11.3	11.2
Computer and electronic product manufacturing	19.8	18.4	19.9	19.8	19.5	19.1	18.4	18.4
Electrical equipment, appliance, and component manufacturing	5.0	4.9	5.1	5.0	5.0	4.9	4.9	4.9
Transportation equipment manufacturing	38.2	38.1	38.1	38.2	38.5	37.7	38.1	38.4
Furniture and related product manufacturing	1.3	1.2	1.3	1.3	1.3	1.3	1.2	1.3
Miscellaneous manufacturing	4.0	4.0	4.1	4.0	4.1	4.0	4.0	4.0
<b>Nondurable goods industries</b>	<b>28.5</b>	<b>27.7</b>	<b>28.4</b>	<b>28.5</b>	<b>27.9</b>	<b>27.6</b>	<b>27.7</b>	<b>28.1</b>
Food manufacturing	5.2	5.3	5.2	5.2	5.3	5.3	5.3	5.3
Beverage and tobacco product manufacturing	1.4	1.3	1.4	1.4	1.3	1.3	1.3	1.3
Textile mills	1.5	1.4	1.5	1.5	1.5	1.5	1.4	1.4
Textile product mills	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Apparel manufacturing	1.7	1.6	1.7	1.7	1.7	1.7	1.6	1.6
Leather and allied product manufacturing	.2	.2	.2	.2	.2	.2	.2	.2
Paper manufacturing	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Printing and related support activities	1.2	1.1	1.2	1.2	1.1	1.0	1.1	1.1
Petroleum and coal product manufacturing	2.6	2.5	2.4	2.6	2.4	2.3	2.5	2.5
Chemical manufacturing	9.7	9.4	9.6	9.7	9.4	9.3	9.4	9.8
Plastics and rubber product manufacturing	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
<b>Finished goods</b>								
<b>Manufacturing industries</b>	<b>171.7</b>	<b>168.3</b>	<b>174.2</b>	<b>171.7</b>	<b>170.7</b>	<b>168.9</b>	<b>168.3</b>	<b>166.9</b>
Durable goods industries	89.8	86.7	92.1	89.8	88.9	87.6	86.7	85.7
Wood product manufacturing	3.6	3.1	3.5	3.6	3.5	3.3	3.1	3.2
Nonmetallic mineral product manufacturing	4.9	4.7	4.9	4.9	4.8	4.7	4.7	4.6
Primary metal manufacturing	7.2	7.3	7.1	7.2	7.2	7.1	7.3	7.1
Fabricated metal product manufacturing	11.2	10.7	11.2	11.2	11.1	10.8	10.7	10.5
Machinery manufacturing	13.9	13.3	14.0	13.9	13.7	13.3	13.3	13.2
Computer and electronic product manufacturing	22.0	20.5	24.3	22.0	21.6	21.4	20.5	20.4
Electrical equipment, appliance, and component manufacturing	4.3	4.4	4.2	4.3	4.3	4.4	4.4	4.4
Transportation equipment manufacturing	15.0	15.3	14.9	15.0	15.0	14.9	15.3	14.6
Furniture and related product manufacturing	2.9	2.7	2.9	2.9	2.9	2.8	2.7	2.7
Miscellaneous manufacturing	7.0	7.0	7.0	7.0	7.0	6.9	7.0	7.0
<b>Nondurable goods industries</b>	<b>82.1</b>	<b>81.9</b>	<b>82.4</b>	<b>82.1</b>	<b>82.0</b>	<b>81.5</b>	<b>81.9</b>	<b>81.5</b>
Food manufacturing	17.7	18.1	18.0	17.7	17.8	17.9	18.1	18.3
Beverage and tobacco product manufacturing	4.5	4.5	4.5	4.5	4.4	4.4	4.5	4.4
Textile mills	3.2	3.1	3.2	3.2	3.1	3.1	3.1	3.0
Textile product mills	2.0	2.0	2.1	2.0	2.0	2.0	2.0	2.0
Apparel manufacturing	5.5	5.1	5.6	5.5	5.4	5.2	5.1	5.0
Leather and allied product manufacturing	.8	.7	.7	.8	.8	.8	.7	.7
Paper manufacturing	6.8	7.0	6.7	6.8	6.8	6.9	7.0	6.9
Printing and related support activities	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Petroleum and coal product manufacturing	5.5	5.2	5.6	5.5	5.1	5.1	5.2	5.2
Chemical manufacturing	25.7	25.7	25.5	25.7	25.7	25.6	25.7	25.4
Plastics and rubber product manufacturing	7.7	7.6	7.7	7.7	7.7	7.6	7.6	7.6

<sup>1</sup> Preliminary.  
<sup>2</sup> Revised.  
Note: Estimates in this table are based on the North American Industry Classification System (NAICS).  
Chained (1996) dollar inventory series are calculated to ensure that the chained (1996) dollar change in inventories for 1996 equals the current-dollar change in inventories for 1996 and that the average of the 1995 and 1996 end-of-year chain-weighted and fixed-weighted inventories are equal. Chained (1996) dollar final sales are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.



## Alternative Measures of Personal Saving

By Maria G. Perozek and Marshall B. Reinsdorf

THE personal saving rate, as defined in the national income and product accounts (NIPAs), has declined sharply over the past two decades, falling from a high of about 11 percent in the early 1980s to 1 percent in 2000. This sustained decline has generated concern that saving is now too low to fund adequate capital accumulation or to ensure that the baby boom generation will move through its retirement years with reasonable financial security.

This article provides the necessary background for understanding personal saving as defined in the NIPAs and its role in determining aggregate capital accumulation and the financial status of households. It also investigates several of the many possible alternative measures of personal saving and wealth accumulation.

Changes in personal saving cannot generally be interpreted without considering what is happening to other measures of saving and wealth accumulation. For example, low personal saving rates may cause concern that national saving—defined as the amount of national income left over after all expenditures on goods and services other than capital items are deducted—will be too low to fund adequate levels of the new capital investments that power economic growth. However, personal saving is only one component of national saving. Therefore, to evaluate concerns about capital accumulation, one must examine trends in total national saving, not just the personal sector's contribution to that total.

Likewise, a decline in personal saving does not necessarily mean that households will have trouble financing their retirement years or other consumption needs. Measures of household wealth provide a more complete picture of the future consumption possibilities of

households. Moreover, wealth—along with income, interest rates, and some others—has long been seen as a key variable in helping to explain household spending. Changes in net wealth reflect both personal saving and capital gains on existing assets. Capital gains are absent from calculations of personal saving in the NIPAs because capital gains are not a part of the NIPA concept of national income (see the box “Definition of National Income and Saving in the NIPAs”). However, they can be as important as personal saving in determining the future consumption possibilities of households. Indeed, over the last half of the 1990s, while personal saving declined to record lows, ratios of household wealth to income rocketed to record highs.

To highlight the uses and limitations of different measures of personal saving, this article first describes the simple process that governs the accumulation of wealth over time. Although the focus is on the concept of personal saving measured in the NIPAs, an alternative concept—the change in household net worth—that is published in the flow of funds accounts (FFA) is also discussed. The article then investigates several issues that arise in measuring and interpreting personal saving: The treatment of defined benefit pension plans, the treatment of consumer durable goods, the effect of inflation on measured personal saving rates, and the treatment of capital gains and capital gains taxes. For each issue, an adjusted measure of personal saving is provided to show the effect of altering the treatment in the NIPAs.<sup>1</sup>

The main conclusion is that the relevance of a personal saving measure depends on the question being asked. For example, if the question is how much households are contributing to national saving or how much of their current income is left over after spending on current consumption for purposes such as ac-

*Maria Perozek is an economist at the Federal Reserve Board, and Marshall Reinsdorf is an economist at the Bureau of Economic Analysis. The authors are grateful to Eric Engen, Brent Moulton, Larry Slifman, and David Wilcox for helpful comments.*

1. Many authors have examined alternative measures of personal saving, including those presented in this paper. For a sampling of the most recent work, see Gale and Sabelhaus (1999), Peach and Steindel (2000), and Lusardi, Skinner, and Venti (2001).

quiring financial assets, then the most relevant measure is personal saving as defined in the NIPA's. However, for other questions, such as whether households in the aggregate are making adequate financial

preparation for retirement, the net worth measures from the FFA may be more appropriate. Still other questions may be best addressed by adjustments to the NIPA measure of personal saving to exclude defined

### Definition of National Income and Saving in the NIPA's

Personal saving, business saving, and government saving are the components of national saving. These components are measures of deferred utilization of resources: Current income not consumed for households; current earnings retained within the firm for business; and revenues not spent for government. Accordingly, national saving is viewed as a key indicator of the extent to which the Nation as a whole is setting aside resources today for the purpose of increasing its future standard of living.

The definition of national saving in the national income and product accounts (NIPA's) determines the total amount of saving that can be attributed to persons, to business, or to government. Net national saving measures the portion of national income made available to fund expansion of the capital stock. It is the amount of national income left over after current (that is, noninvestment) expenditures are subtracted. National income is, in turn, the amount of gross national product left over after nonfactor income (primarily indirect business taxes) and consumption of fixed capital (CFC) are subtracted. Subtraction of CFC, or depreciation, is necessary to account for the cost of replacing plant, equipment, and software that wears out or becomes obsolete.

The definition of national income reflects the NIPA goal of measuring production. The aggregate measure of production, gross domestic product (GDP), is the market value of the goods and services produced in the United States. The NIPA concept of national income is, then, the gross factor income arising from the production that GDP measures, minus CFC, plus an adjustment for net property income that U.S. residents receive from the rest of the world.

Because national income is defined as originating from current production of goods and services, it excludes capital gains. Capital gains originate from revaluations of existing assets rather than from production of new goods and services. Besides insuring the conceptual consistency of the NIPA's, the treatment of capital gains as separate from national income has three noteworthy advantages. First, with capital gains excluded from income, national saving becomes conceptually equal to domestic investment plus net foreign investment (though, as is shown in NIPA table 5.1 on page D-14 in this issue, measured saving differs from measured investment by an amount known as "the statistical discrepancy"). Second, in mak-

ing consumption decisions, households appear to treat capital gains differently from ordinary income, so a measure of income that includes capital gains would not relate as well to consumption as the NIPA concept of income. Third, because capital gains tend to be volatile, measures of income or saving that include them would exhibit large fluctuations that would limit their usefulness.

National saving as defined in the NIPA's is also important for understanding the behavior of business cycles and the current-account balance. In particular, this measure of saving and its relationship to investment play key roles in Keynesian macroeconomic models, which allow fluctuations in aggregate demand to affect national income via a "multiplier" that depends on the marginal propensity to consume. In addition, swings in national saving affect external balances unless domestic investment changes by the same amount; for example, in 1983, a large fall in national saving was accompanied by a jump in the current-account deficit. Similar effects can arise from swings in domestic investment that are unaccompanied by changes in national saving; for example, in 1999-2000, net foreign investment turned sharply negative as private domestic investment rose while national saving changed very little.

Alternatives to the definition of income that is used in the NIPA's are, of course, possible; indeed, how to define income has long been a subject of debate among economists. Haig (1921) and Simons (1938), in discussions of the income tax, define income as consumption plus change in wealth, which has the effect of including capital gains. At the opposite pole is Fisher, who identifies income with consumption (1906, 164) and treats it as a flow of services rendered by capital (1906, 118). The NIPA approach to defining income is sometimes attributed to Hicks (1946, chapter XIV), who defines income as the amount that could be consumed in the current period without diminishing wealth (or, alternatively, future consumption prospects). However, Zacharias (2002) points out that Hicks' main focus is on the importance of immeasurable, subjective expectations in determining the income that households consider in making consumption decisions. Moreover, detailed versions of the NIPA definition of income had already been used; see, for example, Kuznets (1934).

benefit pension plans, to include net investment in consumer durable goods, or to remove the inflation component of interest income from personal income. Finally, national saving is useful for questions about the funds made available in the United States for financing investment needs. The behavior of national saving can also sometimes help to explain swings in the current-account deficit, as well as business cycle developments.

### A Simple Framework

As a first step in examining different concepts of personal saving, the role of personal saving is described in the broader context of wealth accumulation. In simplest terms, household wealth is determined by equation 1:

$$(1) \quad W_t = W_{t-1} + \frac{\Delta P_t}{P_{t-1}} W_{t-1} + i_t W_{t-1} + y_t - T_t - c_t$$

where  $W_t$  is wealth at time  $t$ ,  $\Delta P_t / P_{t-1}$  is the percentage change in the price of assets from time  $t-1$  to time  $t$ ,  $i_t W_{t-1}$  is nominal interest, dividend, and rental income,  $y_t$  is income from sources other than wealth holdings,  $T_t$  is taxes paid, and  $c_t$  is consumption expenditures on goods and services. Therefore, wealth in a given period is equal to the stock of wealth in the previous period ( $W_{t-1}$ ), plus any income ( $i_t W_{t-1}$ ) and capital gains (or losses) associated with that wealth ( $(\Delta P_t / P_{t-1}) W_{t-1}$ ), plus other household income ( $y_t$ ), less taxes ( $T_t$ ) and consumption expenditures ( $c_t$ ). Typical life cycle models of consumption assume that households choose consumption ( $c_t$ ) given a variety of constraints and possibly some uncertainty about future economic variables such as income ( $y_t$ ) and investment returns ( $i_t W_{t-1} + (\Delta P_t / P_{t-1}) W_{t-1}$ ).

Rearranging equation 1 yields an expression for one concept of personal saving, the change in household wealth:

$$(1') \quad \Delta W_t = W_t - W_{t-1} = \underbrace{\frac{\Delta P_t}{P_{t-1}} W_{t-1}}_{\text{capital gains (a)}} + \underbrace{(i_t W_t + y_t - T_t - c_t)}_{\text{NIPA-concept saving (b)}}$$

According to equation 1', the total change in wealth can be parsed into two categories: (a) Increments to wealth from net capital gains on existing assets and (b) NIPA-concept personal saving. NIPA-concept personal saving is calculated by subtracting consumption expenditures ( $c_t$ ) from NIPA-concept disposable personal income (DPI) (rent, interest, and dividend income on assets ( $i_t W_{t-1}$ ) plus nonasset income ( $y_t$ ),

such as labor income or government benefits, less taxes paid ( $T_t$ )).<sup>2</sup> If households accumulate wealth to balance current consumption needs against future needs, then unexpected increases in the first component—capital gains on existing wealth—can affect the personal saving decisions as measured in the NIPAs. For example, a household whose stock market portfolio returns are more than expected this year may decide to boost spending immediately rather than to reserve all the gain to fund spending in the future. If noncapital income is unchanged, then the household's NIPA-concept saving rate must fall even though its wealth has increased.

The NIPAs distinguish between capital gains (shown in part (a) of equation 1') and saving (shown in part (b)) because NIPA saving is designed to measure the funds that are taken out of current income and made available for new capital investment. Because capital gains reflect revaluations of existing assets, they do not derive from current production and are therefore excluded from NIPA measures of production, income, and personal saving. The FFA, however, presents a measure of total change in wealth.<sup>3</sup> Estimates from the FFA show that the stock market boom of the 1990s propelled the change in household wealth as a percentage of DPI to record highs even as the published measures of personal saving from the NIPAs fell to record lows. In a complete set of national accounts that combines the FFA with the NIPAs, the change in wealth arising from capital gains and losses would appear in the accumulation accounts. (For further details on an accumulation account, see table 2 at the end of the article.)

The NIPA concept of personal saving can be calculated with data from the FFA. The FFA records households' current investment in tangible and financial assets and net increases in household liabilities. As an accounting matter, household saving must be used to invest in assets, such as corporate equities and real estate, or it must be used to pay down liabilities, such as mortgages and credit card debt. Because the flows recorded in the FFA exclude capital gains associated with

2. NIPA table 2.1 shows personal consumption expenditures and two additional items, personal interest payments and net transfers to the rest of the world, as subtractions from DPI in the calculation of personal saving. For simplicity, this article refers to all these items collectively as "consumption." Capital transfers and other special factors that change wealth but count neither as capital gains nor as income are ignored.

3. Net worth from the FFA is not valued strictly at market prices. Most tangible assets, as well as corporate equities and mutual funds, are valued at market prices, but fixed income assets (such as bonds) and liabilities are recorded at book value.

existing assets, the calculation of a NIPA-concept personal saving measure is straightforward: Personal saving equals the net acquisition of financial and tangible assets, less the net increase in liabilities of the personal sector and the net capital transfers received by the personal sector.<sup>4</sup>

## Issues in Measuring Personal Saving

### Sector definitions

The definition of sectors in the NIPAs can affect the amount of national saving that is attributed to the personal sector. National saving includes the funds that the three sectors of the domestic economy—the personal sector, the business sector, and the government sector—make available for investment. The boundary lines between sectors, particularly those between the business and personal sectors, are somewhat difficult to draw because of the complicated set of interactions among participants both within and across sector lines. Though sector definitions do not alter national saving, they can affect the allocation of saving across sectors; in particular, sector definitions have important implications for the measurement of personal consumption expenditures and personal income.

In the NIPAs, the personal sector consists of households and nonprofit institutions that primarily serve households. Pension funds, some insurance reserves, and private trust funds are treated as the property of persons.<sup>5</sup> As a result, payments of benefits from pension funds to retirees are treated as transfers within the personal sector rather than as personal income. In contrast, employer contributions to pension plans are considered to be compensation from the business or government sector to the personal sector; therefore, they are counted in personal income. The treatment of pension income is one way that the definitions of sector boundaries significantly affect the measure of personal saving in the NIPAs.

### Treatment of defined benefit pension plans

Treating pension funds as part of the personal sector in the NIPAs causes the net saving by pension plans to be included in personal saving.<sup>6</sup> This treatment seems ap-

4. The net acquisition of tangible assets equals gross acquisition minus depreciation, or "consumption of fixed capital." Although the national saving measure highlighted at the top of NIPA table 5.1 is a gross measure, personal saving is a net measure because depreciation expenses are deducted from personal rental income, including homeowners' imputed rental income, and from proprietors' income. Net capital transfers received by the personal sector are composed primarily of Federal and State estate and gift tax payments and hence are typically negative. The treatment of net capital transfers is discussed in Moulton, Parker, and Seskin (1999).

5. Social security and other government transfer programs are included in the government sector.

propriate for defined contribution (DC) pension plans, such as 401(k) accounts, which are in many ways similar to individual retirement accounts (IRAs). Although employers usually contribute to these pension plans and may exercise some control over investment decisions, the employee bears the investment risk and is generally entitled to all the funds accrued in the account at retirement. Because all funds in DC plans belong to employees, or persons, including them in the personal sector seems reasonable.

Inclusion of defined benefit (DB) pension plans in the personal sector has, however, generated some controversy.<sup>7</sup> In contrast to DC plans, employees are not entitled to all the funds that accrue in DB pension plans; rather, retirement benefits are based on a formula that typically includes salary and years of service. Conceptually, the personal-sector saving that is attributed to pension funds should be equal to the increase in the value of the benefits promised to employees in a given period. However, the firm's contribution to its pension plan does not have to equal the increase in the actuarial value of the firm's expected pension liability.<sup>8</sup> Indeed, just as a household's saving may decline if it has capital gains on its assets, a firm that has large gains on its investments may not need to make pension contributions to meet its pension obligations. As a result, in periods of large capital gains, such as the 1990s, the pension component of personal saving may fall even if the actuarial value of promised pension benefits rises.<sup>9</sup>

Because businesses and governments are liable for payment of accrued retirement benefits according to the plan formula, a reasonable alternative treatment of DB plans would be to assign them to the business and government sectors.<sup>10</sup> If DB plans were part of the business and government sectors, then personal in-

6. Since employer contributions to pension plans, which represent funds set aside by business or government to pay retirement benefits, count as part of personal income, they are part of personal saving. Retirement plans with no employer contribution, such as individual retirement accounts, fall outside the definition of pension plans in the NIPAs.

7. Employer-sponsored group insurance plans are treated similarly to pension plans in the NIPA and thus could logically be included in any alternative treatment given to DB pension plans. Interest in an alternative treatment for benefit plans other than DB pensions has, however, been limited, in part because the effect of changing the treatment of these plans would be relatively small.

8. While a DB pension plan can be either underfunded or overfunded, there are rules against significant levels of underfunding, and there are disincentives to large amounts of overfunding.

9. Net private saving is unaffected by such changes in pension plan contributions because it combines personal and business saving. Like personal saving, net private saving falls relative to DPI, beginning in 1992, but it falls about 1 percentage point less.

10. Howrey and Hymans (1992) present estimates of "loanable funds saving," which treats all pension funds the way that social insurance is treated, that is, as part of the business or government sectors rather than the personal sector.

come and, therefore, saving would be recorded when benefits are paid to retirees rather than when employers contribute to the plans. This change in sector definition would shift saving from the benefits accrual stage to the payout stage and would significantly alter the contour of personal saving rates over the past two decades.

Chart 1 shows an alternative measure of personal saving that excludes the net saving of DB plans, which is equal to employer contributions plus employee contributions and interest and dividends on assets less benefit payments and administrative expenses.<sup>11</sup> Excluding DB plans from the personal sector reduces personal saving for most of the 1980–2000 period by nearly 2 percent of DPI in 1980 and by less through much of the 1980s and 1990s. However, starting in the mid-1990s, employers' pension contributions are so low that net pension saving in DB plans is actually negative.<sup>12</sup> Indeed, as the chart shows, altering the treatment of DB plans boosts the adjusted saving measure as much as ½ percent of DPI in 2000. Therefore, the personal saving measure adjusted to exclude DB plans did not decline as steeply as the published measure; the drop in saving by DB pension plans accounted for nearly 2½ percentage points, or about one-fourth of the 9¼-percentage-point decline in published personal saving rates over the past two decades. (See also table 1.)

### Treatment of consumer durable goods

Saving is roughly equal to after-tax income less consumption, so the measurement of saving depends critically on whether certain expenditures are classified as consumption or investment. A defining feature of net investment—or increments to wealth net of capital gains and depreciation—is that it increases the future consumption possibilities of households whereas current consumption expenditures do not.

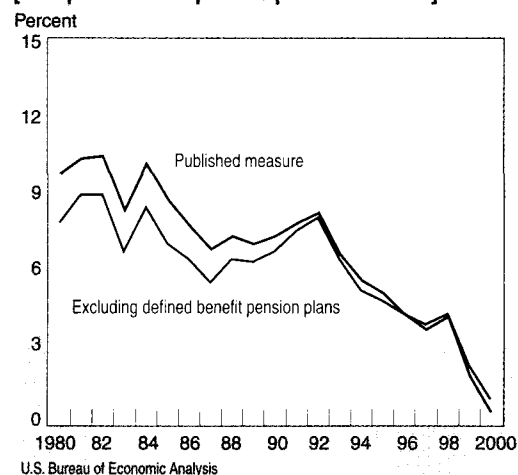
Classifying some types of transactions as either consumption or investment is simple. For example, a meal purchased at a restaurant is consumed immediately and is therefore part of current consumption expenditures. Alternatively, money placed in a bank account is clearly part of saving and is likely loaned out to support investment by the personal sector, the business

11. The net saving of DB plans is equal to income less administrative expenses; only the income component of net saving (contributions plus interest plus dividends less benefits) is subtracted from DPI to construct the adjusted DPI used to calculate the saving rate. Administrative expenses are part of PCE and are therefore excluded from saving but not from income.

12. The stock market boom of the late 1990s is likely the major reason for the reductions in employer contributions to DB plans, but the decline in DB pension saving also reflects a shift away from DB plans in favor of DC plans. See Poterba, Venti, and Wise (2001).

CHART 1

### Personal Saving Excluding Defined Benefit Pension Plans [As a percent of disposable personal income]



sector, or the government sector.

Expenditures on other types of goods, such as those that may last for several years, may not be so easy to classify as consumption or investment. Indeed, expenditures for housing and consumer durable goods include elements of both categories. For example, investments in housing raise future consumption possibilities because they yield a stream of housing services over time; therefore, housing is treated as an investment good in the NIPA's.<sup>13</sup> The measures of wealth held as produced assets in NIPA table 5.16 include the value of the housing stock.

However, the NIPA's treat net purchases of consumer durable goods, which also provide a stream of services over a period of years, as consumption rather than as investment. Consumer durable goods consist of items, such as television sets and automobiles, that are expected to provide a stream of services—like the transportation services provided by automobiles—for 3 years or more. Therefore, the acquisition of a durable good increases future consumption possibilities in much the same way that the acquisition of a financial asset or housing does, and for this reason many have argued that spending on durable goods should be treated as investment rather than consumption. If durable goods share the same characteristics as housing, then like housing, the stock of consumer durable

13. In the NIPA's, net investment in housing is incorporated by imputing a housing service flow to PCE equal to the rental value of the house and by imputing an associated rental income to personal income (which is simply the imputed rental value net of depreciation and other costs). See the box "Treatment of Owner-Occupied Housing in the NIPA's."

goods should be included as a component of household wealth.<sup>14</sup> Indeed, durable goods are treated as assets in the FFA.<sup>15</sup>

However, conceptual and practical problems arise in counting consumer durable goods as capital assets in the NIPAs. On the conceptual side, treating durable goods as assets would imply that services furnished by these assets should count in gross domestic product (GDP). Yet these services, together with labor from household members, are inputs into household production activities that are out of scope for GDP. Because household production is out of scope for GDP,

the *System of National Accounts* (1993), which provides international guidelines for national accounts, recommends that spending on consumer durables be treated as consumption. On the practical side, the lack of vibrant rental markets for a broad variety of durable goods would make many rental values hard to impute.<sup>16</sup> In addition, the imputations for the expenditures and income from the services of the durables treated as assets would make the NIPAs more complex and make the market-based transactions that interest many users of the NIPAs harder to follow.

Nevertheless, a measure of personal saving that includes net investment in durable goods remains a reasonable alternative to the published NIPA measure.<sup>17</sup>

14. Expanding the definition of tangible assets to include consumer durable goods is a minor adjustment compared with some proposals for defining investment. In particular, since the discovery and diffusion of knowledge are important sources of economic growth, an expansion of measures of investment to include expenditures on intangible assets such as training, education, and research and development may be appropriate for some types of analysis. Some estimates imply that adding knowledge capital to investment boosts the net national saving rate between 15 percent and 25 percent of DPI from 1950 to the early 1990s (Nordhaus 1995). Similarly, as Jorgenson and Fraumeni (1989) found, investment in human capital is several times larger than investment in tangible assets. Nevertheless, the value and rates of depreciation of such intangible assets are subject to considerable uncertainty; therefore, most intangible assets are excluded from investment in the NIPAs.

15. Adding net investment in consumer durables to saving gives the same estimate of personal saving as imputing rental expenditures and rental income from durables. Under the latter approach, however, the measure of DPI in the denominator of the personal saving rate calculation would be larger by the amount of durable goods owners' imputed rental income, but not by enough to have an appreciable effect on the saving rate.

16. The rental-equivalence approach used to impute income and consumption for owner-occupied housing can also be applied to impute income and consumption for consumer durable goods. With this approach, the increment to saving from durable goods is equal to gross investment in durable goods plus the income generated from those goods less the consumption associated with them. As with owner-occupied housing, the imputed service flow from consumer durables is equal to an imputed rental value, and the imputed rental income from durables is calculated as the rental value less depreciation, personal property taxes, and interest on consumer loans. However, because property taxes and interest on consumer loans are already excluded from saving as part of tax payments and interest outlays, the net addition to saving from adopting rental equivalence for durables would equal gross investment in durables less depreciation on the stock of durables.

17. The FFA have always featured a measure of personal saving that includes net investment in consumer durable goods. This treatment is consistent with the net worth concept in the FFA, which counts consumer durables as a component of wealth on the household balance sheet.

### Treatment of Owner-Occupied Housing in the NIPAs

The treatment of homeowners in the national income and product accounts (NIPAs) is designed to make GDP invariant to how much of the housing stock is occupied by owners. Homeowners are treated as landlords in the business sector who produce housing services that they consume as tenants in the personal sector. Their imputed rental expense is included in personal consumption expenditures, and their imputed net rental income is included in personal income.

BEA imputes the rental income of homeowners as a residual by subtracting the expenses that a landlord would pay from the imputed rents of residences occupied by their owners. Expenses considered in the calculation of homeowners' imputed rental income include services and materials to acquire and maintain the residence (closing costs, repairs, and property insurance), which count as intermediate inputs. Homeowners' expenses also include mortgage interest, indirect business tax and nontax liability (primarily property taxes), and consumption of fixed capital (depreciation). The largest and most variable of these items is mortgage interest, which, as an expense, reduces imputed rental income, personal

income, and personal saving. Mortgage interest payments are around 2 percent of DPI in the 1960s, reach a plateau of 5 percent of DPI in 1990, and remain under 4.5 percent of DPI after 1993.

NIPA table 8.21 shows the rental income imputed to homeowners. This income has slightly exceeded 1 percent of DPI since 1994, compared with a range of 0.1 to 0.7 percent of DPI in the 1980s. Inclusion of imputed rental income in personal income raises the value of the denominator in the calculation of the personal saving rate, but the effect on the calculation is negligible.

On the other hand, leaving net expenditures to purchase new residences out of personal consumption expenditures and deducting CFC for these residences from personal income has a substantial effect on the calculation of the personal saving rate. In most years, these procedures raise personal saving by enough to add about 3 to 3½ percentage points to the personal saving rate, compared with a measure that treats these purchases of new residences as current consumption. However, in 1981–82 and 1991–92, the effect on the personal saving rate was only about 2 percentage points.

Chart 2 compares the path of the published NIPA personal saving rate with a personal saving measure that has been augmented by net investment in durable goods.<sup>18</sup> The pattern of the saving rate adjusted to include consumer durable goods reflects the cyclical nature of spending on these goods: Net investment in consumer durables increased substantially in the 1990s, rising from about ½ percent of DPI at the end of 1991 to 3½ percent in 2000. As a result, the adjustment for consumer durables raises personal saving between ½ percent and 3½ percent of DPI compared with the published NIPA measure but does not significantly alter the decline in the saving rate in the late 1990s.

### Effect of inflation on measured personal saving rates

Another issue that arises in implementing equation 1 is whether the equation should be stated in real terms or in nominal terms. The personal saving rate in the NIPAs is calculated from nominal values of income and consumption. To the extent that inflation simply scales up the value of income and consumption, it will have little effect on the saving rate. Inflation tends, however, to raise interest income and outlays by more than the change in the general price level. As a result, saving rates vary with the rate of inflation.

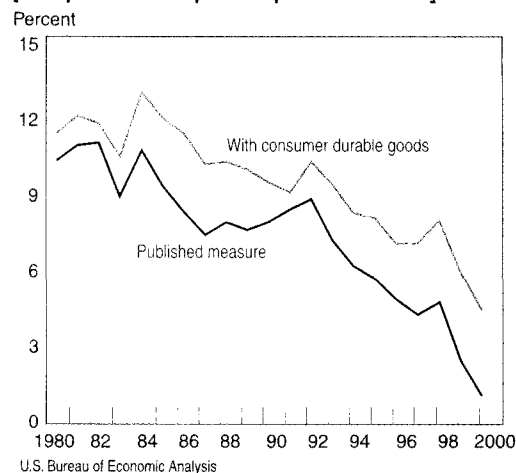
The mechanism that raises interest income and outlays in the presence of expected inflation is straightforward. If there were no adjustment to nominal interest rates, then households with interest-bearing wealth would clearly be worse off in inflationary periods because inflation erodes the purchasing power of their wealth. As a result, when those with money to lend anticipate inflation, they demand higher nominal rates of interest to compensate for the loss in purchasing power of both the principal and the interest income associated with that asset. Roughly, the required increase in nominal interest income is equal to the product of the inflation rate and the real value of the previous period's net interest-bearing assets.<sup>19</sup> If the value of interest-bearing assets exceeds the value of interest-bearing liabilities in the personal sector, the increase in nominal interest rates will raise measured personal saving

18. Net investment in durable goods differs slightly from PCE for durable goods (less depreciation) because of the treatment of used automobiles. In particular, net investment in automobiles is calculated as the change in the value of the depreciated stock of automobiles, whereas consumption expenditures include premiums charged by incorporated auto dealers.

19. The precise adjustment to nominal rates required to make the consumer as well off in an inflationary economy (where the inflation rate is given by  $\pi_t$ ) as in a noninflationary economy is  $\pi_t + \pi_t i_t$ , where the first term compensates for the loss in purchasing power of the value of the asset and the second term compensates for the loss in purchasing power of the interest income generated by that asset. The adjustment can be derived by adjusting all the variables in equation 1 for inflation.

## CHART 2

### Personal Saving Measure with Consumer Durable Goods [As a percent of disposable personal income]



even though it leaves the purchasing power of household net worth unchanged.<sup>20</sup>

The effect of inflation on net interest income may cause difficulty in interpreting changes in personal saving rates over time. In particular, because the personal sector tends to be a net lender to other sectors, a decline in personal saving will be observed as inflationary pressures wane, even if the real values of interest income and outlays and of noninterest income and consumption are unchanged.

A measure of personal saving that removes the inflation premium—or the amount of interest income required to cover the loss of purchasing power induced by inflation—from nominal interest earned on assets and nominal interest paid on liabilities shows how real saving behavior has changed over time. The inflation premium is estimated by multiplying the realized inflation rate, as measured by the average change in the chain-type price index for PCE, by the average holdings of interest-bearing assets less liabilities for the personal sector recorded in the FFA. Assets held indirectly through pension plans, insurance contracts, personal trusts, and mutual funds are included. Since personal income includes the profits of noncorporate businesses, such as sole proprietorships and partnerships, the interest-bearing assets and liabilities of noncorporate businesses are also included in the adjustment. These businesses tend to be net borrowers, so the effect

20. To a large extent, inflation-induced increases in saving by the personal sector will be offset by inflation-induced reductions in saving by the business sector and the government sector, leaving national saving little changed. Net foreign borrowing or lending prevents this offset from being complete.

of adjusting their net interest-bearing assets for inflation partly offsets the effect of adjusting the net interest-bearing assets of households, which tend to be net lenders.

Chart 3 shows the path of the inflation-adjusted personal saving rate over the past 20 years. When inflation is relatively high, as it was in the early 1980s, the inflation-adjusted saving rate is 1½ to 2½ percentage points below the published rate. As inflation rates come down, as they did in the 1990s, the gap between the inflation-adjusted saving rate and the published measure narrows; by 1998, the gap is just ½ percentage point. Although the inflation-adjusted measure falls less than the published measure, it still declines significantly from its peak of 9½ percent of DPI in 1982 to about zero in 2000.

### Treatment of capital gains and capital gains taxes

In the NIPA's, personal income excludes capital gains (and losses) because they do not derive from current production. As a result, the large capital gains realized during the stock market boom of the 1990s failed to boost personal saving. Indeed, they effectively reduced measured personal saving over that period because taxes paid on those gains are included in personal tax payments, which are deducted from personal income in calculating DPI.

Some have argued that the NIPA treatment of capital gains is inconsistent with its treatment of capital gains taxes: If capital gains are not part of income, then taxes on those gains should not be counted against income as personal tax payments. Despite these argu-

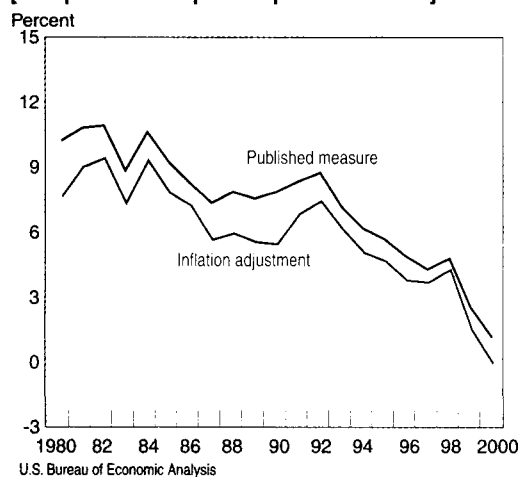
ments, the NIPA treatment is appropriate given the purpose of the NIPA accounting framework. Changes in asset values due to price changes provide no new funds for investment—they merely represent changes in the asset and liability positions of some investors relative to others. Capital gains taxes, however, do represent payments from the personal sector to the government sector. The reason why a tax is due is generally not a consideration in deciding whether to account for it in the NIPA's.<sup>21</sup> Furthermore, if the NIPA's did not count capital gains taxes as personal tax payments, then the government could not be credited with the capital gains tax revenue. This treatment would have unsatisfactory consequences for the measure of the government surplus or deficit.

Nevertheless, if one steps outside the NIPA framework, a plausible implementation of equation 1 might be to expand the concept of income by including capital gains or to narrow the concept of tax payments by excluding capital gains taxes from personal tax payments. To show the effect of the treatment of capital gains taxes on personal saving over the past two decades, chart 4 presents a measure of saving that excludes those taxes from personal tax payments. Only Federal taxes on capital gains are considered; State capital gains taxes have been estimated to range between

21. However, the NIPA's do not include estate and gift taxes in personal tax payments because those taxes are classified as net capital transfers. A defining feature of a net capital transfer is that it is a transaction in which one party gets something for nothing. Capital gains realized in the sale of stock or some other appreciated asset do not qualify under this criterion, as one investor pays an appreciated price for the asset that another investor is selling.

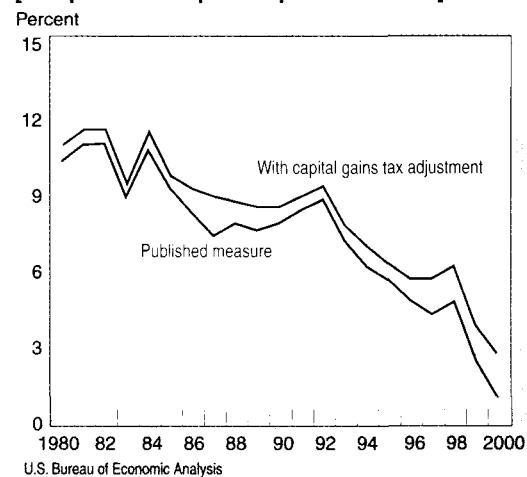
**CHART 3**

### Personal Saving Measure with Inflation Adjustment [As a percent of disposable personal income]



**CHART 4**

### Personal Saving Measure with Capital Gains Tax Adjustment [As a percent of disposable personal income]





one-tenth and one-fifth the size of Federal capital gains taxes.

The chart shows that Federal capital gains taxes typically accounted for between ½ percent and 1 percent of DPI in the past two decades, but they are estimated to have increased to 1½ percent from 1998 forward. Therefore, excluding capital gains tax payments from personal tax payments raises the adjusted saving measure by relatively more in recent years and eliminates at most 1 percentage point of the decline in the personal saving rate. The treatment of capital gains appears to be responsible for very little of the sharp decline in personal saving over the past 20 years.

### Measures of Wealth Accumulation

Although saving measures that exclude capital gains are appropriate for the purposes of the NIPAs, broader concepts of saving that include capital gains along with NIPA-concept saving can be useful for understanding changes in the future consumption possibilities of households. Indeed, accounting for the capital-gains component of changes in wealth is important for understanding changes in the NIPA-concept saving rate. For example, households that are saving to accumulate enough funds for retirement may find that they can save less if they experience larger-than-expected gains in the value of their net worth.<sup>22</sup>

Published quarterly, the FFA provide estimates of household net worth, which is defined as the value of financial and tangible assets minus liabilities. They also provide a decomposition of sources of change in net worth. Any increase in the level of net worth from one period to the next must, in the absence of discontinuities, be due either to capital gains on existing assets or to money taken out of current income to purchase assets or pay down debt.<sup>23</sup> These sources of change in net worth are tabulated in the accumulation account in table 2.

As chart 5 shows, the total change in household wealth averaged 36 percent of DPI over the past two decades, with capital gains accounting for about two-thirds of the total change in wealth, on average. However, the wealth accumulation measure exhibits considerable volatility; the change in wealth rises from 10

percent in 1990, balloons close to 75 percent of DPI in 1999, and then falls to a record low of nearly -10 percent in 2000. Besides revealing the large magnitude and volatility of capital gains, chart 5 suggests that the low rates of personal saving since the mid-1990s might be partly explained by the surge in household net worth caused by the stock market boom of the 1990s.

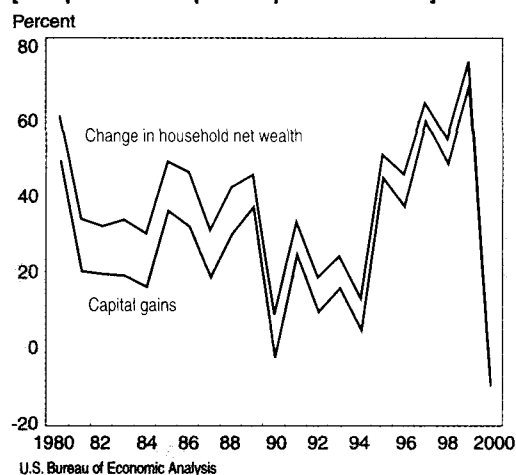
The large gains of the 1990s are especially unusual because they occurred when inflation was low. During periods of significant inflation, some gains in asset prices simply reflect changes in the general price level and therefore do not represent increases in the real consumption possibilities of the asset holders. In 1980, for example, the personal sector's nominal capital gains are around 50 percent of nominal DPI, but the chain-type price index for PCE indicates an inflation rate of around 10 percent per year. Deducting the price changes that merely maintain assets' real value in terms of consumption goods and services shows that in real terms the personal sector's capital gains are only around 5 percent of real DPI in 1980. In contrast, from 1995 to 1999, real capital gains range from 25 to 55 percent of real DPI, compared with a range of 36 to 68 percent for the ratio of nominal capital gains to DPI. (For data on real capital gains and real net worth, see table 3.)

### National Saving

An important reason for concern about personal saving is its role in funding the capital accumulation that is vital for economic growth. The domestic source of funds for capital investments is net national saving, which includes personal saving, saving by businesses

CHART 5

#### Measures of Wealth Accumulation [As a percent of disposable personal income]



22. The phenomenon of reduced household saving in response to rising wealth has been dubbed the wealth effect on consumption. Recent work indicates that the magnitude of this effect is in the range of 3-5 cents of additional consumption per dollar of additional wealth (see, for example, Poterba 2000).

23. The net worth figures include capital gains on real estate as well as capital gains on corporate equity, held directly or indirectly through mutual funds, pension funds, life insurance contracts, and bank personal trusts and estates. Other financial instruments, such as bonds, are carried at book value; hence, the net worth figures do not include capital gains or losses on those assets and liabilities.

(undistributed profits), and saving by governments (surpluses). Personal saving generally accounts for most of this total, and it is almost always larger than either of the other two components of net national saving.

However, low levels of personal saving need not imply inadequate national saving. National saving is more stable than the saving by individual sectors of the domestic economy because swings in personal saving and government saving tend to offset each other. For example, as shown in chart 6, net national saving rebounds from a trough of below 4 percent of net national product (NNP) in 1993 to over 7 percent of NNP in 1998, despite the decline in personal saving between those years. This rebound reflects an increase in government saving that exceeds the fall in personal saving. Nevertheless, net national saving averaged 9 percent of NNP in 1980–81, and viewed from a long-term perspective, net national saving is down substantially.

### Conclusion

Personal saving provides funds for new capital investment, which in turn powers economic growth and raises the future consumption possibilities of households. Though the definition of personal saving is fairly simple—DPI less consumption—the definitions of personal income and consumption can be controversial.

The definitions of income and consumption explored in this article differ from those used in the NIPA's. These definitions (1) alter the boundaries of the personal sector by excluding defined benefit pen-

sion plans, (2) treat consumer durable goods expenditures as investment rather than consumption, (3) remove the effects of inflation from nominal interest income and outlays, and (4) narrow the definition of personal tax payments by excluding taxes paid on capital gains. These adjustments flatten the contour of personal saving, but not enough to alter the conclusion that personal saving rates have fallen to very low levels in recent years.

Since the personal sector is usually the main source of national saving, one concern raised by the decline in the NIPA personal saving rate over the past two decades is whether national saving is still adequate to fund needed capital accumulation. The record low of net foreign investment in 2000 shows the effects of low national saving. Nevertheless, the decline in personal saving in the late 1990s was offset by a large increase in government saving. As a result, net national saving actually increased through much of the 1990s, albeit not to the levels that prevailed before 1982. Furthermore, net domestic investment in new capital assets (which includes private domestic investment and government investment less consumption of fixed capital) increased even more as a percent of NNP, regaining the level it had at the beginning of the 1980s.

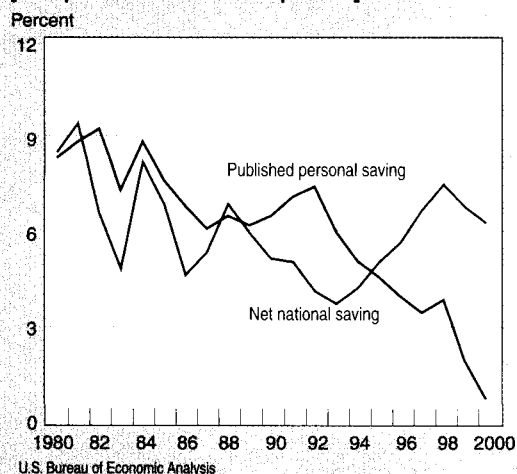
Two more concerns raised by the decline in personal saving are the retirement preparedness of households and the ability of households to weather unexpected shocks to their income or expenses. However, the recent decline in personal saving rates does not in itself indicate that households are ill-prepared to finance their retirement or to handle unexpected expenses. To get a sense of the strength of household balance sheets, a broader measure of wealth accumulation is useful. Perhaps the broadest concept of personal saving is the change in household net worth, which can be measured using data from the FFA. Change in net worth in the FFA includes increments to wealth that are unrelated to current production, in particular, capital gains on existing tangible and financial assets as well as net investment in consumer durable goods.

Capital gains in the last half of the 1990s were responsible for large gains in household net worth as measured by the FFA. However, capital gains can be quite volatile, particularly for financial assets such as equities, so relying exclusively on these gains for financial security, or even to finance longer term needs such as retirement, would be imprudent.

Furthermore, both the NIPA saving measures and the FFA wealth measures provide information about all households combined. Because they do not measure how wealth and saving are distributed across households, they have limited value for addressing

**CHART 6**

#### Net National Saving and Personal Saving [As a percent of net national product]



**Table 5. Direct Investment: Income, Capital, Royalties and License Fees, and Other Private Services**  
(Millions of dollars)

Line	(Credits +; debits -)	2000	2001 <sup>p</sup>	Not seasonally adjusted								Seasonally adjusted							
				2000				2001				2000				2001			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>	I	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>U.S. direct investment abroad:</b>																			
1	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 14)	149,240	132,651	35,309	37,955	37,046	38,930	37,706	34,452	30,730	29,763	34,734	37,591	37,335	39,581	37,096	34,311	31,008	30,241
2	Earnings	145,674	128,486	34,469	37,133	36,200	37,872	36,728	33,471	29,627	28,660	33,894	36,769	36,489	38,523	36,117	33,330	29,904	29,138
3	Distributed earnings	45,984	44,189	7,869	10,235	9,327	18,553	9,625	10,204	8,475	15,885	9,820	12,151	11,559	12,454	11,914	11,969	10,050	10,260
4	Reinvested earnings	99,691	84,296	26,601	26,898	26,873	19,319	27,102	23,267	21,152	12,775	24,074	24,618	24,930	26,069	24,203	21,361	19,854	18,878
5	Interest	3,566	4,167	840	922	846	1,058	979	981	1,104	1,103	840	822	846	1,058	979	981	1,104	1,103
6	U.S. parents' receipts	7,150	7,829	1,028	1,714	1,819	1,989	1,943	1,861	1,968	1,957	1,628	1,714	1,819	1,989	1,943	1,961	1,968	1,957
7	U.S. parents' payments	-3,585	-3,663	-789	-892	-973	-931	-964	-980	-965	-854	-789	-892	-973	-931	-964	-980	-965	-854
8	Less: Current-cost adjustment	13,180	14,816	3,212	3,254	3,316	3,398	3,500	3,623	3,765	3,928	3,212	3,254	3,316	3,398	3,500	3,623	3,765	3,928
9	Less: Withholding taxes	1,273	1,146	298	316	239	420	352	242	255	297	344	359	268	302	404	259	274	209
10	Equals: Income without current-cost adjustment, after deduction of withholding taxes <sup>2</sup>	134,787	116,689	31,799	34,385	33,491	35,112	33,854	30,587	26,710	25,538	31,177	33,978	33,751	35,881	33,191	30,429	26,968	26,104
11	Petroleum	18,523	17,595	3,990	4,094	4,736	5,703	5,353	4,959	3,519	3,764	5,307	4,170	4,929	5,917	4,789	5,132	3,718	3,958
12	Manufacturing	39,268	29,615	9,822	10,347	9,722	9,377	9,019	7,219	6,964	6,413	9,683	9,864	9,769	9,932	8,920	6,888	7,023	6,785
13	Other	76,996	69,479	17,987	19,944	19,033	20,032	19,482	18,409	16,227	15,361	17,987	19,944	19,033	20,032	19,482	18,409	16,227	15,361
14	Capital with current-cost adjustment (table 1, line 51)	-152,437	-156,019	-40,915	-35,626	-43,576	-32,320	-44,021	-43,153	-44,522	-24,323	-38,388	-33,346	-41,634	-39,070	-41,122	-41,246	-43,224	-30,426
15	Equity capital	-49,907	-52,359	-15,531	-14,323	-7,885	-12,168	-8,545	-13,675	-18,960	-11,179	-15,531	-14,323	-7,885	-12,168	-8,545	-13,675	-18,960	-11,179
16	Increases in equity capital <sup>3</sup>	-70,273	-71,187	-18,275	-19,324	-13,685	-18,989	-13,734	-19,239	-21,572	-16,642	-19,275	-19,324	-13,685	-18,989	-13,734	-19,239	-21,572	-16,642
17	Decreases in equity capital <sup>4</sup>	20,366	18,828	2,744	5,001	5,800	6,821	5,190	5,564	2,611	5,463	2,744	5,001	5,800	6,821	5,190	5,564	2,611	5,463
18	Reinvested earnings	-99,691	-84,296	-26,601	-26,898	-26,873	-19,319	-27,102	-23,267	-21,152	-12,775	-24,074	-24,618	-24,930	-26,069	-24,203	-21,361	-19,854	-18,878
19	Intercompany debt	-2,840	-19,363	1,217	5,595	-8,819	-833	-837	-6,210	-4,410	-369	1,217	5,595	-8,819	-833	-837	-6,210	-4,410	-369
20	U.S. parents' receivables	-15,955	-19,070	-3,867	-1,214	-5,635	-5,239	-6,779	-9,167	-4,091	967	-3,867	-1,214	-5,635	-5,239	-6,779	-9,167	-4,091	967
21	U.S. parents' payables	13,115	-294	5,084	6,809	-3,184	4,406	-1,595	2,956	-319	-1,336	5,084	6,809	-3,184	4,406	-1,595	2,956	-319	-1,336
22	Less: Current-cost adjustment (line 8 with sign reversed)	-13,180	-14,816	-3,212	-3,254	-3,316	-3,398	-3,500	-3,623	-3,765	-3,928	-3,212	-3,254	-3,316	-3,398	-3,500	-3,623	-3,765	-3,928
23	Equals: Capital without current-cost adjustment <sup>2</sup>	-139,257	-141,203	-37,703	-32,372	-40,260	-28,922	-40,521	-39,530	-40,757	-20,395	-35,176	-30,092	-38,318	-35,672	-37,622	-37,623	-39,459	-26,498
24	Equity capital (line 15)	-49,907	-52,359	-15,531	-14,323	-7,885	-12,168	-8,545	-13,675	-18,960	-11,179	-15,531	-14,323	-7,885	-12,168	-8,545	-13,675	-18,960	-11,179
25	Petroleum	-4,553	-5,565	-567	-550	-880	-972	-1,393	-769	-4,331	-567	-2,556	-567	-550	-880	-972	-1,393	-769	-4,331
26	Manufacturing	-18,180	-12,389	-5,808	-4,637	-2,246	-5,489	-4,154	-1,898	-1,920	-4,417	-5,808	-4,637	-2,246	-5,489	-4,154	-1,898	-1,920	-4,417
27	Other	-27,172	-34,405	-9,156	-7,129	-5,089	-5,798	-3,419	-10,384	-16,271	-4,331	-9,156	-7,129	-5,089	-5,798	-3,419	-10,384	-16,271	-4,331
28	Reinvested earnings without current-cost adjustment (line 18 less line 22)	-86,511	-69,480	-23,389	-23,644	-23,557	-15,921	-23,602	-19,644	-17,387	-8,847	-20,862	-21,364	-21,614	-22,671	-20,703	-17,738	-16,089	-14,950
29	Petroleum	-13,165	-9,809	-3,159	-3,122	-3,433	-3,451	-3,945	-3,205	-1,792	-867	-2,494	-2,971	-3,371	-4,326	-3,079	-2,969	-1,750	-2,010
30	Manufacturing	-23,466	-15,251	-6,501	-6,885	-6,577	-3,503	-5,469	-3,386	-4,288	-2,108	-5,513	-5,754	-6,235	-5,964	-4,611	-2,484	-4,164	-3,994
31	Other	-49,881	-44,419	-13,729	-13,638	-13,547	-8,967	-14,188	-13,053	-11,306	-5,872	-12,855	-12,639	-12,008	-12,379	-13,013	-12,285	-10,175	-8,946
32	Intercompany debt (line 19)	-2,840	-19,363	1,217	5,595	-8,819	-833	-837	-6,210	-4,410	-369	1,217	5,595	-8,819	-833	-837	-6,210	-4,410	-369
33	Petroleum	7,313	-2,908	1,725	4,070	-472	1,990	-1,923	-1,429	441	3	1,725	4,070	-472	1,990	-1,923	-1,429	441	3
34	Manufacturing	-2,455	-8,280	-3,319	-708	1,819	-247	-1,385	1,612	-8,904	397	-3,319	-708	1,819	-247	-1,385	1,612	-8,904	397
35	Other	-7,700	-8,174	2,811	2,233	-10,167	-2,577	-5,066	-6,393	4,053	-768	2,811	2,233	-10,167	-2,577	-5,066	-6,393	4,053	-768
36	Royalties and license fees, before deduction of withholding taxes, net	22,261	21,574	5,361	5,515	5,397	5,988	5,158	5,272	5,263	5,881	5,581	5,673	5,529	5,477	5,370	5,421	5,400	5,382
37	U.S. parents' receipts (table 1, part of line 9)	24,444	23,760	5,903	6,044	5,939	6,558	5,697	5,822	5,804	6,437	6,123	6,203	6,071	6,047	5,909	5,971	5,941	5,938
38	U.S. parents' payments (table 1, part of line 26)	-2,184	-2,186	-542	-530	-542	-570	-539	-550	-541	-556	-542	-530	-542	-570	-539	-550	-541	-556
39	Other private services, before deduction of withholding taxes, net	6,623	7,032	1,511	1,722	1,496	1,894	1,796	1,536	1,643	2,057	1,360	1,757	1,590	1,918	1,660	1,576	1,735	2,060
40	U.S. parents' receipts (table 1, part of line 10)	19,604	20,644	4,621	4,860	4,701	5,422	4,926	5,032	4,947	5,739	4,797	4,897	4,894	5,016	5,116	5,073	5,154	5,300
41	U.S. parents' payments (table 1, part of line 27)	-12,980	-13,612	-3,109	-3,138	-3,205	-3,528	-3,130	-3,496	-3,305	-3,681	-3,437	-3,140	-3,304	-3,098	-3,456	-3,497	-3,419	-3,240
<b>Foreign direct investment in the United States:</b>																			
42	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 31)	-68,009	-37,430	-18,003	-20,051	-16,369	-13,586	-14,030	-11,485	-9,110	-2,805	-18,369	-19,474	-16,286	-13,878	-14,398	-10,860	-9,034	-3,139
43	Earnings	-48,394	-14,910	-13,972	-15,457	-11,023	-7,942	-8,640	-5,709	-3,507	2,946	-14,338	-14,880	-10,941	-8,234	-9,008	-5,084	-3,431	2,612
44	Distributed earnings	-24,744	-19,541	-6,417	-5,249	-5,561	-7,517	-5,878	-2,191	-4,808	-6,646	-7,186	-4,842	-6,688	-6,026	-6,293	-1,740	-6,415	-5,096
45	Reinvested earnings	-23,651	4,630	-7,555	-10,209	-5,462	-425	-2,762	-3,518	1,300	9,610	-7,152	-10,038	-4,253	-2,208	-2,715	-3,344	2,984	7,708
46	Interest	-19,614	-22,520	-4,091	-4,594	-5,345	-5,644	-5,390	-5,776	-5,603	-5,751	-4,031	-4,594	-5,345	-5,644	-5,390	-5,776	-5,603	-5,751
47	U.S. affiliates' payments	-22,278	-25,380	-4,738	-5,217	-5,986	-6,337	-6,518	-6,389	-6,195	-6,278	-4,738	-5,217	-5,986	-6,337	-6,518	-6,389	-6,195	-6,278
48	U.S. affiliates' receipts	2,664	2,860	707	623	641	693	1,128	613	592	527	707	623	641	693	1,128	613	592	527
49	Less: Current-cost adjustment	-6,539	-8,062	-1,547	-1,595	-1,659	-1,738	-1,833	-1,944	-2,071	-2,214	-1,547	-1,595	-1,659	-1,738	-1,833	-1,944	-2,071	-2,214
50	Less: Withholding taxes	-1,312	-922	-326	-315	-286	-385	-267	-130	-209	-316	-410	-389	-282	-230	-352	-156	-212	-202
51	Equals: Income without current-cost adjustment, after deduction of withholding taxes <sup>2</sup>	-60,158	-28,446	-16,130	-18,141	-14,424	-11,463	-11,930	-9,411	-6,830	-275	-16,413	-17,489	-14,344	-11,911	-12,213	-8,759	-6,752	-724
52	Petroleum	-13,915	-12,385	-2,643	-3,920	-4,143	-3,209	-4,169	-4,278	-2,945	-993	-2,643	-3,920	-4,143	-3,209	-4,169	-4,278	-2,945	-993

many important policy questions, including those concerning retirement readiness.

### References

- Blumenthal, Robin. 2001. "Red-Handed Analysts Worry That Pension Gains Smack of Cookie-Jar Accounting." *Barrons* (July 9): 17–18.
- Boskin, Michael J. 1990. "Issues in the Measurement and Interpretation of Saving and Wealth." In *Fifty Years of Economic Measurement: The Jubilee of the Conference on Research in Income and Wealth*. Studies in Income and Wealth, vol. 54, edited by Ernst R. Berndt and Jack E. Triplett, 159–83. Chicago: University of Chicago Press.
- Commission of the European Communities, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, and World Bank. 1993. *System of National Accounts 1993*. Brussels/Luxembourg, New York, Paris, and Washington, DC.
- de Leeuw, Frank. 1984. "Conflicting Measures of Private Saving." *SURVEY OF CURRENT BUSINESS* 64 (November): 17–22.
- Engen, Eric, William Gale, and Cori Uccello. 1999. "The Adequacy of Household Saving." In *Brookings Papers on Economic Activity*, no. 2, 65–187.
- Fisher, Irving. 1906. *The Nature of Capital and Income*. New York: Macmillan.
- Gale, William G., and John Sabelhaus. 1999. "Perspectives on the Household Saving Rate." In *Brookings Papers on Economic Activity*, no. 1, 181–223.
- Haig, Robert M. 1921. *The Federal Income Tax*. New York: Columbia University Press.
- Hendershott, Patric H., and Joe Peek. 1989. "Aggregate U.S. Private Saving: Conceptual Measures." In *The Measurement of Saving, Investment, and Wealth*. Studies in Income and Wealth, vol. 52, edited by Robert E. Lipsey and Helen Stone Tice, 185–223. Chicago: University of Chicago Press.
- Hicks, John R. 1946. *Value and Capital*. 2<sup>nd</sup> ed. Oxford: Oxford University Press.
- Holloway, Thomas M. 1989. "Present NIPA Saving Measures: Their Characteristics and Limitations." In *The Measurement of Saving, Investment, and Wealth*. Studies in Income and Wealth, vol. 52, edited by Robert E. Lipsey and Helen Stone Tice, 21–100. Chicago: University of Chicago Press.
- Howrey, E. Philip, and Saul H. Hymans. 1978. "The Measurement and Determination of Loanable-Funds Saving." *Brookings Papers on Economic Activity*, no. 3, 655–85.
- Jorgenson, Dale W, and Barbara M. Fraumeni. 1995. "The Accumulation of Human and Nonhuman Capital, 1948–84." In *Productivity: Postwar Economic Growth*, vol. 1. Cambridge: MIT Press, 273–332.
- Jump, Gregory V. 1980. "Interest Rates, Inflation Expectations, and Spurious Elements in Measured Real Income and Saving." *American Economic Review* 70 (December): 990–1,004.
- Kopcke, Richard W., Alicia H. Munnell, and Leah M. Cook. 1991. "The Influence of Housing and Durables on Personal Saving." *New England Economic Review* (November/December): 3–16.
- Kuznets, Simon. 1934. *National Income, 1929–32*. 73rd Cong., 2nd sess. Senate doc. 124.
- Lusardi, Annamaria, Jonathon Skinner, and Steven Venti. 2001. "Saving Puzzles and Saving Policies in the United States." Working paper no. 8237. Cambridge, MA: National Bureau of Economic Research, April. <papers.nber.org/papers/W8237>.
- Malinvaud, E. 1987. "Capital Gains and Losses." In *The New Palgrave Dictionary of Economics*. Edited by John Eatwell, Murray Milgate and Peter Newman. London: Macmillan Press.
- Moulton, Brent R., Robert P. Parker, and Eugene P. Seskin. 1999. "A Preview of the Comprehensive Revision of the National Income and Product Accounts: Definitional and Classificational Changes." *SURVEY OF CURRENT BUSINESS* 79 (August): 7–20.
- Nordhaus, William R. 1995. "How Should We Measure Sustainable Income?" Discussion paper no. 1101. New Haven: Cowles Foundation at Yale University, May. <cowles.econ.yale.edu>.
- Parker, Jonathan A. 1999. "Spendthrift in America? On Two Decades of a Decline in the U.S. Saving Rate," In *NBER Macroeconomics Annual*. Edited by Ben S. Bernanke and Julio J. Rotemberg. Cambridge: MIT Press.
- Peach, Richard, and Charles Steindel. 2000. "A Nation of Spendthrifts? An Analysis of Trends in Personal and Gross Saving." *Current Issues in Economics and Finance* 6, no. 2 (September): 1–6.
- Poterba, James M. 2000. "Stock Market Wealth and Consumption." *Journal of Economic Perspectives* 14, no. 2 (Spring): 99–118.
- Poterba, James M., Steven F. Venti, and David A. Wise. 2001. "The Transition to Personal Accounts and Increasing Retirement Wealth: Macro and Micro Evidence." Working paper no. 8610. Cambridge, MA: National Bureau of Economic Research, November. <papers.nber.org/papers/W8610>.
- Rogers, R. Mark. 1990. "Measuring the Personal Savings Rate: Some Technical Perspectives." *Atlanta Federal Reserve Bank Economic Review* 75, no. 4 (July/August): 38–49.
- Simons, Henry C. 1938. *Personal Income Taxation:*

*The Definition of Income as a Problem of Fiscal Policy.* Chicago: University of Chicago Press.

Scitovsky, Tibor. 1995. "Why the U.S. Saving Rate is Low: A Conflict between the National Accountant's and Individual Saver's Perspectives." In *Economic Theory and Reality: Selected Essays on their Disparities and Reconciliation*. Brookfield, VT: E. Elgar, 188–196.

Wilcox, David W. 1991. "Household Spending and Saving: Measurement, Trends, and Analysis." *Federal Reserve Bulletin* 77 (January): 1–17.

Reserve Bulletin 77 (January): 1–17.

Yan, Xiaoyi. 2000. "Understanding Saving and Wealth Accumulation." Manuscript. Ottawa: Statistics Canada, Income and Expenditure Accounts Division, July.

Zacharias, Ajit. 2002. "A Note on the Hicksian Concept of Income." Working paper no. 342. Annandale-on-Hudson, NY: The Levy Economics Institute at Bard College, February. <www.levy.org>.

**Table 1. Alternative Personal Saving Rates and Related Measures, 1980–2000**

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>Personal saving rate defined by:</b>																					
Published NIPAs .....	10.2	10.8	10.9	8.8	10.6	9.2	8.2	7.3	7.8	7.5	7.8	8.3	8.7	7.1	6.1	5.6	4.8	4.2	4.7	2.4	1.0
Excluding defined benefit pension plans .....	8.3	9.4	9.4	7.2	8.9	7.5	6.9	6.0	6.9	6.8	7.2	8.0	8.5	6.9	5.7	5.3	4.8	4.4	4.8	2.8	1.5
With consumer durables as investment .....	11.3	12.0	11.7	10.4	12.9	11.9	11.3	10.1	10.2	9.9	9.4	9.0	10.2	9.3	8.2	8.0	7.0	7.0	7.9	5.9	4.4
With inflation adjustment .....	7.6	9.0	9.4	7.3	9.3	7.8	7.2	5.6	5.9	5.5	5.4	6.8	7.4	6.1	5.0	4.6	3.7	3.6	4.2	1.4	-0.2
With capital gains adjustment .....	10.8	11.4	11.4	9.3	11.3	9.6	9.1	8.8	8.6	8.4	8.4	8.8	9.2	7.7	6.9	6.2	5.6	5.6	6.1	3.8	2.7
<b>Growth of personal sector wealth:</b>																					
Capital gains, percent of DPI .....	48.5	19.5	18.8	18.4	15.5	35.2	31.1	17.9	29.3	36.2	-3.0	23.8	8.9	15.1	4.1	43.8	36.3	58.6	47.5	68.4	-10.3
Change in net worth, percent of DPI .....	60.0	33.0	31.1	32.8	29.3	47.9	45.1	30.1	41.2	44.5	8.1	32.2	17.8	23.2	12.3	49.7	44.6	63.4	53.8	74.4	-7.5
Real capital gains, percent of real DPI .....	5.3	-11.0	-1.6	1.1	1.4	20.7	19.7	-0.6	9.7	16.6	-25.8	9.6	-3.9	5.7	-6.5	34.0	24.6	51.9	40.3	55.1	-23.7
Change in real net worth, percent of real DPI	16.8	2.5	10.7	15.5	15.2	33.4	33.7	11.7	21.6	24.8	-14.7	18.0	5.0	13.9	1.6	40.0	33.0	56.7	46.7	61.1	-20.9
<b>Saving as percent of net national product:</b>																					
Personal saving, NIPA definition .....	8.3	8.8	9.2	7.3	8.8	7.6	6.8	6.1	6.5	6.2	6.5	7.1	7.4	6.0	5.1	4.6	4.0	3.5	3.9	2.0	0.8
Net national saving .....	8.5	9.4	6.6	4.9	8.2	6.9	4.7	5.4	6.9	6.0	5.2	5.1	4.2	3.8	4.3	5.1	5.7	6.7	7.5	6.8	6.3

DPI Disposable personal income.  
NIPA National income product accounts.

**Table 2. Contributions of Saving and Capital Gains to Changes in Personal Net Wealth, 1980–2000**

Year	Starting net worth	FFA saving as estimated from investment <sup>1</sup>	Capital gains or losses	Other factors <sup>2</sup>	Ending net worth	Addenda:		
						NIPA personal saving	Items in FFA saving but not NIPA saving <sup>3</sup>	FFA measure of NIPA saving concept
1980	8,356.9	238.6	980.3	-6.7	9,569.1	205.6	14.1	224.5
1981	9,569.1	319.8	439.0	-17.6	10,310.3	243.7	16.7	303.1
1982	10,310.3	329.9	452.5	-33.4	11,059.3	262.2	10.4	319.5
1983	11,059.3	335.7	476.5	37.1	11,908.6	227.8	34.4	301.3
1984	11,908.6	412.5	447.7	-14.0	12,754.8	306.5	61.2	351.3
1985	12,754.8	372.4	1,085.7	21.8	14,234.7	282.6	77.7	294.7
1986	14,234.7	481.1	1,013.1	-24.4	15,704.5	267.8	94.6	386.5
1987	15,704.5	409.5	620.5	12.9	16,747.4	252.8	89.4	320.1
1988	16,747.4	458.8	1,099.9	-12.6	18,293.5	292.3	79.7	379.1
1989	18,293.5	353.3	1,455.7	-23.1	20,079.4	301.8	84.5	268.8
1990	20,079.4	512.6	-128.1	-36.8	20,427.1	334.3	54.7	457.9
1991	20,427.1	386.0	1,064.2	-11.2	21,866.1	371.7	18.6	367.4
1992	21,866.1	429.4	422.8	-6.8	22,711.5	413.7	56.6	372.8
1993	22,711.5	419.0	743.6	-16.0	23,858.1	350.8	90.1	328.9
1994	23,858.1	398.8	214.1	22.2	24,493.2	315.5	91.8	307.0
1995	24,493.2	366.3	2,372.8	-42.8	27,189.5	302.4	112.6	253.7
1996	27,189.5	403.1	2,058.4	68.9	29,719.9	272.1	104.5	298.6
1997	29,719.9	329.6	3,497.4	-45.7	33,501.2	252.9	141.5	188.1
1998	33,501.2	429.1	3,018.4	-25.3	36,923.4	301.5	175.5	253.6
1999	36,923.4	337.4	4,523.7	62.2	41,846.7	160.9	196.5	140.9
2000	41,846.7	249.6	-725.5	-50.7	41,320.1	67.7	210.8	38.8

1. Equals investment in financial assets minus borrowing, plus investment in tangible assets minus consumption of fixed capital. Source: Table F.100 in the December 2001 release of the FFA.  
2. Consists of statistical discontinuities, and differences between NIPA series for consumption of fixed capital. Source: Table R.100 from the FFA.  
3. Consists primarily of net investment in consumer durables, but it also includes Federal employee life insurance reserves, Railroad Retirement Board reserves, and immigrants' transfers, less estate and gift taxes.  
FFA Flow of funds accounts.  
NIPA National income product accounts.

**Table 3. Personal Sector Real Net Worth, Real Saving, and Real Capital Gains, 1980–2000**

[Billions of chained (1996) dollars]

Year	Starting real net worth <sup>1</sup>	Real FFA personal saving	Real capital gains <sup>2</sup>	Memo: Real DPI	Memo: Real NIPA saving
1980	15,930.8	432.1	192.5	3,658.0	372.4
1981	16,543.3	532.3	-411.0	3,741.1	405.6
1982	16,635.4	519.7	-56.1	3,791.7	413.1
1983	17,046.2	507.2	41.1	3,906.9	344.2
1984	17,650.6	601.1	58.1	4,207.6	446.7
1985	18,289.5	524.6	898.6	4,347.8	398.1
1986	19,743.4	661.6	885.6	4,486.6	368.3
1987	21,257.1	542.5	-25.6	4,582.5	334.9
1988	21,791.2	585.0	462.8	4,784.1	372.7
1989	22,822.9	431.6	812.5	4,906.5	368.7
1990	24,038.8	598.6	-1,294.1	5,014.2	390.4
1991	23,300.2	434.1	486.7	5,033.0	418.1
1992	24,208.4	468.7	-198.6	5,189.3	451.5
1993	24,471.1	446.7	298.2	5,261.3	374.0
1994	25,198.7	416.7	-350.1	5,397.2	329.7
1995	25,288.6	374.2	1,883.8	5,539.1	308.9
1996	27,503.1	403.1	1,398.3	5,677.7	272.1
1997	29,373.3	323.3	3,030.7	5,854.5	248.1
1998	32,682.5	416.5	2,529.7	6,168.6	292.6
1999	35,604.2	322.2	3,441.9	6,320.0	153.7
2000	39,427.7	232.1	-1,633.1	6,539.2	63.0

1. Changes in real net worth do not equal the sum of real saving and real capital gains because of "other factors," which are shown in current dollars in table 2.  
2. Real capital gains are calculated as the difference between the value of inflation-adjusted net wealth at the close of each year and the total of inflation-adjusted opening net wealth and inflation-adjusted FFA saving during the year adjusted for "other factors."  
Note: The price level at the start of any year *y* is measured by an average of the implicit PCE price indexes for the fourth quarter of *y*-1 and the first quarter of *y*. The index used to adjust saving flows during a year is an average of the four quarterly PCE price indexes for that year.  
DPI Disposable personal income.  
FFA Flow of funds accounts.  
NIPA National income product accounts.  
PCE Personal consumption expenditures.

## An Ownership-Based Framework of the U.S. Current Account, 1989–99

In this report, the Bureau of Economic Analysis (BEA) updates its supplemental, ownership-based framework of the current-account portion of the U.S. international transactions (balance of payments) accounts. This update incorporates new estimates for 1999—the most recent year for which the data needed to complete the framework are available—and revised estimates for 1989–98.<sup>1</sup> The ownership-based framework was developed in the early 1990s in response to interest in looking at international transactions in a way that would reflect the increasing role and importance of multinational companies (MNC's) in world economies and, in particular, the growing tendency of these companies to use locally established affiliates to deliver goods and services to international markets.<sup>2</sup>

In the current account as conventionally constructed, the trade balance reflects only those goods and services that are delivered to international markets through cross-border exports and imports. This balance is an important indicator of U.S. performance in foreign markets; it reflects the net value of goods and services transactions between persons (in the broad legal sense, including companies) resident in the United States and persons resident abroad. Because the international accounts treat affiliates as resident in their countries of location, rather than in the countries of their owners, sales of goods and services by foreign affiliates of U.S. companies to other foreign persons, and by U.S. affiliates of foreign companies to other U.S. persons, are not regarded as exports and imports and are therefore excluded from the trade balance.

In the ownership-based framework, in contrast, a balance is introduced in which sales by affiliates are com-

bined with cross-border exports and imports. More specifically, the net receipts that accrue to U.S. parent companies from sales by their foreign affiliates are combined with cross-border sales to foreigners by U.S. companies (U.S. exports), and the net payments that accrue to foreign parent companies from sales by their U.S. affiliates are combined with cross-border sales to the United States by foreign companies (U.S. imports). The difference between these two sums is taken as an indicator of the net effect on the U.S. economy of U.S.-foreign commerce.

Only the net receipts that accrue to the parents, and not the gross value of sales by their affiliates, are included in these calculations, because only in the case of sales originating in the United States are most of the costs—such as for labor and capital—incurred domestically and accrue to the benefit of the U.S. economy. This methodology also eliminates the double counting that would occur if both the full value of sales by parents to affiliates, and the subsequent sales by the affiliates to others, were included.

The ownership-based framework is fully consistent conceptually with the current account of the conventional international transactions accounts and can be viewed as a “satellite” of those accounts.<sup>3</sup> (The current-account balance is the same in both sets of accounts.) The grouping of the income from affiliates and cross-border trade in goods and services recognizes the active role of parent companies in managing and coordinating their affiliates' operations. This direct investment income from affiliates differs fundamentally from income on portfolio investments: Direct investment income represents U.S. companies' returns on sales to foreigners that—for reasons such as efficiency, transport costs, or avoidance of trade barriers—are made from foreign instead of U.S. locations, whereas portfolio investment income merely represents returns to passive investments in foreign stocks and

1. For a review of the sources and methods used to prepare the supplemental estimates, see Obie G. Whichard and Jeffrey H. Lowe, “An Ownership-Based Disaggregation of the U.S. Current Account, 1982–93,” *SURVEY OF CURRENT BUSINESS* 75 (October 1995): 52–61. For a general review of the issues relating to ownership relationships in international transactions, see J. Steven Landefeld, Obie G. Whichard, and Jeffrey H. Lowe, “Alternative Frameworks for U.S. International Transactions,” *SURVEY* 73 (December 1993): 50–61.

2. Among those calling for more information on ownership was a National Academy of Sciences study panel. See Anne Y. Kester, ed., *Behind the Numbers: U.S. Trade in the World Economy*, National Research Council, Panel on Foreign Trade Statistics (Washington, DC: National Academy Press, 1992).

3. According to the international *System of National Accounts*, satellite accounts augment the central national accounts by “expanding the analytical capacity of national accounting for selected areas...in a flexible manner, without overburdening or disrupting the central system”; they may introduce additional information, alternative accounting frameworks, or “complementary or alternative concepts,” while maintaining linkages to the central accounts. See Commission of the European Communities, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, and World Bank, *System of National Accounts, 1993* (Brussels/Luxembourg, New York, Paris, and Washington, DC, 1993): 489.

*Jeffrey H. Lowe prepared this report.*

bonds.<sup>4</sup> Indeed, in many cases a portion of the income from affiliates might be regarded as a kind of implicit management fee, compensating the parent company for undertaking this active role in operations.

In addition, the framework provides information on ownership relationships by disaggregating trade in goods and in services into trade between affiliated parties (that is, trade within MNC's) and trade between unaffiliated parties. It also shows how receipts and payments of direct investment income are derived from the production and sales by affiliates. To highlight the links between the income and the activities that produce it, the income is designated "net receipts" or "net payments" of direct investment income resulting from sales by affiliates.<sup>5</sup> Finally, the framework provides information (in the addenda) on the U.S. content and the foreign content of affiliates' output and the extent that such content results from the affiliates' own value added.

Highlights of the updated presentation for 1999 follow:

- Net receipts by U.S. companies of direct investment income from the sales by their foreign affiliates were \$123.7 billion (sales by foreign affiliates of \$2,587.3 billion less deductions of \$2,463.6 billion, such as for labor, capital, and purchased inputs). Net payments to foreign parents of direct investment income from the sales by their U.S. affiliates were \$56.7 billion (sales by U.S. affiliates of \$2,035.4 billion less deductions of \$1,978.7 billion, such as for labor, capital, and purchased inputs).
- The total value of foreign sales accruing to the U.S. economy was \$1,081.1 billion (calculated as net income receipts of U.S. companies from the sales by their foreign affiliates of \$123.7 billion plus U.S. exports of goods and services of \$957.4 billion). The total value of U.S. sales accruing to foreign economies was \$1,275.9 billion (calculated as net income payments to foreign companies from the sales by their U.S. affiliates of \$56.7 billion plus U.S. imports of goods and services of \$1,219.2 billion).
- The resulting deficit on goods, services, and net

receipts from sales by affiliates was \$194.8 billion (\$1,081.1 billion less \$1,275.9 billion). This deficit was \$67.0 billion less than the \$261.8 billion deficit on trade of goods and services in the conventional international accounts framework based solely on location of production. The ownership-based deficit was smaller because U.S. parents' receipts of income from sales by their foreign affiliates exceeded payments of income to foreign parents from sales by their U.S. affiliates.

For 1999, the new ownership-based estimates incorporate the financial and operating data from the 1999 benchmark survey of U.S. direct investment abroad and from the 1999 annual survey of foreign direct investment in the United States, as well as the results of the June 2001 annual revision of the U.S. international transactions accounts. For 1989–98, the ownership-based estimates have been revised to incorporate the results of the annual revision of the U.S. international transactions accounts, and the estimates for 1998 have also been revised to incorporate the latest financial and operating data of foreign-owned affiliates in the United States and of U.S.-owned affiliates abroad.<sup>6</sup>

Among the improvements incorporated in the 2001 annual revision were the following: Revised estimates of direct investment income receipts and payments for 1997 forward that reflect revised estimates of the current-cost adjustment, revised estimates of foreign direct investment in the United States income payments that incorporate the results of BEA's benchmark survey for 1997, and revised quarterly survey results for subsequent years. In addition, benchmark and revised quarterly results were incorporated in the affiliated components of royalties and license fees and "other" private services. "Other" private income receipts and payments for banks were revised for 1996 forward to more accurately reflect the current practices in banking markets, and goods exports and imports were revised for 1989 forward to incorporate improved estimates of military shipments.<sup>7</sup>

4. Direct investment income consists of net receipts of earnings and interest by parents from their affiliates.

5. These detailed estimates can only be provided for nonbank affiliates.

6. The estimates for 1982–88, which are not revised, were published in "An Ownership-Based Framework of the U.S. Current Account, 1982–98," SURVEY 81 (January 2001): 44–46.

7. See Christopher L. Bach, "U.S. International Transactions, Revised Estimates for 1989–2000," SURVEY 81 (July 2001): 30–36.

**Table 1. Ownership-Based Framework of the U.S. Current Account, 1989-99**  
(Billions of dollars)

Line	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1	648.3	707.0	727.8	748.6	777.0	869.3	1,005.9	1,078.0	1,195.5	1,191.9	1,242.7
2	<b>Receipts resulting from exports of goods and services or sales by foreign affiliates</b>										
3	549.0	601.2	637.1	674.1	710.1	781.2	889.7	954.6	1,050.3	1,036.5	1,081.1
3a	Exports of goods and services, total										
3b	Goods, balance of payments basis (IT table 1, line 3)										
4	Services (IT table 1, line 4)										
4a	To unaffiliated foreigners										
4b	Goods										
4c	Services										
4d	To affiliated foreigners										
4e	Goods										
4f	Services										
4g	To foreign affiliates of U.S. companies										
4h	Goods										
4i	Services										
4j	To foreign parent groups of U.S. affiliates										
4k	Goods										
4l	Services										
8	<b>Net receipts by U.S. companies of direct investment income resulting from sales by their foreign affiliates (IT table 1, line 14)</b>										
9	62.0	66.0	58.7	57.5	67.2	77.3	95.3	102.5	115.3	103.8	123.7
10	Nonbank affiliates										
11	Sales by foreign affiliates										
12	Less: Foreign affiliates' purchases of goods and services from the United States										
13	Less: Costs and profits accruing to foreign persons										
14	Compensation of employees of foreign affiliates										
15	Other										
16	Less: Sales by foreign affiliates to other foreign affiliates of the same parent										
17	Bank affiliates										
18	<b>Other income receipts</b>										
19	Other private receipts on U.S.-owned assets abroad (IT table 1, line 15)										
20	U.S. Government receipts (IT table 1, line 16)										
21	Compensation of employees (IT table 1, line 17)										
21	721.6	759.3	734.6	762.1	821.9	949.3	1,081.6	1,158.8	1,294.6	1,365.0	1,518.1
22	<b>Imports of goods and services and income payments (IT table 1, line 18)</b>										
23	Payments resulting from imports of goods and services or sales by U.S. affiliates										
23a	Imports of goods and services, total										
23b	Goods, balance of payments basis (IT table 1, line 20)										
23c	Services (IT table 1, line 21)										
24	From unaffiliated foreigners										
24a	Goods										
24b	Services										
25	From affiliated foreigners										
25a	Goods										
25b	Services										
26	From foreign affiliates of U.S. companies										
26a	Goods										
26b	Services										
27	From foreign parent groups of U.S. affiliates										
27a	Goods										
27b	Services										
28	<b>Net payments to foreign parents of direct investment income resulting from sales by their U.S. affiliates (IT table 1, line 31)</b>										
29	Nonbank affiliates										
30	Sales by U.S. affiliates										
31	Less: U.S. affiliates' purchases of goods and services from abroad										
32	Less: Costs and profits accruing to U.S. persons										
33	Compensation of employees of U.S. affiliates										
34	Other										
35	Less: Sales by U.S. affiliates to other U.S. affiliates of the same parent										
36	Bank affiliates										
37	<b>Other income payments</b>										
38	Other private payments on foreign-owned assets in the United States (IT table 1, line 32)										
39	U.S. Government payments (IT table 1, line 33)										
40	Compensation of employees (IT table 1, line 34)										
41	<b>Unilateral current transfers, net (IT table 1, line 35)</b>										
42	Memoranda:										
43	Balance on goods and services (IT table 1, line 73)										
44	Balance on goods, services, and net receipts from sales by affiliates (line 2 minus line 22)										
45	Balance on current account (IT table 1, line 76)										
46	<b>Addenda:</b>										
47	Source of the content of foreign nonbank affiliates' sales: <sup>2</sup>										
48	Output sold to nonaffiliates or added to inventory, total (line 10 minus line 15 plus the change in inventories)										
49	Foreign content										
50	Value added by foreign affiliates of U.S. companies										
51	Other foreign content										
52	U.S. content										
53	Source of the content of U.S. nonbank affiliates' sales: <sup>2</sup>										
54	Output sold to nonaffiliates or added to inventory, total (line 30 minus line 35 plus the change in inventories)										
55	U.S. content										
56	Value added by U.S. affiliates of foreign companies										
57	Other U.S. content										
58	Foreign content										

n.a. Not available.  
1. Conceptually, sales by U.S. affiliates to other U.S. affiliates of the same foreign parent should be subtracted, but information on these sales is unavailable. However, because U.S. affiliates are generally required to report to BEA on a fully consolidated basis, most of these sales are eliminated through consolidation, and the remaining amount is thought to be immaterial.  
2. The sales exclude the affiliates' sales to other affiliates of their parent. For U.S. affiliates, data on sales to

other affiliates are unavailable.  
Note. Data in IT table 1 are from "U.S. International Transactions, First Quarter 2001" in the July 2001 SURVEY OF CURRENT BUSINESS.  
IT International transactions



# U.S. International Transactions, Fourth Quarter and Year 2001

By Christopher L. Bach

## Fourth Quarter

THE U.S. current-account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—increased slightly to \$98.8 billion in the fourth quarter of 2001 from \$98.5 billion (revised) in the third quarter (table A).<sup>1</sup> Decreases in the deficit on goods and the deficit on income were offset by a decrease in the surplus on services and an increase in net outflows for unilateral current transfers.

In the financial account, net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$157.3 billion in the fourth quarter, up from \$40.3 billion (revised) in the third. Fi-

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

ancial inflows for foreign-owned assets in the United States increased more than financial outflows for U.S.-owned assets abroad.

The statistical discrepancy—errors and omissions in recorded transactions—was a negative \$58.7 billion in the fourth quarter, in contrast to a positive \$58.1 billion in the third.

The following are highlights for the fourth quarter of 2001:

- Goods exports and goods imports decreased further, as slower growth abroad limited foreign purchases of U.S. goods and as weak growth in the United States reduced U.S. purchases of foreign goods.
- Among services transactions, travel and passenger fare receipts and payments fell sharply in the aftermath of the September 11th terrorist attacks, and “other” transportation receipts and payments fell further as a result of slower growth abroad and

Table A. Summary of U.S. International Transactions

[Millions of dollars, quarters seasonally adjusted]

Line	Lines in tables 1 and 10 in which transactions are included are indicated in ( ) (Credits +; debits -)	2000	2001 <sup>a</sup>	Change: 2000- 2001	2000				2001				Change: 2001 III-IV
					I	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>a</sup>	
<b>Current account</b>													
1	Exports of goods and services and income receipts (1).....	1,418,568	1,298,397	-120,171	339,645	355,075	361,236	362,617	354,158	335,722	312,333	296,191	-16,142
2	Goods, balance of payments basis (3).....	772,210	720,831	-51,379	185,142	191,558	199,273	196,237	194,542	185,464	173,419	167,406	-6,013
3	Services (4).....	293,492	283,758	-9,734	72,114	74,264	73,224	73,894	74,072	73,369	69,724	66,594	-3,130
4	Income receipts (12).....	352,866	293,808	-59,058	82,389	89,253	88,739	92,486	85,544	76,889	69,190	62,191	-6,999
5	Imports of goods and services and income payments (18)	-1,809,099	-1,665,325	143,774	-432,624	-450,748	-463,461	-462,268	-454,461	-431,524	-398,195	-381,150	17,045
6	Goods, balance of payments basis (20).....	-1,224,417	-1,147,446	76,971	-292,547	-303,229	-313,884	-314,757	-307,163	-293,222	-278,960	-268,101	10,859
7	Services (21).....	-217,024	-204,953	12,071	-52,031	-53,377	-55,953	-55,667	-56,763	-56,446	-42,633	-49,114	-6,481
8	Income payments (29).....	-367,658	-312,926	54,732	-88,046	-94,142	-93,624	-91,844	-90,535	-81,856	-76,602	-63,935	12,667
9	Unilateral current transfers, net (35).....	-54,136	-50,501	3,635	-11,924	-12,461	-13,080	-16,673	-11,826	-12,130	-12,669	-13,876	-1,207
<b>Capital account</b>													
10	Capital account transactions, net (39).....	705	726	21	173	173	175	184	173	177	182	194	17
<b>Financial account</b>													
11	U.S.-owned assets abroad, net (increase/financial outflow (-)) (40).....	-580,952	-439,563	141,389	-198,105	-93,573	-107,727	-181,548	-243,302	-72,357	-17,443	-106,460	-89,017
12	U.S. official reserve assets, net (41).....	-290	-4,911	-4,621	-554	2,020	-346	-1,410	190	-1,343	-3,559	-199	3,360
13	U.S. Government assets, other than official reserve assets, net (46).....	-944	-573	371	-127	-572	114	-359	21	-786	21	171	150
14	U.S. private assets, net (50).....	-579,718	-434,079	145,639	-197,424	-95,021	-107,495	-179,779	-243,513	-70,228	-13,905	-106,432	-92,527
15	Foreign-owned assets in the United States, net (increase/financial inflow (+)) (55).....	1,024,218	895,459	-128,759	256,782	250,007	222,108	295,321	347,006	226,927	57,718	263,806	206,088
16	Foreign official assets in the United States, net (56).....	37,619	6,092	-31,527	22,498	6,447	12,247	-3,573	4,898	-20,879	16,877	5,196	-11,681
17	Other foreign assets in the United States, net (63).....	986,599	889,367	-97,232	234,284	243,560	209,861	298,894	342,108	247,806	40,841	258,610	217,769
18	Statistical discrepancy (sum of above items with sign reversed) (70).....	696	-39,193	-39,889	46,053	-48,473	749	2,367	8,252	-46,815	58,074	-58,705	-116,779
<b>Memoranda:</b>													
19	Balance on current account (76).....	-444,667	-417,429	27,238	-104,903	-108,134	-115,305	-116,324	-112,129	-107,932	-98,531	-98,835	-304
20	Net financial flows (40 and 55).....	443,266	455,896	12,630	58,677	156,434	114,381	113,773	103,704	154,570	40,275	157,346	117,071

<sup>r</sup> Revised.

<sup>a</sup> Preliminary.

weak growth in the United States. "Other" private services payments returned to more typical levels; payments in the third quarter had been reduced by large nonrecurring losses recovered from foreign reinsurance companies as a result of the September 11th attacks.

- Sharply lower interest rates led to much lower portfolio income receipts and payments, and the global economic downturn led to lower earnings on U.S. direct investment abroad and on foreign direct investment in the United States.
- Net foreign purchases of U.S. securities rose sharply, as U.S. financial markets recovered quickly from sharp declines immediately after September 11th.
- U.S. liabilities reported by U.S. banks increased sharply, reflecting strong needs for liquidity.

**U.S. dollar in exchange markets**

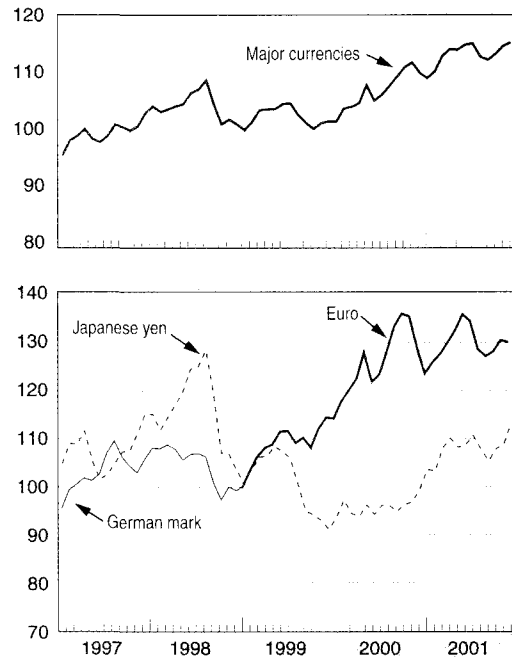
In the fourth quarter, the U.S. dollar appreciated 1 percent on a nominal, trade-weighted quarterly average basis against a group of seven major currencies that are widely traded in international markets (table B, chart 1). The dollar was unchanged against the euro and appreciated 2 percent against the yen.

Economic conditions in the United States remained weak in the fourth quarter. Data releases in October confirmed that the weakness had been exacerbated, at least temporarily, by reactions to the attacks of September 11th. In response to current conditions and to

**CHART 1**

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

January 1999=100



Note—See table B for definitions of the indexes. Monthly average rates.

Data: Federal Reserve Board. Indexes rebased by BEA.

U.S. Bureau of Economic Analysis

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

	2000	2001				2000	2001												
	IV <sup>1</sup>	I <sup>1</sup>	II <sup>1</sup>	III <sup>1</sup>	IV	Dec. <sup>1</sup>	Jan. <sup>1</sup>	Feb. <sup>1</sup>	Mar. <sup>1</sup>	April <sup>1</sup>	May <sup>1</sup>	June <sup>1</sup>	July <sup>1</sup>	Aug. <sup>1</sup>	Sept. <sup>1</sup>	Oct.	Nov.	Dec.	
<b>Nominal:<sup>1</sup></b>																			
Broad <sup>2</sup> .....	107.0	107.7	110.0	109.8	110.5	106.8	106.7	107.2	109.1	109.9	109.7	110.4	110.8	109.1	109.4	110.2	110.6	110.7	
Major currencies <sup>3</sup> .....	111.3	111.1	114.8	113.8	114.9	110.3	109.3	110.6	113.4	114.6	114.5	115.4	115.6	113.2	112.7	113.7	115.1	115.8	
Other important trading partners <sup>4</sup> .....	102.6	104.3	105.0	105.6	106.0	103.2	104.3	103.9	104.7	105.1	104.8	105.2	105.9	104.9	106.1	106.6	105.9	105.5	
<b>Real:<sup>1</sup></b>																			
Broad <sup>2</sup> .....	108.2	109.5	112.0	111.7	111.9	107.8	108.4	109.1	110.9	111.8	111.7	112.6	112.9	110.9	111.4	111.7	112.1	111.9	
Major currencies <sup>3</sup> .....	114.0	114.6	118.4	117.5	118.7	112.9	112.7	114.2	117.0	118.2	118.0	119.1	119.3	116.6	116.5	117.4	119.2	119.4	
Other important trading partners <sup>4</sup> .....	101.6	103.3	104.7	105.0	104.1	102.0	103.2	103.0	103.8	104.4	104.5	105.1	105.4	104.2	105.4	105.0	103.9	103.4	
<b>Selected currencies: (nominal)<sup>5</sup></b>																			
Canada.....	100.4	100.5	101.4	101.8	104.0	100.2	98.9	100.1	102.6	102.5	101.4	100.3	100.8	101.3	103.2	103.4	104.8	103.9	
<b>European currencies:</b>																			
Euro area <sup>6</sup> .....	133.5	125.7	132.7	130.1	129.6	129.0	123.6	125.9	127.6	129.9	132.4	135.9	134.5	128.6	127.2	128.1	130.5	130.1	
United Kingdom.....	114.1	113.2	116.1	114.7	114.4	112.8	111.7	113.6	114.2	115.0	115.7	117.7	116.6	114.8	112.7	113.8	114.9	114.5	
Switzerland.....	126.0	120.0	126.3	122.0	118.9	121.6	117.7	120.4	122.0	123.6	126.5	128.9	126.8	121.3	117.9	118.0	119.1	119.6	
Japan.....	97.0	104.3	108.3	107.2	109.3	99.0	103.0	102.6	107.3	109.3	107.5	108.0	109.9	107.1	104.7	107.2	108.1	112.6	
Mexico.....	93.9	95.7	90.7	91.3	91.2	93.5	96.5	95.9	94.8	92.1	90.3	89.7	90.5	90.2	93.1	92.2	91.1	90.4	
Brazil.....	127.7	133.6	151.3	168.9	168.7	129.8	129.4	132.7	138.6	145.1	151.6	157.3	163.6	166.2	177.0	181.3	168.5	156.3	

<sup>1</sup> Revised.

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

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

3. Weighted average of the foreign exchange value of the U.S. dollar against broad-index currencies that circulate widely outside the country of issue, including the currencies of the euro-area countries, Australia, Canada, Japan, Sweden, Switzerland, and the United Kingdom. The weight for each currency is its broad-index weight divided by the sum of the broad-index weights for all of the currencies included in the major currency index. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.

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

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

6. The euro area includes Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain. Exchange rates (but not index values with January 1999=100) for the individual euro-area currencies can be derived from the euro exchange rate by using the fixed conversion rates (in currencies per euro) as shown below: 13.7603 Austrian schillings; 40.3399 Belgian francs; 5.94573 Finnish markkas; 6.55957 French francs; 1.95583 German marks; 340.750 Greek drachmas; 787564 Irish pounds; 1936.27 Italian lira; 40.3399 Luxembourg francs; 2.20371 Netherlands guilders; 200.482 Portuguese escudos; 166.386 Spanish pesetas.

uncertainty about future economic prospects, U.S. monetary authorities continued to lower the target Federal funds rate. Equity markets turned up sharply and quickly in October, despite weak earnings reports. Prices in the fixed-income markets reflected a more cautious attitude towards future economic prospects, with prices of bonds declining. Data releases in November and December created some optimism that the U.S. economic downturn might be slowing, although this development had yet to be reflected in corporate profits, business investment, and manufacturing output. The dollar appreciated, partly as a result of sentiment that the United States was likely to lead the rest of the industrial nations out of the global economic downturn. Reductions in the target Federal funds rate over the quarter, which brought the rate to 1.75 percent, reinforced the likelihood of this outcome. (Data released in late March 2002 indicated that real GDP increased 1.7 percent in the fourth quarter after decreasing 1.3 percent in the third. Corporate profits increased 17.9 percent after decreasing 8.3 percent.)

Economic conditions abroad showed considerable weakness, especially in Germany where weakness in manufacturing continued. Weakening manufacturing and declining consumer confidence were also evident in other euro-area countries. The European Central Bank lowered its rate on refinancing operations 50 basis points to 3.25 percent as part of the attempt by monetary authorities worldwide to slow the global economic downturn.

Economic conditions in Japan deteriorated more sharply than in Europe, as data on industrial production and gross domestic product confirmed that Japan had entered its second recession in recent years. In ad-

dition, three major credit rating agencies downgraded Japan's sovereign credit rating. These difficulties led to sizable depreciations of the yen against the U.S. dollar and other major currencies.

## Current Account

### Goods and services

The deficit on goods and services increased to \$83.2 billion in the fourth quarter from \$78.5 billion in the third. The deficit on goods decreased \$4.8 billion, and the surplus on services decreased \$9.6 billion, largely as a result of imports of insurance services returning to a more typical level.

### Goods

The deficit on goods decreased to \$100.7 billion in the fourth quarter from \$105.5 billion in the third, marking the fourth consecutive quarterly decrease. The fourth-quarter decrease resulted from a larger decrease in imports than in exports (table A).

**Exports.** Goods exports decreased \$6.0 billion, or 3 percent, to \$167.4 billion, in the fourth quarter, marking the fifth consecutive quarterly decrease. In the fourth quarter, quantities decreased 3 percent, and prices were unchanged.<sup>2</sup>

In value, nonagricultural exports decreased \$6.4 billion, or 4 percent, to \$153.3 billion. Much of the decrease was accounted for by capital goods, which decreased \$3.9 billion. Civilian aircraft and parts were down \$1.3 billion. Computers, telecommunications equipment, and semiconductors accounted for \$1.2 billion of the decrease in capital goods, but they decreased less than in the second and third quarters. Exports of these products are now at their lowest levels since mid-1998. Industrial, agricultural, and service industry machinery also decreased. Automotive products decreased \$1.1 billion, mostly in parts to Mexico and passenger cars to Canada. Nonagricultural industrial supplies and materials decreased \$0.9 billion, mostly attributable to chemicals and "other" nonmetals. These decreases were partly offset by an increase of \$0.4 billion in agricultural products. Agricultural products reached their highest level since the fourth quarter of 1997, but were still 11 percent below the record level in the first quarter of 1996.

**Imports.** Goods imports decreased \$10.9 billion, or 4 percent, to \$268.1 billion in the fourth quarter, marking the fourth consecutive quarterly decrease. In the fourth quarter, quantities decreased 1 percent, and

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

Two statistical revisions will be introduced in the annual revision of the international transactions accounts to be released in June 2002. First, results from the U.S. Treasury Department's Benchmark Survey of Foreign Portfolio Investment in the United States will be incorporated into the accounts for 1995-2001. The results will also be incorporated into the international investment position accounts. Second, results from BEA's Benchmark Survey of Selected Services Transactions with Unaffiliated Foreigners for 2001 will be incorporated into the accounts. The benchmark survey includes more complete and detailed coverage of transactions than BEA's annual survey; both surveys mostly cover transactions in business, professional, and technical services. An article describing these revisions will be published in the July 2002 issue of the SURVEY OF CURRENT BUSINESS.

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

prices decreased 3 percent.

In value, nonpetroleum products decreased \$5.5 billion. Nonpetroleum industrial supplies and materials fell \$2.6 billion. Natural gas dominated the decrease with a drop of \$1.7 billion, largely from Canada. Electric energy, also from Canada, fell \$0.2 billion, and building materials and nonferrous metals each declined \$0.3 billion. Capital goods decreased \$1.3 billion. Telecommunications equipment, semiconductors, and computers accounted for \$0.9 billion of the decrease, but decreases were much smaller than in each of the previous three quarters. Consumer goods decreased \$0.9 billion; the decrease was mostly accounted for by a decline in nondurable goods. Automotive products decreased \$0.7 billion, mostly as a result of a decrease in parts.

Petroleum and products decreased \$5.4 billion—the largest decrease since the first quarter of 1991 and the fifth consecutive quarterly decline. The average price per barrel fell sharply during the quarter, to \$18.35—the lowest level since the second quarter of 1999—from \$23.52. The average number of barrels imported daily increased to 12.06 million from 11.95 million. U.S. production increased, while both U.S. consumption and inventories fell.

**Balances by area.** The deficit on goods decreased \$4.8 billion, to \$100.7 billion in the fourth quarter.<sup>3</sup> The deficit with Asia decreased \$4.4 billion, reflecting a larger drop in imports than in exports, and the deficit with OPEC members decreased \$2.8 billion, mostly because of falling imports. These lower deficits were partly offset by a \$1.7 billion increase in the deficit

with Japan and a \$0.9 billion increase in the deficit with Western Europe.

### Services

The surplus on services decreased to \$17.5 billion in the fourth quarter from \$27.1 billion in the third (table A). The third-quarter surplus partly reflected nonrecurring transactions in insurance imports.

Travel receipts fell to \$14.4 billion in the fourth quarter from \$17.3 billion in the third, and travel payments fell to \$12.0 billion from \$14.5 billion. In the aftermath of the September 11th attacks, overseas travel by U.S. and foreign residents fell sharply early in the quarter but rebounded as the quarter progressed. Nonetheless, by quarter's end, overseas travel was still well below pre-September 11th levels. Travel to and from Canada and Mexico was also disrupted early in the quarter as a result of the attacks and did not return to pre-September 11th levels by the end of the quarter.<sup>4</sup>

Passenger fare receipts decreased to \$3.4 billion in the fourth quarter from \$4.4 billion in the third, and passenger fare payments decreased to \$4.7 billion from \$6.2 billion, also reflecting disruptions in travel.

"Other" transportation receipts decreased to \$6.7 billion in the fourth quarter from \$7.1 billion in the third, and "other" transportation payments decreased to \$8.9 billion from \$9.2 billion. The declines for both receipts and payments mostly reflected lower airline expenses in airports as the volume of passengers declined substantially following the attacks of September 11th. In addition, the declines continued to reflect reduced international shipping activity as the volume of world trade declined.

Receipts on "other" private services were \$28.9 billion in the fourth quarter, up from \$28.0 billion in the third. Affiliated services accounted for more than half of the increase. Financial services also increased, reflecting a rebound in foreign activity in U.S. financial markets. Payments on "other" private services were \$14.9 billion, up from \$4.2 billion. Payments in the third quarter had been reduced \$11.0 billion by large nonrecurring losses recovered from foreign reinsurance companies as a result of the September 11th attacks.

#### Revisions to the Estimates for the Third Quarter of 2001

Estimates of the international transactions accounts for the third quarter of 2001 have been revised from the preliminary estimates that were published in the January 2002 SURVEY OF CURRENT BUSINESS. In addition, data have been revised to ensure that the seasonally adjusted estimates sum to the same annual totals as the unadjusted estimates.

In the third quarter, the current-account deficit was revised to \$98.5 billion from \$95.0 billion. The goods deficit was revised to \$105.5 billion from \$105.8 billion, the services surplus was revised to \$27.1 billion from \$28.2 billion, the deficit on income was revised to \$7.4 billion from \$5.0 billion, and unilateral current transfers were revised to net outflows of \$12.7 billion from net outflows of \$12.4 billion. Net financial inflows were revised to \$40.3 billion from \$36.7 billion. Revisions to the estimates for the first and second quarters were small.

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

4. For more information, see the box "Effects of September 11th Terrorist Attacks on U.S. International Transactions" on page 31 of the January 2002 issue of the SURVEY OF CURRENT BUSINESS.

Transfers under U.S. military sales contracts were unchanged at \$3.0 billion, and direct defense expenditures abroad increased to \$4.0 billion from \$3.7 billion, as a result of the conflict in Afghanistan.

### Income

The deficit on income decreased to \$1.7 billion in the fourth quarter from \$7.4 billion in the third (table A). Receipts of income dropped to \$62.2 billion from \$69.2 billion; "other" private receipts accounted for most of the drop. Payments of income dropped to \$63.9 billion from \$76.6 billion; "other" private payments and direct investment payments both decreased by substantial amounts.

Receipts of income on U.S. direct investment abroad decreased to \$30.2 billion in the fourth quarter from \$31.0 billion in the third. Earnings have now declined for four consecutive quarters. The largest decrease in the fourth quarter was in "other" industries. Over two-thirds of the decrease was attributable to financial affiliates (investment banks, brokers and dealers, and insurance affiliates) in the United Kingdom and Japan, as a result of steep declines in new equity and debt issues, reduced merger and acquisition activity, and lower trading commissions. In manufacturing, earnings declined, particularly in Central and South America, reflecting poor economic conditions in Argentina, Brazil, and Mexico. Petroleum earnings increased slightly.

Payments of income on foreign direct investment in the United States decreased to \$3.1 billion in the fourth quarter from \$9.0 billion in the third. Earnings have now declined in five of the last six quarters. The decrease in the fourth quarter was the result of a \$6.0 billion shift in earnings to losses of \$2.6 billion. Losses in "other" industries increased \$2.3 billion, to losses of \$4.4 billion; particularly hard hit were affiliates in finance. In manufacturing, earnings shifted \$1.8 billion, to losses of \$1.5 billion. In petroleum, earnings fell \$1.9 billion, to \$1.0 billion.

Receipts of "other" private income were \$30.4 billion, a decrease of \$6.4 billion from the third quarter, marking the fourth consecutive quarter of decrease. Nearly all of the decrease in the fourth quarter was attributable to further declines in interest rates. Receipts on bank and nonbank claims decreased \$5.4 billion, as interest rates declined an average of 120 basis points.

Payments of "other" private income were \$33.8 billion, a decrease of \$6.0 billion from the third quarter, marking the fourth consecutive quarter of decrease. Payments on bank and nonbank liabilities decreased \$6.3 billion, as interest rates declined an average of 140 basis points. Interest paid on bonds increased \$1.0 bil-

lion, as a result of higher bond yields and increased foreign holdings.

Receipts of income on U.S. Government assets increased \$0.1 billion, to \$1.0 billion. Payments of income on U.S. Government liabilities were \$25.1 billion in the fourth quarter, a decrease of \$0.8 billion from the third quarter. The decrease was due to lower yields on Government securities, which more than offset modest increases in foreign holdings.

### Unilateral current transfers

Net outflows for unilateral current transfers increased to \$13.9 billion in the fourth quarter from \$12.7 billion in the third (table A). U.S. Government grants increased, although Congress did not appropriate funds for Israel and Egypt—under the credit waiver program to finance military purchases and for general economic support—that are often disbursed annually in the fourth quarter; these funds will instead be disbursed in the first quarter of 2002. Grants of \$0.6 billion were disbursed to Pakistan to support the conflict in Afghanistan. Other U.S. Government transfers also increased, as the United States paid to the United Nations some of the dues for which it is in arrears.

### Capital Account

Capital account transactions were net inflows of \$0.2 billion in the fourth quarter, virtually unchanged from the third (table A).

### Financial Account

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$157.3 billion in the fourth quarter, compared with \$40.3 billion (revised) in the third. Financial inflows for foreign-owned assets in the United States increased more than financial outflows for U.S.-owned assets abroad.

### U.S.-owned assets abroad

U.S.-owned assets abroad increased \$106.5 billion in the fourth quarter, compared with an increase of \$17.4 billion in the third. U.S. claims on foreigners reported by U.S. banks shifted a substantial amount to net outflows, and transactions in foreign securities shifted to net U.S. purchases from net U.S. sales.

**U.S. official reserve assets.** U.S. official reserve assets increased \$0.2 billion in the fourth quarter, following a \$3.6 billion increase in the third (table C). After increasing in the third quarter, the U.S. reserve position at the International Monetary Fund (IMF) changed little in the fourth quarter, as repayments by

Russia, Indonesia, and Thailand of credits extended by the IMF were nearly offset by new credits extended to Turkey.

**Claims reported by banks and by nonbanks.** U.S. claims on foreigners reported by U.S. banks increased \$53.6 billion in the fourth quarter, following a decrease of \$59.1 billion in the third.

Banks' own claims payable in dollars increased \$35.1 billion, following a decrease of \$33.7 billion. The resumption in lending apparently reflected a temporary need for funds by offices overseas, particularly offices of foreign-owned banks. The lending occurred in an environment of increased concerns over credit risk, further reductions in syndicated lending, and a global economic downturn. Lending by U.S. brokers and dealers was limited somewhat by repurchase agreement settlement failures in October. These failures resulted from the inability of counterparties to complete deliveries under repurchase agreements because communication problems disrupted clearing house settlement and delivery operations.

Banks' domestic customers' claims payable in dollars increased \$12.8 billion, following a \$13.6 billion decrease. The fourth-quarter increase was due to increases in collections, in readily transferable instruments, and in deposits. There was little activity in foreign commercial paper.

Nonbanking concerns' claims decreased \$3.1 billion, following an increase of \$40.4 billion.

**Foreign securities.** Net U.S. purchases of foreign securities were \$25.5 billion in the fourth quarter, in contrast to net sales of \$10.6 billion in the third.

Net U.S. purchases of foreign stocks were \$18.7 billion in the fourth quarter, up from a low level of \$9.1 billion in purchases in the third; net purchases attributable to merger-related exchanges of stocks totaled \$6.4 billion in the fourth quarter and zero in the third. World financial markets returned to more normal trading activity after declining sharply after September 11th. On average, foreign stock prices gained 10 per-

cent in local currency terms in the fourth quarter and paralleled the rapid recovery in U.S. stock prices. Further price gains were held down by the continued weakening in economic conditions abroad. Although foreign monetary authorities aggressively lowered interest rates, it was unclear when upturns would occur in foreign economies. In this environment, net U.S. purchases of foreign stocks in nonmerger-related transactions were limited. In addition, questions of economic stability plagued Argentina, Brazil, and Turkey; however, the problems appeared to be largely confined to those countries. Trading activity in foreign stocks (that is, gross sales plus gross purchases) decreased 1 percent, following a decrease of 23 percent.

Net U.S. purchases of foreign bonds were \$6.9 billion in the fourth quarter, following large net sales of \$19.7 billion in the third. New issues increased \$2.4 billion, to \$12.1 billion, as foreign corporate borrowers returned to the U.S. market, partly as a result of a drop of 25 basis points in bond rates and of the somewhat brighter prospects for the U.S. economy at the end of the quarter. Transactions in outstanding bonds shifted to net U.S. purchases of \$5.8 billion from sizable net U.S. sales of \$20.5 billion. Trading activity increased 3 percent, following a decrease of 14 percent.

**Direct investment.** Net financial outflows for U.S. direct investment abroad were \$30.4 billion in the fourth quarter, down from \$43.2 billion in the third. Net equity capital outflows, net intercompany debt outflows, and reinvested earnings all decreased. Net equity capital outflows decreased to \$11.2 billion from \$19.0 billion, largely because a large Mexican financial services provider was acquired in the third quarter. However, there were several sizable (though smaller) acquisitions in the fourth quarter of companies in the United Kingdom (publishing) and Canada (natural gas exploration). Net intercompany debt outflows decreased to \$0.4 billion from \$4.4 billion. Reinvested earnings decreased to \$18.9 billion from \$19.9 billion.

**Table C. Selected Transactions with Official Agencies**

[Millions of dollars]

	2000	2001 <sup>p</sup>	Change: 2000- 2001	2000				2001				Change: 2001 III-IV
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>	
Changes in foreign official assets in the United States, net (decrease -) (table 1, line 56).....	37,619	6,092	-31,527	22,498	6,447	12,247	-3,573	4,898	-20,879	16,877	5,196	-11,681
Industrial countries <sup>1</sup> .....	14,653	-1,079	-15,732	12,745	14,305	-3,133	-9,264	-6,818	-9,959	5,601	10,097	4,496
Members of OPEC.....	11,582	-1,851	-13,433	6,143	1,639	3,636	164	589	-1,743	-4,045	3,348	7,393
Other countries.....	11,384	9,022	-2,362	3,610	-9,497	11,744	5,527	11,127	-9,177	15,321	-8,249	-23,570
Changes in U.S. official reserve assets, net (increase -) (table 1, line 41).....	-290	-4,911	-4,621	-554	2,020	-346	-1,410	190	-1,343	-3,559	-199	3,360

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

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

### Foreign-owned assets in the United States

Foreign-owned assets in the United States increased \$263.8 billion in the fourth quarter, compared with an increase of \$57.7 billion in the third. U.S. liabilities to foreigners reported by U.S. banks and net foreign purchases of U.S. securities both increased substantially.

**Foreign official assets.** Foreign official assets in the United States increased \$5.2 billion in the fourth quarter, following a \$16.9 billion increase in the third. In the fourth quarter, assets of industrial countries increased \$10.1 billion and assets of OPEC members increased \$3.3 billion. Assets of developing countries decreased \$8.2 billion (table C).

**Liabilities reported by banks and by nonbanks.** U.S. liabilities reported by U.S. banks, excluding U.S. Treasury securities, increased \$103.4 billion in the fourth quarter, following a decrease of \$59.4 billion in the third.

Banks' own liabilities payable in dollars increased a record \$96.3 billion, following a decrease of \$39.8 billion. The surge in banks' demand for funds from abroad, particularly by U.S.-owned banks, was probably required to provide liquidity to corporate borrowers following the attacks of September 11th, particularly because many corporations no longer had access to the commercial paper market. Funds may also have been used to finance a sizable upswing in credit demand from the real estate sector, to strengthen bank balance sheets through purchases of U.S. Government securities, and perhaps to assist a few large corporations that were involved in bankruptcy settlements. The borrowing was largely from offices in the Caribbean and Western Europe.

Nonbanking concerns' liabilities decreased \$31.8 billion, following a decrease of \$3.9 billion.

**U.S. Treasury securities.** Net foreign purchases of U.S. Treasury securities were \$33.3 billion in the fourth quarter, in contrast to net sales of \$9.5 billion in the third. Foreign investors sought the relative safety of U.S. Treasury securities in the face of uncertainties that existed following the September 11th attacks and unclear prospects as to when the downturn in global economic activity might end. The large fourth-quarter net purchases contrast with lower net purchases or net sales over the past several years, as the supply of outstanding Treasury issues declined and investors sought higher yields on alternative financial instruments. The U.S. Government announced in October that it would no longer issue new 30-year bonds.

**Other U.S. securities.** Net foreign purchases of U.S. securities other than Treasury securities increased to \$126.3 billion in the fourth quarter from \$82.8 billion in the third.

Net foreign purchases of U.S. stocks increased to \$33.1 billion in the fourth quarter from a low level of \$12.4 billion in the third. Foreign purchases rebounded strongly, partly as share prices advanced on heightened optimism about economic prospects in the United States relative to the rest of the world. The Federal Reserve's 125-basis-point reduction in interest rates during the quarter also encouraged investors. The S&P index gained 10 percent, the DJIA gained 13 percent, and the NASDAQ gained 30 percent. Net purchases of U.S. stocks from Western Europe increased to \$22.4 billion from \$8.3 billion, in spite of strong price performance on competing investments in the European markets. Trading activity in U.S. stocks (that is, gross purchases plus gross sales) was up 6 percent, following a decrease of 11 percent.

Net foreign purchases of U.S. corporate and other bonds increased to \$93.3 billion in the fourth quarter from \$70.3 billion in the third, despite modest price declines in U.S. bonds in the fourth quarter. After a strong performance in the third quarter, U.S. investment-grade corporate and agency bond prices fell 1 percent and 1.5 percent, respectively, in the fourth quarter. Net foreign purchases of U.S. agency bonds increased to \$43.2 billion from \$33.1 billion. Net foreign purchases of outstanding U.S. corporate bonds increased to \$35.9 billion from \$24.1 billion. New U.S. corporate bond issues sold abroad increased to \$14.2 billion from \$13.2 billion. Trading activity in U.S. bonds was up 23 percent, following an increase of 2 percent.

**U.S. currency flows.** Net U.S. currency shipments to foreigners were \$10.5 billion in the fourth quarter, up from \$8.2 billion in the third. Shipments to Argentina continued as economic crisis and fears of devaluation mounted. Shipments to Russia were somewhat higher than in the third quarter, and shipments to Europe were slightly higher in advance of the introduction of euro coins and bank notes.

**Direct investment.** Net financial inflows for foreign direct investment in the United States were \$17.0 billion in the fourth quarter, down from \$22.6 billion in the third. Although net equity capital inflows were more than double their low third-quarter level, financial inflows still declined as net intercompany debt transactions shifted to net outflows and reinvested earnings became more negative. Net equity capital inflows increased to \$29.2 billion from \$13.5 billion as a result of numerous foreign acquisitions of U.S. companies in satellite services, offshore drilling, financial services, electronic security, and life insurance. However, the total value of these acquisitions was well below levels in most quarters of 1999 and 2000. Net intercom-

pany debt transactions shifted to net outflows of \$4.5 billion from net inflows of \$12.1 billion. Reinvested earnings decreased from a negative \$3.0 billion to a negative \$7.7 billion, as current-period distributions were in excess of current-period earnings.

### The Year 2001

The U.S. current-account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—decreased to \$417.4 billion in 2001 from \$444.7 billion in 2000. Most of the decrease was accounted for by a decrease in the deficit on goods, but an increase in the surplus on services (partly reflecting nonrecurring transactions in insurance imports), and a decrease in net outflows for unilateral current transfers, also contributed. These changes were partly offset by an increase in the deficit on income (table D).

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$455.9 billion in 2001, compared with \$443.3 billion in 2000. Financial outflows for U.S.-owned assets abroad decreased more than financial inflows for foreign-owned assets in the United States.

The statistical discrepancy—errors and omissions in recorded transactions—was a negative \$39.2 billion in 2001, compared with a positive \$0.7 billion in 2000.

The following are highlights for 2001:

- The deficit on goods decreased as imports fell more than exports. The decreases in exports and imports reflected the downturn in global economic activity and the lagged impact of the dollar's appreciation.
- Services exports and imports both declined. Decreases in travel, passenger fares, and "other" transportation were attributable to weakening global economic activity and to the severe disruption to international travel that followed the terrorist attacks of September 11th. A decline in "other" pri-

vate services payments included large nonrecurring recoveries of losses from foreign reinsurers as a consequence of the attacks.

- Income receipts and payments for both direct investment and portfolio investment also decreased by substantial amounts as a result of weakening global economic activity and lower interest rates.
- Financial inflows for foreign direct investment in the United States were sharply lower, and financial inflows to U.S. nonbanks also declined. In contrast, financial inflows for net foreign purchases of U.S. securities other than U.S. Treasury securities edged up to a record.
- Financial outflows were lower for U.S. claims reported by U.S. banks and nonbanks and for net U.S. purchases of foreign securities.

### U.S. dollar in exchange markets

The U.S. dollar appreciated 6 percent in 2001 on a nominal, trade-weighted yearly average basis against the group of seven currencies that are widely traded in international markets, following a 5-percent appreciation in 2000 (table B, chart 1). The dollar appreciated 3 percent against the euro and 13 percent against the yen.

In the first quarter, the dollar depreciated 6 percent against the euro. In response to the economic slowdown that began in the last half of 2000 and to the considerable uncertainty about economic prospects that existed early in the quarter, U.S. monetary authorities began an easing of monetary policy. The target Federal funds rate was lowered in a series of three 50-basis-point reductions to 5.0 percent over the quarter. Long-term interest rates declined too, though not as sharply as short-term rates (charts 2, 3, and 4). U.S. stock prices continued to decline from peaks reached in early 2000. Despite some signs of slowing in euro-area countries, the European Central Bank remained concerned about lingering inflation and did not ease monetary

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

[Millions of dollars, quarters seasonally adjusted]

(Credits +; debits -)	1999	2000	2001 <sup>a</sup>	2001			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>a</sup>
Balance on goods .....	-345,434	-452,207	-426,615	-112,621	-107,758	-105,541	-100,695
Balance on services .....	83,596	76,468	78,805	17,309	16,923	27,091	17,480
Balance on income .....	-13,613	-14,792	-19,118	-4,991	-4,967	-7,412	-1,744
Investment income, net .....	-8,511	-9,621	-13,754	-3,639	-3,637	-6,095	-378
Direct investment, net .....	67,044	81,231	95,221	22,698	23,451	21,974	27,102
Other private, net .....	16,379	12,975	-8,178	-260	-1,500	-3,014	-3,404
U.S. Government, net .....	-91,934	-103,827	-100,797	-26,077	-25,588	-25,055	-24,076
Compensation of employees, net .....	-5,102	-5,171	-5,364	-1,352	-1,330	-1,317	-1,366
Unilateral current transfers, net .....	-48,913	-54,136	-50,501	-11,826	-12,130	-12,669	-13,876
Balance on current account .....	-324,364	-444,667	-417,429	-112,129	-107,932	-98,531	-98,835

<sup>r</sup> Revised.

<sup>a</sup> Preliminary.



policy.

In the second quarter, the dollar appreciated 6 percent against the euro. Economic reports indicated that U.S. economic activity was slowing rapidly, largely as a result of sharp declines in domestic investment in equipment and software and in U.S. exports. U.S. businesses reported that profitability continued to decline and that the near-term outlook for sales and profitability remained uncertain. U.S. monetary authorities further eased monetary policy by lowering the target Federal funds rate in a series of three steps to 3.75 percent from 5.0 percent. The dollar was strengthened by hopes that the rapid easing of U.S. monetary policy, which brought the officially targeted U.S. interest rate below the officially targeted euro-area interest rate, would lead to a pickup in U.S. economic activity in the near future. Deceleration of economic activity in euro-area countries continued, especially in Germany.

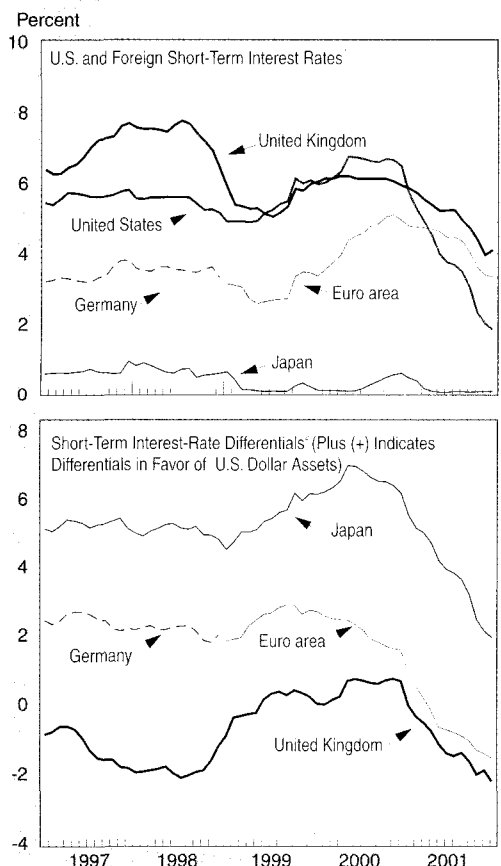
In the third quarter, the dollar depreciated 2 percent against the euro amid signs that the U.S. economic sit-

uation had weakened and growth may have turned negative. Economic reports indicated that U.S. manufacturing activity weakened further and that nonmanufacturing activity might also be slowing. In addition, reports showed that U.S. nonfarm payrolls were weaker than expected, that U.S. corporate profits continued to decline, and that the near-term outlook for sales and corporate profitability had weakened considerably. U.S. monetary authorities lowered the target Federal funds rate an additional 25 basis points to 3.5 percent in August. Economic reports indicated that euro-area manufacturing activity continued to decline, particularly in Germany, and that measures of total economic activity grew weakly or declined in most other euro-area countries. In response, the European Central Bank reduced its rate on refinancing operations 25 basis points to 4.25 percent in late August.

The dollar depreciated sharply against most major currencies for the first several days after the attacks of September 11th, but it rebounded to pre-attack levels

**CHART 2**

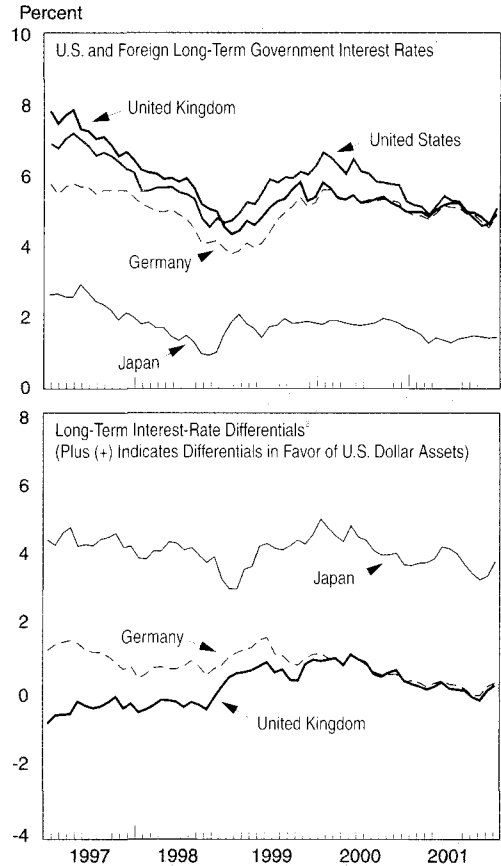
**Short-Term Interest Rates**



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

**CHART 3**

**Long-Term Interest Rates**



1. Long-term government bonds, 10-year maturities.  
 2. U.S. interest rates less respective foreign interest rates.  
 Data: Federal Reserve Board.  
 U.S. Bureau of Economic Analysis

by the end of the quarter. In the days after the attacks, central banks around the world acted to facilitate the functioning of financial markets and to provide liquidity. The U.S. Federal Reserve System eased its rules for lending of its own securities to dealers and took other steps to facilitate the functioning of financial markets. It provided an unusually large volume of liquidity, partly by lending record amounts through the discount window and by establishing new short-term reciprocal currency swap arrangements or temporarily augmenting existing currency swap facilities with the European Central Bank, the Bank of England, and the Bank of Canada. When the U.S. stock market reopened on September 17th, U.S. monetary authorities injected additional liquidity by lowering the target Federal funds rate 50 basis points to 3.0 percent.

In the fourth quarter, the dollar was unchanged against the euro. Equity markets rebounded quickly from their post-September 11th lows. Prices in the fixed income market declined. Despite considerable uncertainty following the attacks and despite lower interest rates in the United States than abroad, the dollar appreciated against most major currencies, particularly toward the end of the quarter, when many market participants believed that the cumulative impact of eight cuts in the target Federal funds rate during the first three quarters and three additional cuts to 1.75 percent in the fourth quarter would lead to an earlier and stronger upturn in economic activity in the United States than in other countries. The European Central Bank lowered its rate on refinancing operations in two steps to 3.25 percent, as additional evidence accumu-

lated that growth in euro-area countries had weakened.

Economic conditions in Japan deteriorated considerably over the year, as a result of both weak domestic spending and falling demand for Japanese exports. Early in the year, Japanese monetary authorities attempted to stimulate domestic demand by first reducing the overnight call rate to 15 basis points and then changing the operational target, which effectively lowered the call rate to almost zero. As economic conditions failed to improve through the summer months, the Bank of Japan downgraded its assessment of prospects for the Japanese economy, and monetary authorities maintained operations that kept the call rate close to zero. By the fourth quarter, reports showed that economic output had contracted in both the second and third quarters and that Japan had entered its second recession in recent years. New downward revisions in growth forecasts and sovereign credit downgrades by three credit rating agencies further depressed the yen against the dollar.

## Current Account

### Goods and services

The deficit on goods and services decreased to \$347.8 billion in 2001 from \$375.7 billion in 2000. The deficit on goods decreased, and the surplus on services increased a small amount, partly reflecting nonrecurring insurance transactions in imports (table D).

### Goods

The deficit on goods decreased to \$426.6 billion in 2001 from \$452.2 billion in 2000. Goods exports and imports both declined by substantial amounts, but the decline in imports was larger than that in exports.

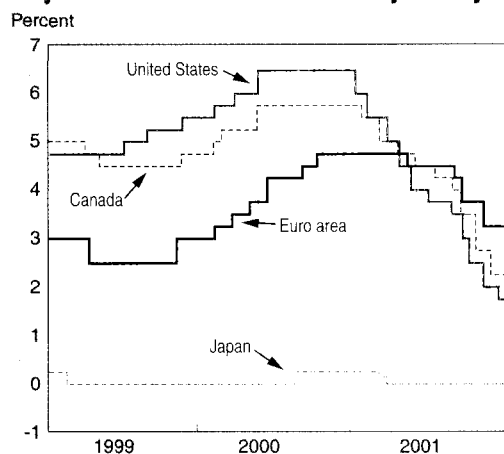
Goods exports decreased \$51.4 billion, or 7 percent, to \$720.8 billion in 2001 after increasing \$87.7 billion, or 13 percent, in 2000. The decrease was concentrated in capital goods and in industrial supplies and materials (tables E and F).

Goods imports decreased \$77.0 billion, or 6 percent, to \$1,147.4 billion in 2001 after increasing \$194.4 billion, or 19 percent, in 2000. Petroleum imports decreased \$16.5 billion, or 14 percent, following an increase of \$52.4 billion, or 77 percent. Nonpetroleum imports decreased \$60.5 billion, or 5 percent, following an increase of \$142.0 billion, or 15 percent; the decrease was concentrated in capital goods and in industrial supplies and materials.

U.S. exports in 2001 were restrained by substantial slowdowns in economic growth in industrial and less developed countries. Growth in real gross domestic product (GDP) in many Western European countries,

**CHART 4**

### Key Interest Rates for Monetary Policy



Note.—The rates shown are the following: The target level for the federal funds rate in the United States, the target level for the overnight rate in Canada, the minimum bid rate on main refinancing operations in the euro area, and the uncollateralized overnight call rate in Japan.

Data: Federal Reserve Board and foreign monetary authorities.

U.S. Bureau of Economic Analysis

Canada, Japan, and the newly industrialized countries in Asia was substantially lower than in 2000 (chart 5). The slowdown was also evident in Mexico and other countries in Latin America. The lagged impact of dollar appreciation also restrained U.S. exports.

U.S. imports decreased substantially in 2001 as the U.S. economy, which began slowing in the last half of 2000, slowed considerably more in 2001. Growth in U.S. real GDP fell to 1.2 percent in 2001 from 4.1 percent in 2000 and 4.1 percent in 1999.

Domestic prices of most exports decreased slightly in 2001, following an increase in 2000. Prices of computers decreased, but less than in 2000. Prices for the civilian aircraft component of capital goods increased (table G). When converted into foreign currencies, prices increased, because depreciation of foreign currencies more than offset the declines in domestic prices (table H).

Dollar prices of most imports decreased, led by declines in petroleum and petroleum products and in computers (table G).

**Exports.** Nonagricultural exports decreased \$53.6 billion, or 7 percent, to \$665.8 billion in 2001, following an \$84.5 billion, or 13 percent, increase in 2000. Quantities decreased 7 percent, and prices were unchanged. In value, capital goods accounted for 65 percent of the decrease; nonagricultural industrial supplies and materials, for 24 percent; and automotive products, for 10 percent. Agricultural products increased (charts 6 and 7).

Capital goods, except automotive, fell \$34.8 billion, or 10 percent, following an increase of \$45.8 billion, or 15 percent. Much of the decrease was in high-technol-

ogy products, resulting from the end in the multiyear worldwide boom in production and sales of high-technology equipment and components. Semiconductors—mainly to Asia, Latin America, and Western Europe—decreased \$15.0 billion, or 25 percent. Computers, peripherals, and parts—mainly to Western Europe, Canada, and Asia (especially South Korea, Taiwan, and Japan)—fell \$7.9 billion, or 14 percent. Telecommunications equipment—mainly to Canada, Latin America, and Japan—fell \$3.4 billion, or 11 percent. Most types of machinery also decreased. “Other” industrial, agricultural, and service machinery—mainly to the newly industrialized countries in Asia, to Canada, to Western Europe, and to Japan—decreased

**Table F. Percent Change in U.S. Trade in Goods, Current and Chained (1996) Dollars**

[Balance of payments basis]

	Current dollars			Chained (1996) dollars		
	1999	2000	2001 <sup>p</sup>	1999 <sup>r</sup>	2000 <sup>r</sup>	2001 <sup>p</sup>
<b>Exports</b> .....	<b>2.1</b>	<b>12.8</b>	<b>-6.7</b>	<b>3.5</b>	<b>11.5</b>	<b>-6.0</b>
Agricultural products.....	-6.6	6.3	4.1	1.0	8.4	3.3
Nonagricultural products.....	2.9	13.3	-7.4	3.8	11.8	-6.7
Foods, feeds, and beverages.....	-1.9	4.2	3.2	2.8	5.9	3.1
Industrial supplies and materials.....	-0.8	16.9	-6.7	0.7	9.9	-3.7
Capital goods, except automotive.....	3.8	14.7	-9.7	5.5	15.5	-9.8
Automotive vehicles, engines, and parts.....	3.7	6.8	-7.0	3.1	5.9	-7.3
Consumer goods (nonfood), except automotive.....	2.1	10.5	-1.1	2.4	10.0	-0.7
Exports, n.e.c.....	2.0	6.0	-0.1	3.1	4.7	-0.1
<b>Imports</b> .....	<b>12.3</b>	<b>18.9</b>	<b>-6.3</b>	<b>12.0</b>	<b>13.5</b>	<b>-3.4</b>
Petroleum and products.....	33.8	77.4	-13.7	0.6	5.6	3.1
Nonpetroleum products.....	11.0	14.8	-5.5	12.9	14.1	-4.0
Foods, feeds, and beverages.....	5.7	5.5	1.5	9.3	7.1	4.6
Industrial supplies and materials.....	10.8	34.8	-8.2	2.4	5.7	-0.3
Capital goods, except automotive.....	9.6	17.4	-14.1	14.5	20.2	-11.6
Automotive vehicles, engines, and parts.....	20.4	9.4	-3.1	19.5	8.6	-3.1
Consumer goods (nonfood), except automotive.....	11.4	16.4	0.8	12.1	17.5	1.6
Imports, n.e.c., and U.S. goods returned.....	20.5	12.8	-0.3	20.6	11.8	-0.4

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

**Table E. U.S. Trade in Goods, Current and Chained (1996) Dollars**

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

	Current dollars								Chained (1996) dollars <sup>1</sup>							
	1999	2000	2001 <sup>p</sup>	2001				1999 <sup>r</sup>	2000 <sup>r</sup>	2001 <sup>p</sup>	2001					
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>		
<b>Exports</b> .....	<b>684,553</b>	<b>772,210</b>	<b>720,831</b>	<b>194,542</b>	<b>185,464</b>	<b>173,419</b>	<b>167,406</b>	<b>736,408</b>	<b>821,462</b>	<b>771,921</b>	<b>206,740</b>	<b>197,934</b>	<b>186,072</b>	<b>181,175</b>		
Agricultural products.....	49,661	52,808	54,986	13,629	13,488	13,746	14,123	63,239	68,539	70,777	17,518	17,517	17,400	18,342		
Nonagricultural products.....	634,892	719,402	665,845	180,913	171,976	159,673	153,283	673,008	752,470	702,079	189,240	180,458	168,966	163,415		
Foods, feeds, and beverages.....	45,532	47,453	48,982	12,400	12,105	12,025	12,452	56,620	59,975	61,815	15,637	15,401	14,975	15,802		
Industrial supplies and materials.....	147,094	171,956	160,375	43,099	41,274	38,454	37,548	158,486	174,250	167,770	43,800	42,551	40,606	40,813		
Capital goods, except automotive.....	311,250	357,037	322,259	91,496	82,874	75,907	71,982	342,074	395,048	356,395	100,878	91,472	84,154	79,891		
Automotive vehicles, engines, and parts.....	75,084	80,170	74,596	17,935	19,066	19,341	18,254	73,955	78,293	72,581	17,481	18,547	18,796	17,757		
Consumer goods (nonfood), except automotive.....	81,972	90,554	89,600	23,457	23,344	21,456	21,343	81,644	89,791	89,158	23,340	23,274	21,349	21,195		
Exports, n.e.c.....	23,621	25,040	25,019	6,155	6,801	6,236	5,827	24,712	25,872	25,847	6,332	6,990	6,436	6,089		
<b>Imports</b> .....	<b>1,029,987</b>	<b>1,224,417</b>	<b>1,147,446</b>	<b>307,163</b>	<b>293,222</b>	<b>278,960</b>	<b>268,101</b>	<b>1,139,616</b>	<b>1,293,769</b>	<b>1,249,833</b>	<b>325,385</b>	<b>315,632</b>	<b>305,877</b>	<b>302,939</b>		
Petroleum and products.....	67,767	120,185	103,717	29,278	28,535	25,641	20,263	81,443	86,004	88,640	22,784	23,031	21,314	21,511		
Nonpetroleum products.....	962,220	1,104,232	1,043,729	277,885	264,687	253,319	247,838	1,056,300	1,205,094	1,156,932	301,394	291,506	283,672	280,360		
Foods, feeds, and beverages.....	43,578	45,974	46,675	11,459	11,425	11,987	11,804	46,122	49,419	51,678	12,428	12,638	13,438	13,174		
Industrial supplies and materials.....	224,717	302,911	278,171	77,144	74,444	67,288	59,295	248,863	263,046	262,235	66,503	67,309	64,390	64,033		
Capital goods, except automotive.....	295,271	346,663	297,802	86,184	74,735	69,116	67,767	375,681	451,647	399,355	113,849	99,780	93,274	92,452		
Automotive vehicles, engines, and parts.....	178,996	195,858	189,700	46,705	47,787	47,976	47,232	177,167	192,490	186,486	45,834	47,034	47,267	46,351		
Consumer goods (nonfood), except automotive.....	241,845	281,581	283,798	72,983	71,638	70,038	69,139	249,796	293,422	298,168	76,342	75,171	73,647	73,008		
Imports, n.e.c., and U.S. goods returned.....	45,580	51,430	51,300	12,688	13,193	12,555	12,864	45,945	51,350	51,135	12,500	13,062	12,605	12,968		

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

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

\$7.1 billion, and electric generating machinery—mainly to Mexico, Asia, and Western Europe—decreased \$4.8 billion. In contrast, civilian aircraft and parts increased \$4.7 billion, a turnaround from a strike-depressed 2000 (table I).

Nonagricultural industrial supplies and materials decreased \$12.6 billion, or 8 percent, following an increase of \$23.4 billion, or 17 percent. Metals and non-metallic products decreased \$4.6 billion, and chemicals and paper and paper products also decreased. All of these decreases reflected slowing economic growth abroad (table J).

Automotive vehicles, engines, and parts decreased \$5.6 billion, or 7 percent, following an increase of \$5.1 billion, or 7 percent. The decrease was more than accounted for by a decrease in exports to Canada, mostly of parts, but also of completed autos, trucks, and buses. Exports to other areas increased slightly.

Consumer goods decreased \$1.0 billion, or 1 percent, following an increase of \$8.6 billion, or 10 percent. Both consumer durables and nondurables fell after strong increases. Offsetting some of the decreases was a 17-percent increase in pharmaceutical products, which have increased strongly for the past 5 years.

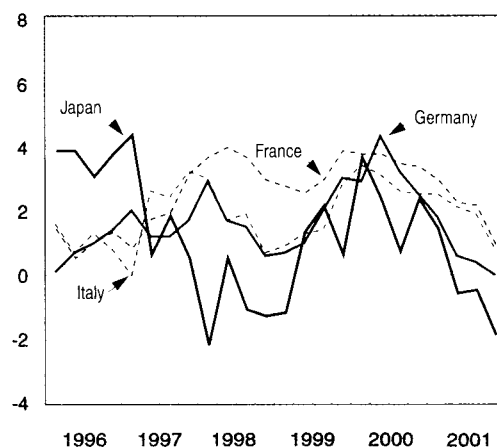
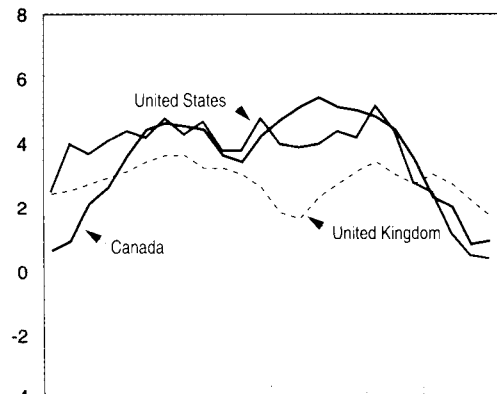
Agricultural products increased \$2.2 billion, or 4 percent, following an increase of \$8.6 billion, or 10 percent. These increases followed 3 years of decline. However, exports remained 11 percent below the record level reached in 1996, as both volume and average prices were well below those in 1996.

**Imports.** Nonpetroleum imports decreased \$60.5 billion, or 5 percent, to \$1,043.7 billion in 2001, following an increase of \$142.0 billion, or 15 percent in 2000. Quantities decreased 4 percent, and prices decreased 1 percent. In value, capital goods accounted for more than 80 percent of the decrease. Nonpetroleum

## CHART 5

### Major Industrial Countries: Real GDP

Percent change from four quarters earlier



U.S. Bureau of Economic Analysis

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

[Based on index numbers (1996=100)]

	1999 <sup>r</sup>	2000 <sup>r</sup>	2001 <sup>p</sup>
<b>Exports</b>	<b>-1.4</b>	<b>1.2</b>	<b>-0.7</b>
Agricultural products	-7.4	-1.9	0.8
Nonagricultural products	-0.9	1.4	-0.8
Foods, feeds, and beverages	-4.6	-1.6	0.3
Industrial supplies and materials	-1.5	6.4	-3.2
Capital goods, except automotive	-1.6	-0.7	0.0
Computers, peripherals, and parts	-9.4	-5.1	-3.2
Civilian aircraft, engines, and parts	2.3	4.1	5.5
Other capital goods	-0.7	-0.6	-0.4
Automotive vehicles, engines, and parts	0.6	0.9	0.4
Consumer goods (nonfood), except automotive	-0.4	0.4	-0.3
Exports, n.e.c.	-1.1	1.3	0.0
<b>Imports</b>	<b>0.1</b>	<b>4.8</b>	<b>-3.1</b>
Petroleum and products	33.1	67.9	-16.5
Nonpetroleum products	-1.6	0.5	-1.5
Foods, feeds, and beverages	-3.3	-1.6	-2.8
Industrial supplies and materials	8.2	27.7	-8.1
Capital goods, except automotive	-4.3	-2.3	-3.0
Computers, peripherals, and parts	-12.7	-5.9	-9.4
Civilian aircraft, engines, and parts	1.8	3.0	3.8
Other capital goods	-1.2	-1.6	-1.2
Automotive vehicles, engines, and parts	0.7	0.7	0.0
Consumer goods (nonfood), except automotive	-0.7	-0.9	-0.7
Imports, n.e.c., and U.S. goods returned	-0.1	1.0	0.1

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

n.e.c. Not elsewhere classified.

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

[Based on index numbers (1996=100)]

	1999 <sup>r</sup>	2000 <sup>r</sup>	2001 <sup>p</sup>
<b>Exports</b>	<b>-1.1</b>	<b>3.6</b>	<b>4.6</b>
Agricultural products	-7.1	0.5	6.2
Nonagricultural products	-0.6	3.8	4.5
Foods, feeds, and beverages	-4.3	0.8	5.6
Industrial supplies and materials	-1.2	8.9	2.0
Capital goods, except automotive	-1.3	1.7	5.4
Computers, peripherals, and parts	-9.1	-2.8	2.0
Civilian aircraft, engines, and parts	2.6	6.6	11.1
Other capital goods	-0.4	1.8	4.9
Automotive vehicles, engines, and parts	0.9	3.3	5.8
Consumer goods (nonfood), except automotive	-0.1	2.8	5.1
Exports, n.e.c.	-0.8	3.7	5.4

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

n.e.c. Not elsewhere classified.

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

industrial supplies and materials also decreased sharply. Consumer goods increased, but the increase was substantially smaller than in 2000 (charts 6 and 8).

Capital goods, except automotive, fell \$48.9 billion, or 14 percent, following an increase of \$51.4 billion, or 17 percent. High-technology products accounted for \$41.7 billion of the decline. Within the group, semiconductors decreased \$17.9 billion, largely from Asia. Computers and computer parts decreased \$15.8 billion, \$8.2 billion of which was parts from Asia. Telecommunications equipment decreased \$8.0 billion, largely from Canada. Reduced chip demand, falling semiconductor prices, and sharply lower demand for all types of electronic products reflected the end of the multiyear worldwide boom in production and sales of high-technology products. Among other capital goods,

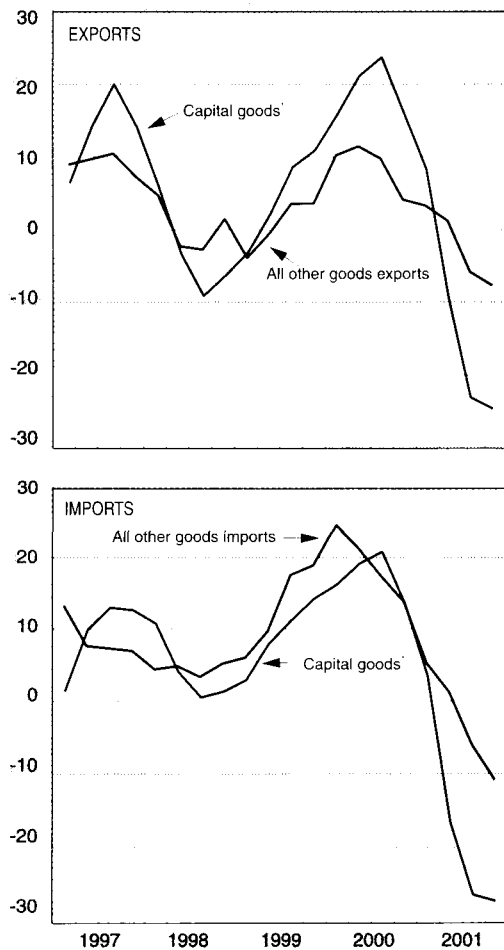
electric generating machinery fell for the first time, reflecting lower purchases from Japan, other countries in Asia, and Mexico. "Other" industrial, agricultural, and service industry machinery, mainly from Japan and Western Europe, fell for the first time since 1991. In contrast, civilian aircraft increased strongly (table I).

Nonpetroleum industrial supplies and materials fell \$8.3 billion, or 5 percent, following an increase of \$25.8 billion, or 16 percent. Metals and nonmetallic products more than accounted for the decrease, de-

**CHART 6**

**U.S. Trade in Goods**

Percent change from four quarters earlier



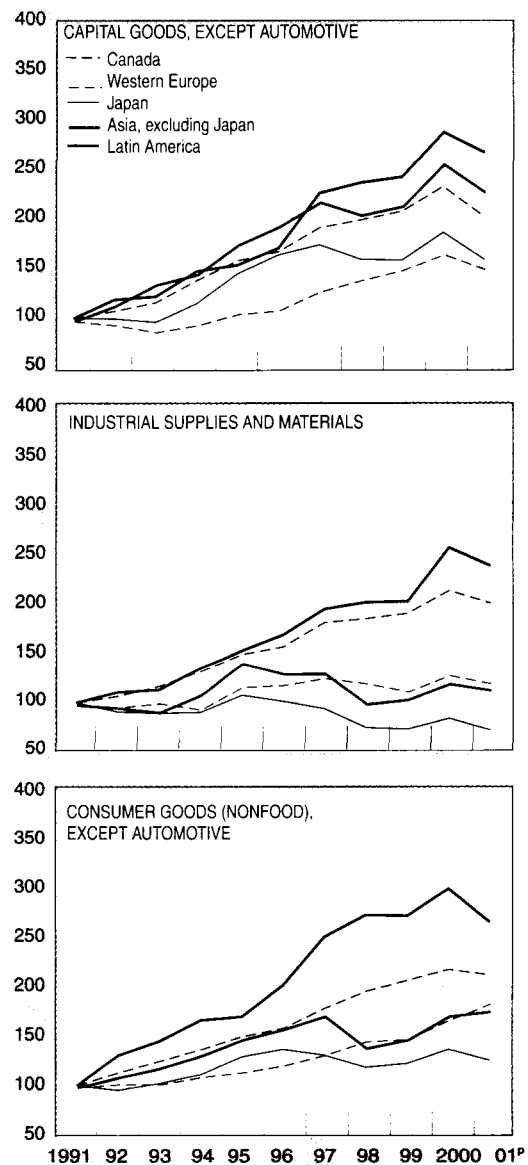
Based on seasonally adjusted data

1. Capital goods, except automotive and civilian aircraft  
U.S. Bureau of Economic Analysis

**CHART 7**

**Growth in Exports by Selected Commodity Categories and Areas**

1991=100



p Preliminary

U.S. Bureau of Economic Analysis

clining \$8.9 billion; over half the decline was accounted for by iron and steel products and steelmaking materials, principally from countries in Asia and Western Europe. Nonferrous metals fell \$3.4 billion, mainly from Eastern and Western Europe. Among nonmetals, paper and paper base stocks fell \$1.4 billion, mainly from Canada, the top supplier to the U.S. market. Partly offsetting these decreases were stronger imports of natural gas, also from Canada. Purchases of natural gas have grown strongly since 1998 (table J).

Automotive vehicles, engines, and parts fell \$6.2 billion, or 3 percent—the first decrease since 1991—following an increase of \$16.9 billion, or 9 percent. Parts and accessories, mainly from Canada and Japan, accounted for 70 percent of the decline. However, imports of complete autos, mainly from Canada and Mexico, were also lower. These declines reflected a 12-percent reduction in U.S. auto production for the year and a 1-percent decline in yearly auto sales. U.S. auto sales plunged immediately following the terrorist at-

**Table I. U.S. Trade in Capital Goods, except Automotive**  
[Balance of payments basis, millions of dollars]

	1996	1997	1998	1999	2000	2001 <sup>p</sup>
<b>Exports</b> .....	<b>253,986</b>	<b>295,874</b>	<b>299,868</b>	<b>311,250</b>	<b>357,037</b>	<b>322,259</b>
Computers, peripherals, and parts.....	43,719	49,361	45,247	46,725	55,541	47,632
Semiconductors.....	35,769	38,861	37,650	46,961	60,077	45,099
Telecommunications equipment.....	20,217	23,340	23,869	25,367	31,268	27,914
Scientific, hospital, and medical equipment and parts.....	14,804	16,173	15,827	16,831	19,384	20,124
Industrial, agricultural, and service industry machinery.....	40,960	46,347	43,573	43,768	52,116	45,030
Machine tools, metalworking equipment, and control instruments.....	15,606	18,275	18,815	19,335	23,844	19,974
Oil drilling, mining, and construction machinery.....	12,693	15,965	15,943	11,987	12,628	14,160
Industrial engines, pumps, and compressors.....	10,287	12,614	11,727	11,899	12,583	13,033
Electric generating machinery, electric apparatus, and parts.....	24,113	27,977	27,301	29,403	35,847	31,004
Civilian aircraft, engines, and parts.....	30,792	41,359	53,547	52,920	48,091	52,813
Other capital goods, n.e.c.....	5,026	5,602	6,369	6,054	5,658	5,476
<b>Imports</b> .....	<b>228,478</b>	<b>253,398</b>	<b>269,451</b>	<b>295,271</b>	<b>346,663</b>	<b>297,802</b>
Computers, peripherals, and parts.....	61,514	70,177	72,475	81,457	89,762	74,003
Semiconductors.....	36,707	36,880	33,416	37,627	48,355	30,455
Telecommunications equipment.....	12,788	13,822	15,723	20,922	31,927	23,882
Scientific, hospital, and medical equipment and parts.....	7,992	8,958	10,513	12,196	14,996	15,290
Industrial, agricultural, and service industry machinery.....	38,386	41,814	44,711	46,170	50,923	46,854
Machine tools, metalworking equipment, and control instruments.....	13,463	14,973	16,173	15,497	18,082	16,357
Oil drilling, mining, and construction machinery.....	5,201	6,382	8,007	7,025	7,210	6,927
Industrial engines, pumps, and compressors.....	6,267	6,541	7,338	8,258	10,061	10,422
Electric generating machinery, electric apparatus, and parts.....	24,749	27,920	29,074	32,835	39,748	34,881
Civilian aircraft, engines, and parts.....	12,671	16,598	21,814	23,773	26,376	31,236
Other capital goods, n.e.c.....	8,740	9,333	10,207	9,511	9,223	7,495

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

**Table J. U.S. Trade in Nonagricultural Industrial Supplies and Materials**  
[Balance of payments basis, millions of dollars]

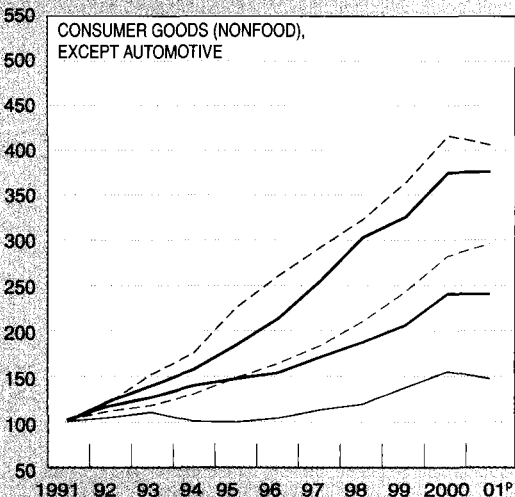
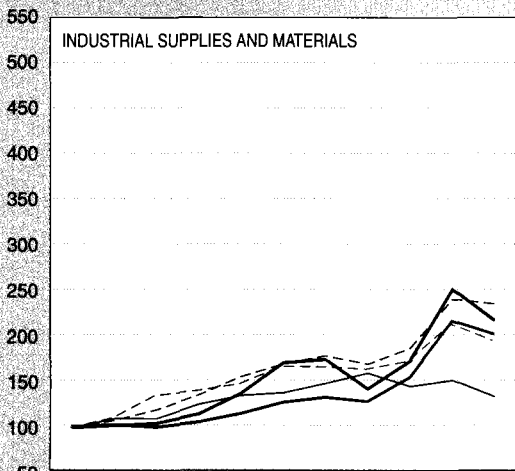
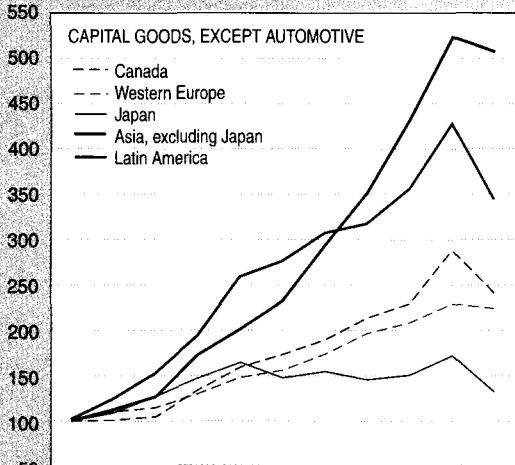
	1996	1997	1998	1999	2000	2001 <sup>p</sup>
<b>Exports</b> .....	<b>137,949</b>	<b>147,730</b>	<b>138,528</b>	<b>139,323</b>	<b>162,769</b>	<b>150,121</b>
Energy products.....	15,536	16,566	13,335	12,882	16,637	16,043
Chemicals, excluding medicinals.....	42,441	46,829	44,944	45,929	52,243	49,784
Paper and paper base stocks.....	12,482	12,785	12,151	12,174	14,000	12,413
Textile supplies and related materials.....	9,555	10,700	8,918	9,215	10,671	10,160
Building materials, except metals.....	9,261	9,482	7,977	8,166	8,762	7,797
Other nonmetals.....	15,302	16,705	18,043	18,503	21,208	19,313
Metals and nonmetallic products.....	33,372	34,663	33,160	32,454	39,248	34,611
Steelmaking materials and iron and steel products.....	7,565	8,186	7,328	7,139	8,548	7,968
Nonferrous metals.....	15,481	15,026	14,235	13,541	16,056	14,231
Other metals and nonmetallic products.....	10,326	11,451	11,597	11,774	14,644	12,412
<b>Imports</b> .....	<b>203,017</b>	<b>211,000</b>	<b>196,853</b>	<b>219,158</b>	<b>297,300</b>	<b>272,870</b>
Energy products.....	80,279	80,158	59,119	78,140	138,397	125,852
Chemicals, excluding medicinals.....	26,862	29,124	29,183	30,117	34,449	34,894
Paper and paper base stocks.....	10,872	10,675	11,222	11,614	13,725	12,336
Textile supplies and related materials.....	8,835	10,097	10,338	10,293	11,242	10,303
Building materials, except metals.....	15,035	16,822	17,909	21,824	21,801	21,301
Other nonmetals.....	13,376	14,177	14,650	15,856	17,914	17,324
Metals and nonmetallic products.....	47,758	49,947	54,432	51,314	59,772	50,860
Steelmaking materials and iron and steel products.....	20,265	21,163	24,456	20,916	24,006	18,982
Nonferrous metals.....	21,678	22,035	22,837	22,797	26,687	23,258
Other metals and nonmetallic products.....	5,815	6,749	7,139	7,601	9,079	8,620
<b>Memorandum:</b>						
Nonpetroleum industrial supplies and materials imports.....	136,752	145,535	152,145	156,950	182,726	174,454

<sup>p</sup> Preliminary.

**CHART 8**

**Growth in Imports by Selected Commodity Categories and Areas**

1991=100



p Preliminary

U.S. Bureau of Economic Analysis

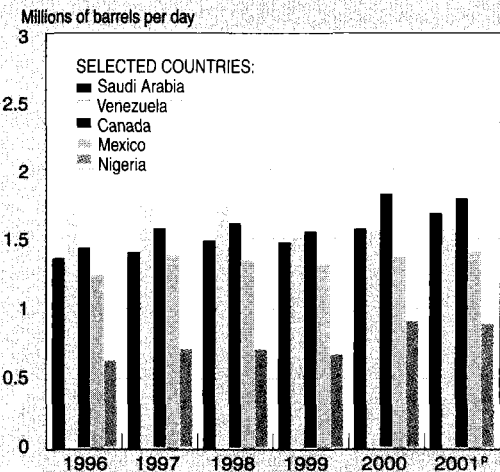
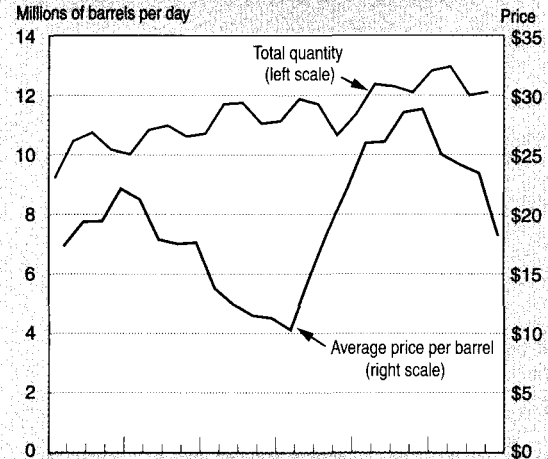
tacks of September 11th, but generous financial incentive programs by auto manufacturers led to record high sales in October and relatively strong sales in November and December.

Consumer goods increased \$2.2 billion, or 1 percent, a sizable slowdown from increases of \$39.7 billion, or 16 percent, in 2000 and \$24.7 billion, or 11 percent, in 1999. Imports of most types of consumer goods from nearly every major country declined, but especially those from Western Europe and Canada.

Petroleum and petroleum products decreased \$16.5 billion, or 14 percent, following an increase of \$52.4 billion, or 77 percent. OPEC members, especially Venezuela, Nigeria, and Saudi Arabia, accounted for 42 percent of the decrease. Among non-OPEC members, imports were lower from Mexico, Canada, and the United Kingdom. Although the average price per bar-

**CHART 9**

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



p Preliminary

Data: Total quantity and price data from U.S. Bureau of Economic Analysis; selected country data from U.S. Department of Energy.

U.S. Bureau of Economic Analysis

rel fell to \$22.80 in 2001 from a record high of \$27.43 in 2000, it remained high by historical standards. The average number of barrels imported daily continued to rise, to 12.43 million from 11.98 million (chart 9). Inventories rose, while both U.S. consumption and production fell, though marginally.

**Balances by area.** In 2001, the deficit on goods was \$426.6 billion, a reduction of \$25.6 billion. Reductions occurred with Asia—\$12.3 billion with Japan and \$14.8 billion with other countries in Asia—mostly as a result of larger declines in imports than in exports. Most of the reductions in imports and exports were in the high-technology components of capital goods (table K).

By comparison, the deficits with industrial countries except Japan increased by small amounts. The deficit with Western Europe increased \$4.7 billion, primarily because declines in exports of capital goods and of industrial supplies and materials combined were larger than declines in imports of those commodities.

The deficit with Canada increased \$1.0 billion, primarily as a result of declines in exports of capital goods, automotive products, and industrial supplies and materials that were largely offset by declines in imports of capital goods and automotive products.

The deficit with Latin America increased \$1.0 billion. Within Latin America, the deficit with Mexico increased \$5.2 billion, largely because of lower exports of capital goods and industrial supplies and materials, which were partly offset by lower imports of petroleum and petroleum products.

### Services

The surplus on services increased to \$78.8 billion in 2001 from \$76.5 billion in 2000. In contrast to increases in many recent years, services exports and services imports both decreased. Imports decreased more than exports (partly reflecting nonrecurring insurance transactions in imports), leading to the rise in the surplus (table L).

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

[Balance of payments basis, millions of dollars]

	Canada			Western Europe			United Kingdom			Germany			Japan		
	1999	2000	2001 <sup>p</sup>	1999	2000	2001 <sup>p</sup>	1999	2000	2001 <sup>p</sup>	1999	2000	2001 <sup>p</sup>	1999	2000	2001 <sup>p</sup>
<b>Exports.....</b>	<b>166,727</b>	<b>178,987</b>	<b>163,939</b>	<b>162,770</b>	<b>178,793</b>	<b>171,833</b>	<b>37,659</b>	<b>40,727</b>	<b>39,809</b>	<b>26,364</b>	<b>28,923</b>	<b>29,441</b>	<b>56,074</b>	<b>63,576</b>	<b>56,038</b>
Agricultural products.....	7,997	8,469	9,202	7,744	7,579	7,706	1,094	1,050	1,080	978	943	943	9,016	9,547	9,090
Nonagricultural products.....	158,730	170,518	154,737	155,026	171,214	164,127	36,565	39,677	38,729	25,386	27,980	28,498	47,058	54,029	46,948
Foods, feeds, and beverages.....	7,958	8,394	9,104	6,101	5,864	5,927	1,029	938	1,022	744	680	739	9,642	10,006	9,537
Industrial supplies and materials.....	35,965	40,226	37,884	32,975	37,793	35,424	6,318	7,101	6,550	4,384	4,755	4,431	10,847	12,489	10,686
Capital goods, except automotive.....	53,836	60,249	52,357	87,177	96,290	87,662	21,505	23,307	20,616	15,605	17,668	17,562	24,005	28,280	24,083
Automotive vehicles, engines, and parts.....	45,815	45,663	39,698	7,921	7,488	8,569	1,767	1,637	1,820	2,169	2,222	2,926	2,733	3,029	2,677
Consumer goods (nonfood), except automotive.....	18,137	19,122	18,632	22,440	25,332	27,792	5,187	6,259	7,653	2,630	2,712	2,919	7,565	8,450	7,778
Exports, n.e.c.....	5,016	5,333	6,264	6,156	6,026	6,459	1,853	1,485	1,485	832	886	864	1,282	1,322	1,277
<b>Imports.....</b>	<b>201,288</b>	<b>233,678</b>	<b>219,588</b>	<b>214,871</b>	<b>243,426</b>	<b>241,197</b>	<b>38,789</b>	<b>43,388</b>	<b>41,101</b>	<b>55,167</b>	<b>58,501</b>	<b>59,139</b>	<b>130,878</b>	<b>146,497</b>	<b>126,645</b>
Petroleum and products.....	9,958	18,553	16,316	6,596	12,653	11,150	2,425	4,117	3,383	286	510	449	180	251	219
Nonpetroleum products.....	191,330	215,125	203,272	208,275	230,773	230,047	36,364	39,271	37,718	54,881	57,991	58,690	130,698	146,246	126,426
Foods, feeds, and beverages.....	9,462	10,277	11,452	9,480	9,706	9,644	1,227	1,262	1,188	644	663	648	426	438	385
Industrial supplies and materials.....	66,561	85,877	83,993	43,187	53,327	48,753	7,392	10,061	8,827	8,282	9,265	8,627	12,484	13,060	11,507
Capital goods, except automotive.....	32,069	40,300	33,691	70,925	78,076	76,236	15,059	15,574	14,805	19,714	21,588	21,814	54,511	62,196	47,599
Automotive vehicles, engines, and parts.....	63,837	63,946	57,863	28,539	30,398	31,132	3,629	4,185	3,846	17,107	18,423	18,933	43,058	47,594	44,912
Consumer goods (nonfood), except automotive.....	13,981	16,013	15,613	50,499	58,787	61,697	8,374	8,754	8,622	6,777	5,837	6,345	17,057	19,259	18,277
Imports, n.e.c., and U.S. goods returned.....	15,378	17,265	16,976	12,241	13,132	13,735	3,108	3,552	3,813	2,643	2,725	2,772	3,342	3,950	3,965
<b>Balance.....</b>	<b>-34,561</b>	<b>-54,691</b>	<b>-55,649</b>	<b>-52,101</b>	<b>-64,633</b>	<b>-69,364</b>	<b>-1,130</b>	<b>-2,661</b>	<b>-1,292</b>	<b>-28,803</b>	<b>-29,578</b>	<b>-29,698</b>	<b>-74,804</b>	<b>-82,921</b>	<b>-70,607</b>
	Latin America			Mexico			Asia, excluding Japan			Hong Kong, Republic of Korea, Singapore, Taiwan			China		
	1999	2000	2001 <sup>p</sup>	1999	2000	2001 <sup>p</sup>	1999	2000	2001 <sup>p</sup>	1999	2000	2001 <sup>p</sup>	1999	2000	2001 <sup>p</sup>
<b>Exports.....</b>	<b>131,387</b>	<b>158,843</b>	<b>148,302</b>	<b>86,761</b>	<b>111,171</b>	<b>101,411</b>	<b>129,622</b>	<b>151,998</b>	<b>140,222</b>	<b>68,317</b>	<b>83,114</b>	<b>69,999</b>	<b>13,055</b>	<b>16,138</b>	<b>19,164</b>
Agricultural products.....	8,663	9,482	10,488	5,678	6,603	7,552	10,893	12,622	13,287	5,854	6,147	6,113	868	1,761	1,954
Nonagricultural products.....	122,724	149,361	137,814	81,083	104,568	93,859	118,729	139,376	126,935	62,463	76,967	63,886	12,187	14,377	17,210
Foods, feeds, and beverages.....	7,409	7,937	9,003	4,903	5,620	6,558	9,454	10,490	10,487	5,090	5,098	4,937	784	1,558	1,584
Industrial supplies and materials.....	34,896	44,352	40,766	24,149	31,820	28,043	25,425	29,318	27,727	14,015	15,969	13,973	3,876	5,098	5,455
Capital goods, except automotive.....	52,439	62,216	57,461	31,813	40,798	36,130	78,151	93,496	83,179	41,990	53,494	43,059	7,407	8,378	10,827
Automotive vehicles, engines, and parts.....	13,560	18,636	18,154	11,753	16,574	16,088	3,179	3,315	3,428	1,140	998	836	275	268	296
Consumer goods (nonfood), except automotive.....	17,717	19,575	17,468	10,419	11,851	10,673	10,033	11,639	11,950	4,457	5,516	5,422	571	672	862
Exports, n.e.c.....	5,366	6,127	5,450	3,724	4,508	3,919	3,380	3,740	3,451	1,625	2,039	1,772	142	164	140
<b>Imports.....</b>	<b>160,969</b>	<b>199,833</b>	<b>190,250</b>	<b>110,550</b>	<b>136,811</b>	<b>132,275</b>	<b>279,520</b>	<b>340,265</b>	<b>313,664</b>	<b>95,091</b>	<b>111,460</b>	<b>93,266</b>	<b>81,789</b>	<b>100,021</b>	<b>102,286</b>
Petroleum and products.....	22,327	37,083	30,251	7,280	12,800	10,216	15,287	26,145	24,250	560	1,081	1,126	182	618	318
Nonpetroleum products.....	138,642	162,750	159,999	103,270	124,011	122,059	264,233	314,120	289,414	94,531	110,379	92,140	81,607	99,403	101,968
Foods, feeds, and beverages.....	13,380	13,656	13,116	5,475	5,853	5,973	7,784	8,515	8,399	712	710	708	942	1,106	1,236
Industrial supplies and materials.....	39,893	56,961	49,116	15,231	21,774	18,763	37,359	52,554	48,991	9,023	10,927	10,035	5,957	7,636	7,556
Capital goods, except automotive.....	31,723	38,543	37,414	27,456	34,105	32,901	101,870	122,642	98,391	51,817	60,351	43,358	17,730	23,292	23,212
Automotive vehicles, engines, and parts.....	34,857	42,226	42,135	33,074	40,249	40,044	7,933	10,583	12,160	5,193	7,270	8,855	1,192	1,557	1,677
Consumer goods (nonfood), except automotive.....	34,168	40,043	40,477	23,940	28,375	28,328	118,441	138,842	138,621	25,174	28,406	26,740	55,073	65,321	67,428
Imports, n.e.c., and U.S. goods returned.....	6,948	8,404	7,992	5,374	6,455	6,266	6,133	7,129	7,102	3,172	3,796	3,570	895	1,109	1,177
<b>Balance.....</b>	<b>-29,582</b>	<b>-40,990</b>	<b>-41,948</b>	<b>-23,789</b>	<b>-25,640</b>	<b>-30,864</b>	<b>-149,898</b>	<b>-188,267</b>	<b>-173,442</b>	<b>-26,774</b>	<b>-28,346</b>	<b>-23,267</b>	<b>-68,734</b>	<b>-83,883</b>	<b>-83,122</b>

<sup>p</sup> Preliminary.

n.e.c. Not elsewhere classified.



In the first 8 months of 2001, slowing U.S. economic activity limited travel abroad by U.S. residents, and slowing growth in major economies abroad significantly limited travel to the United States by foreign residents. The disruption of international travel after the attacks of September 11th further reduced both travel payments and receipts by substantial amounts in the remainder of the year. Although some recovery from October lows was evident in November and December, receipts and payments at yearend remained substantially below their end-of-August levels. For the year, travel receipts were \$72.3 billion, down from \$82.0 billion in 2000; the number of foreign visitors to the United States decreased 14 percent, following an increase of 6 percent. Travel payments were \$58.9 billion, down from \$64.5 billion; the number of U.S. travelers abroad decreased 7 percent, following an increase of 9 percent. Passenger fare receipts were \$17.7 billion, down from \$20.7 billion, and passenger fare payments were \$23.4 billion, down from \$24.2 billion.

Transportation exports and imports were also affected by slowing economic activity in the United States and slowing growth abroad. Freight receipts and payments reflected the sizable deceleration and then the decline in goods exports and imports since mid-2000. Expenditures by carriers for purchases of services in ports also fell by sizable amounts as a result of

the decline in shipping and transportation activity.

"Other" transportation receipts decreased \$1.9 billion, or 6 percent, to \$28.3 billion in 2001, following an increase of \$3.3 billion, or 12 percent, in 2000. Freight receipts decreased \$1.1 billion, or 9 percent, following a 15-percent increase. Ocean freight receipts decreased \$0.6 billion, or 12 percent, as a result of decreases in export volume and freight rates. Rates fell substantially because of weak demand for bulk items, such as coal, iron ore, and grain. Air freight receipts decreased \$0.4 billion, or 8 percent, reflecting an 11-percent decrease in export volume transported by U.S. carriers.

Port services receipts decreased \$0.8 billion, or 4 percent, following a 10-percent increase. Air port services receipts decreased \$0.6 billion, or 7 percent, mostly because of a sizable decrease in the number of foreign visitors to the United States after the attacks of September 11th. A decrease in jet fuel prices also contributed to the decline in air port services receipts. Ocean port services receipts decreased \$0.2 billion, or 2 percent.

"Other" transportation payments decreased \$2.8 billion, or 7 percent, to \$38.2 billion in 2001, following an increase of \$6.9 billion, or 20 percent, in 2000. Freight payments decreased \$2.0 billion, or 7 percent, following a 20-percent increase. Ocean freight payments decreased \$0.9 billion, or 5 percent, reflecting a

Table L. Services

[Millions of dollars, quarters seasonally adjusted]

	1999	2000	2001 <sup>p</sup>	2001			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Exports</b> .....	<b>272,800</b>	<b>293,492</b>	<b>283,758</b>	<b>74,072</b>	<b>73,369</b>	<b>69,724</b>	<b>66,594</b>
Travel.....	74,731	82,042	72,295	20,711	19,835	17,337	14,412
Passenger fares.....	19,785	20,745	17,734	5,006	4,933	4,352	3,443
Other transportation.....	26,916	30,185	28,292	7,415	7,113	7,055	6,709
Royalties and license fees.....	36,420	38,030	38,875	9,564	9,759	9,683	9,870
Other private services.....	98,143	107,568	112,892	27,769	28,166	28,035	28,922
Affiliated services.....	28,969	31,628	35,385	8,793	8,797	8,651	9,144
Unaffiliated services.....	69,174	75,940	77,507	18,976	19,369	19,384	19,778
Education.....	9,604	10,287	10,959	2,630	2,707	2,787	2,835
Financial.....	14,303	17,042	14,498	3,735	3,737	3,426	3,600
Insurance.....	1,299	2,412	3,209	770	796	814	829
Telecommunications.....	3,734	3,843	4,178	950	986	1,107	1,134
Business, professional, and technical.....	27,114	28,026	29,224	7,149	7,316	7,379	7,380
Other.....	13,120	14,331	15,438	3,741	3,827	3,871	3,999
Military transactions <sup>1</sup> .....	15,920	14,060	12,813	3,380	3,362	3,048	3,023
U.S. Government receipts.....	885	862	857	227	201	214	215
<b>Imports</b> .....	<b>189,204</b>	<b>217,024</b>	<b>204,953</b>	<b>56,763</b>	<b>56,446</b>	<b>42,633</b>	<b>49,114</b>
Travel.....	58,865	64,537	58,921	16,247	16,231	14,472	11,971
Passenger fares.....	21,315	24,197	23,407	6,001	6,493	6,240	4,673
Other transportation.....	34,139	41,058	38,230	10,501	9,689	9,159	8,884
Royalties and license fees.....	12,613	16,106	16,399	4,161	4,159	4,177	3,903
Other private services.....	46,117	54,687	50,289	15,548	15,635	4,164	14,941
Affiliated services.....	22,588	25,300	29,484	7,467	7,530	7,305	7,182
Unaffiliated services.....	23,529	29,387	20,805	8,081	8,105	-3,141	7,759
Education.....	1,829	2,140	2,496	587	612	635	662
Financial.....	3,404	4,482	3,936	1,104	1,085	852	895
Insurance.....	3,206	9,189	1,341	3,100	3,122	-7,913	3,032
Telecommunications.....	6,605	5,360	5,002	1,252	1,217	1,283	1,251
Business, professional, and technical.....	8,061	7,776	7,574	1,936	1,953	1,884	1,800
Other.....	425	440	456	102	116	118	119
Direct defense expenditures <sup>2</sup> .....	13,334	13,560	14,775	3,567	3,513	3,685	4,010
U.S. Government payments.....	2,821	2,879	2,932	738	726	736	732

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

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

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

decrease in import volume and freight rates. Freight rates for all ocean services (liner, tanker, and tramp) fell as a result of a decrease in trade volume and an increase in available capacity. Air freight payments decreased \$0.8 billion, or 17 percent, mostly as a result of a 10-percent decrease in import volume transported by foreign carriers.

Port services payments decreased \$0.8 billion, or 6 percent, following an 18-percent increase. Air port services payments decreased \$0.7 billion, or 6 percent, mostly reflecting the decrease in international air travel after September 11th. A decrease in jet fuel prices also contributed to the decline in air port services payments. Ocean port service payments decreased \$0.1 billion, or 5 percent.

"Other" private services receipts increased to \$112.9 billion in 2001 from \$107.6 billion in 2000, but the increase in 2001 was only half the size of the increase in 2000. Affiliated services (transactions between affiliated companies) accounted for much of the increase in 2001. Most unaffiliated services continued to rise, but financial services decreased as foreign activity in U.S. financial markets slowed.

"Other" private services payments decreased a substantial amount, to \$50.3 billion in 2001 from \$54.7 billion in 2000. A decrease in unaffiliated services more than offset an increase in affiliated services. Among unaffiliated services, financial services payments decreased substantially, reflecting significantly reduced U.S. activity in foreign financial markets. More importantly, "other" private services payments was held down by the recording in the third quarter of large nonrecurring losses recovered from foreign reinsurance companies as a result of the September 11th at-

tacks. The losses recovered are recorded in the accounts on an accrual basis at the time the insured event occurs. Excluding these nonrecurring transactions, "other" private services payments would have risen to \$61.3 billion in 2001 from \$54.7 billion in 2000.

Transfers under U.S. military agency sales contracts were \$12.8 billion in 2001, down from \$14.1 billion in 2000. Deliveries have fallen substantially from a peak in 1998, reflecting a drop in orders placed in recent years. U.S. direct defense expenditures abroad were \$14.8 billion in 2001, up from \$13.6 billion in 2000, mostly reflecting military activities in Afghanistan in the fourth quarter, especially for the transportation of troops and supplies.

### Income

The deficit on income increased to \$19.1 billion in 2001 from \$14.8 billion in 2000. Income receipts fell to \$293.8 billion from \$352.9 billion (table D). "Other" private receipts accounted for most of the decrease, but direct investment receipts also decreased a large amount. Income payments fell to \$312.9 billion from \$367.7 billion. Both direct investment payments and "other" private payments decreased by large amounts.

Receipts of income on U.S. direct investment abroad decreased to \$132.7 billion in 2001 from \$149.2 billion in 2000 (table M, chart 10). The slowdown in global economic activity combined with the appreciation of the dollar had a pronounced impact on the earnings of affiliates located abroad, which was evident across all industries. In manufacturing, the \$9.7 billion decrease in earnings was widespread and included earnings declines in transportation equipment, industrial machin-

**Table M. Direct Investment Income and Capital**  
[Millions of dollars, quarters seasonally adjusted]

(Credits +; debits -)	1999	2000	2001 <sup>a</sup>	2001			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Income</b>							
Income receipts on U.S. direct investment abroad .....	123,718	149,240	132,651	37,096	34,311	31,008	30,241
Distributed earnings .....	46,903	45,984	44,189	11,914	11,969	10,050	10,260
Reinvested earnings .....	73,318	99,691	84,296	24,203	21,361	19,854	18,878
Interest, net .....	3,499	3,566	4,167	979	981	1,104	1,103
Income payments on foreign direct investment in the United States .....	-56,674	-68,009	-37,430	-14,398	-10,860	-9,034	-3,139
Distributed earnings .....	-21,299	-24,744	-19,541	-6,293	-1,740	-6,415	-5,096
Reinvested earnings .....	-19,984	-23,651	4,630	-2,715	-3,344	2,984	7,708
Interest, net .....	-15,392	-19,614	-22,520	-5,390	-5,776	-5,603	-5,751
<b>Capital</b>							
U.S. direct investment abroad (increase/financial outflow (-)) .....	-155,385	-152,437	-156,019	-41,122	-41,246	-43,224	-30,426
Equity capital .....	-58,786	-49,907	-52,359	-8,545	-13,675	-18,960	-11,179
Reinvested earnings .....	-73,318	-99,691	-84,296	-24,203	-21,361	-19,854	-18,878
Intercompany debt .....	-23,282	-2,840	-19,363	-3,374	-6,210	-4,410	-369
Foreign direct investment in the United States (increase/financial inflow (+)) .....	301,006	287,655	157,936	52,818	65,554	22,611	16,951
Equity capital .....	225,619	216,749	113,229	21,846	48,736	13,457	29,190
Reinvested earnings .....	19,984	23,651	-4,630	2,715	3,344	-2,984	-7,708
Intercompany debt .....	55,404	47,255	49,338	28,257	13,474	12,138	-4,531

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

ery, and electronic equipment. In "other" industries, nearly three-fourths of the \$8.1 billion decrease in earnings was accounted for by a \$5.9 billion decrease in finance, insurance, and real estate. Financial affiliates of manufacturing and of petroleum companies reported large decreases, as did insurance affiliates and affiliates of major investment banks. By comparison, petroleum earnings decreased only \$0.9 billion.

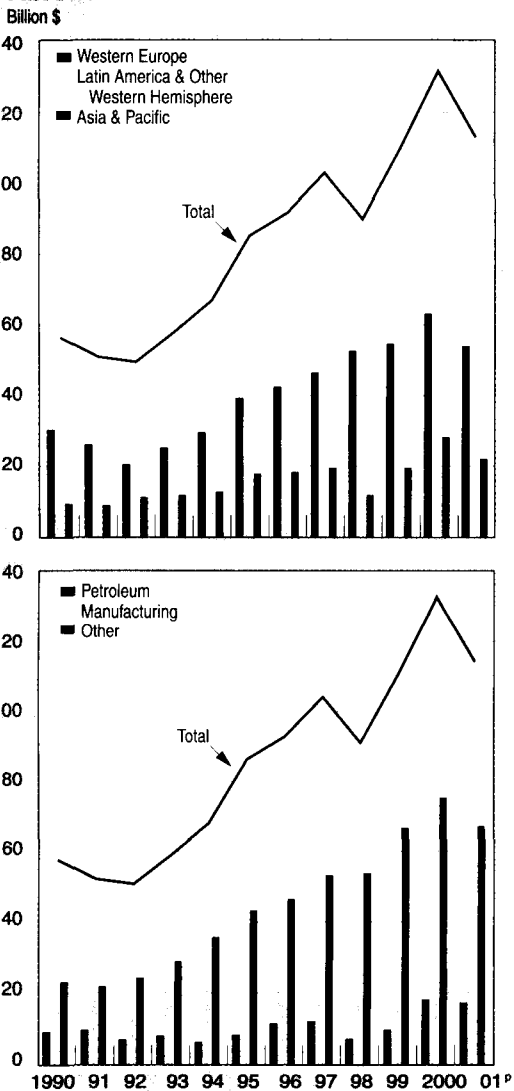
Payments of income on foreign direct investment in the United States decreased to \$37.4 billion in 2001 from \$68.0 billion in 2000 (table M, chart 11). The decrease reflected the major economic slowdown in the

United States. The largest decreases in earnings were in manufacturing, which shifted from profits of \$13.6 billion to losses of \$3.7 billion, and in "other" industries, which shifted from profits of \$13.5 billion to losses of \$2.3 billion. Within manufacturing, earnings decreases were largest in telecommunications equipment. Within "other" industries, earnings decreases were largest in finance except depository institutions, wholesale trade, "other industries," and insurance. Petroleum earnings decreased from \$13.5 billion to \$11.9 billion.

Receipts of income on "other" private investment decreased to \$155.2 billion in 2001 from \$197.4 billion in 2000, the first annual decrease since 1993 (table N, chart 12). The largest decrease was in interest earned on banks' and nonbanks' claims, which declined \$29.4

**CHART 10**

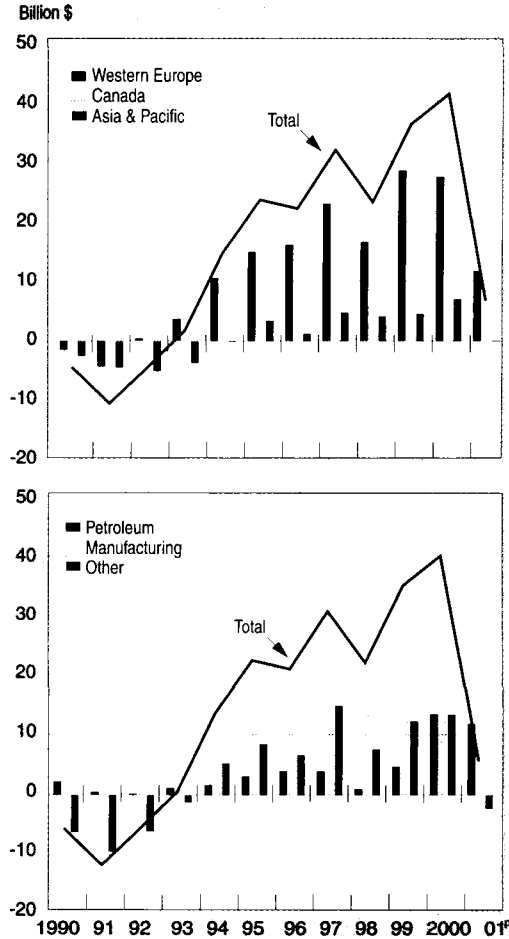
**Earnings on U.S. Direct Investment Abroad**



p Preliminary  
NOTE.—To be consistent with earnings by area and by industry, total earnings are shown in this chart without the current-cost adjustment and after deduction of withholding taxes, the only basis on which area and industry data are available.  
U.S. Bureau of Economic Analysis

**CHART 11**

**Earnings on Foreign Direct Investment in the United States**



p Preliminary  
NOTE.—To be consistent with earnings by area and by industry, total earnings are shown in this chart without the current-cost adjustment and after deduction of withholding taxes, the only basis on which area and industry data are available.  
U.S. Bureau of Economic Analysis

billion. The average interest rate on banks' and non-banks' claims was more than 200 basis points lower than in 2000. Dividends earned on stocks decreased \$9.8 billion, attributable to both lower U.S. holdings and lower dividend yields. Interest earned on bonds decreased \$3.0 billion, as higher U.S. holdings of bonds offset some of the decline in yields.

Payments of income on "other" private investment

**Table N. Other Private Income**  
[Billions of dollars]

	1999	2000	2001 <sup>p</sup>
<b>Receipts</b> .....	<b>156.2</b>	<b>197.4</b>	<b>155.2</b>
Dividends .....	30.8	35.9	26.1
Interest on bonds .....	40.3	44.3	41.3
Interest on bank claims .....	41.9	56.7	42.2
Interest on other claims <sup>1</sup> .....	43.2	60.5	45.6
<b>Payments</b> .....	<b>139.8</b>	<b>184.5</b>	<b>163.4</b>
Dividends .....	17.2	19.5	21.7
Interest on bonds .....	43.8	57.7	62.4
Interest on bank liabilities .....	47.4	64.3	41.7
Interest on other liabilities <sup>1</sup> .....	31.4	43.0	37.6

<sup>p</sup> Preliminary.

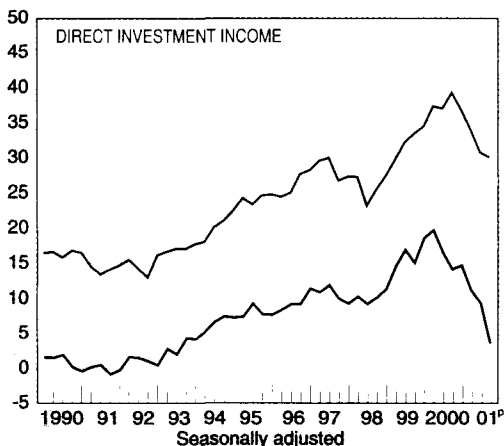
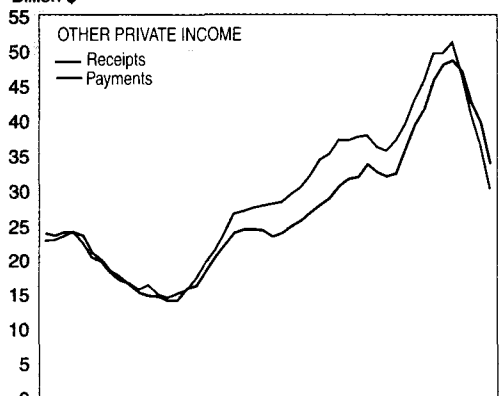
<sup>1</sup> Primarily income of financial concerns other than banks.

Note: Excludes direct investment income receipts and payments.

## CHART 12

### Private Investment Income

Billion \$



<sup>p</sup> Preliminary  
U.S. Bureau of Economic Analysis

also decreased substantially, to \$163.4 billion in 2001 from \$184.5 billion in 2000, the first annual decrease since 1993 (table N, chart 12). Interest paid on banks' and nonbanks' liabilities decreased \$28.0 billion as a result of a 200-basis-point decline in average interest rates. The decrease was partly offset by a \$4.7 billion increase in interest paid on bonds, as an increase in foreign holdings more than offset a decline in average yields. Dividends paid on stocks increased \$2.2 billion, as an increase in average yields more than offset a decline in foreign holdings.

This year, for the first time since 1991, "other" private payments exceeded "other" private receipts. The declines in both receipts and payments were sizable, but the decline in receipts was twice as large as the decline in payments.

U.S. Government income payments decreased to \$104.3 billion in 2001 from \$107.7 billion in 2000 (table O). Although foreigners were net purchasers of Treasury securities in 2001 for the first time in 3 years, most net purchases were in the fourth quarter, so there was little impact on interest payments for the year. Yields declined an average of 150 basis points for short-term Treasury bills and 125 basis points for long-term Treasury bonds.

### Unilateral current transfers

Net unilateral current transfers were outflows of \$50.5 billion in 2001, \$3.6 billion less than in 2000. U.S. Government grants more than accounted for the decrease, largely because grant funds that are often disbursed annually to Israel and Egypt under the debt credit waiver program and under economic assistance programs in the fourth quarter were not appropriated and disbursed until the first quarter of 2002 (table O). Grants were disbursed late in 2001 to Pakistan to support the conflict in Afghanistan. Private remittances and other transfers increased, mainly because of an increase in institutional remittances and net taxes paid to foreigners.

### Capital Account

Capital account transactions were net inflows of \$0.7 billion in 2001, virtually unchanged from 2000.

### Financial Account

Net recorded financial inflows—net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad—were \$455.9 billion in 2001, compared with \$443.3 billion in 2000. Financial outflows for U.S.-owned assets abroad decreased more than financial inflows for foreign-owned assets in the United States (chart 13).

### U.S.-owned assets abroad

U.S.-owned assets abroad increased \$439.6 billion in 2001, compared with an increase of \$581.0 billion in 2000. Outflows for U.S. claims on foreigners reported by U.S. banks and nonbanks slowed, and net U.S. purchases of foreign securities slowed.

**U.S. official reserve assets.** U.S. official reserve assets increased \$4.9 billion in 2001, following an increase of \$0.3 billion in 2000 (table C). The increase in 2001 included a \$3.6 billion increase in the U.S. reserve position at the International Monetary Fund (IMF) as a result of sizable credits extended by the IMF to Turkey, Argentina, and Brazil, as these countries attempted to maintain economic stability, that were only partly offset by repayments of credits to the IMF by Russia and Korea.

**Claims reported by banks and by nonbanks.** U.S. claims on foreigners reported by U.S. banks increased \$104.3 billion in 2001, following an increase of \$138.5 billion in 2000 (tables P and Q).

Banks' own claims payable in dollars increased \$94.7 billion in 2001, following an increase of \$118.7 billion in 2000. In the first quarter, interbank lending was especially strong to Western Europe, where the modest slowdown in economic growth had little impact on the demand for bank credit. Lending by U.S. brokers and dealers in the form of resale agreements with international mutual funds was also strong. Lending in the second and third quarters was sharply lower, partly reflecting the continued slowdown in foreign economic activity, a further dropoff in merger and acquisition activity, and a pullback in the syndicated loan market. Lending by U.S. securities brokers and dealers was also reduced, as activity in foreign financial markets slowed. Decreases in lending by banks also re-

flected an effort by U.S. banks to reduce their international exposure and to improve their loan quality in a period of slowing global economic growth and rising loan defaults. The increase in lending in the fourth quarter apparently reflected a temporary need for funds by overseas offices despite continued global economic weakness.

Banks' domestic customers' claims payable in dollars decreased \$9.2 billion, following an increase of \$27.2 billion, largely as the result of a sizable reduction in foreign commercial paper outstanding in the United States. Throughout 2001, slowing global economic activity, as well as ratings downgrades and higher risk premiums, significantly reduced foreign new issues in the U.S. commercial paper market.

Banks' own claims payable in foreign currencies increased \$26.0 billion, following a decrease of \$7.1 billion; most of the increase in 2001 occurred in the first half of the year.

Nonbanks' claims on unaffiliated foreigners increased \$76.1 billion, following an increase of \$163.8 billion. The slowdown was largely attributable to sharply lower deposit flows to Caribbean banking centers (table P).

**Foreign securities.** Net U.S. purchases of foreign securities slowed to \$97.7 billion in 2001, compared with \$124.9 billion in 2000 (table P).

Net U.S. purchases of foreign stocks were \$110.2 billion in 2001, up from \$99.7 billion in 2000, but below the record of \$114.4 billion in 1999. Stock swaps resulting from cross-border mergers and acquisitions accounted for a much smaller portion of activity in 2001 than in 2000. Stock swaps declined to \$42.9 billion in 2001, with 79 percent of the activity occurring in the second quarter, from \$81.1 billion in 2000.

**Table O. Selected U.S. Government Transactions**

[Millions of dollars]

(Credits +; debits -)	1999	2000	2001 <sup>a</sup>	2001			
				I	II	III <sup>b</sup>	IV <sup>b</sup>
U.S. Government grants.....	-13,774	-16,821	-11,334	-2,419	-2,508	-2,877	-3,530
U.S. Government forgiveness of foreign debt.....	-69	-29	-25	-8	-4	-11	-2
U.S. Government credits and other long-term assets.....	-6,175	-5,177	-4,450	-1,094	-1,330	-1,011	-1,015
For debt rescheduling.....	-1,868	-1,687	-656	-233	-28	-51	-344
Other disbursements.....	-4,307	-3,490	-3,794	-861	-1,302	-959	-672
Repayments of US Government credits and other long-term assets.....	9,560	4,257	3,801	1,015	570	1,062	1,154
From debt rescheduling.....	1,800	741	440	171	19	48	202
From debt forgiveness.....	40	20	13	4	2	5	2
Other repayments.....	7,720	3,495	3,349	840	549	1,010	950
U.S. Government foreign currency holdings and short-term assets, net.....	-634	-24	76	100	-26	-30	32
From debt rescheduling.....	48	303	103	58		3	42
From debt forgiveness.....	11	(*)	4			4	
Other.....	-693	-328	-31	42	-26	-37	-10
U.S. Government receipts of income.....	3,197	3,845	3,516	980	718	924	894
From debt rescheduling.....	20	643	113	4	8	1	100
From debt forgiveness.....	18	9	8	4	1	2	1
Other receipts.....	3,159	3,193	3,394	972	708	920	793
U.S. Government payments of income.....	-95,131	-107,672	-104,313	-26,991	-26,380	-25,892	-25,050

<sup>a</sup> Revised.

<sup>b</sup> Preliminary.

\* Less than \$500,000 (±).

In nonmerger-related transactions, net U.S. purchases of foreign stocks increased to \$67.3 billion in 2001 from \$18.6 billion in 2000. Most net purchases were concentrated in the first half of the year, before the severity of the global economic downturn became evident and before U.S. investors reduced their purchases of foreign stocks following the attacks of September 11th. Net purchases in the second half of the year were about two-fifths of those in the first half. On average, world stock prices, stated in local currency terms, declined 15 percent in 2001: Prices declined 18 percent in Europe, 20 percent in Japan, and 2 percent

in the Far East excluding Japan; they increased 1 percent in Latin America (chart 14). Trading activity in foreign stocks (that is, gross purchases plus gross sales) decreased 21 percent in 2001, following an increase of 50 percent in 2000.

Transactions in foreign bonds were net U.S. sales of \$12.5 billion in 2001, a shift from net U.S. purchases of \$25.2 billion in 2000. Net sales of outstanding bonds increased to \$18.1 billion from \$8.2 billion. Foreign new bond issues in the United States declined to \$39.1 billion from \$54.3 billion, despite favorable borrowing conditions and substantially lower long-term interest rates for investment-grade borrowers. Many potential sovereign and corporate borrowers from emerging countries with less than investment-grade credit ratings encountered higher interest rates (chart 15). For the year, corporate borrowers accounted for 60 percent of new issues, and sovereign borrowers, for 36 percent. More than two-thirds of the new issues were by Asian and Latin American issuers. Trading activity in foreign bonds increased 20 percent in 2001, the same as in 2000.

**Direct investment.** Net financial outflows for U.S. direct investment abroad were \$156.0 billion in 2001, up from \$152.4 billion in 2000 (table M). Net intercompany debt outflows increased sharply, and net equity capital outflows increased a small amount, but these increases were nearly offset by a decrease in reinvested earnings.

Net intercompany debt outflows increased to \$19.4 billion in 2001, just under the level of outflows in 1998 and 1999, from \$2.8 billion in 2000. Net equity capital outflows were \$52.4 billion, about the same level of outflows in 2000 and not far below the level of outflows in 1999. Large acquisitions completed in 2001 were those of a large financial services provider in Mexico, several natural gas firms in Canada, an electronics manufacturing affiliate in Asia, a publishing group in the United Kingdom, and pharmaceutical affiliates throughout Europe, Japan, and Canada. Reinvested earnings fell to \$84.3 billion from \$99.7 billion, as a result of lower earnings.

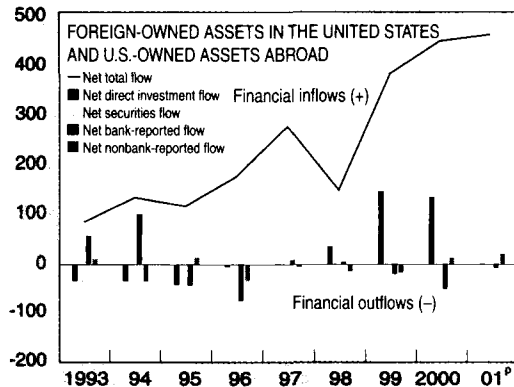
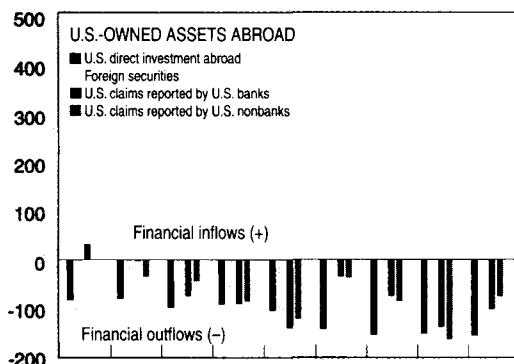
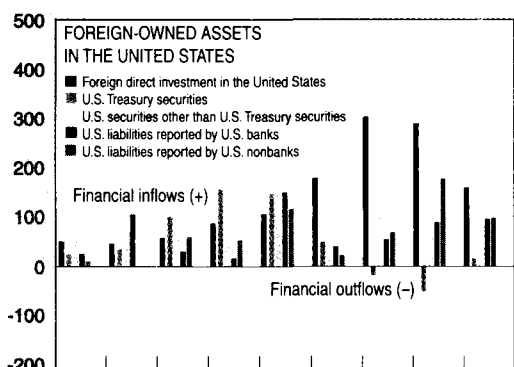
### Foreign-owned assets in the United States

Net foreign-owned assets in the United States increased \$895.5 billion in 2001, compared with an increase of \$1,024.2 billion in 2000. The slowdown was more than accounted for by reduced inflows for foreign direct investment in the United States and by a reduction in inflows for U.S. liabilities reported by U.S. nonbanking concerns. In contrast, net foreign purchases of U.S. securities other than U.S. Treasury securities edged up to a record.

CHART 13

### Financial Flows

Billion \$



p Preliminary  
U.S. Bureau of Economic Analysis

**Foreign official assets.** Foreign official assets in the United States increased \$6.1 billion in 2001, compared with an increase of \$37.6 billion in 2000 (table C). In 2001, assets of industrial countries decreased, assets of developing countries increased, and assets of OPEC members decreased.

**Liabilities reported by banks and by nonbanks.** U.S. liabilities reported by U.S. banks, excluding U.S. Treasury securities, increased \$95.2 billion in 2001, following an increase of \$88.0 billion in 2000 (tables P and Q).

Banks' own liabilities payable in dollars increased \$73.1 billion in 2001, following an \$88.1 billion increase in 2000. Interbank borrowing decreased in the first three quarters of 2001, reflecting a cutback in international lending and borrowing by U.S. banks that resulted from the slowdown in global economic growth, the sizable dropoff in mergers and acquisitions, and the availability of adequate liquidity from

U.S. sources. The injection of an unusually large volume of liquidity by U.S. monetary authorities after September 11th may have prompted a further pullback from international borrowing until the end of the month. Exceptionally large inflows in the fourth quarter, largely to U.S.-owned banks, reflected demands for liquidity associated with lending to corporations, many of which no longer had access to the commercial paper market; the need to finance a surge in real estate loans; and the desire to strengthen bank balance sheets in the face of deteriorating loan quality through purchases of U.S. Government securities. Some funds may have been used to provide liquidity to a few large corporations involved in bankruptcy settlements.

Nonbanking concerns' liabilities to unaffiliated foreigners increased \$98.2 billion, following an increase of \$177.0 billion. Reduced inflows from the United Kingdom and from Caribbean banking centers partly accounted for the slowdown (table P).

**Table P. Private Financial Flows, Net**

(Billions of dollars)

Claims (increase/financial outflow (-)); liabilities (increase/financial inflow (+))	1999	2000	2001 <sup>p</sup>	2001			
				I	II	III <sup>r</sup>	IV <sup>p</sup>
<b>Private financial flows, net.....</b>	<b>321.6</b>	<b>406.9</b>	<b>455.3</b>	<b>98.6</b>	<b>177.6</b>	<b>26.9</b>	<b>152.2</b>
Bank-reported capital, net <sup>1</sup> .....	-22.0	-50.5	-9.1	-102.9	44.2	-0.2	49.8
U.S. claims.....	-76.3	-138.5	-104.3	-109.8	-0.1	59.1	-53.6
U.S. liabilities <sup>1</sup> .....	54.2	88.0	95.2	6.9	44.3	-59.4	103.4
Securities, net.....	192.3	307.9	416.6	117.9	80.7	83.9	134.1
Net U.S. purchases of foreign securities.....	-131.2	-124.9	-97.7	-31.6	-51.1	10.6	-25.5
Stocks.....	-114.4	-99.7	-110.2	-27.3	-55.1	-9.1	-18.7
Bonds.....	-16.8	-25.2	12.5	-4.3	4.0	19.7	-6.9
Net foreign purchases of U.S. securities.....	323.5	432.9	514.2	149.5	131.8	73.3	159.6
U.S. Treasury securities.....	-20.5	-52.8	15.8	0.7	-8.7	-9.5	33.3
Other than U.S. Treasury securities.....	344.0	485.6	498.4	148.8	140.5	82.8	126.3
Stocks.....	113.0	192.7	127.2	41.1	40.6	12.4	33.1
Bonds.....	231.0	292.9	371.2	107.7	99.9	70.3	93.3
U.S. currency flows, net.....	22.4	1.1	23.8	2.3	2.8	8.2	10.5
Direct investment, net.....	145.6	135.2	1.9	11.7	24.3	-20.6	-13.5
U.S. direct investment abroad.....	-155.4	-152.4	-156.0	-41.1	-41.2	-43.2	-30.4
Foreign direct investment in the United States.....	301.0	287.7	157.9	52.8	65.6	22.6	17.0
Nonbank-reported capital, net.....	-16.6	13.2	22.2	69.6	25.6	-44.3	-28.8
U.S. claims.....	-85.7	-163.8	-76.1	-61.0	22.2	-40.4	3.1
U.S. liabilities.....	69.1	177.0	98.2	130.6	3.4	-3.9	-31.8

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

1. Liabilities exclude U.S. Treasury securities.

**Table Q. U.S. Bank-Reported Claims and Liabilities by Type**

(Billions of dollars)

	1999	2000	2001 <sup>p</sup>	2001			
				I	II	III <sup>r</sup>	IV <sup>p</sup>
<b>Claims on foreigners reported by U.S. banks (increase/financial outflow (-)) ....</b>	<b>-76.3</b>	<b>-138.5</b>	<b>-104.3</b>	<b>-109.8</b>	<b>-0.1</b>	<b>59.1</b>	<b>-53.6</b>
Banks' claims for own accounts, payable in dollars:							
Own foreign offices.....	-45.1	-100.4	-63.7	-47.0	-15.1	28.4	-29.9
Unaffiliated banks.....	9.0	-2.4	-7.8	-10.9	10.3	-0.7	-6.5
Public borrowers and other foreigners.....	-22.0	-15.9	-23.2	-25.4	-5.1	6.1	1.3
Banks' claims for domestic customers' accounts, payable in dollars.....	-32.0	-27.2	9.2	-12.1	20.4	13.6	-12.8
Claims payable in foreign currencies.....	13.9	7.4	-18.8	-14.3	-10.6	11.8	-5.7
<b>Liabilities to foreigners reported by U.S. banks (excluding U.S. Treasury securities) (increase/financial inflow (+))<sup>1</sup>.....</b>	<b>54.2</b>	<b>88.0</b>	<b>95.2</b>	<b>6.9</b>	<b>44.3</b>	<b>-59.4</b>	<b>103.4</b>
Banks' liabilities for own accounts, payable in dollars:							
Own foreign offices.....	46.3	51.3	64.3	-20.5	9.9	-23.2	98.1
Unaffiliated banks.....	6.1	19.2	-13.3	15.1	-6.0	-6.0	-16.4
Other private foreigners and international financial institutions.....	16.8	17.5	22.1	5.3	12.8	-10.6	14.6
Banks' custody liabilities, payable in dollars.....	-11.5	6.9	13.5	-10.5	17.9	-0.3	6.3
Liabilities payable in foreign currencies.....	-3.5	-7.1	8.6	17.5	9.6	-19.2	0.8

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

1. Excludes liabilities to foreign official agencies.

**U.S. Treasury securities.** Net foreign purchases of U.S. Treasury securities were \$15.8 billion in 2001, following net foreign sales of \$52.8 billion in 2000 and \$20.5 billion in 1999 (table P). The increase in 2001 occurred in the fourth quarter, as investors sought a high degree of liquidity and safety in an uncertain environment. In 1999 and 2000, foreigners had been net sellers of U.S. Treasury securities, partly as the supply of Treasury securities declined as debt was repaid and partly as investors participated in U.S. equity markets and sought the higher yields available on agency and corporate bonds.

**Other U.S. securities.** Net foreign purchases of U.S. securities other than Treasury securities were a record \$498.4 billion, surpassing the previous record of \$485.6 billion in 2000 (table P).

Net foreign purchases of U.S. stocks were \$127.2 billion in 2001, down from a record \$192.7 billion in 2000. In 2001, the sizable decline in corporate profits that accompanied the U.S. economic slowdown and uncertainty about when an upturn might occur led to the first back-to-back annual losses in the stock market since 1974. The S&P 500 stock index lost 13 percent after a 10-percent loss in 2000, the DJIA lost 7 percent after a 6-percent loss, and the NASDAQ lost 21 percent after a 39-percent loss. Net purchases from Western Europe were \$86.8 billion, down from \$181.3 billion. Net purchases from the United Kingdom were \$37.4 billion, down from \$71.8 billion. Partly offsetting were

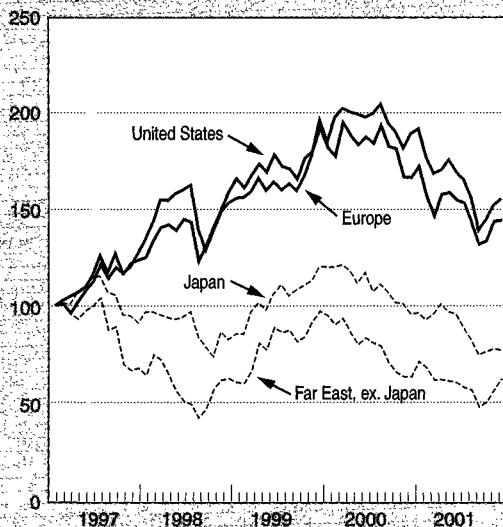
increases in net purchases from Canada, to \$11.4 billion from \$7.7 billion, and in net purchases from Japan, to \$7.8 billion from \$2.0 billion, and a shift from Caribbean offshore investment funds to net purchases of \$1.4 billion from net sales of \$17.0 billion. Trading activity in U.S. stocks (that is, gross purchases plus gross sales) decreased 15 percent in 2001, following an increase of 54 percent in 2000.

Net foreign purchases of U.S. bonds were a record \$371.2 billion, surpassing the previous record of \$292.9 billion in 2000. Increased foreign demand for U.S. bonds was bolstered by setbacks in the equity markets worldwide, amid heightened uncertainty about the extent of the global economic slowdown. The reduced supply of U.S. Treasury bonds and the elimination of new issues of the 30-year bond in the fourth quarter lent additional support to the demand for U.S. corporate and agency bonds. Except for the third quarter of 2001 when the markets were disrupted by the attacks of September 11th, inflows into bonds in each quarter of 2001 exceeded inflows in each quarter

CHART 14

**Selected Stock Price Indexes in Local Currencies**

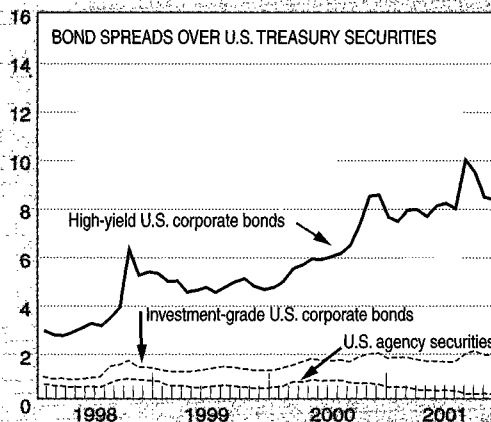
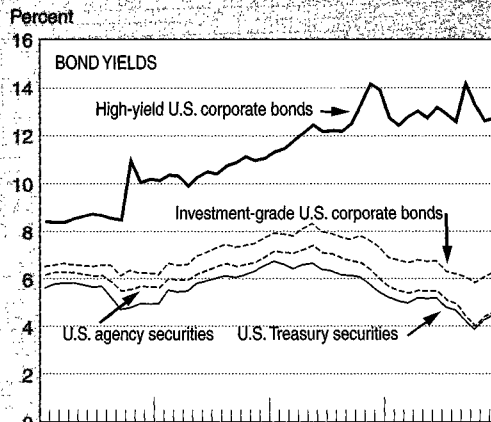
January 1997=100



Source: Morgan Stanley Capital International. Indexes released by BEA. U.S. Bureau of Economic Analysis

CHART 15

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



Source: Merrill Lynch. U.S. Bureau of Economic Analysis



**U.S. Treasury securities.** Net foreign purchases of U.S. Treasury securities were \$15.8 billion in 2001, following net foreign sales of \$52.8 billion in 2000 and \$20.5 billion in 1999 (table P). The increase in 2001 occurred in the fourth quarter, as investors sought a high degree of liquidity and safety in an uncertain environment. In 1999 and 2000, foreigners had been net sellers of U.S. Treasury securities, partly as the supply of Treasury securities declined as debt was repaid and partly as investors participated in U.S. equity markets and sought the higher yields available on agency and corporate bonds.

**Other U.S. securities.** Net foreign purchases of U.S. securities other than Treasury securities were a record \$498.4 billion, surpassing the previous record of \$485.6 billion in 2000 (table P).

Net foreign purchases of U.S. stocks were \$127.2 billion in 2001, down from a record \$192.7 billion in 2000. In 2001, the sizable decline in corporate profits that accompanied the U.S. economic slowdown and uncertainty about when an upturn might occur led to the first back-to-back annual losses in the stock market since 1974. The S&P 500 stock index lost 13 percent after a 10-percent loss in 2000, the DJIA lost 7 percent after a 6-percent loss, and the NASDAQ lost 21 percent after a 39-percent loss. Net purchases from Western Europe were \$86.8 billion, down from \$181.3 billion. Net purchases from the United Kingdom were \$37.4 billion, down from \$71.8 billion. Partly offsetting were

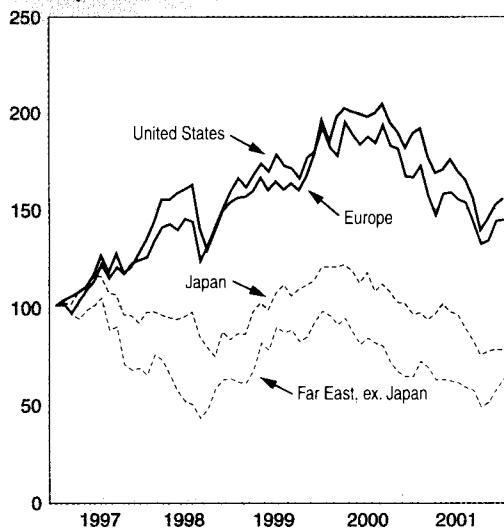
increases in net purchases from Canada, to \$11.4 billion from \$7.7 billion, and in net purchases from Japan, to \$7.8 billion from \$2.0 billion, and a shift from Caribbean offshore investment funds to net purchases of \$1.4 billion from net sales of \$17.0 billion. Trading activity in U.S. stocks (that is, gross purchases plus gross sales) decreased 15 percent in 2001, following an increase of 54 percent in 2000.

Net foreign purchases of U.S. bonds were a record \$371.2 billion, surpassing the previous record of \$292.9 billion in 2000. Increased foreign demand for U.S. bonds was bolstered by setbacks in the equity markets worldwide, amid heightened uncertainty about the extent of the global economic slowdown. The reduced supply of U.S. Treasury bonds and the elimination of new issues of the 30-year bond in the fourth quarter lent additional support to the demand for U.S. corporate and agency bonds. Except for the third quarter of 2001 when the markets were disrupted by the attacks of September 11th, inflows into bonds in each quarter of 2001 exceeded inflows in each quarter

**CHART 14**

**Selected Stock Price Indexes in Local Currencies**

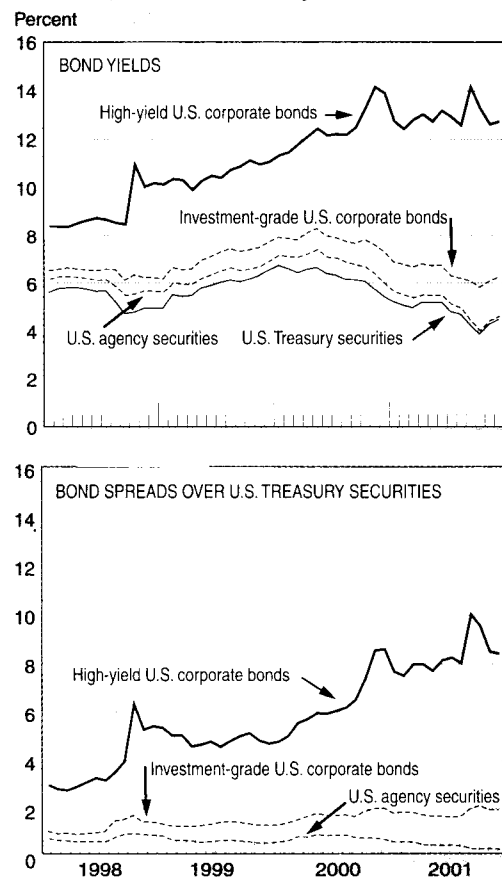
January 1997=100



Source: Morgan Stanley Capital International. Indexes rebased by BEA. U.S. Bureau of Economic Analysis

**CHART 15**

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



Source: Merrill Lynch. U.S. Bureau of Economic Analysis

of 2000. Although U.S. bond yields declined 100 basis points over the year, they remained above many foreign yields. Total returns on U.S. bonds averaged 8.3 percent in 2001, compared with 6.2 percent on euro-area bonds, 4.7 percent on British bonds, and 3.6 percent on Japanese bonds. Trading activity in U.S. bonds was up 71 percent, following an increase of 42 percent in 2000.

New international bond issues by U.S. borrowers were a record \$112.1 billion in 2001, up from the previous record of \$109.2 billion in 2000 (table R). On the supply side of the market, many prominent corporate issuers took advantage of sharply falling interest rates to raise new funds or to refinance existing debt. U.S. agency issuers, such as Fannie Mae and Freddie Mac, stepped up their volume of new issues to meet increased levels of mortgage refinancing. On the demand side of the market, international bond investors were attracted to quality corporate and agency issues that provided better returns and more safety than equities.

Straight fixed rate issues continued to dominate the market, while floating rate issues decreased. U.S. dollar issues continued to dominate the market, although euro-denominated issues gained market share (table R).

**U.S. currency flows.** Net U.S. currency shipments to foreigners were \$23.8 billion in 2001, up from \$1.1 billion in 2000. Shipments were mostly to Argentina, in response to economic crisis and fears of devaluation in the last half of the year, and to Russia. Some shipments may have flowed to Turkey through other European countries. Flows in 2001 returned to more typical levels from unusual levels in 1999-2000 that were asso-

### Data Availability

Interactive access to the estimates that are presented in tables 1-10a of the U.S. international transactions accounts is available on BEA's Web site at <www.bea.gov>. You may view the most recent quarterly (annual for table 10a) estimates for an entire table with a single mouse click, or you may select the time period, frequency, and line(s) that you wish to view. The estimates are available as an HTML table or as comma-separated values that can be downloaded and imported into a spreadsheet or database.

The current and historical estimates presented in tables 1-10a are also available as compressed files on BEA's Web site; click on "Catalog of Products," and look under "International Accounts Products," "Balance of Payments."

The estimates are also available from BEA on the following diskettes:

**U.S. International Transactions.** The most recently released annual and quarterly estimates are available as a 1-year subscription (four installments)—product number IDS-0001, price \$80.00. The subscription also includes the diskette of the historical series estimates (see below).

**U.S. International Transactions, Fourth Quarter 2001.** Annual estimates for 2000-2001 and quarterly estimates for 2000:I-2001:IV on a single diskette—product number IDN-0294, price \$20.00.

**U.S. International Transactions, Historical Series.** All the available historical annual and quarterly estimates on a single diskette—product number IDN-0282, price \$20.00.

To order, call the BEA Order Desk at 1-800-704-0415 (outside the United States, call 202-606-9666).

**Table R. New International Bond Issues by U.S. Borrowers**

(Millions of dollars)

	1999	2000	2001 <sup>p</sup>	2001			
				I	II	III	IV <sup>p</sup>
<b>Total</b> .....	<b>65,847</b>	<b>109,201</b>	<b>112,121</b>	<b>35,129</b>	<b>34,138</b>	<b>19,704</b>	<b>23,150</b>
<b>By issuer:</b>							
Industrial corporations .....	7,124	17,999	19,485	4,216	5,853	4,227	5,189
Banking corporations <sup>1</sup> .....	5,338	6,153	4,255	782	1,309	1,918	246
Nonbank financial corporations <sup>2</sup> .....	26,432	33,961	37,011	12,044	10,255	6,455	8,257
U.S. federally sponsored agencies .....	24,004	44,236	49,008	17,435	16,130	6,519	8,924
All other borrowers .....	2,949	6,851	2,362	652	591	585	534
<b>By instrument:</b>							
Straight fixed-rate bonds .....	57,620	92,866	103,432	33,584	32,849	17,917	19,082
Floating-rate notes .....	7,764	14,699	8,542	1,443	1,289	1,787	4,023
Zero-coupon bonds .....	128	49	.....	.....	.....	.....	.....
Bonds convertible into stock .....	111	1,389	147	102	.....	.....	45
Other debt instruments .....	224	199	.....	.....	.....	.....	.....
<b>By currency:</b>							
U.S. dollars .....	42,125	62,048	68,425	19,780	21,306	13,489	13,850
Foreign currencies .....	23,722	47,153	43,696	15,349	12,832	6,215	9,300
Japanese yen .....	3,200	11,130	5,113	192	3,125	1,590	206
Swiss franc .....	2,082	2,099	1,478	629	649	99	101
German mark .....	.....	.....	.....	.....	.....	.....	.....
British pound .....	3,852	6,508	5,434	1,977	1,370	225	1,862
Euro .....	13,658	26,422	30,889	12,441	7,609	4,005	6,834
Canadian dollar .....	28	148	.....	.....	.....	.....	.....
Other currencies .....	902	846	782	110	79	296	297

<sup>p</sup> Preliminary.

1. Includes banks and bank holding companies.

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

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

[Millions of dollars]

(Credits +; debits -)	1987	1988	1989 <sup>r</sup>	1990 <sup>r</sup>	1991 <sup>r</sup>	1992 <sup>r</sup>	1993 <sup>r</sup>	1994 <sup>r</sup>	1995 <sup>r</sup>	1996 <sup>r</sup>	1997 <sup>r</sup>	1998 <sup>r</sup>	1999 <sup>r</sup>	2000 <sup>r</sup>	2001 <sup>p</sup>
<b>Exports of goods and services and income receipts:</b>															
Goods, balance of payments basis .....	10,714	13,777	13,189	13,141	18,105	20,666	18,319	16,297	17,405	19,224	23,696	22,933	18,317	17,625	19,521
Transfers under U.S. military agency sales contracts	2,781	1,430	1,309	2,687	3,809	4,454	3,675	2,936	4,471	5,638	4,039	5,179	4,046	3,541	2,198
Royalties and license fees <sup>1</sup> .....	103	77	71	94	149	161	220	357	394	253	312	263	297	331	334
Other private services <sup>1</sup> .....	1,939	1,516	1,541	1,423	1,898	2,546	2,210	2,080	2,187	3,018	3,117	3,542	4,271	4,137	4,247
U.S. Government miscellaneous services .....	25	18	16	20	16	22	13	14	17	11	8	8	9	8	8
Income receipts on U.S.-owned assets abroad:															
Direct investment receipts .....	1,965	1,875	1,835	2,854	3,293	3,224	2,745	2,701	3,966	4,220	4,073	2,682	3,385	5,030	4,004
Other private receipts .....	1,680	1,941	2,435	2,326	1,441	1,202	1,045	1,470	1,456	1,371	1,697	1,846	1,952	2,188	1,307
U.S. Government receipts .....	167	215	154	261	217	187	141	122	192	268	263	238	266	448	295
<b>Imports of goods and services and income payments:</b>															
Goods, balance of payments basis .....	-24,416	-23,016	-30,720	-38,399	-33,430	-33,718	-32,648	-31,674	-34,265	-42,676	-43,996	-33,673	-41,952	-66,996	-59,818
Direct defense expenditures .....	-370	-377	-614	-1,419	-784	-883	-455	-360	-335	-545	-944	-1,754	-1,815	-1,568	-1,408
Royalties and license fees <sup>1</sup> .....	(*)	-6	-1	(*)	-1	-1	-37	-7	-2	-38	-5	-8	-8	-11	-30
Other private services <sup>1</sup> .....	-253	-259	-245	-306	-461	-388	-340	-405	-456	-628	-588	-613	-546	-381	-351
U.S. Government miscellaneous services .....	-118	-96	-104	-96	-87	-47	-26	-39	-34	-31	-29	-28	-29	-28	-28
Income payments on foreign-owned assets in the United States:															
Direct investment payments .....	-78	164	-50	-98	-93	182	-82	-49	-34	-136	-422	-111	-34	-1,754	-130
Other private payments .....	-1,837	-2,175	-2,798	-2,892	-2,669	-2,302	-2,176	-1,964	-2,955	-2,799	-3,105	-3,173	-2,930	-3,873	-2,933
U.S. Government payments .....	-2,586	-2,141	-2,758	-3,241	-2,764	-2,524	-2,160	-1,747	-2,179	-2,430	-3,751	-3,804	-3,784	-4,272	-4,139
U.S. Government grants .....	-84	-97	-94	3,368	27,453	1,018	-197	-204	-195	-152	-55	-54	-108	-146	-109
U.S. Government pensions and other current transfers	-25	-20	5	-25	-305	-32	-27	-28	-25	-93	-57	-40	-26	-23	-21
U.S.-owned assets abroad, net (increase/capital outflow (-)) .....	-571	-782	-1,875	1,847	-577	-12,162	-513	-3,107	143	-7,078	-8,974	-12,558	922	2,355	244
U.S. Government assets, other than official reserve assets, net .....	141	-59	135	-253	-788	-529	19	-422	-901	-458	12	-10	-317	-217	-567
U.S. credits and other long-term assets .....	-165	-396	-212	-647	-246	-277	-85	-234	-925	-912	-412	-166	-504	-566	-999
Repayments on U.S. credits and other long-term assets .....	308	344	343	481	397	279	224	177	215	290	420	154	210	366	440
U.S. foreign currency holdings and U.S. short-term assets, net .....	-2	-7	4	-87	-939	-531	-120	-365	-191	164	4	2	-23	-17	-8
U.S. private assets, net .....	-712	-723	-2,010	2,100	211	-11,633	-532	-2,685	1,044	-6,620	-8,986	-12,548	1,239	2,572	811
Direct investment .....	-64	1,133	535	-1,277	-2,706	-1,465	-1,597	-3,575	-2,379	-2,884	-2,411	-4,323	-3,421	-3,438	-3,220
Foreign securities .....	58	-365	96	-2,815	-17	337	-679	-2,077	-675	-2,882	-3,997	-677	22	1,633	2,067
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	81	41	100	13	-224	-44	-306	-146	-25	-478	-336	369	-534	569	137
U.S. claims reported by U.S. banks, not included elsewhere .....	-787	-1,532	-2,741	6,179	3,158	-10,461	2,050	3,113	4,123	-376	-2,242	-7,917	5,172	3,808	1,827
Foreign-owned assets in the United States, net (increase/capital inflow(+)) .....	-5,371	-728	15,282	3,320	-4,416	14,529	-8,904	1,400	5,396	18,381	17,994	-11,245	9,998	32,582	912
Of which: foreign official .....	-9,939	-2,885	10,724	1,555	-5,235	5,626	-3,850	-1,464	4,061	14,105	12,700	-11,401	1,621	11,582	-1,851
U.S. Treasury securities .....	-5,398	1,688	7,815	-244	-5,902	4,323	-6,302	-1,668	1,829	16,159	9,004	-13,863	3,246	10,263	-932
Other U.S. securities .....	-1,808	-2,591	3,170	-2,676	1,989	4,186	3,322	-820	1,592	217	4,054	4,284	3,028	14,464	6,183
Other U.S. Government liabilities .....	-957	177	437	505	151	569	730	1,797	617	-982	-348	-2,241	-1,167	-1,190	-433
U.S. liabilities reported by U.S. banks, not included elsewhere .....	2,405	-1,146	1,836	5,686	-164	4,793	-5,665	1,677	1,059	1,813	4,094	2,296	4,662	4,867	-4,151
Direct investment in the United States .....	296	1,629	1,503	-662	81	167	-812	251	-140	623	382	-1,291	402	3,884	48
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	91	-485	521	711	-571	491	-177	163	439	551	808	-430	-173	294	197
All other transactions with OPEC and transfers of funds between foreign areas, net .....	16,335	8,684	3,422	15,135	-10,794	3,866	19,197	12,207	4,853	4,222	6,727	30,370	7,769	10,807	35,897
<b>Memorandum:</b>															
Balance on goods .....	-13,702	-9,239	-17,531	-25,258	-15,325	-13,052	-14,329	-15,377	-16,860	-23,452	-20,300	-10,740	-23,635	-49,371	-40,297

<sup>r</sup> Revised.<sup>p</sup> Preliminary.<sup>\*</sup> Less than \$500,000 (±).

1. 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.

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

ciated with concerns over potential Y2K problems.

**Foreign direct investment.** Net financial inflows for foreign direct investment in the United States were \$157.9 billion in 2001, down from \$287.7 billion in 2000 (table M). Net equity capital inflows were about half those in 2000, and reinvested earnings shifted to outflows. Net intercompany debt inflows edged up.

Net equity capital inflows decreased substantially in 2001, to \$113.2 billion from \$216.7 billion. The decrease was part of the worldwide slowdown in merger and acquisition activity. Among the contributing factors were weak economic conditions in many of the countries that have historically been major sources of direct investment capital flows to the United States—including France, Germany, the Netherlands, Canada, and Japan—and weak equity markets that deprived

companies of the benefit of using high-priced stock to acquire other firms. In 2000, more than 10 acquisitions were valued at \$4.0 billion or more, and equity inflows to finance the smaller acquisitions were sizable. In 2001, less than half a dozen acquisitions were valued at \$4.0 billion or more, and equity inflows used to finance the smaller acquisitions were greatly reduced. The largest acquisitions in 2001 were in telecommunications, commercial lending, offshore drilling, banking, publishing, and electronic security. Reinvested earnings shifted to a negative \$4.6 billion from a positive \$23.7 billion, as current-period distributions exceeded current-period earnings. Net intercompany debt inflows increased to \$49.3 billion from \$47.3 billion.

*Tables 1 through 10 follow.*

**Table 1. U.S. International Transactions**  
(Millions of dollars)

Line	(Credits +, debits -) <sup>1</sup>	2000	2001 <sup>p</sup>	Not seasonally adjusted				Seasonally adjusted			
				2001				2001			
				I	II	III <sup>r</sup>	IV <sup>p</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Current account</b>											
<b>1</b>	<b>Exports of goods and services and income receipts.....</b>	<b>1,418,568</b>	<b>1,298,397</b>	<b>351,834</b>	<b>336,703</b>	<b>309,982</b>	<b>299,878</b>	<b>354,158</b>	<b>335,722</b>	<b>312,333</b>	<b>296,191</b>
2	Exports of goods and services.....	1,065,702	1,004,589	265,614	259,747	240,983	238,245	268,614	258,833	243,143	234,000
3	Goods, balance of payments basis <sup>2</sup> .....	772,210	720,831	193,701	188,064	167,668	171,398	194,542	185,464	173,419	167,406
4	Services <sup>3</sup> .....	293,492	283,758	71,913	71,683	73,315	66,847	74,072	73,369	69,724	66,594
5	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	14,060	12,813	3,380	3,362	3,048	3,023	3,380	3,362	3,048	3,023
6	Travel.....	82,042	72,295	18,170	20,155	20,105	13,865	20,711	19,835	17,337	14,412
7	Passenger fares.....	20,745	17,734	4,648	4,850	4,894	3,342	5,006	4,933	4,352	3,443
8	Other transportation.....	30,185	28,292	7,085	7,108	7,415	6,684	7,415	7,113	7,055	6,709
9	Royalties and license fees <sup>5</sup> .....	38,030	38,875	9,304	9,475	9,503	10,593	9,564	9,759	9,683	9,870
10	Other private services <sup>6</sup> .....	107,568	112,892	29,099	26,532	28,136	29,125	27,769	28,166	28,035	28,922
11	U.S. Government miscellaneous services.....	862	857	227	201	214	215	227	201	214	215
12	Income receipts.....	352,866	293,808	86,220	76,956	68,999	61,633	85,544	76,889	69,190	62,191
13	Income receipts on U.S.-owned assets abroad.....	350,525	291,342	85,606	76,337	68,374	61,025	84,930	76,270	68,565	61,583
14	Direct investment receipts.....	149,240	132,651	37,706	34,452	30,730	29,763	37,096	34,311	31,008	30,241
15	Other private receipts.....	197,440	155,175	46,920	41,167	36,720	30,368	46,920	41,167	36,720	30,368
16	U.S. Government receipts.....	3,845	3,516	980	718	924	894	914	792	837	974
17	Compensation of employees.....	2,341	2,466	614	619	625	608	614	619	619	608
<b>18</b>	<b>Imports of goods and services and income payments.....</b>	<b>-1,809,099</b>	<b>-1,665,325</b>	<b>-440,072</b>	<b>-433,043</b>	<b>-405,035</b>	<b>-387,175</b>	<b>-454,614</b>	<b>-431,524</b>	<b>-398,195</b>	<b>-381,150</b>
19	Imports of goods and services.....	-1,441,441	-1,352,399	-350,031	-350,658	-328,277	-323,433	-363,926	-349,668	-321,593	-317,215
20	Goods, balance of payments basis <sup>2</sup> .....	-1,224,417	-1,147,446	-297,588	-291,752	-282,416	-275,690	-307,163	-293,222	-278,960	-268,101
21	Services <sup>3</sup> .....	-217,024	-204,953	-52,443	-58,906	-45,861	-47,743	-56,763	-56,446	-42,633	-49,114
22	Direct defense expenditures.....	-13,560	-14,775	-3,567	-3,513	-3,685	-4,010	-3,567	-3,513	-3,685	-4,010
23	Travel.....	-64,537	-58,921	-13,675	-18,311	-16,806	-10,129	-16,247	-16,231	-14,472	-11,971
24	Passenger fares.....	-24,197	-23,407	-5,434	-6,988	-6,890	-4,095	-6,001	-6,493	-6,240	-4,673
25	Other transportation.....	-41,058	-38,230	-10,100	-9,645	-9,519	-8,966	-10,501	-9,689	-9,159	-8,884
26	Royalties and license fees <sup>5</sup> .....	-16,106	-16,399	-4,070	-4,099	-4,206	-4,161	-4,159	-4,159	-4,177	-3,903
27	Other private services <sup>6</sup> .....	-54,687	-50,289	-14,859	-15,624	-14,201	-15,605	-15,548	-15,635	-14,164	-14,941
28	U.S. Government miscellaneous services.....	-2,879	-2,932	-738	-726	-736	-732	-738	-726	-736	-732
29	Income payments.....	-367,658	-312,926	-90,041	-82,385	-76,758	-63,742	-90,538	-81,856	-76,602	-63,935
30	Income payments on foreign-owned assets in the United States.....	-360,146	-305,096	-88,201	-80,532	-74,736	-61,627	-88,569	-79,907	-74,660	-61,961
31	Direct investment payments.....	-68,009	-37,430	-14,030	-11,485	-9,110	-2,805	-14,398	-10,860	-9,034	-3,139
32	Other private payments.....	-184,465	-163,353	-47,180	-42,667	-39,734	-33,772	-47,180	-42,667	-39,734	-33,772
33	U.S. Government payments.....	-107,672	-104,313	-26,991	-26,380	-25,892	-25,050	-26,991	-26,380	-25,892	-25,050
34	Compensation of employees.....	-7,512	-7,830	-1,840	-1,853	-2,022	-2,115	-1,966	-1,949	-1,942	-1,974
<b>35</b>	<b>Unilateral current transfers, net.....</b>	<b>-54,136</b>	<b>-50,501</b>	<b>-12,030</b>	<b>-11,503</b>	<b>-12,444</b>	<b>-14,524</b>	<b>-11,826</b>	<b>-12,130</b>	<b>-12,669</b>	<b>-13,876</b>
36	U.S. Government grants <sup>4</sup> .....	-16,821	-11,334	-2,419	-2,508	-2,877	-3,530	-2,419	-2,508	-2,877	-3,530
37	U.S. Government pensions and other transfers.....	-4,705	-5,804	-1,167	-934	-1,027	-2,676	-1,316	-1,292	-1,306	-1,892
38	Private remittances and other transfers <sup>5</sup> .....	-32,610	-33,363	-8,444	-8,061	-8,540	-8,318	-8,091	-8,330	-8,486	-8,454
<b>Capital and financial account</b>											
<b>Capital account</b>											
<b>39</b>	<b>Capital account transactions, net.....</b>	<b>705</b>	<b>726</b>	<b>173</b>	<b>177</b>	<b>182</b>	<b>194</b>	<b>173</b>	<b>177</b>	<b>182</b>	<b>194</b>
<b>Financial account</b>											
<b>40</b>	<b>U.S.-owned assets abroad, net (increase/financial outflow (-)).....</b>	<b>-590,952</b>	<b>-439,563</b>	<b>-246,201</b>	<b>-74,264</b>	<b>-18,741</b>	<b>-100,357</b>	<b>-243,302</b>	<b>-72,357</b>	<b>-17,443</b>	<b>-106,460</b>
41	U.S. official reserve assets, net.....	-290	-4,911	190	-1,343	-3,559	-199	190	-1,343	-3,559	-199
42	Gold <sup>7</sup> .....	-722	-630	-189	-156	-145	-140	-189	-156	-145	-140
43	Special drawing rights.....	2,308	-3,600	574	-1,015	-3,242	83	574	-1,015	-3,242	83
44	Reserve position in the International Monetary Fund.....	-1,876	-681	-195	-172	-172	-142	-195	-172	-172	-142
45	Foreign currencies.....	-944	-573	21	-786	21	171	21	-786	21	171
46	U.S. Government assets, other than official reserve assets, net.....	-5,177	-4,450	-1,094	-1,330	-1,011	-1,015	-1,094	-1,330	-1,011	-1,015
47	U.S. credits and other long-term assets.....	4,257	3,801	1,015	570	1,062	1,154	1,015	570	1,062	1,154
48	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	-24	76	100	-26	-30	32	100	-26	-30	32
49	U.S. foreign currency holdings and U.S. short-term assets, net.....	-579,718	-434,079	-246,412	-72,135	-15,203	-100,329	-243,513	-70,228	-13,905	-106,432
50	U.S. private assets, net.....	-152,437	-156,019	-44,021	-43,153	-44,522	-24,323	-41,122	-41,246	-43,224	-30,426
51	Direct investment.....	-124,935	-97,661	-31,591	-51,109	-50,564	-25,525	-31,591	-51,109	-50,564	-25,525
52	Foreign securities.....	-163,846	-76,067	-61,011	22,232	-40,361	3,073	-61,011	22,232	-40,361	3,073
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	-138,500	-104,332	-109,789	-105	59,116	-53,554	-109,789	-105	59,116	-53,554
54	U.S. claims reported by U.S. banks, not included elsewhere.....										
<b>55</b>	<b>Foreign-owned assets in the United States, net (increase/financial inflow(+)).....</b>	<b>1,024,218</b>	<b>895,459</b>	<b>347,052</b>	<b>227,102</b>	<b>59,402</b>	<b>261,903</b>	<b>347,006</b>	<b>226,927</b>	<b>57,718</b>	<b>263,806</b>
56	Foreign official assets in the United States, net.....	37,619	6,092	4,898	-20,879	16,877	5,196	4,898	-20,879	16,877	5,196
57	U.S. Government securities.....	30,676	31,680	2,547	-10,851	15,594	24,390	2,547	-10,851	15,594	24,390
58	U.S. Treasury securities <sup>9</sup> .....	-10,233	10,760	-1,027	-20,783	15,810	16,760	-1,027	-20,783	15,810	16,760
59	Other <sup>10</sup> .....	40,909	20,920	3,574	9,932	-216	7,630	3,574	9,932	-216	7,630
60	Other U.S. Government liabilities <sup>11</sup> .....	-1,987	-2,482	-1,246	-926	119	-429	-1,246	-926	119	-429
61	U.S. liabilities reported by U.S. banks, not included elsewhere.....	5,803	-28,825	2,594	-10,130	-817	-20,472	2,594	-10,130	-817	-20,472
62	Other foreign official assets <sup>12</sup> .....	3,127	5,719	1,003	1,028	1,981	1,707	1,003	1,028	1,981	1,707
63	Other foreign assets in the United States, net.....	986,599	889,367	342,154	247,981	42,525	256,707	342,108	247,806	40,841	258,610
64	Direct investment.....	287,655	157,936	52,864	65,729	24,295	15,048	52,818	65,554	22,611	16,351
65	U.S. Treasury securities.....	-52,792	15,779	656	-8,678	-9,459	33,260	656	-8,678	-9,459	33,260
66	U.S. securities other than U.S. Treasury securities.....	485,644	498,433	148,809	140,512	82,777	126,335	485,644	498,433	148,809	140,512
67	U.S. currency.....	1,129	23,783	2,311	2,772	8,203	10,497	2,311	2,772	8,203	10,497
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	177,010	98,222	130,624	3,375	-3,941	-31,836	130,624	3,375	-3,941	-31,836
69	U.S. liabilities reported by U.S. banks, not included elsewhere.....	87,953	95,214	6,890	44,271	-59,350	103,403	6,890	44,271	-59,350	103,403
<b>70</b>	<b>Statistical discrepancy (sum of above items with sign reversed).....</b>	<b>696</b>	<b>-39,193</b>	<b>-756</b>	<b>-45,172</b>	<b>66,654</b>	<b>-59,919</b>	<b>8,252</b>	<b>-46,815</b>	<b>58,074</b>	<b>-58,705</b>
<b>70a</b>	<b>Of which: Seasonal adjustment discrepancy.....</b>							<b>9,008</b>	<b>-1,643</b>	<b>-8,580</b>	<b>1,214</b>
<b>Memoranda:</b>											
71	Balance on goods (lines 3 and 20).....	-452,207	-426,615	-103,887	-103,688	-114,748	-104,292	-112,621	-107,758	-105,541	-100,695
72	Balance on services (lines 4 and 21).....	76,468	78,805	19,470	12,777	27,454	19,104	17,309	16,923	27,091	17,480
73	Balance on goods and services (lines 2 and 19).....	-375,739	-347,810	-84,417	-90,911	-87,294	-85,188	-95,312	-90,835	-78,450	-83,215
74	Balance on income (lines 12 and 29).....	-19,118	-3,821	-5,429	-5,429	-7,759	-2,109	-4,991	-4,967	-7,412	-1,744
75	Unilateral current transfers, net (line 35).....	-54,136	-50,501	-12,030	-11,503	-12,444	-14,524	-11,826	-12,130	-12,669	-13,876
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup> .....	-444,667	-417,429	-100,268	-107,843	-107,497	-101,821	-112,129	-107,932	-98,531	-98,835

See footnotes on page 74.

**Table 2. U.S. Trade in Goods**  
(Millions of dollars)

Line	2000	2001 <sup>p</sup>	Not seasonally adjusted								Seasonally adjusted							
			2000				2001				2000				2001			
			II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>		
<b>A Balance of payment adjustments to Census trade data:</b>																		
<b>EXPORTS</b>																		
1	781,918	730,897	195,978	195,675	202,459	196,041	190,518	170,297	174,041	193,838	201,460	198,678	196,883	187,918	176,047	170,049		
Adjustments:																		
2	597	542	152	144	160	130	139	135	138	152	144	160	130	139	135	138		
3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....		
4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....		
5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....		
6	-7,882	-7,675	-1,861	-1,690	-1,934	-1,764	-1,867	-1,997	-2,047	-1,861	-1,690	-1,934	-1,764	-1,867	-1,997	-2,047		
7	-2,423	-2,933	-571	-641	-667	-706	-726	-767	-734	-571	-641	-667	-706	-726	-767	-734		
8	772,210	720,831	193,698	193,488	200,018	193,701	188,064	167,668	171,398	191,558	199,273	196,237	194,542	185,464	173,419	167,406		
<b>IMPORTS</b>																		
9	1,218,022	1,142,286	300,735	316,508	318,659	295,814	289,769	281,667	275,036	302,236	312,671	312,949	305,388	291,239	278,212	267,447		
Adjustments:																		
10	4	4	2	.....	2	1	1	1	1	2	.....	2	1	1	1	1		
11	3,213	2,220	161	439	1,078	1,012	1,198	4	6	161	439	1,078	1,012	1,198	4	6		
12	3,929	3,612	1,006	960	964	952	958	863	839	1,006	960	964	952	958	863	839		
13	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....		
14	-743	-622	-180	-175	-233	-178	-155	-123	-166	-180	-175	-233	-178	-155	-123	-166		
15	-8	-54	3	-11	-2	-13	-19	4	-26	3	-11	-2	-13	-19	4	-26		
16	1,224,417	1,147,446	301,727	317,721	320,468	297,588	291,752	282,416	275,690	303,229	313,884	314,757	307,163	293,222	278,960	268,101		
<b>B Trade in goods, by area and country, adjusted to balance of payments basis, excluding military:<sup>f</sup></b>																		
<b>EXPORTS</b>																		
1	772,210	720,831	193,698	193,488	200,018	193,701	188,064	167,668	171,398	191,558	199,273	196,237	194,542	185,464	173,419	167,406		
2	178,793	171,833	44,846	42,620	47,192	47,894	45,849	37,744	40,346	44,275	43,807	46,442	48,209	45,126	38,973	39,525		
3	162,583	156,178	40,872	39,245	43,226	43,062	40,697	35,283	37,136	40,350	40,340	42,558	43,363	40,026	36,406	36,383		
4	14,266	13,933	3,462	3,584	3,849	3,627	3,689	3,531	3,086	3,419	3,690	3,788	3,647	3,629	3,636	3,021		
5	20,200	19,750	4,975	4,737	5,567	5,614	5,013	4,227	4,896	4,902	4,864	5,495	5,657	4,928	4,353	4,812		
6	28,923	29,441	7,459	6,969	7,455	8,257	7,373	6,893	6,918	7,371	7,169	7,348	8,312	7,237	7,113	6,779		
7	10,951	9,698	2,575	3,092	2,742	2,754	2,395	2,110	2,439	2,544	3,167	2,694	2,774	2,358	2,185	2,381		
8	21,717	19,369	5,272	5,291	5,932	5,516	4,938	4,144	4,771	5,214	5,450	5,824	5,551	4,871	4,275	4,672		
9	40,727	39,809	10,086	9,529	11,038	10,358	11,310	9,303	8,838	9,941	9,785	10,877	10,440	11,110	9,597	8,662		
10	25,799	24,178	7,043	6,043	6,843	6,936	5,979	5,075	6,188	6,959	6,215	6,532	6,982	5,893	5,247	6,056		
11	16,210	15,655	3,974	3,375	3,966	4,832	5,152	2,461	3,210	3,925	3,467	3,884	4,846	5,100	2,567	3,142		
12	178,987	163,939	46,698	42,343	44,281	42,649	44,707	37,967	38,616	46,187	43,524	43,533	42,882	44,079	39,195	37,783		
13	63,576	56,038	15,499	15,965	16,743	16,062	14,562	12,861	12,553	15,421	16,521	16,349	16,057	14,442	13,365	12,174		
14	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....		
15	12,189	10,610	3,268	3,010	2,940	2,704	2,639	2,574	2,693	3,218	3,094	2,890	2,721	2,591	2,656	2,642		
16	5,925	6,826	1,329	1,514	1,641	1,694	1,832	1,608	1,692	1,318	1,559	1,594	1,692	1,826	1,674	1,634		
17	170,262	159,442	42,146	44,480	44,073	41,410	40,539	38,834	38,659	41,662	45,801	43,222	41,620	39,963	40,135	37,724		
18	15,257	15,821	3,664	4,229	4,173	3,844	4,271	4,134	3,572	3,603	4,342	4,109	3,865	4,188	4,261	3,507		
19	111,171	101,411	27,558	29,230	28,352	26,743	25,248	24,421	24,999	27,235	30,090	27,798	26,904	24,895	25,222	24,390		
20	5,508	5,638	1,408	1,377	1,464	1,399	1,469	1,398	1,372	1,395	1,417	1,441	1,402	1,449	1,447	1,340		
21	38,326	36,571	9,516	9,644	10,084	9,423	9,551	8,881	8,716	9,429	9,952	9,874	9,440	9,431	9,205	8,487		
22	162,477	152,143	39,911	43,556	43,148	41,288	37,936	36,080	36,839	39,476	44,967	42,207	41,361	37,437	37,421	35,924		
23	151,998	140,222	37,280	40,763	40,319	38,252	34,858	33,278	33,834	36,862	42,060	39,472	38,326	34,389	34,482	33,025		
24	10,519	11,875	2,340	2,737	3,210	3,324	2,890	2,815	2,846	2,319	2,828	3,119	3,281	2,875	2,943	2,776		
25	16,138	19,164	4,087	4,405	4,497	4,341	4,774	4,824	5,225	4,048	4,569	4,400	4,323	4,719	4,992	5,130		
26	14,510	13,989	3,550	3,809	3,998	3,570	3,709	3,530	3,180	3,519	3,928	3,922	3,570	3,661	3,653	3,105		
27	27,150	21,216	7,196	6,968	6,673	6,085	4,858	5,303	4,970	7,125	7,199	6,527	6,101	4,788	5,493	4,834		
28	17,621	17,365	4,055	4,881	4,684	4,595	4,157	4,232	4,381	3,994	5,009	4,616	4,627	4,080	4,368	4,290		
29	23,833	17,429	6,051	6,763	5,705	5,097	4,344	4,132	3,856	5,968	6,994	5,567	5,127	4,284	4,283	3,735		
30	10,115	11,585	2,552	2,706	2,700	2,960	3,011	2,684	2,930	2,536	2,816	2,610	2,959	2,981	2,819	2,826		
31	1,598	2,008	243	508	482	537	567	464	440	244	525	461	539	562	484	423		
32	1	.....	1	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....		
<b>Memoranda:</b>																		
33	438,567	407,438	111,627	105,381	112,453	110,736	109,198	92,213	95,291	110,399	108,428	110,489	111,289	107,660	95,296	93,193		
34	115,026	111,325	29,075	28,070	30,519	31,083	28,139	24,885	27,218	28,723	28,866	30,043	31,298	27,686	25,678	26,663		
35	17,625	19,521	3,991	4,622	5,156	5,260	4,926	4,677	4,658	3,958	4,770	5,021	5,222	4,886	4,874	4,539		
36	316,017	293,872	78,079	83,485	82,409	77,705	73,940	70,778	71,449	77,200	86,075	80,727	78,031	72,918	73,249	69,674		

See footnotes on page 74.

**Table 2. U.S. Trade in Goods—Continued**  
(Millions of dollars)

Line	2000	2001 <sup>P</sup>	Not seasonally adjusted								Seasonally adjusted							
			2000				2001				2000				2001			
			II	III	IV	I	II	III <sup>r</sup>	IV <sup>P</sup>	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>		
<b>B</b>	<b>Trade in goods, by area and country, adjusted to balance of payments basis, excluding military:<sup>7</sup>—Continued</b>																	
	<b>IMPORTS</b>																	
37	<b>Total, all countries (A-16)</b>	<b>1,224,417</b>	<b>1,147,446</b>	<b>301,727</b>	<b>317,721</b>	<b>320,468</b>	<b>297,588</b>	<b>291,752</b>	<b>282,416</b>	<b>275,690</b>	<b>303,229</b>	<b>313,884</b>	<b>314,757</b>	<b>307,163</b>	<b>293,222</b>	<b>278,960</b>	<b>268,101</b>	
38	Western Europe	243,426	241,197	59,856	60,335	64,851	63,104	62,475	56,639	58,979	60,171	59,588	63,708	65,182	62,807	55,903	57,305	
39	European Union	219,946	219,742	54,548	54,589	58,691	56,885	56,005	52,224	54,628	54,840	53,904	57,633	58,808	56,315	51,546	53,073	
40	Belgium and Luxembourg	10,258	10,444	2,461	2,469	2,794	2,834	2,719	2,313	2,578	2,474	2,444	2,744	2,923	2,730	2,286	2,505	
41	France	29,773	30,362	7,420	6,921	8,373	8,194	7,644	6,884	7,640	7,452	6,827	8,230	8,441	7,692	6,790	7,439	
42	Germany <sup>8</sup>	58,501	59,139	14,488	14,943	14,982	15,047	15,381	14,614	14,097	14,576	14,733	14,712	15,566	15,460	14,400	13,707	
43	Italy	25,031	23,788	6,139	6,706	6,285	6,206	5,941	5,803	5,838	6,165	6,619	6,173	6,419	5,971	5,718	5,680	
44	Netherlands	9,624	9,465	2,411	2,374	2,507	2,400	2,492	2,167	2,406	2,423	2,345	2,459	2,477	2,506	2,141	2,341	
45	United Kingdom	43,388	41,101	10,827	10,579	11,418	10,964	10,503	9,410	10,224	10,882	10,449	11,220	11,338	10,560	9,285	9,918	
46	Other	43,371	45,443	10,802	10,597	12,332	11,240	11,325	11,033	11,845	10,868	10,487	12,095	11,644	11,396	10,920	11,483	
47	Western Europe, excluding EU	23,480	21,455	5,308	5,746	6,160	6,219	6,470	4,415	4,351	5,331	5,684	6,075	6,374	6,492	4,357	4,232	
48	Canada <sup>2</sup>	233,678	219,588	59,582	56,800	60,154	57,875	59,192	52,019	50,520	59,286	56,205	59,109	59,716	59,422	51,322	49,128	
49	Japan	146,497	126,645	36,574	36,581	38,650	34,630	31,175	29,896	30,944	36,792	36,103	37,837	35,831	31,337	29,469	30,008	
50	Australia, New Zealand, and South Africa <sup>9</sup>																	
51	Australia	6,422	6,459	1,676	1,732	1,669	1,457	1,639	1,756	1,607	1,681	1,708	1,645	1,506	1,650	1,739	1,564	
52	Eastern Europe	16,101	14,453	3,686	4,446	3,947	4,438	3,254	3,360	3,401	3,701	4,400	3,880	4,555	3,267	3,320	3,311	
53	Latin America and Other Western Hemisphere	210,179	199,676	52,210	54,674	53,964	51,560	50,801	49,978	47,337	52,462	54,055	53,060	53,104	51,037	49,390	46,145	
54	Brazil	13,853	14,464	3,546	3,816	3,247	3,611	3,527	3,844	3,482	3,552	3,758	3,196	3,725	3,542	3,793	3,404	
55	Mexico	136,811	132,275	34,096	35,801	35,074	33,345	33,603	33,029	32,296	34,280	35,983	34,404	34,441	33,777	32,646	31,411	
56	Venezuela	18,623	15,230	4,554	4,664	5,110	4,492	4,149	3,612	2,977	4,577	4,636	5,079	4,546	4,161	3,577	2,946	
57	Other	40,892	37,707	10,104	10,393	10,533	10,112	9,522	9,493	8,580	10,053	10,278	10,381	10,392	9,557	9,374	8,384	
58	Other countries in Asia and Africa <sup>7,9</sup>	368,114	339,428	88,143	103,153	97,283	84,524	83,216	88,768	82,920	88,596	102,005	95,518	87,269	83,702	87,817	80,640	
59	Asia <sup>7,9</sup>	340,265	313,664	81,046	95,620	89,990	77,524	76,008	82,354	77,778	81,457	94,524	88,290	80,148	76,473	81,462	75,581	
60	Members of OPEC	35,204	33,110	8,519	9,843	9,235	8,479	8,968	8,706	7,057	8,559	9,775	9,145	8,646	8,394	8,629	6,941	
61	China	100,021	102,286	23,463	29,363	27,284	22,398	23,842	28,946	27,100	23,606	29,035	26,699	23,252	24,061	28,691	26,282	
62	Hong Kong	11,455	9,652	2,683	3,449	2,744	2,353	2,289	2,745	2,265	2,668	3,405	2,684	2,438	2,303	2,719	2,192	
63	Korea, Republic of	40,297	35,199	9,574	10,734	11,069	9,453	8,447	8,382	8,917	9,617	10,601	10,863	9,770	8,485	8,275	8,669	
64	Singapore	19,201	15,017	4,536	5,278	5,085	4,482	3,767	3,478	3,590	4,556	5,208	4,996	4,326	3,784	3,427	3,480	
65	Taiwan	40,507	33,398	10,113	10,599	10,349	8,800	8,493	8,196	7,909	10,159	10,819	10,140	9,087	8,539	8,089	7,683	
66	Africa <sup>7,9</sup>	27,545	25,419	7,027	7,437	7,215	6,928	7,129	6,326	5,037	7,068	7,366	7,153	7,047	7,147	6,268	4,957	
67	Members of OPEC	13,169	11,478	3,457	3,703	3,292	3,279	3,445	2,764	1,990	3,480	3,683	3,275	3,307	3,451	2,747	1,973	
68	International organizations and unallocated																	
	<b>Memoranda:</b>																	
69	Industrial countries <sup>7</sup>	636,319	600,526	159,383	157,144	166,842	158,702	156,376	141,972	143,476	160,172	155,102	163,840	163,925	157,119	140,072	139,410	
70	Of which: Euro Area <sup>10</sup>	183,414	166,379	40,442	41,058	43,556	42,765	42,405	39,990	41,279	40,663	40,537	42,764	44,207	42,643	39,408	40,121	
71	Members of OPEC <sup>7</sup>	66,996	59,818	16,530	18,210	17,637	16,250	16,462	15,082	12,024	16,616	18,094	17,499	16,499	16,506	14,953	11,860	
72	Other countries <sup>7</sup>	521,102	487,102	125,814	142,367	135,989	122,636	118,914	125,362	120,190	126,441	140,688	133,418	126,739	119,597	123,935	116,831	
	<b>BALANCE (EXCESS OF EXPORTS +)</b>																	
73	<b>Total, all countries</b>	<b>-452,207</b>	<b>-426,615</b>	<b>-108,029</b>	<b>-124,233</b>	<b>-120,450</b>	<b>-103,887</b>	<b>-103,688</b>	<b>-114,748</b>	<b>-104,292</b>	<b>-111,671</b>	<b>-114,611</b>	<b>-118,520</b>	<b>-112,621</b>	<b>-107,758</b>	<b>-105,541</b>	<b>-100,695</b>	
74	Western Europe	-64,633	-69,364	-15,010	-17,715	-17,659	-15,210	-16,626	-18,895	-18,633	-15,896	-15,778	-17,266	-16,973	-17,681	-16,930	-17,780	
75	European Union	-57,363	-63,564	-13,676	-15,344	-15,465	-13,823	-15,308	-16,941	-17,492	-14,490	-13,564	-15,075	-15,445	-16,289	-15,140	-16,690	
76	Belgium and Luxembourg	4,008	3,489	1,001	1,115	1,055	793	970	1,218	508	945	1,246	1,044	724	899	1,350	516	
77	France	-9,573	-10,612	-2,445	-2,184	-2,806	-2,580	-2,631	-2,657	-2,744	-2,550	-1,963	-2,735	-2,784	-2,764	-2,437	-2,627	
78	Germany <sup>8</sup>	-29,578	-29,698	-7,029	-7,974	-7,527	-6,790	-8,008	-7,721	-7,179	-7,205	-7,564	-7,364	-7,254	-8,223	-7,293	-6,928	
79	Italy	-14,080	-14,090	-3,564	-3,614	-3,543	-3,452	-3,546	-3,693	-3,399	-3,621	-3,452	-3,479	-3,645	-3,813	-3,533	-3,299	
80	Netherlands	12,093	9,904	2,861	2,917	3,425	3,116	2,446	1,977	2,365	2,791	3,105	3,365	3,074	2,365	2,134	2,331	
81	United Kingdom	-2,661	-1,292	-741	-1,050	-380	-606	807	-107	-1,386	-941	-664	-343	-898	550	312	-1,256	
82	Other	-17,572	-21,265	-3,759	-4,554	-5,689	-4,304	-5,346	-5,958	-5,657	-3,909	-4,272	-5,563	-4,662	-5,503	-5,673	-5,427	
83	Western Europe, excluding EU	-7,270	-5,800	-1,334	-2,371	-2,194	-1,387	-1,318	-1,954	-1,141	-1,406	-2,217	-2,191	-1,528	-1,392	-1,790	-1,090	
84	Canada <sup>2</sup>	-54,691	-55,649	-12,884	-14,457	-15,873	-15,226	-14,485	-14,052	-11,886	-13,639	-12,501	-15,576	-16,834	-15,343	-12,127	-11,345	
85	Japan	-82,921	-70,607	-21,075	-20,616	-21,857	-18,568	-16,613	-17,035	-18,391	-21,371	-19,582	-21,488	-19,774	-16,895	-16,104	-17,834	
86	Australia, New Zealand, and South Africa <sup>9</sup>																	
87	Australia	5,767	4,151	1,592	1,278	1,271	1,247	1,000	818	1,086	1,537	1,386	1,245	1,215	941	917	1,078	
88	Eastern Europe	-10,176	-7,627	-2,357	-2,932	-2,306	-2,744	-1,422	-1,752	-1,709	-2,383	-2,841	-2,286	-2,863	-1,441	-1,646	-1,677	
89	Latin America and Other Western Hemisphere	-39,917	-40,234	-10,064	-10,194	-9,891	-10,150	-10,262	-11,144	-8,678	-10,800	-8,254	-9,838	-11,484	-11,074	-9,255	-8,421	
90	Brazil	1,404	1,357	118	413	926	233	744	290	90	51	584	913	140	646	468	103	
91	Mexico	-25,640	-30,864	-6,538	-6,571	-6,722	-6,602	-8,355	-8,608	-7,299	-7,045	-5,293	-6,606	-7,537	-8,882	-7,424	-7,021	
92	Venezuela	-13,115	-9,592	-3,146	-3,287	-3,646	-3,093	-2,680	-2,214	-1,605	-3,182	-3,638	-3,144	-2,712	-2,120	-1,606	-1,606	
93	Other	-2,566	-1,															

**Table 2. U.S. Trade in Goods—Continued**  
(Millions of dollars)

Line	2000	2001 <sup>p</sup>	Not seasonally adjusted								Seasonally adjusted							
			2000			2001					2000			2001				
			II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>		
<b>C Trade in goods, by principal end-use category, adjusted to balance of payments basis, excluding military:</b>																		
1	<b>Exports of goods, balance of payments basis, excluding military (A-8)</b> .....	<b>772,210</b>	<b>720,831</b>	<b>193,698</b>	<b>193,488</b>	<b>200,018</b>	<b>193,701</b>	<b>188,064</b>	<b>167,668</b>	<b>171,398</b>	<b>191,558</b>	<b>199,273</b>	<b>196,237</b>	<b>194,542</b>	<b>185,464</b>	<b>173,419</b>	<b>167,406</b>	
2	Agricultural products.....	52,808	54,986	12,274	12,483	14,570	14,150	12,802	12,570	15,464	12,977	13,629	13,298	13,629	13,488	13,746	14,123	
3	Nonagricultural products.....	719,402	665,845	181,424	181,005	185,448	179,551	175,262	155,098	155,934	178,581	185,644	182,939	180,913	171,976	159,673	153,283	
4	Foods, feeds, and beverages.....	47,453	48,982	10,930	11,691	12,996	12,543	11,278	11,544	13,617	11,749	12,227	11,853	12,400	12,105	12,025	12,452	
5	Agricultural.....	43,331	44,452	9,978	10,455	11,947	11,488	10,226	10,243	12,495	10,670	11,156	10,809	11,298	10,932	10,898	11,324	
6	Grains and preparations.....	13,650	13,951	3,206	3,530	3,462	3,614	3,196	3,560	3,581	3,450	3,551	3,321	3,494	3,435	3,619	3,403	
7	Wheat.....	3,499	3,480	866	1,002	908	806	785	869	1,020	922	869	901	896	831	761	992	
8	Corn.....	4,884	4,996	1,226	1,295	1,128	1,239	1,125	1,471	1,161	1,315	1,311	1,090	1,182	1,204	1,503	1,107	
9	Soybeans.....	5,382	5,519	847	885	1,934	1,982	698	599	2,240	1,292	1,447	1,299	1,648	1,154	1,071	1,646	
10	Meat products and poultry.....	7,708	7,996	1,853	1,931	2,030	1,893	1,990	1,971	2,142	1,874	1,964	1,918	1,959	2,011	2,000	2,026	
11	Vegetables, fruits, nuts, and preparations.....	8,364	8,278	2,100	2,039	2,306	1,997	2,112	1,950	2,219	2,069	2,147	2,130	2,103	2,084	2,059	2,032	
12	Other agricultural foods, feeds, and beverages.....	8,227	8,708	1,972	2,070	2,215	2,002	2,230	2,163	2,313	1,985	2,047	2,141	2,094	2,248	2,149	2,217	
13	Nonagricultural (fish, distilled beverages, etc.).....	4,122	4,530	952	1,236	1,049	1,055	1,052	1,301	1,122	1,079	1,071	1,044	1,102	1,173	1,127	1,128	
14	Fish and shellfish.....	3,033	3,282	689	934	743	774	721	991	796	810	774	762	796	834	824	828	
15	Industrial supplies and materials.....	171,956	160,375	42,350	43,176	43,969	43,176	42,082	37,723	37,394	41,556	43,922	44,354	43,099	41,274	38,454	37,548	
16	Agricultural.....	9,187	10,254	2,221	1,977	2,543	2,580	2,500	2,273	2,901	2,236	2,400	2,416	2,260	2,483	2,773	2,738	
17	Raw cotton.....	1,925	2,179	524	366	408	569	554	564	492	491	550	434	375	490	815	499	
18	Tobacco, unmanufactured.....	1,196	1,271	318	194	300	343	313	231	384	285	321	267	286	271	388	346	
19	Hides and skins, including furskins.....	1,602	1,993	393	423	432	499	541	489	464	393	431	459	475	533	490	485	
20	Other agricultural industrial supplies.....	4,464	4,811	996	994	1,403	1,169	1,092	989	1,561	1,077	1,098	1,256	1,124	1,189	1,100	1,398	
21	Nonagricultural.....	162,769	150,121	40,129	41,199	41,426	40,596	39,582	35,450	34,493	39,320	41,522	41,938	40,839	38,791	35,681	34,810	
22	Energy products.....	16,637	16,043	3,707	4,258	4,902	4,274	4,433	3,725	3,611	4,694	4,250	4,914	4,428	4,290	3,697	3,620	
23	Fuels and lubricants.....	16,201	14,711	3,635	4,168	4,680	3,603	3,992	3,570	3,546	3,622	4,160	4,691	3,628	3,985	3,543	3,555	
24	Coal and related fuels.....	2,598	2,263	643	692	655	547	611	557	548	631	678	647	580	604	534	545	
25	Petroleum and products.....	12,012	10,670	2,636	3,039	3,564	2,660	2,794	2,636	2,580	2,635	3,046	3,583	2,652	2,794	2,632	2,592	
26	Paper and paper base stocks.....	14,000	12,413	3,611	3,543	3,300	3,291	3,092	2,949	3,081	3,579	3,554	3,353	3,271	3,060	2,960	3,122	
27	Textile supplies and related materials.....	10,671	10,160	2,708	2,757	2,654	2,703	2,732	2,420	2,305	2,588	2,807	2,719	2,736	2,611	2,453	2,360	
28	Chemicals, excluding medicinals.....	52,243	49,784	13,055	13,593	13,187	13,527	12,720	12,024	11,513	12,752	13,869	13,304	13,528	12,424	12,246	11,886	
29	Building materials, except metals.....	8,762	7,797	2,230	2,197	2,190	2,075	2,063	1,840	1,819	2,149	2,215	2,225	2,112	1,993	1,859	1,833	
30	Other nonmetals.....	21,208	19,313	5,347	5,212	5,388	5,034	5,056	4,717	4,506	5,243	5,301	5,456	5,027	4,945	4,810	4,531	
31	Metals and nonmetallic products.....	39,248	34,611	9,471	9,639	9,805	9,692	9,486	7,775	7,658	9,315	9,526	9,967	9,867	9,330	7,656	7,758	
32	Steelmaking materials.....	1,721	1,763	475	434	420	439	414	434	476	436	433	435	472	375	423	493	
33	Iron and steel products.....	6,827	6,205	1,712	1,721	1,669	1,664	1,561	1,509	1,471	1,683	1,738	1,695	1,655	1,532	1,257	1,491	
34	Nonferrous metals.....	16,056	14,231	3,426	3,754	4,111	4,259	4,211	2,886	2,875	3,482	3,619	4,132	4,329	4,264	2,752	2,881	
35	Nonmonetary gold.....	6,028	4,887	928	1,066	1,630	1,675	1,900	597	715	928	1,066	1,630	1,675	1,900	597	715	
36	Other precious metals.....	2,476	2,703	609	632	671	874	648	537	644	609	632	671	874	648	537	644	
37	Other nonferrous metals.....	7,552	6,641	1,889	2,056	1,810	1,710	1,663	1,752	1,516	1,945	1,921	1,831	1,780	1,716	1,623	1,522	
38	Other metals and nonmetallic products.....	14,644	12,412	3,858	3,730	3,605	3,300	3,300	2,946	2,836	3,714	3,736	3,705	3,411	3,159	2,949	2,893	
39	Capital goods, except automotive.....	357,037	322,259	89,656	91,932	93,765	90,378	83,665	74,220	73,996	89,331	93,630	91,468	91,496	82,874	75,907	71,982	
40	Machinery, except consumer-type.....	306,489	266,865	75,280	80,268	80,606	75,698	68,562	61,699	60,906	75,767	80,825	78,958	76,865	68,556	62,125	59,319	
41	Electric generating machinery, electric apparatus, and parts.....	35,847	31,004	8,826	9,611	9,256	8,916	8,106	7,076	6,906	8,821	9,505	9,277	9,065	8,068	7,011	6,860	
42	Nonelectric, including parts and attachments.....	270,642	235,861	66,454	70,657	71,350	66,782	60,556	54,623	54,000	66,946	71,320	69,681	67,800	60,488	55,114	52,459	
43	Oil drilling, mining, and construction machinery.....	12,628	14,160	3,098	3,233	3,349	3,287	3,684	3,732	3,457	3,007	3,281	3,377	3,339	3,614	3,761	3,446	
44	Industrial engines, pumps, and compressors.....	12,583	13,033	3,103	3,192	3,243	3,163	3,372	3,225	3,273	3,072	3,276	3,144	3,210	3,342	3,337	3,144	
45	Machine tools and metalworking machinery.....	7,475	5,839	1,794	1,904	2,012	1,814	1,474	1,299	1,252	1,776	1,957	1,953	1,840	1,458	1,341	1,200	
46	Measuring, testing, and control instruments.....	16,369	14,135	4,022	4,284	4,353	3,987	3,726	3,259	3,163	3,994	4,380	4,306	4,012	3,679	3,325	3,119	
47	Other industrial, agricultural, and service industry machinery.....	52,116	45,030	13,170	13,284	13,104	12,902	11,786	10,320	10,022	12,828	13,486	13,179	13,043	11,435	10,551	10,001	
48	Computers, peripherals, and parts.....	55,541	47,632	13,390	14,287	15,081	13,933	11,760	10,803	11,136	13,870	14,648	14,310	13,959	12,105	11,088	10,480	
49	Semiconductors.....	60,077	45,099	14,622	16,429	15,779	14,170	11,399	9,865	9,665	14,950	16,206	15,546	14,418	11,543	9,658	9,480	
50	Telecommunications equipment.....	31,268	27,914	7,754	8,421	8,271	7,469	7,416	6,680	6,349	7,877	8,312	7,877	7,960	7,426	6,456	6,072	
51	Other office and business machines.....	3,201	2,895	795	835	816	845	744	663	643	805	839	772	876	749	662	608	
52	Scientific, hospital, and medical equipment and parts.....	19,384	20,124	4,706	4,788	5,342	5,212	5,095	4,777	5,040	4,767	4,935	5,217	5,143	5,137	4,935	4,909	
53	Civilian aircraft, engines, parts.....	48,091	52,813	13,780	11,133	12,504	13,994	14,999	11,948	12,372	12,968	12,274	11,855	13,945	13,714	13,209	11,945	
54	Civilian aircraft, complete, all types.....	22,694	25,856	7,394	4,887	5,854	7,069	7,414	5,235	6,138	6,611	5,881	5,260	7,069	6,684	6,298	5,805	
55	Other transportation equipment.....	2,457	2,581	596	531	655	686	604	573	718	596	531	655	686	604	573	718	
56	Automotive vehicles, engines, and parts.....	80,170	74,596	21,594	17,765	19,705	18,351	20,472	16,972	18,801	20,149	20,161	19,311	17,935	19,066	19,341	18,254	
57	To Canada.....	45,663	39,998	12,716	9,536	10,657	9,717	11,660	8,438	9,883	11,551	11,272	10,518	9,400	10,575	10,087	9,636	
58	Passenger cars, new and used.....	9,225	8,619	2,854	1,593	2,180	1,830	2,868	1,716	2,205	2,367	2,218	2,038	1,8				





**Table 3. Private Services Transactions**  
[Millions of dollars]

Line	2000	2001 <sup>1</sup>	Not seasonally adjusted								Seasonally adjusted							
			2000				2001				2000				2001			
			I	II	III	IV	I	II	III <sup>1</sup>	IV <sup>2</sup>	I	II	III	IV	I <sup>1</sup>	II <sup>1</sup>	III <sup>1</sup>	IV <sup>2</sup>
<b>1 Exports of private services.....</b>	<b>278,570</b>	<b>270,088</b>	<b>66,265</b>	<b>68,526</b>	<b>73,821</b>	<b>69,958</b>	<b>68,306</b>	<b>68,120</b>	<b>70,053</b>	<b>63,609</b>	<b>68,509</b>	<b>70,141</b>	<b>69,675</b>	<b>70,249</b>	<b>70,465</b>	<b>69,806</b>	<b>66,462</b>	<b>63,356</b>
2 Travel (table 1, line 6).....	82,042	72,295	17,892	21,236	23,427	19,487	18,170	20,155	20,105	13,865	20,448	20,976	20,226	20,392	20,711	19,835	17,337	14,412
3 Passenger fares (table 1, line 7)	20,745	17,734	4,627	5,237	5,874	5,007	4,648	4,850	4,894	3,342	5,013	5,342	5,213	5,177	5,006	4,933	4,352	3,443
4 Other transportation (table 1, line 8).....	30,185	28,292	7,035	7,615	7,964	7,571	7,085	7,108	7,415	6,684	7,365	7,619	7,593	7,609	7,415	7,113	7,055	6,709
5 Freight.....	13,236	12,094	3,187	3,319	3,342	3,388	3,093	3,051	2,973	2,977	3,234	3,297	3,372	3,333	3,138	3,030	3,000	2,926
6 Port services.....	16,950	16,198	3,848	4,296	4,622	4,183	3,992	4,057	4,442	3,707	4,131	4,322	4,221	4,276	4,277	4,083	4,055	3,783
7 Royalties and license fees (table 1, line 9).....	38,030	38,875	9,099	9,270	9,361	10,300	9,304	9,475	9,503	10,593	9,345	9,525	9,538	9,624	9,564	9,759	9,683	9,870
8 Affiliated.....	26,621	26,581	6,324	6,447	6,485	7,365	6,301	6,400	6,406	7,474	6,570	6,702	6,662	6,689	6,561	6,684	6,586	6,751
9 U.S. parents' receipts.....	24,444	23,760	5,903	6,044	5,939	6,558	5,697	5,822	5,804	6,437	6,123	6,203	6,071	6,047	5,909	5,971	5,941	5,938
10 U.S. affiliates' receipts.....	2,177	2,821	421	403	546	807	604	578	602	1,037	447	499	591	642	652	713	645	813
11 Unaffiliated.....	11,409	12,294	2,775	2,823	2,876	2,935	3,003	3,075	3,097	3,119	2,775	2,823	2,876	2,935	3,003	3,075	3,097	3,119
12 Industrial processes <sup>1</sup> .....	4,421	4,770	1,072	1,095	1,116	1,138	1,159	1,181	1,204	1,226	1,072	1,095	1,116	1,138	1,159	1,181	1,204	1,226
13 Other <sup>2</sup> .....	6,987	7,524	1,702	1,728	1,759	1,798	1,843	1,894	1,893	1,894	1,702	1,728	1,759	1,798	1,843	1,894	1,893	1,894
14 Other private services (table 1, line 10).....	107,568	112,892	27,612	25,168	27,195	27,593	29,099	26,532	28,136	29,125	26,338	26,679	27,105	27,447	27,769	28,166	28,035	28,922
15 Affiliated services.....	31,628	35,385	7,454	7,505	7,797	8,872	8,495	8,498	8,495	9,897	7,724	7,738	7,954	8,212	8,793	8,797	8,651	9,144
16 U.S. parents' receipts.....	19,604	20,644	4,621	4,860	4,701	5,422	4,926	5,032	4,947	5,739	4,797	4,897	4,894	5,016	5,116	5,073	5,154	5,300
17 U.S. affiliates' receipts.....	12,024	14,741	2,833	2,645	3,096	3,450	3,569	3,466	3,548	4,158	2,927	2,841	3,060	3,196	3,677	3,724	3,497	3,844
18 Unaffiliated services.....	75,940	77,507	20,158	17,663	19,398	18,721	20,604	18,034	19,641	19,228	18,614	18,941	19,151	19,235	18,976	19,369	19,384	19,778
19 Education.....	10,287	10,959	4,103	1,292	2,778	2,114	4,365	1,377	2,968	2,249	2,472	2,540	2,608	2,668	2,630	2,707	2,787	2,835
20 Financial services.....	17,042	14,498	4,224	4,371	4,309	4,138	3,727	3,762	3,418	3,591	4,224	4,371	4,309	4,138	3,735	3,737	3,426	3,600
21 Insurance, net.....	2,412	3,209	480	595	671	667	770	796	814	829	480	595	671	667	770	796	814	829
22 Premiums received.....	8,898	9,855	2,047	2,182	2,294	2,375	2,425	2,456	2,478	2,496	2,472	2,482	2,294	2,375	2,425	2,456	2,478	2,496
23 Losses paid.....	6,486	6,646	1,568	1,587	1,624	1,708	1,655	1,660	1,664	1,667	1,568	1,587	1,624	1,708	1,655	1,660	1,664	1,667
24 Telecommunications.....	3,843	4,178	988	963	952	941	950	986	1,107	1,134	988	963	952	941	950	986	1,107	1,134
25 Business, professional, and technical services.....	28,026	29,224	6,961	6,949	7,018	7,099	7,149	7,316	7,379	7,380	6,961	6,949	7,018	7,099	7,149	7,316	7,379	7,380
26 Other unaffiliated services <sup>3</sup> .....	14,331	15,438	3,403	3,494	3,671	3,762	3,642	3,797	3,955	4,044	3,490	3,524	3,594	3,722	3,741	3,827	3,871	3,999
<b>27 Imports of private services.....</b>	<b>200,585</b>	<b>187,246</b>	<b>43,950</b>	<b>51,820</b>	<b>55,296</b>	<b>49,519</b>	<b>48,138</b>	<b>54,667</b>	<b>41,440</b>	<b>43,001</b>	<b>48,055</b>	<b>49,281</b>	<b>51,688</b>	<b>51,565</b>	<b>52,458</b>	<b>52,207</b>	<b>38,212</b>	<b>44,372</b>
28 Travel (table 1, line 23).....	64,537	58,921	13,874	18,320	18,748	13,595	13,675	18,311	16,806	10,129	16,399	16,123	16,075	15,940	16,247	16,231	14,472	11,971
29 Passenger fares (table 1, line 24).....	24,197	23,407	5,296	6,645	6,923	5,333	5,434	6,988	6,890	4,095	5,805	6,146	6,226	6,020	6,001	6,493	6,240	4,673
30 Other transportation (table 1, line 25).....	41,058	38,230	9,305	10,034	10,932	10,787	10,100	9,645	9,519	8,966	9,693	10,097	10,554	10,718	10,501	9,689	9,159	8,884
31 Freight.....	26,979	24,981	6,012	6,530	7,243	7,192	6,791	6,220	6,097	5,873	6,283	6,548	6,977	7,171	7,077	6,225	5,842	5,838
32 Port services.....	14,083	13,249	3,293	3,504	3,689	3,595	3,309	3,425	3,422	3,093	3,410	3,549	3,577	3,547	3,424	3,464	3,317	3,046
33 Royalties and license fees (table 1, line 26).....	16,106	16,399	3,520	3,644	4,381	4,561	4,070	4,099	4,024	4,206	3,604	3,715	4,535	4,253	4,161	4,159	4,177	3,903
34 Affiliated.....	12,170	12,851	2,717	2,807	3,001	3,645	3,174	3,183	3,139	3,355	2,801	2,878	3,155	3,337	3,265	3,243	3,292	3,052
35 U.S. parents' payments.....	2,184	2,186	542	530	542	570	539	550	541	556	542	530	542	570	539	550	541	556
36 U.S. affiliates' payments.....	9,986	10,665	2,175	2,277	2,459	3,075	2,635	2,633	2,598	2,799	2,259	2,348	2,613	2,767	2,726	2,693	2,751	2,496
37 Unaffiliated.....	3,936	3,548	803	837	1,380	916	896	916	885	851	803	837	1,380	916	896	916	885	851
38 Industrial processes <sup>1</sup> .....	1,852	2,037	456	459	464	472	486	501	517	534	456	459	464	472	486	501	517	534
39 Other <sup>2</sup> .....	2,084	1,511	347	378	916	444	410	415	368	317	347	378	916	444	410	415	368	317
40 Other private services (table 1, line 27).....	54,687	50,289	11,955	13,177	14,312	15,243	14,859	15,624	4,201	15,605	12,554	13,200	14,298	14,634	15,548	15,635	4,164	14,941
41 Affiliated services.....	25,300	29,484	5,704	6,041	6,333	7,222	6,899	7,520	7,175	7,890	6,201	6,065	6,464	6,568	7,467	7,530	7,305	7,182
42 U.S. parents' payments.....	12,980	13,612	3,109	3,138	3,205	3,528	3,130	3,496	3,305	3,681	3,437	3,140	3,304	3,098	3,456	3,497	3,419	3,240
43 U.S. affiliates' payments.....	12,320	15,872	2,595	2,903	3,128	3,694	3,769	4,024	3,870	4,209	2,764	2,925	3,160	3,470	4,011	4,033	3,886	3,942
44 Unaffiliated services.....	29,387	20,805	6,251	7,136	7,979	8,021	7,960	8,104	-2,974	7,715	6,353	7,135	7,834	8,066	8,081	8,105	-3,141	7,759
45 Education.....	2,140	2,496	400	525	689	526	466	611	802	618	502	524	544	570	587	612	635	662
46 Financial services.....	4,482	3,936	1,103	1,157	1,195	1,027	1,104	1,085	852	895	1,103	1,157	1,195	1,027	1,104	1,085	852	895
47 Insurance, net.....	9,189	1,341	1,234	2,058	2,730	3,167	3,100	3,122	-7,913	3,032	1,234	2,058	2,730	3,167	3,100	3,122	-7,913	3,032
48 Premiums paid.....	27,923	32,021	6,304	6,809	7,242	7,569	7,791	7,951	8,080	8,199	6,304	6,809	7,242	7,569	7,791	7,951	8,080	8,199
49 Losses recovered.....	18,734	30,680	5,071	4,750	4,512	4,401	4,691	4,829	15,993	5,167	5,071	4,750	4,512	4,401	4,691	4,829	15,993	5,167
50 Telecommunications.....	5,360	5,002	1,409	1,337	1,331	1,283	1,252	1,217	1,283	1,251	1,409	1,337	1,331	1,283	1,252	1,217	1,283	1,251
51 Business, professional, and technical services.....	7,776	7,574	1,997	1,949	1,925	1,905	1,936	1,953	1,884	1,800	1,997	1,949	1,925	1,905	1,936	1,953	1,884	1,800
52 Other unaffiliated services <sup>3</sup> .....	440	456	108	110	109	113	102	116	118	119	108	110	109	113	102	116	118	119
<b>Memoranda:</b>																		
53 Balance on goods (table 1, line 7i).....	-452,207	-426,615	-99,495	-108,029	-124,233	-120,450	-103,887	-103,688	-114,748	-104,292	-107,405	-111,671	-114,611	-118,520	-112,621	-107,758	-105,541	-100,695
54 Balance on private services (line																		

**Table 4. Selected U.S. Government Transactions**  
[Millions of dollars]

Line	2000	2001 <sup>P</sup>	Not seasonally adjusted								
			2000				2001				
			I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>P</sup>	
<b>A1</b>	<b>U.S. Government grants and transactions increasing Government assets, total</b>	<b>22,051</b>	<b>15,732</b>	<b>4,372</b>	<b>4,655</b>	<b>4,803</b>	<b>8,212</b>	<b>3,420</b>	<b>3,868</b>	<b>3,928</b>	<b>4,515</b>
<b>By category</b>											
2	Grants, net	16,850	11,357	2,916	3,237	3,652	7,044	2,426	2,512	2,888	3,532
3	U.S. Government current grants, net (table 1, line 36, with sign reversed)	16,821	11,334	2,912	3,232	3,634	7,043	2,419	2,508	2,877	3,530
4	Financing military purchases <sup>1</sup>	7,205	1,799	1,026	718	1,248	4,213	326	337	391	745
5	Other grants	9,616	9,534	1,886	2,514	2,386	2,830	2,093	2,171	2,485	2,785
6	Cash contributions received from coalition partners for Persian Gulf operations										
7	Debt forgiveness (table 1, part of line 39, with sign reversed)	29	25	5	5	18	1	8	4	11	2
8	Credits and other long-term assets (table 1, line 47, with sign reversed)	5,177	4,450	1,750	1,368	1,050	1,009	1,094	1,330	1,011	1,015
9	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,500	1,704	343	410	335	412	521	498	359	327
10	Credits repayable in U.S. dollars	3,679	2,746	1,409	958	715	597	573	832	652	688
11	Credits repayable in other than U.S. dollars	-2		-2							
12	Other long-term assets										
13	Foreign currency holdings and short-term assets, net (table 1, line 49 with sign reversed)	24	-76	-294	59	101	158	-100	26	30	-32
14	Foreign currency holdings (excluding administrative cash holdings), net	5	2	4	-1	1			2		
Receipts from:											
15	Sales of agricultural commodities										
16	Interest	(*)	1	(*)	(*)	(*)	(*)		1		
17	Repayments of principal	6	1	4		1			1		
18	Reverse grants										
19	Other sources										
Less currencies disbursed for:											
20	Grants and credits in the recipient's currency										
21	Other grants and credits										
22	Other U.S. Government expenditures	1			1						
23	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net	-17	40	-220	40	115	49	13	30	29	-32
24	Other assets held under Commodity Credit Corporation Charter Act, net	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
25	Assets financing military sales contracts, net <sup>2</sup>										
26	Other short-term assets (including changes in administrative cash holdings), net	37	-117	-78	21	-15	110	-113	-5	1	
<b>By program</b>											
27	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,500	1,704	343	410	335	412	521	498	359	327
28	Under Agricultural Trade Development and Assistance Act and related programs	1,538	1,406	507	374	343	314	317	298	314	477
29	Under Foreign Assistance Act and related programs	15,654	9,725	2,767	2,756	3,557	6,575	1,825	2,012	2,931	2,958
30	Under Export-Import Bank Act	1,499	1,705	562	246	321	371	446	772	93	395
31	Under Commodity Credit Corporation Charter Act	436	31	44	355	27	11	15	5	8	3
32	Under other grant and credit programs	1,383	1,276	224	505	234	420	410	288	224	356
33	Other foreign currency assets acquired (lines A16, A17, and A19)	6	2	4		1			2		
34	Less foreign currencies used by U.S. Government other than for grants or credits (line A22)	1			1						
35	Other (including changes in administrative cash holdings), net	37	-117	-78	21	-15	110	-113	-5	1	
<b>By disposition <sup>3</sup></b>											
36	Estimated transactions involving no direct dollar outflow from the United States	16,880	10,648	3,354	3,200	3,625	6,702	2,147	2,574	2,728	3,198
37	Expenditures on U.S. goods	8,246	4,193	1,261	1,011	1,569	4,405	814	1,290	777	1,312
38	Expenditures on U.S. services <sup>4</sup>	4,289	3,794	1,007	1,245	919	1,118	767	867	993	1,167
39	Financing of military sales contracts by U.S. Government <sup>5</sup> (line C6)	3,564	2,050	757	716	968	1,124	316	363	866	505
40	By long-term credits	422	517	67	34	295	27	2	29	476	11
41	By short-term credits <sup>1</sup>										
42	By grants <sup>1</sup>	3,143	1,533	690	683	673	1,097	315	334	390	495
43	U.S. Government grants and credits to repay prior U.S. Government credits <sup>14</sup>	496	468	282	157	54	3	179	24	61	205
44	U.S. Government long- and short-term credits to repay prior U.S. private credits <sup>6</sup> and other assets	376	165	49	111	126	89	71	32	53	10
45	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>7</sup> (line C11)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
46	Less receipts on short-term U.S. Government assets (a) financing military sales contracts <sup>1</sup> (b) financing repayment of private credits and other assets, and (c) financing expenditures on U.S. goods	90	22	1	40	12	37		2	21	
47	Less foreign currencies used by U.S. Government other than for grants or credits (line A22)	1			1						
48	Estimated dollar payments to foreign countries and international financial institutions	5,172	5,084	1,019	1,465	1,178	1,510	1,273	1,294	1,200	1,317
<b>B1</b>	<b>Repayments on U.S. Government long-term assets, total (table 1, line 48)</b>	<b>4,257</b>	<b>3,801</b>	<b>1,329</b>	<b>855</b>	<b>1,265</b>	<b>808</b>	<b>1,015</b>	<b>570</b>	<b>1,062</b>	<b>1,154</b>
2	Receipts of principal on U.S. Government credits	4,257	3,801	1,329	855	1,265	808	1,015	570	1,062	1,154
3	Under Agricultural Trade Development and Assistance Act and related programs	512	601	174	25	124	189	99	13	173	316
4	Under Foreign Assistance Act and related programs	1,905	1,658	715	380	586	224	486	251	553	369
5	Under Export-Import Bank Act	1,243	1,188	384	266	498	95	366	270	262	291
6	Under Commodity Credit Corporation Charter Act	175	218	48	49	30	65	37	75	42	42
7	Under other credit programs	422	136	8	136	8	271				136
8	Receipts on other long-term assets	(*)	(*)				(*)				(*)
<b>C1</b>	<b>U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 60)</b>	<b>-1,987</b>	<b>-2,482</b>	<b>-474</b>	<b>-1,000</b>	<b>-220</b>	<b>-293</b>	<b>-1,246</b>	<b>-926</b>	<b>119</b>	<b>-429</b>
2	Associated with military sales contracts <sup>2</sup>	-1,968	-2,478	-469	-990	-213	-297	-1,244	-927	121	-428
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds <sup>1</sup>	10,494	7,107	2,107	2,171	2,444	3,772	1,238	1,872	1,747	2,251
4	Less U.S. Government receipts from principal repayments	634	735	174	73	296	91	224	88	261	162
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States	1,335	-1,912	-241	-106		1,682	-806	-289	-817	
6	Plus financing of military sales contracts by U.S. Government <sup>5</sup> (line A39)	3,564	2,050	757	716	968	1,124	316	363	866	505
7	By long-term credits	422	517	67	34	295	27	2	29	476	11
8	By short-term credits <sup>1</sup>										
9	By grants <sup>1</sup>	3,143	1,533	690	683	673	1,097	315	334	390	495
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits) <sup>12</sup> (table 1, line 5)	14,060	12,812	3,401	3,910	3,329	3,420	3,379	3,362	3,048	3,023
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>7</sup> (line A45)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
12	Associated with other liabilities	-18	-4	-5	-10	-7	4	-2	1	-2	-1
13	Sales of nuclear material by Department of Energy/U.S. Enrichment Corporation										
14	Sales of space launch and other services by National Aeronautics and Space Administration	-6	(*)		-3	-5	1		2	-2	(*)
15	Other sales and miscellaneous operations	-12	-4	-5	-7	-2	2	-2	-1	-1	(*)

See footnotes on page 74.

Table 6. Securities Transactions

[Millions of dollars]

Line	(Credits +, debits -)	2000	2001 <sup>p</sup>	Not seasonally adjusted							
				2000				2001			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>
A1	<b>Foreign securities, net U.S. purchases (-), (table 1, line 52 or lines 2 + 13 below)</b>	<b>-124,935</b>	<b>-97,661</b>	<b>-27,546</b>	<b>-39,639</b>	<b>-33,129</b>	<b>-24,621</b>	<b>-31,591</b>	<b>-51,109</b>	<b>10,564</b>	<b>-25,525</b>
2	<b>Stocks, net U.S. purchases</b>	<b>-99,735</b>	<b>-110,186</b>	<b>-15,638</b>	<b>-46,466</b>	<b>-15,272</b>	<b>-22,359</b>	<b>-27,309</b>	<b>-55,072</b>	<b>-9,142</b>	<b>-18,663</b>
3	New issues in the United States	-15,526	-4,583	-1,894	-8,075	-3,641	-1,916	-1,142	-2,591	-418	-432
4	Of which: Western Europe	-2,924	(D)	(D)	-2,645	-279	(D)	(D)	(D)	(D)	(D)
5	Canada	-1,665	(D)	-737	(D)	-186	-742	(D)	(D)	(D)	-256
6	Latin America	-1,477	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
7	Transactions in outstanding stocks, net	-84,209	-105,602	-13,744	-38,391	-11,631	-20,443	-26,167	-52,480	-8,724	-18,231
8	Western Europe	-54,216	-57,132	-273	-27,193	-12,184	-14,566	-14,017	-23,859	-9,262	-9,994
9	Of which: United Kingdom	-41,472	-30,036	-3,157	-23,107	-8,337	-6,871	-9,568	2,631	-11,223	-11,876
10	Canada	-17,972	-2,692	-3,131	-5,413	-2,999	-6,429	221	-4,615	1,374	328
11	Japan	17,709	-19,339	-1,561	11,729	5,904	1,637	-6,990	-10,388	-951	-1,010
12	Other	-29,730	-26,439	-8,779	-17,514	-2,352	-1,085	-5,381	-13,618	115	-7,555
13	<b>Bonds, net U.S. purchases</b>	<b>-25,200</b>	<b>12,524</b>	<b>-11,908</b>	<b>6,827</b>	<b>-17,857</b>	<b>-2,262</b>	<b>-4,283</b>	<b>3,963</b>	<b>19,706</b>	<b>-6,862</b>
14	New issues in the United States	-54,273	-39,054	-11,187	-7,811	-22,864	-12,411	-8,325	-8,997	-9,658	-12,074
15	By issuer:										
15	Central governments and their agencies and corporations	-15,548	(D)	-6,500	-2,400	-6,648	(D)	-3,253	-2,087	(D)	-3,273
16	Other governments and their agencies and corporations <sup>1</sup>	-1,595	(D)	-350	-1,000	-245	(D)	(D)	(D)	(D)	-798
17	Private corporations	-36,898	-23,512	-4,337	-5,180	-15,215	-12,166	-4,813	-5,350	-5,346	-8,003
18	International financial institutions <sup>2</sup>	-232	(D)	(D)	-231	-1	(D)	-200	(D)	(D)	(D)
19	By area:										
19	Western Europe	-26,745	(D)	-872	-3,425	-11,913	-10,535	-350	(D)	(D)	-2,455
20	Canada	-2,662	-8,898	-385	-615	-1,377	-285	-923	-3,646	-2,331	-1,988
21	Japan	-2,000	(D)	-2,000	(D)	(D)	(D)	(D)	(D)	(D)	(D)
22	Latin America	-17,894	-14,049	-6,070	-2,431	-8,648	-745	-4,763	-2,724	-3,348	-3,214
23	Other countries	-4,972	-10,547	-1,860	-1,340	-926	-846	-2,089	-1,212	-2,829	-4,417
24	International financial institutions <sup>2</sup>	(D)	(D)	(D)	(D)	(D)	(D)	-200	(D)	(D)	(D)
25	Redemptions of U.S.-held foreign bonds <sup>3</sup>	20,886	33,441	2,364	5,626	5,951	6,945	7,422	6,162	8,880	10,977
26	Western Europe	4,120	9,774	433	491	1,855	1,341	1,372	2,382	1,031	4,989
27	Canada	6,927	6,240	1,008	3,886	750	1,283	1,571	1,436	1,131	2,102
28	Other countries	8,148	13,929	783	853	2,661	3,851	2,622	1,505	6,368	3,434
29	International financial institutions <sup>2</sup>	1,691	3,498	140	396	685	470	1,857	839	350	452
30	Other transactions in outstanding bonds, net <sup>3</sup>	8,187	18,137	-3,085	9,012	-944	3,204	-3,380	6,798	20,484	-5,765
31	Western Europe	-19,589	-5,883	-8,937	-967	-11,733	2,048	-11,350	-4,249	19,331	-9,615
32	Of which: United Kingdom	-26,868	-16,393	-9,385	-1,124	-13,862	-2,297	-13,836	-10,877	18,563	-10,243
33	Canada	852	3,368	-530	-2,034	3,844	-628	-246	4,475	-134	-707
34	Japan	5,808	1,046	1,834	1,515	1,517	742	840	3,866	-689	-2,971
35	Other	21,516	19,586	4,548	10,498	5,428	1,042	7,376	2,706	1,976	7,528
B1	<b>U.S. securities, excluding Treasury securities and transactions of foreign official agencies, net foreign purchases (+), (table 1, line 66 or lines 2 + 10 below)</b>	<b>485,644</b>	<b>498,433</b>	<b>136,208</b>	<b>94,400</b>	<b>128,393</b>	<b>126,643</b>	<b>148,809</b>	<b>140,512</b>	<b>82,777</b>	<b>126,335</b>
2	<b>Stocks, net foreign purchases</b>	<b>192,741</b>	<b>127,223</b>	<b>66,045</b>	<b>33,619</b>	<b>53,825</b>	<b>39,252</b>	<b>41,120</b>	<b>40,602</b>	<b>12,440</b>	<b>33,061</b>
3	By area:										
3	Western Europe	181,263	86,758	62,150	40,847	44,382	33,884	33,615	22,417	8,328	22,398
4	Of which: Germany	31,600	8,316	15,542	9,297	3,649	3,112	3,738	1,331	1,070	2,177
5	Switzerland	11,727	3,347	6,753	2,268	3,548	-342	2,047	860	-1,064	1,504
6	United Kingdom	7,810	37,372	13,515	15,668	24,430	18,197	11,164	8,757	9,155	8,296
7	Canada	7,690	11,440	1,730	1,146	604	4,210	4,382	2,871	1,837	2,350
8	Japan	2,018	7,760	-5,344	-1,072	3,540	4,894	826	4,123	1,195	1,616
9	Other	1,770	21,265	7,509	-7,302	5,299	-3,736	2,297	11,191	1,080	6,697
10	<b>Corporate and other bonds, net foreign purchases</b>	<b>292,903</b>	<b>371,210</b>	<b>70,163</b>	<b>60,781</b>	<b>74,568</b>	<b>87,391</b>	<b>107,689</b>	<b>99,910</b>	<b>70,337</b>	<b>93,274</b>
11	By type:										
11	New issues sold abroad by U.S. corporations	64,965	63,113	13,560	17,759	23,788	9,858	17,694	18,008	13,185	14,226
12	U.S. federally sponsored agency bonds, net	111,830	144,278	26,010	18,998	28,589	38,233	38,663	29,357	33,065	43,193
13	Other outstanding bonds, net	116,108	163,819	30,593	24,024	22,191	39,300	51,332	52,545	24,087	35,855
14	By area:										
14	Western Europe	167,375	202,019	44,702	33,049	42,420	47,204	63,216	57,689	33,533	47,581
15	Of which: Germany	3,100	10,772	190	1,222	837	851	3,330	2,838	1,265	3,339
16	Switzerland	2,883	5,707	759	565	1,060	499	2,683	1,679	768	577
17	United Kingdom	141,330	164,831	40,053	27,080	35,850	38,347	50,241	47,357	29,058	38,175
18	Canada	10,890	3,977	3,368	2,147	3,094	2,281	890	2,321	-1,552	2,318
19	Japan	38,896	34,161	4,217	8,030	12,584	14,065	7,402	5,060	6,164	15,535
20	Other countries	75,794	130,517	17,987	17,552	16,285	23,970	36,032	34,761	32,036	27,688
21	International financial institutions <sup>2</sup>	-52	536	-111	3	185	-129	149	79	156	152
<b>Memoranda:</b>											
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)	-6,302	9,989	7,977	3,586	-6,816	-11,049	3,142	-4,870	2,151	9,566
2	Other U.S. Government securities (line A6)	40,909	20,920	8,107	10,334	14,272	8,196	3,574	9,932	-216	7,630
3	U.S. corporate and other bonds (part of line A14)	2,019	3,755	423	491	422	683	1,033	567	623	1,532
4	U.S. stocks (part of line A14)	1,108	1,964	508	413	-110	297	-30	461	1,358	175
5	Other foreign transactions in U.S. Treasury bonds and notes (table 9, line B4)	-48,025	7,190	-9,871	-14,149	-7,984	-16,021	-404	-9,389	-11,391	28,374

See footnotes on page 74.

**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.)	2000	2001 *	Not seasonally adjusted								Amounts outstand- ing Dec. 31, 2001
				2000				2001				
				I	II	III	IV	I	II	III	IV	
<b>A1</b>	<b>Claims, total (table 1, line 53)</b>	<b>-163,846</b>	<b>-76,067</b>	<b>-75,256</b>	<b>-29,491</b>	<b>-14,585</b>	<b>-44,514</b>	<b>-61,011</b>	<b>22,232</b>	<b>-40,361</b>	<b>3,073</b>	<b>894,127</b>
2	Financial claims	-162,372	-79,099	-75,228	-29,539	-14,509	-43,096	-63,154	23,362	-42,380	3,073	860,013
3	<i>Denominated in U.S. dollars</i>	-144,302	-75,141	-65,779	-31,065	-4,435	-43,023	-50,591	22,721	-50,344	3,073	749,060
4	<i>Denominated in foreign currencies</i>	-18,070	-3,958	-9,449	1,526	-10,074	-73	-12,563	641	7,964		110,953
5	By type: Deposits <sup>2</sup>	-133,371	-72,418	-52,929	-31,470	-413	-48,559	-36,213	22,617	-32,046	-26,776	647,429
6	Financial intermediaries' accounts	-28,339	-2,531	-22,206	2,890	-15,487	6,464	-21,594	154	-10,940	29,849	188,422
7	Other claims <sup>2,3</sup>	-662	-4,150	-93	-959	1,391	-1,001	-5,347	591	606		24,162
8	By area: Industrial countries <sup>4</sup>	-81,002	-86,624	-36,427	-14,181	-33,171	2,777	-64,927	6,470	-31,239	3,072	530,444
9	<i>Of which: United Kingdom</i>	-49,637	-73,645	-28,402	-11,824	-6,602	-2,809	-52,990	3,355	-24,601	591	327,319
10	Canada	-2,449	693	1,273	206	-3,559	-369	3,496	147	-3,161	211	12,248
11	Caribbean banking centers <sup>5</sup>	-76,963	-7,698	-37,059	-14,148	18,737	-44,493	10,185	17,018	-9,157	-25,744	330,236
12	Other	-4,407	15,223	-1,742	-1,210	-75	-1,380	-8,412	-126	-1,984	25,745	-667
13	Commercial claims	-1,474	3,032	-28	48	-76	-1,418	2,143	-1,130	2,019		34,114
14	<i>Denominated in U.S. dollars</i>	-780	2,040	1,003	-1,317	194	-660	1,597	-1,208	1,651		31,381
15	<i>Denominated in foreign currencies</i>	-694	992	-1,031	1,365	-270	-758	546	78	368		2,733
16	By type: Trade receivables	-829	3,722	1,186	166	-253	-1,928	2,611	-676	1,787		29,381
17	Advance payments and other claims	-645	-690	-1,214	-118	177	510	-468	-454	232		4,733
18	By area: Industrial countries <sup>4</sup>	-1,498	2,087	-78	293	-362	-1,351	1,585	-766	1,268		21,125
19	Members of OPEC <sup>6</sup>	660	214	150	109	-37	438	163	-120	171		1,582
20	Other	-636	731	-100	-354	323	-505	395	-244	580		11,407
<b>B1</b>	<b>Liabilities, total (table 1, line 68)</b>	<b>177,010</b>	<b>98,222</b>	<b>85,188</b>	<b>24,400</b>	<b>19,078</b>	<b>48,344</b>	<b>130,624</b>	<b>3,375</b>	<b>-3,941</b>	<b>-31,836</b>	<b>785,874</b>
2	Financial liabilities	164,606	79,515	85,105	22,419	16,572	40,510	127,776	-7,367	-9,058	-31,836	759,768
3	<i>Denominated in U.S. dollars</i>	146,271	82,127	79,549	18,931	15,833	31,958	112,287	5,906	-4,230	-31,836	717,849
4	<i>Denominated in foreign currencies</i>	18,335	-2,612	5,556	3,488	739	8,552	15,489	-13,273	-4,828		41,919
5	By type: Financial intermediaries' accounts	50,512	315	59,498	-23,811	8,986	5,839	31,809	5,695	-6,813	-30,376	242,820
6	Other liabilities	114,094	79,200	25,607	46,230	7,586	34,671	95,967	-13,062	-2,245	-1,460	516,948
7	By area: Industrial countries <sup>4</sup>	121,814	90,139	84,485	-1,557	12,104	26,782	110,404	-14,526	-5,739		560,329
8	<i>Of which: United Kingdom</i>	84,357	57,590	55,399	-3,451	11,796	20,613	77,635	-15,486	-4,559		348,764
9	Caribbean banking centers <sup>5</sup>	38,092	25,323	-1,571	19,809	2,983	16,871	19,726	7,180	-4,100	2,517	214,028
10	Other	4,700	-35,947	2,191	4,167	1,485	-3,143	-2,354	-21	781	-34,353	-14,589
11	Commercial liabilities	12,404	18,707	83	1,981	2,506	7,834	2,848	10,742	5,117		26,106
12	<i>Denominated in U.S. dollars</i>	11,212	19,415	-152	2,129	2,454	6,781	3,126	11,223	5,066		24,014
13	<i>Denominated in foreign currencies</i>	1,192	-708	235	-148	52	1,053	-278	-481	51		2,092
14	By type: Trade payables	1,448	-2,472	-456	1,363	154	367	-1,636	556	-1,392		11,821
15	Advance receipts and other liabilities	10,956	21,179	539	618	2,352	7,447	4,484	10,186	6,509		14,285
16	By area: Industrial countries <sup>4</sup>	10,763	15,529	-451	588	1,938	8,688	1,196	10,100	4,233		13,208
17	Members of OPEC <sup>6</sup>	288	198	-325	1,303	261	-951	563	-347	-18		3,801
18	Other	1,353	2,960	859	90	307	97	1,089	989	902		9,097

See footnotes on page 74.

**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.)	2000	2001 <sup>p</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 2001
				2000				2001				
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>r</sup>	
1	<b>Total (table 1, line 54)</b> .....	<b>-138,500</b>	<b>-104,332</b>	<b>-56,234</b>	<b>7,455</b>	<b>-18,147</b>	<b>-71,574</b>	<b>-109,789</b>	<b>-105</b>	<b>59,116</b>	<b>-53,554</b>	<b>1,354,891</b>
2	By type:											
3	Banks' own claims .....	-111,665	-120,693	-14,840	-23,286	-22,160	-51,379	-101,408	-20,500	45,231	-44,016	1,067,970
4	Payable in dollars .....	-118,740	-94,704	-17,396	-18,056	-27,883	-55,405	-83,338	-9,956	33,728	-35,138	992,124
5	By borrower:											
6	Claims on:											
7	own foreign offices .....	-100,423	-63,698	-23,777	-5,686	-33,502	-37,458	-47,044	-15,113	28,393	-29,934	687,606
8	unaffiliated foreign banks .....	-2,436	-7,786	7,263	967	1,812	-12,478	-10,888	10,305	-730	-6,473	98,650
9	foreign public borrowers <sup>1</sup> .....	-3,237	-7,623	-1,496	-4,638	787	2,110	-7,721	-3,070	6,416	-3,248	49,030
10	other private foreigners .....	-12,644	-15,597	614	-8,699	3,020	-7,579	-17,685	-2,078	-351	4,517	156,838
11	By type of reporting institution: <sup>2</sup>											
12	U.S.-owned banks' claims on:											
13	own foreign offices .....	-35,408	-34,184	13,706	-18,591	-16,354	-14,169	-10,631	-3,452	-11,393	-8,708	237,375
14	unaffiliated foreign banks .....	-3,013	-6,780	6,260	-1,950	-542	-6,781	-9,855	9,156	-1,376	-4,705	44,438
15	other foreigners .....	-518	10,347	1,881	972	-11	-3,360	8,807	-3,564	-1,624	6,728	51,897
16	Foreign-owned banks' claims on:											
17	own foreign offices .....	-65,015	-29,514	-37,483	12,905	-17,148	-23,289	-36,413	-11,661	39,786	-21,226	450,231
18	unaffiliated foreign banks .....	-1,499	1,374	-3,641	4,906	595	-3,359	-1,437	1,908	1,755	-852	35,990
19	other foreigners .....	-7,380	-4,350	1,334	-3,603	-128	-4,983	-5,925	1,127	1	447	55,041
20	U.S. brokers' and dealers' claims on:											
21	unaffiliated foreign banks .....	2,076	-2,380	4,644	-1,989	1,759	-2,338	404	-759	-1,109	-916	18,222
22	other foreigners .....	-7,983	-29,217	-4,097	-10,706	3,946	2,874	-28,288	-2,711	7,688	-5,906	98,930
23	Payable in foreign currencies .....	7,075	-25,989	2,556	-5,230	5,723	4,026	-18,070	-10,544	11,503	-8,878	75,846
24	Banks' domestic customers' claims .....	-26,835	16,361	-41,394	30,741	4,013	-20,195	-8,381	20,395	13,885	-9,538	286,921
25	Payable in dollars .....	-27,175	9,158	-40,467	27,790	4,334	-18,832	-12,110	20,434	13,585	-12,751	269,290
26	Deposits .....	20,210	7,772	-23,454	23,459	18,715	1,490	-10,999	17,661	4,178	-3,068	92,546
27	Foreign commercial paper <sup>3</sup> .....	-39,644	24,287	-15,702	240	-9,526	-14,656	11,253	3,380	10,158	-504	108,972
28	Other negotiable and readily transferable instruments <sup>4</sup> .....	-7,649	-19,744	-1,935	7,161	-8,097	-4,778	-11,659	2,276	-7,165	-3,196	51,955
29	Outstanding collections and other .....	-92	-3,157	624	-3,070	3,242	-888	-705	-2,883	6,414	-5,983	15,817
30	Payable in foreign currencies .....	340	7,203	-927	2,951	-321	-1,363	3,729	-39	300	3,213	17,631
31	By area:											
32	Industrial countries <sup>5</sup> .....	-121,683	-69,642	-91,630	13,841	-3,489	-40,405	-98,727	-15,464	69,892	-25,343	786,633
33	Western Europe .....	-107,306	-49,587	-84,194	23,559	-8,416	-38,255	-86,345	-17,793	63,855	-9,304	650,540
34	Of which: United Kingdom .....	-55,861	-21,539	-12,131	-12,652	-6,958	-24,120	-29,007	-2,311	-3,619	13,398	278,987
35	Canada .....	-3,154	-17,858	-6,203	-2,019	7,678	-2,610	-5,130	-6,018	3,213	-9,923	80,389
36	Japan .....	-6,335	-5,125	886	-5,124	-3,205	1,108	-7,746	4,890	1,946	-4,215	42,115
37	Other .....	-4,888	2,928	-2,119	-2,575	454	-648	494	3,457	878	-1,901	13,589
38	Caribbean banking centers <sup>6</sup> .....	-16,228	-37,269	29,719	-3,445	-14,205	-28,297	-13,191	15,308	-8,513	-30,873	414,814
39	Other areas .....	-589	2,579	5,677	-2,941	-453	-2,872	2,129	51	-2,263	2,662	153,444
40	Of which: Members of OPEC, included below <sup>7</sup> .....	3,808	1,827	2,797	-698	1,432	277	299	463	502	563	14,486
41	Latin America .....	-4,693	7,421	3,527	701	-1,955	-6,966	2,836	1,969	-2,648	5,264	85,995
42	Asia .....	2,951	-8,801	763	-3,365	1,800	3,753	-5,798	-247	-333	-2,423	57,187
43	Africa .....	-68	211	118	-142	-477	433	36	-73	266	-18	1,481
44	Other <sup>8</sup> .....	1,221	3,748	1,269	-135	179	-92	5,055	-1,598	452	-161	8,781
45	<b>Memoranda:</b>											
46	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above)	-37,777	-25,023	-30,454	13,407	-16,342	-4,388	-12,309	-18,786	35,831	-29,759	306,555
47	By borrower:											
48	Claims on:											
49	own foreign offices .....	-51,599	-27,481	-37,853	9,296	-18,840	-4,202	-15,481	-22,009	37,811	-27,802	234,590
50	unaffiliated foreign banks .....	11,050	-2,537	6,873	3,853	358	-34	667	1,151	-1,479	-2,876	40,067
51	foreign public borrowers .....	449	1,442	78	-398	796	-27	393	473	136	440	4,298
52	all other foreigners .....	2,323	3,553	448	656	1,344	-125	2,112	1,599	-637	479	27,600
53	By bank ownership: <sup>2</sup>											
54	U.S.-owned IBF's .....	3,772	-11,324	8,808	-5,585	5,197	-4,648	10,094	-4,451	1	-16,968	92,060
55	Foreign-owned IBF's .....	-41,549	-13,699	-39,262	18,992	-21,539	260	-22,403	-14,335	35,830	-12,791	214,495
56	Banks' dollar acceptances payable by foreigners .....	414	1,659	208	-592	229	569	1,254	-61	586	-120	2,588

See footnotes on page 74.

**Table 9. Foreign Official Assets and Other Foreign Assets in the United States Reported by U.S. Banks**  
 (Millions of dollars)

Line	(Credits +; increase in foreign assets. Debits -; decrease in foreign assets.)	2000	2001 <sup>a</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 2001
				2000				2001				
				I	II	III	IV	I	II	III <sup>c</sup>	IV <sup>d</sup>	
<b>A1</b>	<b>Foreign official assets in the United States, net (table 1, line 56)</b>	<b>37,619</b>	<b>6,092</b>	<b>22,498</b>	<b>6,447</b>	<b>12,247</b>	<b>-3,573</b>	<b>4,898</b>	<b>-20,879</b>	<b>16,877</b>	<b>5,196</b>	<b>943,222</b>
	By type:											
2	U.S. Treasury securities (table 1, line 58)	-10,233	10,760	16,204	-4,000	-9,001	-13,436	-1,027	-20,783	15,810	16,760	607,087
3	Bills and certificates	-3,167	2,709	8,604	-7,591	-1,692	-2,488	-3,806	-16,009	14,704	7,820	161,719
4	Bonds and notes, marketable	-6,302	9,989	7,977	3,586	-6,816	-11,049	3,142	-4,870	2,151	9,566	441,956
5	Bonds and notes, nonmarketable	-764	-1,938	-377	5	-493	101	-363	96	-1,045	-626	3,412
6	Other U.S. Government securities (table 1, line 59)	40,909	20,920	8,107	10,334	14,272	8,196	3,574	9,932	-216	7,630	117,397
7	Other U.S. Government liabilities (table 1, line 60)	-1,987	-2,482	-474	-1,000	-220	-293	-1,246	-926	119	-429	10,907
8	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 61)	5,803	-28,825	-2,270	209	6,884	980	2,594	-10,130	-817	-20,472	123,125
9	Banks' liabilities for own account, payable in dollars	-563	-11,845	-10,121	1,612	6,603	1,343	1,602	3,025	1,389	-17,861	83,524
10	Demand deposits	609	-950	-960	506	2,326	-1,263	-427	-1,046	577	-54	2,988
11	Time deposits	6,696	-15,945	1,333	3,318	3,106	-1,061	-7,457	4,793	-781	-12,500	19,471
12	Other liabilities	-7,868	5,050	-10,494	-2,212	1,171	3,667	9,486	-722	1,593	-5,307	61,065
13	Banks' custody liabilities, payable in dollars <sup>13</sup>	6,366	-16,980	7,851	-1,403	281	-363	992	-13,155	-2,206	-2,611	39,601
14	Other foreign official assets (table 1, line 62)	3,127	5,719	931	904	312	980	1,003	1,028	1,981	1,707	84,706
	By area (see text table C)											
<b>B1</b>	<b>Other foreign assets in the United States, net (table 1, lines 65 and 69)</b>	<b>35,161</b>	<b>110,993</b>	<b>-16,773</b>	<b>33,377</b>	<b>-14,413</b>	<b>32,970</b>	<b>7,546</b>	<b>35,593</b>	<b>-68,809</b>	<b>136,663</b>	<b>1,914,870</b>
	By type:											
2	U.S. Treasury securities (line 65)	-52,792	15,779	-9,348	-20,546	-12,503	-10,395	656	-8,678	-9,459	33,260	654,001
	By security:											
3	Bills and certificates	-4,767	8,589	523	-6,397	-4,519	5,626	1,060	711	1,932	4,886	24,224
4	Marketable bonds and notes	-48,025	7,190	-9,871	-14,149	-7,984	-16,021	-404	-9,389	-11,391	28,374	629,777
5	U.S. liabilities reported by U.S. banks (line 69)	87,953	95,214	-7,425	53,923	-1,910	43,365	6,890	44,271	-59,350	103,403	1,260,869
6	Banks' own liabilities	81,030	81,716	4,428	55,872	2,438	18,292	17,370	26,354	-59,065	97,057	1,142,005
7	Payable in dollars	88,097	73,097	5,875	54,296	7,337	20,589	-138	16,800	-39,841	96,276	1,051,473
	By account:											
8	Liabilities to own foreign offices	51,314	64,272	6,645	25,178	4,876	14,615	-20,498	9,928	-23,222	98,064	745,592
	Liabilities to unaffiliated foreigners:											
9	demand deposits	-9,940	1,137	-12,669	958	-1,081	2,852	943	-39	848	-615	30,601
10	time deposits	21,475	-18,200	2,048	12,469	-1,071	8,029	-419	-6,405	-97	-11,279	135,252
11	other liabilities	25,248	25,888	9,851	15,691	4,613	-4,907	19,836	13,316	-17,370	10,106	140,028
	By holder:											
	Liabilities to:											
12	own foreign offices	51,314	64,272	6,645	25,178	4,876	14,615	-20,498	9,928	-23,222	98,064	745,592
13	unaffiliated foreign banks	19,246	-13,322	-5,020	9,923	1,673	12,670	15,084	-5,959	-6,018	-16,429	122,784
14	other private foreigners	19,736	24,139	267	16,247	6,672	-3,450	5,687	11,098	-10,197	17,551	172,932
15	international financial institutions <sup>4</sup>	-2,199	-1,992	3,983	2,948	-5,884	-3,246	-411	1,733	-404	-2,910	10,165
	By type of reporting institution: <sup>5</sup>											
	U.S.-owned banks' liabilities to:											
16	own foreign offices	74,046	46,286	24,103	50,742	-8,036	7,237	-33,274	22,314	-5,026	62,272	422,752
17	unaffiliated foreign banks	5,592	2,385	-10,282	7,952	-572	8,494	5,760	-687	-734	-1,954	47,624
18	other private foreigners and international financial institutions <sup>4</sup>	-16,345	7,488	-11,787	-4,813	824	-569	-4,323	6,970	128	4,713	85,469
	Foreign-owned banks' liabilities to:											
19	own foreign offices	-22,732	17,986	-17,458	-25,564	12,912	7,378	12,776	-12,386	-18,196	35,792	322,840
20	unaffiliated foreign banks	20,804	-16,626	10,068	2,818	1,569	6,349	3,927	-3,980	-4,238	-12,335	66,938
21	other private foreigners and international financial institutions <sup>4</sup>	8,894	-2,036	4,911	10,439	-2,663	-3,793	-549	373	-517	-1,343	31,733
	U.S. brokers' and dealers' liabilities to:											
22	unaffiliated foreign banks	-7,150	919	-4,806	-847	676	-2,173	5,397	-1,292	-1,046	-2,140	8,222
23	other private foreigners and international financial institutions <sup>4</sup>	24,988	16,695	11,126	13,569	2,627	-2,334	10,148	5,488	-10,212	11,271	65,895
24	Payable in foreign currencies	-7,067	8,619	-1,447	1,576	-4,899	-2,297	17,508	9,554	-19,224	781	90,532
25	Banks' custody liabilities, payable in dollars <sup>13</sup>	6,923	13,498	-11,853	-1,949	-4,348	25,073	-10,480	17,917	-285	6,346	118,864
26	Of which: Negotiable and readily transferable instruments	6,063	9,765	-12,484	-1,885	-4,430	24,862	-11,594	15,674	-299	5,984	77,824
	By area:											
27	Industrial countries <sup>6</sup>	-46,472	57,736	-22,473	-3,505	4,525	-25,019	12,038	36,872	-83,206	92,032	1,002,750
28	Western Europe	-32,277	40,736	-3,720	-8,171	9,914	-30,300	18,737	28,469	-80,197	73,727	706,581
29	Canada	-2,126	-9,360	2,360	3,402	-3,311	-4,577	-6,675	1,521	-3,646	-560	39,747
30	Other	-12,069	26,360	-21,113	1,264	-2,078	9,858	-24	6,882	637	18,865	256,422
31	Caribbean banking centers <sup>7</sup>	81,034	34,112	7,370	34,014	-10,854	50,504	447	-6,726	6,483	33,908	582,869
32	Other areas	599	19,145	-1,670	2,868	-8,084	7,485	-4,939	5,447	7,914	10,723	329,251
33	Of which: Members of OPEC, included below <sup>8</sup>	4,415	-2,452	-3,622	2,723	3,596	1,718	-2,001	-714	-1,626	1,889	35,213
34	Latin America	687	7,284	1,016	-1,086	-1,140	1,899	-3,290	3,906	5,094	1,574	109,153
35	Asia	3,542	8,513	-5,412	1,324	-248	7,878	-3,788	-3,118	2,338	13,081	173,809
36	Africa	735	-189	444	-19	161	149	310	178	-353	-324	4,710
37	Other <sup>9</sup>	-4,365	3,537	2,282	2,651	-6,857	-2,441	1,829	4,481	835	-3,608	41,579
	<b>Memoranda:</b>											
1	International banking facilities <sup>1</sup> (IBF's) own liabilities, payable in dollars (in lines A9 and B7 above)	20,569	4,474	-10,869	9,844	30,105	-8,511	-24,769	18,858	-37,418	47,803	388,700
	By holder:											
	Liabilities to:											
2	own foreign offices	-16,153	42,743	-20,268	-7,728	28,685	-16,842	-21,298	19,171	-33,713	78,583	252,782
3	unaffiliated foreign banks	23,276	-20,207	2,633	12,045	-601	9,199	3,667	-5,747	-4,812	-13,135	77,826
4	foreign official agencies	8,385	-14,248	5,443	1,270	552	1,120	-5,973	8,203	1,074	-17,552	33,681
5	other private foreigners and international financial institutions <sup>4</sup>	5,061	-3,994	1,323	4,257	1,469	-1,988	-1,165	-2,769	33	-93	24,411
	By bank ownership: <sup>5</sup>											
6	U.S.-owned IBF's	-3,039	3,773	-11,788	8,925	-4,706	4,530	-7,602	-324	-5,412	17,111	88,586
7	Foreign-owned IBF's	23,608	701	919	919	34,811	-13,041	-17,167	19,182	-32,006	30,692	300,114
8	Negotiable certificates of deposit held for foreigners <sup>1</sup> (in lines A13 and B25 above)	3,743	-14,418	-2,289	-1,484	-581	8,097	-9,565	366	-1,656	-3,563	19,665

See footnotes on page 74.

Table 10. U.S. International  
[Millions]

Line	(Credits +, debits -) <sup>1</sup>	Western Europe						European Union <sup>14</sup>	
		2000	2001 <sup>p</sup>	2001				2000	2001 <sup>p</sup>
				I	II	III <sup>r</sup>	IV <sup>p</sup>		
<b>Current account</b>									
1	<b>Exports of goods and services and income receipts</b>	<b>437,170</b>	<b>402,367</b>	<b>111,346</b>	<b>106,641</b>	<b>93,559</b>	<b>90,821</b>	<b>391,637</b>	<b>360,541</b>
2	Exports of goods and services	281,812	271,174	71,644	71,259	63,589	64,682	255,258	244,766
3	Goods, balance of payments basis <sup>2</sup>	178,793	171,833	47,894	45,849	37,744	40,346	162,583	156,178
4	Services <sup>3</sup>	103,019	99,341	23,750	25,410	25,845	24,336	92,675	88,588
5	Transfers under U.S. military agency sales contracts <sup>4</sup>	3,143	3,488	899	1,068	803	718	2,506	2,425
6	Travel	26,498	22,231	5,206	6,130	6,491	4,404	24,136	20,231
7	Passenger fares	6,897	5,816	1,380	1,627	1,677	1,132	6,656	5,632
8	Other transportation	9,340	8,945	2,212	2,235	2,402	2,096	8,055	7,714
9	Royalties and license fees <sup>5</sup>	18,201	18,432	4,374	4,485	4,437	5,136	16,584	16,579
10	Other private services <sup>5</sup>	38,768	40,273	9,636	9,832	9,997	10,808	34,582	35,869
11	U.S. Government miscellaneous services	172	156	43	33	38	42	156	138
12	Income receipts	155,358	131,193	39,702	35,382	29,970	26,139	136,379	115,775
13	Income receipts on U.S.-owned assets abroad	155,207	131,034	39,663	35,342	29,930	26,099	136,240	115,628
14	Direct investment receipts	65,503	56,650	17,368	15,429	12,165	11,688	56,215	48,095
15	Other private receipts	88,868	73,436	22,010	19,712	17,497	14,217	79,305	66,695
16	U.S. Government receipts	836	948	285	201	268	194	720	838
17	Compensation of employees	151	159	39	40	40	40	139	147
18	<b>Imports of goods and services and income payments</b>	<b>-521,433</b>	<b>-488,130</b>	<b>-130,335</b>	<b>-133,792</b>	<b>-112,422</b>	<b>-111,081</b>	<b>-467,900</b>	<b>-441,719</b>
19	Imports of goods and services	-336,818	-325,451	-84,453	-88,974	-73,124	-78,900	-301,888	-294,584
20	Goods, balance of payments basis <sup>2</sup>	-243,426	-241,197	-63,104	-62,475	-56,639	-58,979	-219,946	-219,742
21	Services <sup>3</sup>	-93,392	-84,254	-21,349	-26,499	-16,485	-19,921	-81,942	-74,842
22	Direct defense expenditures	-7,971	-8,586	-2,076	-2,092	-2,153	-2,265	-6,897	-6,897
23	Travel	-22,674	-20,266	-3,862	-7,161	-6,353	-2,890	-20,585	-18,393
24	Passenger fares	-13,238	-12,960	-2,723	-4,122	-4,031	-2,084	-11,981	-11,709
25	Other transportation	-13,633	-12,857	-3,406	-3,285	-3,192	-2,974	-11,126	-10,444
26	Royalties and license fees <sup>5</sup>	-8,501	-8,435	-1,966	-2,062	-2,165	-2,242	-6,807	-6,444
27	Other private services <sup>5</sup>	-26,219	-20,004	-7,030	-7,496	1,698	-7,176	-24,194	-19,979
28	U.S. Government miscellaneous services	-1,156	-1,146	-286	-281	-289	-290	-997	-976
29	Income payments	-184,615	-162,679	-46,382	-44,818	-39,298	-32,181	-166,012	-147,135
30	Income payments on foreign-owned assets in the United States	-184,388	-162,452	-46,318	-44,766	-39,251	-32,117	-165,826	-146,948
31	Direct investment payments	-45,781	-32,561	-10,971	-10,801	-8,045	-2,744	-41,477	-28,323
32	Other private payments	-95,871	-90,196	-24,989	-23,869	-21,387	-19,951	-84,703	-81,542
33	U.S. Government payments	-42,736	-39,695	-10,358	-10,096	-9,819	-9,422	-39,646	-37,083
34	Compensation of employees	-227	-227	-64	-52	-47	-64	-186	-187
35	<b>Unilateral current transfers, net</b>	<b>-1,293</b>	<b>-1,542</b>	<b>-379</b>	<b>-271</b>	<b>-435</b>	<b>-457</b>	<b>-168</b>	<b>-64</b>
36	U.S. Government grants <sup>4</sup>	-505	-715	-187	-154	-218	-156	-2	-8
37	U.S. Government pensions and other transfers	-1,442	-1,586	-373	-356	-369	-488	-1,234	-1,310
38	Private remittances and other transfers <sup>6</sup>	654	759	181	239	152	187	1,068	1,254
<b>Capital and financial account</b>									
<b>Capital account</b>									
39	<b>Capital account transactions, net</b>	<b>156</b>	<b>142</b>	<b>35</b>	<b>35</b>	<b>36</b>	<b>36</b>	<b>140</b>	<b>114</b>
<b>Financial account</b>									
40	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b>	<b>-367,391</b>	<b>-260,063</b>	<b>-188,741</b>	<b>-66,865</b>	<b>25,288</b>	<b>-29,745</b>	<b>-340,816</b>	<b>-250,015</b>
41	U.S. official reserve assets, net	-6,013	-223	250	-164	-168	-141	-1,187	-529
42	Gold <sup>7</sup>								
43	Special drawing rights								
44	Reserve position in the International Monetary Fund								
45	Foreign currencies	-6,013	-223	250	-164	-168	-141	-1,187	-529
46	U.S. Government assets, other than official reserve assets, net	545	328	195	89	-203	247	452	321
47	U.S. credits and other long-term assets	-451	-515	-13	-26	-476		-219	-215
48	Repayments on U.S. credits and other long-term assets <sup>8</sup>	939	866	237	109	273	247	621	549
49	U.S. foreign currency holdings and U.S. short-term assets, net	57	-23	-29	6			50	-13
50	U.S. private assets, net	-361,923	-260,168	-189,186	-66,790	25,659	-29,851	-340,081	-249,807
51	Direct investment	-77,213	-65,956	-17,143	-27,131	-15,270	-6,412	-67,874	-59,387
52	Foreign securities	-99,354	-56,485	-24,131	-25,933	10,655	-17,076	-86,985	-56,161
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-78,060	-88,136	-61,557	4,065	-33,382	2,738	-83,244	-93,319
54	U.S. claims reported by U.S. banks, not included elsewhere	-107,296	-49,591	-86,355	-17,791	63,656	-9,101	-101,978	-40,940
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow(+))</b>	<b>655,195</b>	<b>569,690</b>	<b>272,525</b>	<b>161,280</b>	<b>-13,726</b>	<b>149,611</b>	<b>610,679</b>	<b>534,650</b>
56	Foreign official assets in the United States, net	-5,105	-2,455	-1,482	-3,300	4,761	-2,434	( <sup>18</sup> )	( <sup>18</sup> )
57	U.S. Government securities	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
58	U.S. Treasury securities <sup>9</sup>	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
59	Other <sup>10</sup>	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
60	Other U.S. Government liabilities <sup>11</sup>	-293	-933	-341	-462	-27	-103	-347	-93
61	U.S. liabilities reported by U.S. banks, not included elsewhere	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
62	Other foreign official assets <sup>12</sup>	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
63	Other foreign assets in the United States, net	660,300	572,145	274,007	164,580	-18,487	152,045	( <sup>18</sup> )	( <sup>18</sup> )
64	Direct investment	222,934	140,005	50,085	57,297	24,716	7,907	201,778	124,899
65	U.S. Treasury securities	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
66	U.S. securities other than U.S. Treasury securities	348,638	288,777	96,831	80,106	41,861	69,979	333,830	275,575
67	U.S. currency								
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	121,178	102,398	108,476	-1,190	-4,888		131,474	90,498
69	U.S. liabilities reported by U.S. banks, not included elsewhere	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
70	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	<b>-202,404</b>	<b>-222,464</b>	<b>-63,951</b>	<b>-67,028</b>	<b>7,700</b>	<b>-99,185</b>	<b>-193,572</b>	<b>-203,507</b>
<b>Memoranda:</b>									
71	Balance on goods (lines 3 and 20)	-64,633	-69,364	-15,210	-16,626	-18,895	-18,633	-57,363	-63,564
72	Balance on services (lines 4 and 21)	6,627	15,087	2,401	-1,089	9,360	4,415	10,733	13,746
73	Balance on goods and services (lines 2 and 19)	-55,006	-54,277	-12,809	-17,715	-9,535	-14,218	-46,630	-49,818
74	Balance on income (lines 12 and 29)	-29,257	-31,486	-6,680	-9,436	-9,328	-6,042	-29,633	-31,360
75	Unilateral current transfers, net (line 35)	-1,293	-1,542	-379	-271	-435	-457	-168	-64
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup>	-85,556	-87,305	-19,868	-27,422	-19,298	-20,717	-76,431	-81,242

See footnotes on page 74.



**Transactions, by Area**  
of dollars]

European Union <sup>14</sup>				United Kingdom								European Union (6) <sup>15</sup>								Line
2001				2000	2001 <sup>p</sup>	2001				2000	2001 <sup>p</sup>	2001								
I	II	III <sup>r</sup>	IV <sup>p</sup>			I	II	III <sup>r</sup>	IV <sup>p</sup>			I	II	III <sup>r</sup>	IV <sup>p</sup>					
99,330	94,441	85,070	81,700	130,371	116,409	32,439	31,556	27,790	24,624	196,817	184,955	50,299	47,741	43,908	43,007	1				
64,081	63,502	58,565	58,618	71,218	68,821	17,233	18,869	16,738	15,981	139,066	133,110	35,371	33,738	32,044	31,957	2				
43,062	40,697	35,283	37,136	40,727	39,809	10,358	11,310	9,303	8,838	96,057	92,191	25,768	23,408	20,905	22,110	3				
21,019	22,805	23,282	21,482	30,491	29,012	6,875	7,559	7,435	7,143	43,009	40,919	9,603	10,330	11,139	9,847	4				
556	707	573	589	369	373	82	98	113	80	10,566	8,254	1,164	196	279	300	5				
4,696	5,597	5,934	4,004	9,957	8,541	1,971	2,403	2,362	1,805	10,056	8,254	1,889	2,225	2,639	1,501	6				
1,336	1,577	1,619	1,100	2,751	2,420	580	682	642	516	3,183	2,628	616	730	810	472	7				
1,873	1,944	2,089	1,808	1,914	1,835	450	472	496	417	4,166	3,337	946	980	1,087	924	8				
3,997	4,057	4,050	4,435	3,271	3,473	769	837	853	1,014	8,010	7,761	1,880	1,893	1,912	2,076	9				
8,523	8,854	8,984	9,508	12,199	12,338	3,012	3,059	2,962	3,305	16,646	17,091	4,055	4,207	4,370	4,459	10				
38	29	33	38	30	32	11	8	7	6	106	84	21	16	21	26	11				
35,249	30,939	26,505	23,082	59,153	47,588	15,206	12,687	11,052	8,643	57,751	51,845	14,928	14,003	11,864	11,050	12				
35,213	30,902	26,468	23,045	59,083	47,511	15,188	12,668	11,032	8,623	57,698	51,792	14,914	13,990	11,851	11,037	13				
15,122	13,077	10,194	9,702	21,833	15,986	5,737	4,398	3,395	2,456	25,855	24,524	6,977	6,693	5,239	5,615	14				
19,838	17,648	16,039	13,170	37,232	31,507	9,451	8,270	7,637	6,149	31,320	26,812	7,754	7,134	6,444	5,280	15				
253	177	235	173	18	18	18	18	18	18	523	656	183	163	168	142	16				
36	37	37	37	70	77	18	19	20	20	53	53	14	13	13	13	17				
-117,303	-119,653	-103,346	-101,417	-171,126	-162,224	-43,633	-43,802	-37,331	-37,458	-228,178	-211,032	-57,206	-58,239	-48,519	-47,068	18				
-75,556	-79,241	-67,625	-72,162	-70,989	-65,654	-17,360	-17,801	-14,116	-16,377	-173,715	-170,356	-44,113	-46,235	-38,595	-41,413	19				
-56,885	-56,005	-52,224	-54,628	-43,388	-41,101	-10,964	-10,503	-9,410	-10,224	-133,187	-133,198	-34,681	-34,177	-31,781	-32,559	20				
-18,671	-23,236	-15,401	-17,534	-27,601	-24,553	-6,396	-7,298	-4,706	-6,153	-40,528	-37,158	-9,432	-12,058	-6,814	-8,554	21				
-1,655	-1,665	-1,732	-1,845	-609	-676	-161	-151	-184	-180	-5,170	-5,707	-1,373	-1,401	-1,408	-1,222	22				
-3,538	-6,441	-5,722	-2,692	-6,368	-5,708	-1,260	-1,772	-1,530	-1,146	-10,314	-9,185	-1,777	-3,329	-2,909	-1,170	23				
-2,461	-3,724	-3,633	-1,891	-4,746	-4,628	-1,019	-1,463	-1,395	-751	-5,109	-4,990	-1,065	-1,623	-1,495	-807	24				
-2,700	-2,663	-2,623	-2,458	-2,647	-2,416	-601	-633	-611	-571	-5,442	-5,142	-1,326	-1,305	-1,298	-1,213	25				
-1,513	-1,520	-1,625	-1,786	-1,420	-1,377	-346	-224	-367	-440	-3,997	-3,991	-854	-1,014	-1,025	-1,098	26				
-6,561	-6,983	179	-6,614	-11,730	-9,666	-2,989	-3,035	-598	-3,044	-9,693	-9,693	-7,368	-2,844	-3,195	-1,515	27				
-243	-240	-245	-248	-81	-82	-20	-20	-21	-21	-803	-775	-193	-191	-194	-197	28				
-41,747	-40,412	-35,721	-29,255	-100,137	-96,570	-26,273	-26,001	-23,215	-21,081	-54,463	-40,676	-13,093	-12,004	-9,924	-5,655	29				
-41,696	-40,368	-35,680	-29,204	-100,081	-96,512	-26,258	-25,987	-23,202	-21,065	-54,352	-40,567	-13,063	-11,978	-9,900	-5,626	30				
-9,903	-9,530	-6,884	-2,006	-16,172	-15,104	-4,734	-4,853	-3,455	-2,062	-22,754	-11,522	-5,015	-4,381	-2,855	729	31				
-22,156	-21,448	-19,562	-18,376	-61,530	-59,994	-16,080	-15,768	-14,363	-13,783	-18,799	-17,717	-4,976	-4,647	-4,286	-3,808	32				
-9,637	-9,390	-9,234	-8,822	-22,379	-21,414	-5,444	-5,366	-5,384	-5,220	-12,799	-11,328	-3,072	-2,950	-2,759	-2,547	33				
-51	-44	-41	-51	-56	-58	-15	-14	-13	-16	-111	-109	-30	-26	-24	-29	34				
-16	16	-39	-25	1,278	1,414	364	368	335	347	-328	-390	-101	-87	-100	-102	35				
-1	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	36				
-326	-323	-329	-332	-215	-232	-58	-59	-61	-54	-676	-719	-179	-174	-178	-188	37				
311	340	293	310	1,493	1,646	422	427	396	401	348	329	78	87	78	86	38				
28	28	29	29	49	40	10	10	10	10	67	54	13	13	14	14	39				
-161,085	-59,746	-21,042	-8,142	-212,057	-160,173	-113,756	-14,312	-25,536	-6,569	-82,366	-91,192	-44,585	-51,239	127	4,560	40				
-124	-96	-168	-141	.....	.....	.....	.....	.....	.....	.....	-187	.....	.....	-106	-81	41				
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	42				
-124	-96	-168	-141	.....	.....	.....	.....	.....	.....	.....	-187	.....	.....	-106	-81	43				
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	44				
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	45				
135	16	-3	173	141	131	-1	-1	.....	.....	133	40	-10	3	.....	.....	46				
-12	-25	-178	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	47				
161	40	175	.....	135	133	.....	.....	.....	.....	133	.....	.....	.....	.....	.....	48				
-14	1	.....	.....	6	-2	-1	-1	.....	.....	.....	.....	-10	3	.....	.....	49				
-161,096	-59,666	-20,871	-8,174	-212,198	-160,304	-113,755	-14,311	-25,536	-6,702	-82,406	-90,995	-44,572	-51,297	233	4,641	50				
-15,691	-25,629	-13,411	-4,656	-28,976	-23,523	-8,875	-9,545	-5,077	-1,026	-24,839	-34,107	-4,864	-15,982	-8,883	-4,378	51				
-22,341	-27,136	9,583	-16,267	-79,049	-42,511	-23,554	-7,002	7,511	-19,666	-11,811	-18,446	-1,012	-21,235	2,235	1,564	52				
-61,342	52	-34,380	2,351	-48,312	-72,732	-52,519	3,547	-24,351	591	-24,398	-27,390	-9,570	-5,754	-13,815	1,749	53				
-61,722	-6,953	17,337	10,398	-55,861	-21,538	-29,007	-2,311	-3,619	13,399	-21,358	-11,050	-29,126	-20,696	20,696	5,706	54				
252,429	150,435	11,447	120,339	336,597	322,747	177,820	50,364	15,970	78,593	220,099	178,728	65,560	88,426	-4,770	29,512	55				
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	56				
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	57				
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	58				
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	59				
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	60				
-60	-50	62	-45	-257	-8	18	5	-25	-6	24	-304	24	-58	-125	-145	61				
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	62				
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	63				
38,154	55,666	21,488	9,591	73,667	25,417	10,883	5,258	6,726	2,550	108,373	96,094	27,092	46,843	16,795	5,364	64				
91,059	77,561	41,107	65,848	213,139	202,201	61,404	56,113	38,213	46,471	93,491	57,862	23,699	16,417	3,003	14,743	65				
88,977	4,234	-2,713	.....	86,314	64,364	74,383	-5,937	-4,082	.....	43,487	23,959	12,921	10,266	772	.....	67				
1834,299	1813,024	1848,497	1844,945	1836,266	1830,773	1831,132	185,075	1824,862	1829,578	1825,276	181,117	181,824	1814,958	1825,215	189,550	68				
-73,383	-65,521	27,881	-92,484	-85,112	-118,213	-53,244	-24,184	18,762	-59,547	-106,111	-61,123	-13,980	-26,560	9,340	-29,923	70				
-13,823	-15,308	-16,941	-17,492	-2,661	-1,292	-606	807	-107	-1,386	-37,130	-41,007	-8,913	-10,769	-10,876	-10,449	71				
2,348	431	7,881	3,948	2,890	4,459	479	261	2,729	990	2,481	3,761	171	-1,728	4,325	993	72				
-11,475	-15,739	-9,060	-13,544	229	3,167	-127	1,068	2,622	-396	-34,649	-37,246	-8,742	-12,497	-6,551	-9,456	73				
-6,498	-9,473	-9,216	-6,173	-40,984	-48,982	-11,067	-13,314	-12,163	-12,438	3,288	11,169	1,835	1,999	1,940	5,395	74				
-16	16	-39	-25	1,278	1,414	364	368	335	347	-328	-390	-101	-87	-100	-102	75				
-17,989	-25,196	-18,315	-19,742	-39,477	-44,401	-10,830	-11,878	-9,206	-12,487	-31,689	-26,467	-7,008	-10,585	-4,711	-4,163	76</				

**Table 10. U.S. International**  
 [Millions]

Line	(Credits +, debits -) <sup>1</sup>	Eastern Europe						Canada	
		2000	2001 <sup>2</sup>	2001				2000	2001 <sup>2</sup>
				I	II	III <sup>3</sup>	IV <sup>4</sup>		
<b>Current account</b>									
1	<b>Exports of goods and services and income receipts</b>	<b>14,544</b>	<b>14,965</b>	<b>3,934</b>	<b>3,902</b>	<b>3,702</b>	<b>3,427</b>	<b>229,634</b>	<b>211,326</b>
2	Exports of goods and services	10,180	11,131	2,819	2,941	2,713	2,658	202,409	188,259
3	Goods, balance of payments basis <sup>2</sup>	5,925	6,826	1,694	1,832	1,608	1,692	178,987	163,939
4	Services <sup>3</sup>	4,255	4,305	1,125	1,109	1,105	966	23,422	24,320
5	Transfers under U.S. military agency sales contracts <sup>4</sup>	397	483	131	143	124	85	143	117
6	Travel	1,336	1,191	296	365	312	218	7,055	6,300
7	Passenger fares	89	72	18	24	16	14	1,713	1,655
8	Other transportation	342	266	58	72	67	69	2,703	2,516
9	Royalties and license fees <sup>5</sup>	247	303	63	75	76	89	2,101	2,138
10	Other private services <sup>5</sup>	1,793	1,924	545	413	493	473	9,633	11,521
11	U.S. Government miscellaneous services	51	66	14	17	17	18	74	73
12	Income receipts	4,364	3,834	1,115	961	989	769	27,225	23,067
13	Income receipts on U.S.-owned assets abroad	4,344	3,814	1,110	956	984	764	27,147	22,988
14	Direct investment receipts	1,650	1,622	475	462	403	282	14,518	13,064
15	Other private receipts	2,200	1,905	511	485	459	450	12,629	9,924
16	U.S. Government receipts	494	287	124	9	122	32		
17	Compensation of employees	20	20	5	5	5	5	78	79
18	<b>Imports of goods and services and income payments</b>	<b>-21,273</b>	<b>-19,561</b>	<b>-5,652</b>	<b>-4,815</b>	<b>-4,748</b>	<b>-4,346</b>	<b>-259,612</b>	<b>-238,058</b>
19	Imports of goods and services	-18,669	-16,920	-4,951	-4,144	-4,037	-3,788	-250,268	-236,647
20	Goods, balance of payments basis <sup>2</sup>	-16,101	-14,453	-4,438	-3,254	-3,360	-3,401	-233,678	-219,588
21	Services <sup>3</sup>	-2,568	-2,467	-513	-890	-677	-387	-16,590	-17,059
22	Direct defense expenditures	-119	-144	-45	-30	-34	-35	-70	-79
23	Travel	-1,270	-1,158	-244	-524	-276	-114	-6,367	-6,397
24	Passenger fares	-365	-369	-51	-130	-144	-44	-827	-676
25	Other transportation	-249	-211	-50	-53	-52	-56	-3,578	-3,295
26	Royalties and license fees <sup>5</sup>	-83	-61	-9	-17	-23	-12	-987	-1,206
27	Other private services <sup>5</sup>	-426	-458	-99	-119	-131	-109	-4,555	-5,160
28	U.S. Government miscellaneous services	-56	-66	-15	-17	-17	-17	-206	-246
29	Income payments	-2,604	-2,641	-701	-671	-711	-558	-9,344	-1,411
30	Income payments on foreign-owned assets in the United States	-2,558	-2,595	-687	-661	-703	-544	-9,088	-1,156
31	Direct investment payments	-123	-210	-37	-51	-77	-45	-911	5,364
32	Other private payments	-1,018	-830	-253	-222	-216	-139	-6,214	-4,516
33	U.S. Government payments	-1,417	-1,555	-397	-388	-410	-360	-1,963	-2,004
34	Compensation of employees	-46	-46	-14	-10	-8	-14	-256	-255
35	<b>Unilateral current transfers, net</b>	<b>-3,867</b>	<b>-3,538</b>	<b>-909</b>	<b>-826</b>	<b>-910</b>	<b>-893</b>	<b>-724</b>	<b>-752</b>
36	U.S. Government grants <sup>4</sup>	-1,789	-1,541	-399	-348	-389	-405		
37	U.S. Government pensions and other transfers	-48	-57	-13	-13	-20	-11	-499	-534
38	Private remittances and other transfers <sup>6</sup>	-1,830	-1,940	-497	-465	-501	-477	-225	-218
<b>Capital and financial account</b>									
<b>Capital account</b>									
39	<b>Capital account transactions, net</b>	<b>26</b>	<b>16</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>109</b>	<b>137</b>
<b>Financial account</b>									
40	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b>	<b>337</b>	<b>-1,492</b>	<b>-1,028</b>	<b>-149</b>	<b>10</b>	<b>-325</b>	<b>-39,363</b>	<b>-39,073</b>
41	U.S. official reserve assets, net								
42	Gold <sup>7</sup>								
43	Special drawing rights								
44	Reserve position in the International Monetary Fund								
45	Foreign currencies								
46	U.S. Government assets, other than official reserve assets, net	-432	28	19	-43	7	45		
47	U.S. credits and other long-term assets	-852	-89	-2	-46	-20	-21		
48	Repayments on U.S. credits and other long-term assets <sup>8</sup>	418	117	21	3	27	66		
49	U.S. foreign currency holdings and U.S. short-term assets, net	2							
50	U.S. private assets, net	769	-1,520	-1,047	-106	3	-370	-39,363	-39,073
51	Direct investment	277	-2,286	-1,188	-859	-233	-6	-18,301	-20,024
52	Foreign securities	-176	1,599	885	183	57	474	-14,720	-2,281
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-111	173	183	23	-33		-3,188	1,090
54	U.S. claims reported by U.S. banks, not included elsewhere	779	-1,006	-927	547	212	-838	-3,154	-17,858
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow(+))</b>	<b>16,421</b>	<b>9,742</b>	<b>-56</b>	<b>8,755</b>	<b>7,056</b>	<b>-6,013</b>	<b>51,336</b>	<b>11,937</b>
56	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	-172	-303
57	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
58	U.S. Treasury securities <sup>9</sup>	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
59	Other <sup>10</sup>	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
60	Other U.S. Government liabilities <sup>11</sup>	335	28	9		-3	22	-63	-16
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
62	Other foreign official assets <sup>12</sup>	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
63	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	51,508	12,240
64	Direct investment	1,326	3,515	175	1,950	1,673	-283	27,975	1,961
65	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
66	U.S. securities other than U.S. Treasury securities	1,275	540	265	325	29	-79	18,579	15,418
67	U.S. currency								
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-132	-171	-168	-30	27		7,080	4,221
69	U.S. liabilities reported by U.S. banks, not included elsewhere	<sup>18</sup> 13,617	<sup>18</sup> 5,830	<sup>18</sup> 337	<sup>18</sup> 6,510	<sup>18</sup> 5,330	<sup>18</sup> 5,673	(17)	(17)
70	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	<b>-6,388</b>	<b>-132</b>	<b>3,707</b>	<b>-6,871</b>	<b>-5,114</b>	<b>8,146</b>	<b>18,620</b>	<b>54,483</b>
<b>Memoranda:</b>									
71	Balance on goods (lines 3 and 20)	-10,176	-7,627	-2,744	-1,422	-1,752	-1,709	-54,691	-55,649
72	Balance on services (lines 4 and 21)	1,687	1,838	612	219	428	579	6,832	7,261
73	Balance on goods and services (lines 2 and 19)	-8,489	-5,789	-2,132	-1,203	-1,324	-1,130	-47,859	-48,388
74	Balance on income (lines 12 and 29)	1,760	1,193	414	290	278	211	17,881	21,656
75	Unilateral current transfers, net (line 35)	-3,667	-3,538	-909	-826	-910	-893	-724	-752
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup>	-10,396	-8,134	-2,627	-1,739	-1,956	-1,812	-30,702	-27,484

See footnotes on page 74.



Table 10. U.S. International  
[Millions]

Line	(Credits +, debits -) <sup>1</sup>	Australia					
		2000	2001 <sup>p</sup>	2001			
				I	II	III <sup>r</sup>	IV <sup>p</sup>
<b>Current account</b>							
1	<b>Exports of goods and services and income receipts</b>	<b>25,441</b>	<b>21,279</b>	<b>5,463</b>	<b>5,524</b>	<b>5,098</b>	<b>5,194</b>
2	Exports of goods and services	17,944	15,937	3,996	4,067	3,982	3,892
3	Goods, balance of payments basis <sup>2</sup>	12,189	10,610	2,704	2,639	2,574	2,693
4	Services <sup>3</sup>	5,755	5,327	1,292	1,428	1,408	1,199
5	Transfers under U.S. military agency sales contracts <sup>4</sup>	335	231	61	106	37	27
6	Travel	1,856	1,543	365	444	452	282
7	Passenger fares	528	445	113	130	119	83
8	Other transportation	334	312	72	76	89	75
9	Royalties and license fees <sup>5</sup>	719	721	177	170	182	192
10	Other private services <sup>5</sup>	1,975	2,067	502	501	527	537
11	U.S. Government miscellaneous services	8	8	2	1	2	3
12	Income receipts	7,497	5,342	1,467	1,457	1,116	1,302
13	Income receipts on U.S.-owned assets abroad	7,493	5,338	1,466	1,456	1,115	1,301
14	Direct investment receipts	3,625	2,186	580	620	382	604
15	Other private receipts	3,868	3,152	886	836	733	697
16	U.S. Government receipts						
17	Compensation of employees	4	4	1	1	1	1
18	<b>Imports of goods and services and income payments</b>	<b>-11,928</b>	<b>-9,378</b>	<b>-2,528</b>	<b>-3,089</b>	<b>-1,828</b>	<b>-1,933</b>
19	Imports of goods and services	-9,802	-9,719	-2,331	-2,571	-2,537	-2,280
20	Goods, balance of payments basis <sup>2</sup>	-6,422	-6,459	-1,457	-1,639	-1,756	-1,607
21	Services <sup>3</sup>	-3,380	-3,260	-874	-932	-781	-673
22	Direct defense expenditures	-81	-112	-16	-50	-23	-23
23	Travel	-1,465	-1,293	-398	-400	-267	-228
24	Passenger fares	-619	-602	-164	-157	-155	-126
25	Other transportation	-244	-218	-58	-55	-58	-47
26	Royalties and license fees <sup>5</sup>	-73	-53	-13	-15	-14	-11
27	Other private services <sup>5</sup>	-862	-950	-217	-248	-256	-229
28	U.S. Government miscellaneous services	-36	-32	-8	-7	-8	-9
29	Income payments	-2,126	341	-197	-518	709	347
30	Income payments on foreign-owned assets in the United States	-2,119	347	-195	-517	710	349
31	Direct investment payments	-487	1,607	195	-155	983	564
32	Other private payments	-1,144	-819	-253	-235	-183	-148
33	U.S. Government payments	-488	-441	-137	-127	-90	-87
34	Compensation of employees	-7	-6	-2	-1	-1	-2
35	<b>Unilateral current transfers, net</b>	<b>-305</b>	<b>-347</b>	<b>-90</b>	<b>-84</b>	<b>-84</b>	<b>-89</b>
36	U.S. Government grants <sup>4</sup>						
37	U.S. Government pensions and other transfers	-43	-45	-11	-12	-12	-10
38	Private remittances and other transfers <sup>6</sup>	-262	-302	-79	-72	-72	-79
<b>Capital and financial account</b>							
<b>Capital account</b>							
39	<b>Capital account transactions, net</b>	<b>8</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>.</b>
<b>Financial account</b>							
40	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b>	<b>-3,357</b>	<b>1,092</b>	<b>1,255</b>	<b>-2,183</b>	<b>3,663</b>	<b>-1,643</b>
41	U.S. official reserve assets, net						
42	Gold <sup>7</sup>						
43	Special drawing rights						
44	Reserve position in the International Monetary Fund						
45	Foreign currencies						
46	U.S. Government assets, other than official reserve assets, net	1					
47	U.S. credits and other long-term assets						
48	Repayments on U.S. credits and other long-term assets <sup>8</sup>						
49	U.S. foreign currency holdings and U.S. short-term assets, net	1					
50	U.S. private assets, net	-3,358	1,092	1,255	-2,183	3,663	-1,643
51	Direct investment	-1,464	46	938	-613	70	-349
52	Foreign securities	968	-1,611	-53	-2,027	360	109
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	1,484	-299	-61	-2,923	2,685	
54	U.S. claims reported by U.S. banks, not included elsewhere	-4,346	2,956	431	3,380	548	-1,403
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow(+))</b>	<b>6,460</b>	<b>-2,157</b>	<b>-786</b>	<b>2,080</b>	<b>-2,095</b>	<b>-1,356</b>
56	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)
57	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)
58	U.S. Treasury securities <sup>9</sup>	(18)	(18)	(18)	(18)	(18)	(18)
59	Other <sup>10</sup>	(18)	(18)	(18)	(18)	(18)	(18)
60	Other U.S. Government liabilities <sup>11</sup>	-97	56	3	-52	49	56
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)
62	Other foreign official assets <sup>12</sup>	(18)	(18)	(18)	(18)	(18)	(18)
63	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)
64	Direct investment	2,430	1,995	-4	1,763	1,194	-958
65	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)
66	U.S. securities other than U.S. Treasury securities	1,923	-1,761	-129	-582	-983	-67
67	U.S. currency						
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-1,099	629	224	576	-171	
69	U.S. liabilities reported by U.S. banks, not included elsewhere	183,303	183,076	183,880	183,775	183,218	183,387
70	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	<b>-16,319</b>	<b>-10,493</b>	<b>-3,315</b>	<b>-2,249</b>	<b>-4,755</b>	<b>-174</b>
<b>Memoranda:</b>							
71	Balance on goods (lines 3 and 20)	5,767	4,151	1,247	1,000	818	1,086
72	Balance on services (lines 4 and 21)	2,375	2,067	418	496	627	526
73	Balance on goods and services (lines 2 and 19)	8,142	6,218	1,665	1,496	1,445	1,612
74	Balance on income (lines 12 and 29)	5,371	5,683	1,270	939	1,825	1,649
75	Unilateral current transfers, net (line 35)	-305	-347	-90	-84	-84	-89
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup>	13,208	11,554	2,845	2,351	3,186	3,172

See footnotes on page 74.

Transactions, by Area—Continued  
of dollars]

Other countries in Asia and Africa						International organizations and unallocated <sup>16</sup>						Line
2000	2001 <sup>P</sup>	2001				2000	2001 <sup>P</sup>	2001				
		I	II	III <sup>r</sup>	IV <sup>p</sup>			I	II	III <sup>r</sup>	IV <sup>p</sup>	
259,942	238,805	65,272	59,136	57,619	56,778	35,465	35,034	8,594	8,702	8,755	8,983	1
223,371	210,462	56,853	52,054	51,228	50,327	6,141	6,180	1,533	1,564	1,516	1,567	2
162,477	152,143	41,288	37,936	36,080	36,839							3
60,894	58,319	15,565	14,118	15,148	13,488	6,140	6,180	1,533	1,564	1,516	1,567	4
8,614	7,201	1,878	1,642	1,744	1,937							5
13,150	11,781	2,769	3,552	3,419	2,041							6
1,787	1,671	445	484	440	302							7
9,946	9,276	2,371	2,282	2,408	2,215	556	531	140	126	136	129	8
4,791	4,968	1,210	1,211	1,231	1,316	1,983	2,035	484	495	499	557	9
22,276	23,104	6,811	4,871	5,823	5,599	3,601	3,614	909	943	881	881	10
330	318	81	76	83	78							11
36,571	28,343	8,419	7,082	6,391	6,451	29,324	28,854	7,061	7,138	7,239	7,416	12
36,491	28,259	8,398	7,061	6,370	6,430	27,454	26,854	6,569	6,641	6,737	6,907	13
23,082	18,641	5,536	4,623	4,200	4,282	14,481	16,262	3,962	3,972	4,070	4,258	14
12,033	8,392	2,588	2,188	1,870	1,746	12,249	9,962	2,419	2,512	2,522	2,509	15
1,376	1,226	274	250	300	402	724	630	188	157	145	140	16
80	84	21	21	21	21	1,870	2,000	492	497	502	509	17
-447,880	-413,209	-104,148	-101,821	-106,973	-100,267	-14,551	-15,096	-3,749	-3,623	-3,776	-3,948	18
-409,452	-378,878	-94,838	-93,320	-98,438	-92,282	-2,866	-2,531	-732	-669	-577	-553	19
-368,114	-339,428	-84,524	-83,216	-88,768	-82,920							20
-41,338	-39,450	-10,314	-10,104	-9,670	-9,362	-2,866	-2,531	-732	-669	-577	-553	21
-3,720	-4,169	-1,026	-940	-1,026	-1,177							22
-11,912	-10,657	-2,906	-2,992	-2,386	-2,373							23
-5,164	-5,020	-1,408	-1,324	-1,318	-970							24
-12,865	-11,932	-3,119	-2,903	-3,003	-2,907	-1,519	-1,516	-474	-412	-325	-305	25
-300	-330	-81	-82	-84	-83	-1,074	-555	-140	-141	-138	-136	26
-6,614	-6,540	-1,570	-1,662	-1,651	-1,657	-273	-451	-117	-115	-113	-106	27
-763	-802	-204	-201	-202	-195		-9	-1	-1	-1	-6	28
-38,428	-34,331	-9,310	-8,501	-8,535	-7,985	-11,685	-12,565	-3,017	-2,954	-3,199	-3,395	29
-37,914	-33,791	-9,146	-8,390	-8,440	-7,815	-11,685	-12,565	-3,017	-2,954	-3,199	-3,395	30
-2,591	-489	-261	-261	-99	-98	-7,851	-8,984	-2,100	-2,074	-2,280	-2,530	31
-13,209	-10,945	-3,736	-2,740	-2,505	-1,964	-3,814	-3,549	-911	-874	-910	-854	32
-22,114	-22,357	-5,379	-5,389	-5,836	-5,753	-20	-32	-6	-6	-9	-11	33
-514	-540	-164	-111	-95	-170							34
-22,250	-18,282	-4,186	-4,050	-4,716	-5,330	-10,011	-8,691	-1,998	-1,886	-1,726	-3,081	35
-11,382	-6,282	-1,074	-1,286	-1,607	-2,315	-1,173	-732	-253	-195	-140	-144	36
-497	-549	-154	-129	-128	-138	-1,306	-2,069	-267	-90	-157	-1,555	37
-10,371	-11,451	-2,958	-2,635	-2,981	-2,877	-7,532	-5,890	-1,478	-1,601	-1,429	-1,382	38
126	138	36	35	31	36							39
-14,576	-18,332	-11,054	-4,474	208	-3,012	-13,400	7,125	-673	-6,143	-7,815	21,756	40
						1,586	-4,230	385	-1,171	-3,387	-57	41
							-722	-630	-189	-156	-145	42
						2,308	-3,600	574	-1,015	-3,242	83	43
												44
-54	107	245	-515	340	37	-1,178	-1,292	-355	-377	-336	-224	46
-2,020	-2,038	-475	-809	-117	-637	-1,178	-1,292	-355	-377	-336	-224	47
2,001	2,014	582	323	467	642							48
-35	131	138	-29	-10	32							49
-14,522	-18,439	-11,299	-3,959	-132	-3,049	-13,808	12,647	-703	-4,595	-4,092	22,037	50
-14,495	-14,708	-6,939	-2,786	-2,759	-2,224	-13,233	-14,334	-3,360	-3,109	-3,792	-4,073	51
117	2,424	-569	-210	1,669	1,534	-454	1,025	122	-394	239	239	52
-3,102	-2,074	-2,355	-311	592	-78	25,746	2	-2	1	25,745	53	
2,958	-4,081	-1,436	-652	366	-2,359	-43	1,597	-1,606	93	126	54	
59,442	81,679	29,420	-864	27,337	25,786	5,728	1,407	5,474	7,885	11,561	-23,513	55
(18)	(18)	(18)	(18)	(18)	(18)	5	19		1	10	8	56
(18)	(18)	(18)	(18)	(18)	(18)							57
(18)	(18)	(18)	(18)	(18)	(18)							58
(18)	(18)	(18)	(18)	(18)	(18)							59
(18)	(18)	(18)	(18)	(18)	(18)							60
-1,642	-1,213	-748	-240	102	-327	5	19		1	10	8	61
(18)	(18)	(18)	(18)	(18)	(18)							62
(18)	(18)	(18)	(18)	(18)	(18)							63
12,082	642	-489	765	-349	715	5,723	1,388	5,474	7,884	11,551	-23,521	64
(18)	(18)	(18)	(18)	(18)	(18)	6,539	8,062	1,833	1,944	2,071	2,214	65
36,996	70,547	22,876	15,739	16,611	15,321	-97	566	290	-34	146	164	66
						1,129	23,783	2,311	2,772	8,203	10,497	67
2,908	1,666	215	1,237	214	182	182	-34,258	44	51		-34,353	68
189,098	1810,037	187,566	18-18,365	1810,759	1810,077	18-2,030	183,235	18996	183,151	181,131	18-2,043	69
165,196	129,201	24,660	52,038	26,494	26,009	-3,231	-19,779	-7,648	-4,935	-6,999	-197	70
-205,637	-187,285	-43,236	-45,280	-52,688	-46,081	1						71
19,556	18,869	5,251	4,014	5,478	4,126	3,274	3,649	801	895	939	1,014	72
-186,081	-168,416	-37,985	-41,266	-47,210	-41,955	3,275	3,649	801	895	939	1,014	73
-1,857	-5,988	-891	-1,419	-1,534	-1,534	17,639	16,289	4,044	4,184	4,040	4,021	74
-22,250	-18,282	-4,186	-4,050	-4,716	-5,330	-10,011	-8,691	-1,998	-1,886	-1,726	-3,081	75
-210,188	-192,686	-43,062	-46,735	-54,070	-48,819	10,903	11,247	2,847	3,193	3,253	1,954	76

## Footnotes to U.S. International Transactions Tables 1-10

**General notes for all tables:** <sup>p</sup> Preliminary. <sup>r</sup> Revised. <sup>+</sup> Less than \$500,000 (+/-) <sup>0</sup> Suppressed to avoid disclosure of data of individual companies.

**Table 1:**

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

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

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

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

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

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

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

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

8. Includes sales of foreign obligations to foreigners.

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

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

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

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

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

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

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

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

16. Break in series. See Technical Notes in the June 1989-90, 1992-95, and July 1996-2001 issues of the SURVEY.

**Table 2:**

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

From 1983 forward, both unadjusted and seasonally adjusted data have been prepared by BEA from "actual" and "revised statistical" monthly data supplied by the Census Bureau (see Technical Notes in the December 1985 SURVEY).

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

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

3. Exports of military equipment under U.S. military agency sales contracts with foreign governments (line A6), and direct imports by the Department of Defense and the Coast Guard (line A14), to the extent such trade is identifiable from Customs declarations. The exports are included in tables 1 and 10, line 5 (transfers under U.S. military agency sales contracts); the imports are included in tables 1 and 10, line 22 (direct defense expenditures).

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

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

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

7. Annual and unadjusted quarterly data shown in this table correspond to country and area data in table 10, lines 3 and 20. Trade with international organizations includes purchases of nonmonetary gold from the International Monetary Fund, transfers of tin to the International Tin Council (ITC), and sales of satellites to Intelsat. The memoranda are defined as follows: *Industrial countries:* Western Europe, Canada, Japan, Australia, New Zealand, and South Africa; *Members of OPEC:* Venezuela, Ecuador, Iraq, Iran, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Indonesia, Algeria, Libya, Nigeria, and Gabon (Excludes Ecuador beginning in January 1993 and Gabon beginning in January 1995); *Other countries:* Eastern Europe, Latin America and Other Western Hemisphere, and other countries in Asia and Africa, less OPEC. Before 1984, complete geographic area detail was not available for some balance of payments adjustments. Therefore, the detail shown does not always sum to the values shown for the area aggregates. For all years, "Asia" and "Africa" exclude certain Pacific Islands and unidentified countries included in "Other countries in Asia and Africa."

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

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

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

**Table 3:**

1. 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, software licensing fees, and other intangible property rights.

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

**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 A4. Deliveries against these military sales contracts are included in line C10; see footnote 2. Of the line A4 items, part of these mil-

itary expenditures is applied in lines A43 and A46 to reduce short-term assets previously recorded in lines A41 and C8; this application of funds is excluded from lines C3 and C4. A second part of line A4 expenditures finances future deliveries under military sales contracts for the recipient countries and is applied directly to lines A42 and C9. Third part of line A4, disbursed directly to finance purchases by recipient countries from commercial suppliers in the United States, is included in line A37. A fourth part of line A4, representing dollars paid to the recipient countries finance purchases from countries other than the United States, is included in line A48.

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

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

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

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

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

7. Excludes liabilities associated with military sales contracts financed by U.S. Government grants and credits as 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 holding

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

2. Deposits (line A5) include other financial claims (line A7) for some countries due to the commingling of the categories in foreign source data.

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

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

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

6. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.

**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, Edge Act subsidiaries, and U.S. bank holding companies. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States. U.S. brokers and dealers are identified separately beginning with the first quarter of 1997; prior to 1997, they are commingled with U.S.-owned banks' accounts.

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. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.

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, Edge Act subsidiaries, and U.S. bank holding companies. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States. U.S. brokers and dealers are identified separately beginning with the first quarter of 1997; prior to 1997, they are commingled with U.S.-owned banks' accounts.

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

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

8. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.

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; before 1996, small transactions in business services that are not reported by country; and net U.S. currency flows, for which geographic source data are not available.

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

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

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.

# BEA Current and Historical Data

## National, International, and Regional Data

This section presents an extensive selection of economic statistics prepared by the Bureau of Economic Analysis (BEA) and a brief selection of collateral statistics prepared by other Government agencies and private organizations. Series that originate in Government agencies are not copyrighted and may be reprinted freely. Series from private sources are provided through the courtesy of the compilers and are subject to their copyrights.

BEA's economic statistics are available on three Web

sites. BEA's Web site at <www.bea.gov> contains data, articles, and news releases from the national, industry, international, and regional programs. The Federal Statistical Briefing Room (FSBR) on the White House Web site at <www.whitehouse.gov/fsbr/esbr.html> provides key economic statistics, including gross domestic product. The Commerce Department's STAT-USA Web site at <www.stat-usa.gov> provides detailed databases and news releases from BEA and from other Federal Government agencies by subscription.

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

### National Data

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

### International Data

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

### Regional Data

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

### Appendixes

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

## National Data

## A. Selected NIPA Tables

The tables in this section include the most recent estimates of gross domestic product and its components; these estimates were released on March 28, 2002, and include the "final" estimates for the fourth quarter of 2001.

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

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

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

## S. Summary Tables

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

[Percent]

	2000	2001	Seasonally adjusted at annual rates				
			2000		2001		
			IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>4.1</b>	<b>1.2</b>	<b>1.9</b>	<b>1.3</b>	<b>.3</b>	<b>-1.3</b>	<b>1.7</b>
<b>Personal consumption expenditures</b> .....	<b>4.8</b>	<b>3.1</b>	<b>3.1</b>	<b>3.0</b>	<b>2.5</b>	<b>1.0</b>	<b>6.1</b>
Durable goods .....	9.5	6.7	-2.1	10.6	7.0	.9	39.4
Nondurable goods .....	4.7	1.8	.6	2.4	.3	.6	2.5
Services .....	4.0	3.0	5.6	1.8	2.8	1.2	2.0
<b>Gross private domestic investment</b> .....	<b>6.8</b>	<b>-8.0</b>	<b>-2.3</b>	<b>-12.3</b>	<b>-12.1</b>	<b>-10.5</b>	<b>-23.5</b>
Fixed investment .....	7.6	-2.0	.5	1.9	-9.7	-5.7	-11.4
Nonresidential .....	9.9	-3.2	1.0	-.2	-14.6	-8.5	-13.8
Structures .....	6.2	.9	7.6	12.3	-12.2	-7.5	-33.6
Equipment and software .....	11.1	-4.4	-1.1	-4.1	-15.4	-8.8	-5.3
Residential .....	.8	1.5	-1.1	8.5	5.9	2.4	-4.6
Change in private inventories .....							
<b>Net exports of goods and services</b> .....							
Exports .....	9.5	-4.5	-4.0	-1.2	-11.9	-18.8	-10.9
Goods .....	11.3	-5.6	-6.9	-2.4	-17.3	-19.4	-10.0
Services .....	5.3	-1.9	3.7	1.8	2.4	-17.2	-13.1
Imports .....	13.4	-2.7	-5	-5.0	-8.4	-13.0	-7.5
Goods .....	13.5	-2.8	-6	-6.7	-9.5	-10.0	-3.6
Services .....	12.6	-2.6	.0	4.9	-2.0	-29.1	-28.5
<b>Government consumption expenditures and gross investment</b> .....	<b>2.7</b>	<b>3.6</b>	<b>3.3</b>	<b>5.3</b>	<b>5.0</b>	<b>.3</b>	<b>10.2</b>
Federal .....	1.7	2.7	4.6	3.2	1.8	3.6	11.4
National defense .....	.1	4.7	10.5	7.5	2.3	3.2	9.0
Nondefense .....	4.6	-9	-5.1	-4.3	.9	4.2	16.0
State and local .....	3.2	4.0	2.7	6.4	6.6	-1.3	9.6
<b>Addenda:</b>							
Final sales of domestic product .....	4.3	2.3	2.4	4.0	.7	-.5	3.8
Gross domestic purchases .....	4.8	1.3	2.2	.7	.4	-1.0	1.7
Final sales to domestic purchasers .....	4.9	2.3	2.7	3.2	.8	-.3	3.9
Gross national product .....	4.1	1.3	2.8	.8	.3	-1.3	2.6
Disposable personal income .....	3.5	3.6	4.2	2.7	2.4	12.3	-8.1

NOTE. Percent changes from preceding period in the current-dollar and price measures for these series are shown in table 8.1.

**Table S.2. Summary of Contributions to Percent Change in Real Gross Domestic Product**

	2000	2001	Seasonally adjusted at annual rates				
			2000		2001		
			IV	I	II	III	IV
<b>Percent change at annual rate:</b>							
<b>Gross domestic product</b> .....	<b>4.1</b>	<b>1.2</b>	<b>1.9</b>	<b>1.3</b>	<b>.3</b>	<b>-1.3</b>	<b>1.7</b>
<b>Percentage points at annual rates:</b>							
<b>Personal consumption expenditures</b> .....	<b>3.28</b>	<b>2.10</b>	<b>2.14</b>	<b>2.05</b>	<b>1.72</b>	<b>.67</b>	<b>4.14</b>
Durable goods .....	.77	.54	-.17	.83	.56	.07	2.84
Nondurable goods .....	.94	.36	.12	.49	.06	.12	.50
Services .....	1.57	1.19	2.19	.73	1.10	.48	.80
<b>Gross private domestic investment</b> .....	<b>1.19</b>	<b>-1.41</b>	<b>-.42</b>	<b>-2.28</b>	<b>-2.16</b>	<b>-1.79</b>	<b>-4.12</b>
Fixed investment .....	1.28	-.33	.09	.33	-1.74	-.97	-1.96
Nonresidential .....	1.25	-.40	.13	-.02	-1.99	-1.08	-1.75
Structures .....	.19	.02	.24	.39	-.44	-.26	-1.27
Equipment and software .....	1.06	-.42	-.11	-.41	-1.55	-.82	-.47
Residential .....	.04	.07	-.05	.35	.25	.10	-.21
Change in private inventories .....	-.09	-1.08	-.50	-2.61	-.42	-.81	-2.16
<b>Net exports of goods and services</b> .....	<b>-.79</b>	<b>-.12</b>	<b>-.39</b>	<b>.63</b>	<b>-.12</b>	<b>-.27</b>	<b>-.14</b>
Exports .....	1.01	-.49	-.46	-.13	-1.37	-2.13	-1.14
Goods .....	.85	-.44	-.58	-.19	-1.45	-1.55	-.72
Services .....	.17	-.06	.12	.06	.08	-.58	-.42
Imports .....	-1.81	.37	.07	.76	1.25	1.86	1.00
Goods .....	-1.54	.33	.07	.87	1.21	1.20	.40
Services .....	-.26	.04	.00	-.11	.05	.66	.59
<b>Government consumption expenditures and gross investment</b> .....	<b>.47</b>	<b>.63</b>	<b>.58</b>	<b>.92</b>	<b>.87</b>	<b>.05</b>	<b>1.76</b>
Federal .....	.10	.16	.27	.19	.11	.21	.66
National defense .....	.00	.18	.38	.28	.09	.12	.34
Nondefense .....	.10	-.02	-.11	-.09	.02	.09	.32
State and local .....	.37	.47	.31	.73	.76	-.16	1.10

NOTE. More detailed contributions to percent change in real gross domestic product are shown in table 8.2. Contributions to percent change in major components of real gross domestic product are shown in tables 8.3 through 8.6.



## 1. National Product and Income

**Table 1.1. Gross Domestic Product**  
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
				IV	I	II	III
<b>Gross domestic product</b> .....	<b>9,872.9</b>	<b>10,208.1</b>	<b>10,027.9</b>	<b>10,141.7</b>	<b>10,202.6</b>	<b>10,224.9</b>	<b>10,263.3</b>
<b>Personal consumption expenditures</b> .....	<b>6,728.4</b>	<b>7,064.5</b>	<b>6,871.4</b>	<b>6,977.6</b>	<b>7,044.6</b>	<b>7,057.6</b>	<b>7,178.2</b>
Durable goods.....	819.6	858.3	818.7	838.1	844.7	840.6	909.8
Nondurable goods.....	1,989.6	2,055.1	2,025.1	2,047.1	2,062.3	2,057.5	2,053.5
Services.....	3,919.2	4,151.1	4,027.5	4,092.4	4,137.6	4,159.4	4,214.9
<b>Gross private domestic investment</b> .....	<b>1,767.5</b>	<b>1,633.9</b>	<b>1,780.3</b>	<b>1,722.8</b>	<b>1,669.9</b>	<b>1,624.8</b>	<b>1,518.2</b>
Fixed investment.....	1,718.1	1,692.4	1,741.6	1,748.3	1,706.5	1,682.6	1,632.1
Nonresidential.....	1,293.1	1,246.0	1,318.2	1,311.2	1,260.2	1,231.0	1,181.6
Structures.....	313.6	330.3	330.9	345.8	338.6	334.3	302.5
Equipment and software.....	979.5	915.8	987.3	965.4	921.7	896.8	879.1
Residential.....	425.1	446.3	423.4	437.0	446.2	451.6	450.4
Change in private inventories.....	49.4	-58.4	38.7	-25.5	-36.6	-57.8	-113.9
<b>Net exports of goods and services</b> .....	<b>-364.0</b>	<b>-329.8</b>	<b>-390.6</b>	<b>-363.8</b>	<b>-347.4</b>	<b>-294.4</b>	<b>-313.5</b>
Exports.....	1,102.9	1,050.4	1,121.0	1,117.4	1,079.6	1,020.6	983.8
Goods.....	785.6	736.4	799.7	794.2	754.4	710.7	686.1
Services.....	317.3	314.0	321.3	323.2	325.2	309.8	297.7
Imports.....	1,466.9	1,380.1	1,511.6	1,481.2	1,427.0	1,315.0	1,297.3
Goods.....	1,244.9	1,173.5	1,284.0	1,248.7	1,197.8	1,145.6	1,101.9
Services.....	221.9	206.6	227.7	232.5	229.2	169.4	195.4
<b>Government consumption expenditures and gross investment</b> .....	<b>1,741.0</b>	<b>1,839.5</b>	<b>1,766.8</b>	<b>1,805.2</b>	<b>1,835.4</b>	<b>1,836.9</b>	<b>1,880.4</b>
Federal.....	590.2	615.7	594.2	605.3	609.9	615.7	631.7
National defense.....	375.4	399.0	382.4	392.9	396.1	399.6	407.5
Nondefense.....	214.8	216.6	211.8	212.4	213.8	216.1	224.2
State and local.....	1,150.8	1,223.8	1,172.6	1,199.8	1,225.5	1,221.2	1,248.7

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

**Table 1.2. Real Gross Domestic Product**  
[Billions of chained (1996) dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
				IV	I	II	III
<b>Gross domestic product</b> .....	<b>9,224.0</b>	<b>9,333.8</b>	<b>9,303.9</b>	<b>9,334.5</b>	<b>9,341.7</b>	<b>9,310.4</b>	<b>9,348.6</b>
<b>Personal consumption expenditures</b> .....	<b>6,257.8</b>	<b>6,450.3</b>	<b>6,341.1</b>	<b>6,388.5</b>	<b>6,428.4</b>	<b>6,443.9</b>	<b>6,540.3</b>
Durable goods.....	895.5	955.6	899.4	922.4	938.1	940.2	1,021.7
Nondurable goods.....	1,849.9	1,883.3	1,866.8	1,878.0	1,879.4	1,882.0	1,893.6
Services.....	3,527.7	3,633.4	3,588.8	3,605.1	3,629.8	3,640.4	3,658.2
<b>Gross private domestic investment</b> .....	<b>1,772.9</b>	<b>1,630.8</b>	<b>1,778.3</b>	<b>1,721.0</b>	<b>1,666.2</b>	<b>1,620.5</b>	<b>1,515.5</b>
Fixed investment.....	1,716.2	1,682.6	1,732.1	1,740.3	1,696.4	1,671.6	1,621.9
Nonresidential.....	1,350.7	1,308.0	1,374.5	1,373.9	1,320.9	1,292.0	1,245.0
Structures.....	272.8	275.2	283.3	291.7	282.3	276.8	249.9
Equipment and software.....	1,087.4	1,039.0	1,099.3	1,087.7	1,043.2	1,019.4	1,005.6
Residential.....	371.4	376.9	365.3	372.9	378.3	380.5	376.0
Change in private inventories.....	50.6	-61.7	42.8	-27.1	-38.3	-61.9	-119.3
<b>Net exports of goods and services</b> .....	<b>-399.1</b>	<b>-408.7</b>	<b>-421.1</b>	<b>-404.5</b>	<b>-406.7</b>	<b>-411.0</b>	<b>-412.7</b>
Exports.....	1,133.2	1,081.7	1,147.5	1,144.1	1,108.3	1,052.2	1,022.2
Goods.....	836.1	788.9	849.5	844.4	805.2	762.9	743.1
Services.....	299.3	293.7	300.5	301.8	303.6	289.6	279.6
Imports.....	1,532.3	1,490.4	1,568.5	1,548.6	1,515.0	1,463.2	1,434.9
Goods.....	1,315.6	1,278.7	1,345.9	1,322.8	1,290.1	1,256.6	1,245.1
Services.....	218.7	213.0	224.7	227.4	226.2	207.6	190.9
<b>Government consumption expenditures and gross investment</b> .....	<b>1,572.6</b>	<b>1,628.6</b>	<b>1,582.8</b>	<b>1,603.4</b>	<b>1,623.0</b>	<b>1,624.1</b>	<b>1,663.9</b>
Federal.....	545.9	560.3	547.9	552.2	554.7	559.6	574.9
National defense.....	349.0	365.3	353.8	360.3	362.4	365.3	373.2
Nondefense.....	196.7	195.0	194.0	191.8	192.3	194.3	201.6
State and local.....	1,026.3	1,067.5	1,034.3	1,050.5	1,067.4	1,063.8	1,088.4
Residual.....	-4.4	13.4	-3.3	5.2	14.3	21.3	13.0

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Percent changes from preceding period for selected items in this table are shown in table 8.1; contributions to the percent change in real gross domestic product are shown in table 8.2.

Chain-type quantity indexes for the series in this table are shown in table 7.1.

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

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
			IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>9,872.9</b>	<b>10,208.1</b>	<b>10,027.9</b>	<b>10,141.7</b>	<b>10,202.6</b>	<b>10,224.9</b>	<b>10,263.3</b>
Final sales of domestic product.....	9,823.6	10,266.6	9,989.2	10,167.2	10,239.1	10,282.7	10,377.2
Change in private inventories.....	49.4	-58.4	38.7	-25.5	-36.6	-57.8	-113.9
<b>Goods</b> .....	<b>3,694.2</b>	<b>3,661.1</b>	<b>3,709.3</b>	<b>3,693.4</b>	<b>3,678.4</b>	<b>3,632.5</b>	<b>3,640.2</b>
Final sales.....	3,644.8	3,719.5	3,670.6	3,718.8	3,715.0	3,690.3	3,754.1
Change in private inventories.....	49.4	-58.4	38.7	-25.5	-36.6	-57.8	-113.9
Durable goods.....	1,769.9	1,680.6	1,772.2	1,724.8	1,694.9	1,649.6	1,653.3
Final sales.....	1,735.2	1,735.4	1,740.7	1,755.8	1,737.2	1,704.9	1,743.8
Change in private inventories <sup>1</sup> .....	34.7	-54.8	31.5	-31.0	-42.3	-55.3	-90.5
Nondurable goods.....	1,924.3	1,980.5	1,937.1	1,968.6	1,983.5	1,982.9	1,986.9
Final sales.....	1,909.6	1,984.1	1,929.9	1,963.1	1,977.8	1,985.4	2,010.3
Change in private inventories <sup>1</sup> .....	14.7	-3.7	7.2	5.5	5.8	-2.5	-23.4
<b>Services</b> .....	<b>5,268.4</b>	<b>5,580.3</b>	<b>5,393.0</b>	<b>5,482.8</b>	<b>5,545.7</b>	<b>5,626.5</b>	<b>5,666.2</b>
<b>Structures</b> .....	<b>910.3</b>	<b>966.7</b>	<b>925.6</b>	<b>965.6</b>	<b>978.4</b>	<b>965.9</b>	<b>956.9</b>
<b>Addenda:</b>							
Motor vehicle output Gross domestic product less motor vehicle output.....	353.0	333.1	332.1	315.5	331.5	338.7	346.8
	9,519.9	9,875.0	9,695.8	9,826.3	9,871.1	9,886.2	9,916.5

1. Estimates for durable goods and nondurable goods for 1997 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).  
NOTE: Percent changes from preceding period for gross domestic product and for final sales of domestic product are shown in table 8.1.

**Table 1.4. Real Gross Domestic Product by Major Type of Product**  
[Billions of chained (1996) dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
			IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>9,224.0</b>	<b>9,333.8</b>	<b>9,303.9</b>	<b>9,334.5</b>	<b>9,341.7</b>	<b>9,310.4</b>	<b>9,348.6</b>
Final sales of domestic product.....	9,167.0	9,376.5	9,256.7	9,347.8	9,364.8	9,352.5	9,440.9
Change in private inventories.....	50.6	-61.7	42.8	-27.1	-38.3	-61.9	-119.3
Residual.....	6.4	19.0	4.4	13.8	15.2	19.8	27.0
<b>Goods</b> .....	<b>3,719.4</b>	<b>3,664.4</b>	<b>3,730.3</b>	<b>3,706.2</b>	<b>3,672.2</b>	<b>3,631.4</b>	<b>3,647.6</b>
Final sales.....	3,663.1	3,716.7	3,684.5	3,726.3	3,703.1	3,683.1	3,754.4
Change in private inventories.....	50.6	-61.7	42.8	-27.1	-38.3	-61.9	-119.3
Durable goods.....	1,908.1	1,835.2	1,913.1	1,873.6	1,848.9	1,804.2	1,814.0
Final sales.....	1,868.7	1,895.2	1,877.1	1,907.3	1,894.8	1,865.4	1,913.5
Change in private inventories <sup>1</sup> .....	36.0	-58.6	32.8	-32.8	-44.5	-60.3	-97.0
Nondurable goods.....	1,822.2	1,833.7	1,828.0	1,839.8	1,829.4	1,829.4	1,836.1
Final sales.....	1,804.8	1,831.8	1,817.6	1,830.5	1,819.5	1,825.9	1,851.3
Change in private inventories <sup>1</sup> .....	15.1	-4.6	10.5	4.5	4.5	-3.3	-23.9
<b>Services</b> .....	<b>4,725.1</b>	<b>4,860.0</b>	<b>4,789.9</b>	<b>4,816.1</b>	<b>4,848.4</b>	<b>4,869.7</b>	<b>4,905.8</b>
<b>Structures</b> .....	<b>792.2</b>	<b>809.9</b>	<b>794.3</b>	<b>817.6</b>	<b>821.8</b>	<b>806.7</b>	<b>793.5</b>
Residual.....	-17.9	.1	-18.3	-8.7	-2.8	6.3	5.4
<b>Addenda:</b>							
Motor vehicle output Gross domestic product less motor vehicle output.....	353.8	337.2	333.1	318.1	336.1	343.0	351.5
	8,870.8	8,996.1	8,969.8	9,014.0	9,004.9	8,967.4	8,998.0

1. Estimates for durable goods and nondurable goods for 1997 and earlier periods are based on the 1987 Standard Industrial Classification (SIC); later estimates for these industries are based on the North American Industry Classification System (NAICS).  
NOTE: Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line following change in private inventories is the difference between gross domestic product and the sum of final sales of domestic product and of change in private inventories; the residual line following structures is the difference between gross domestic product and the sum of the detailed lines of goods, of services, and of structures.  
Percent changes from preceding period for gross domestic product and for final sales of domestic product are shown in table 8.1.  
Chain-type quantity indexes for the series in this table are shown in table 7.17.

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

<b>Gross domestic product</b> .....	<b>9,872.9</b>	<b>10,208.1</b>	<b>10,027.9</b>	<b>10,141.7</b>	<b>10,202.6</b>	<b>10,224.9</b>	<b>10,263.3</b>
Less: Exports of goods and services.....	1,102.9	1,050.4	1,121.0	1,117.4	1,079.6	1,020.6	983.8
Plus: Imports of goods and services.....	1,466.9	1,380.1	1,511.6	1,481.2	1,427.0	1,315.0	1,297.3
<b>Equals: Gross domestic purchases</b> .....	<b>10,236.9</b>	<b>10,537.9</b>	<b>10,418.5</b>	<b>10,505.6</b>	<b>10,549.9</b>	<b>10,519.3</b>	<b>10,576.8</b>
Less: Change in private inventories.....	49.4	-58.4	38.7	-25.5	-36.6	-57.8	-113.9
<b>Equals: Final sales to domestic purchasers</b> .....	<b>10,187.5</b>	<b>10,596.3</b>	<b>10,379.8</b>	<b>10,531.0</b>	<b>10,586.5</b>	<b>10,577.1</b>	<b>10,690.7</b>

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

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

<b>Gross domestic product</b> .....	<b>9,224.0</b>	<b>9,333.8</b>	<b>9,303.9</b>	<b>9,334.5</b>	<b>9,341.7</b>	<b>9,310.4</b>	<b>9,348.6</b>
Less: Exports of goods and services.....	1,133.2	1,081.7	1,147.5	1,144.1	1,108.3	1,052.2	1,022.2
Plus: Imports of goods and services.....	1,532.3	1,490.4	1,568.5	1,548.6	1,515.0	1,463.2	1,434.9
<b>Equals: Gross domestic purchases</b> .....	<b>9,594.7</b>	<b>9,715.7</b>	<b>9,694.4</b>	<b>9,710.4</b>	<b>9,720.4</b>	<b>9,695.1</b>	<b>9,737.0</b>
Less: Change in private inventories.....	50.6	-61.7	42.8	-27.1	-38.3	-61.9	-119.3
<b>Equals: Final sales to domestic purchasers</b> .....	<b>9,537.7</b>	<b>9,758.8</b>	<b>9,647.1</b>	<b>9,723.8</b>	<b>9,743.7</b>	<b>9,737.5</b>	<b>9,830.3</b>

NOTE: Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.  
Percent changes from preceding period for selected series in this table are shown in table 8.1.  
Chain-type quantity indexes for selected series in this table are shown in table 7.2.

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

<b>Gross domestic product</b> .....	<b>9,872.9</b>	<b>10,208.1</b>	<b>10,027.9</b>	<b>10,141.7</b>	<b>10,202.6</b>	<b>10,224.9</b>	<b>10,263.3</b>
<b>Business<sup>1</sup></b> .....	<b>8,356.8</b>	<b>8,603.3</b>	<b>8,487.8</b>	<b>8,574.1</b>	<b>8,609.4</b>	<b>8,606.6</b>	<b>8,623.1</b>
Nonfarm <sup>2</sup> .....	8,277.8	8,519.3	8,404.3	8,489.2	8,525.2	8,516.4	8,546.3
Nonfarm less housing.....	7,480.8	7,682.0	7,592.5	7,670.5	7,687.7	7,674.9	7,694.8
Housing.....	796.9	837.3	811.9	818.7	837.5	841.5	851.5
Farm.....	79.0	84.0	83.5	84.9	84.2	90.3	76.8
<b>Households and institutions</b> .....	<b>432.0</b>	<b>469.2</b>	<b>443.6</b>	<b>454.3</b>	<b>465.6</b>	<b>474.8</b>	<b>482.1</b>
Private households.....	13.6	15.2	14.4	14.8	15.1	15.4	15.5
Nonprofit institutions.....	418.4	454.0	429.2	439.5	450.5	459.5	466.6
<b>General government<sup>3</sup></b> .....	<b>1,084.2</b>	<b>1,135.6</b>	<b>1,096.5</b>	<b>1,113.3</b>	<b>1,127.6</b>	<b>1,143.4</b>	<b>1,158.2</b>
Federal.....	323.8	334.5	323.2	329.6	332.2	335.6	340.4
State and local.....	760.4	801.1	773.3	783.7	795.3	807.7	817.8

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

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

<b>Gross domestic product</b> .....	<b>9,224.0</b>	<b>9,333.8</b>	<b>9,303.9</b>	<b>9,334.5</b>	<b>9,341.7</b>	<b>9,310.4</b>	<b>9,348.6</b>
<b>Business<sup>1</sup></b> .....	<b>7,879.1</b>	<b>7,953.9</b>	<b>7,949.8</b>	<b>7,971.6</b>	<b>7,967.3</b>	<b>7,923.9</b>	<b>7,952.8</b>
Nonfarm <sup>2</sup> .....	7,761.5	7,837.4	7,828.7	7,852.6	7,853.2	7,808.6	7,835.4
Nonfarm less housing.....	7,053.3	7,121.4	7,115.8	7,141.0	7,132.3	7,092.4	7,120.1
Housing.....	709.3	717.1	714.2	713.0	721.7	717.1	716.5
Farm.....	120.5	118.1	125.2	121.9	114.6	116.5	119.5
<b>Households and institutions</b> .....	<b>388.6</b>	<b>402.8</b>	<b>393.0</b>	<b>396.8</b>	<b>402.1</b>	<b>405.2</b>	<b>407.1</b>
Private households.....	12.0	12.9	12.6	12.7	12.9	13.1	13.1
Nonprofit institutions.....	376.7	389.9	380.4	384.2	389.2	392.1	394.0
<b>General government<sup>3</sup></b> .....	<b>959.3</b>	<b>979.0</b>	<b>964.4</b>	<b>969.1</b>	<b>974.7</b>	<b>982.6</b>	<b>989.7</b>
Federal.....	290.1	293.1	289.8	289.9	290.9	293.8	297.6
State and local.....	669.0	685.7	674.3	679.0	683.6	688.5	691.9
Residual.....	-6.9	-4.4	-8.7	-7.2	-3.5	-3.1	-4.1

1. Equals gross domestic product less gross product of households and institutions and of general government.  
2. Equals gross domestic business product less gross farm product.  
3. Equals compensation of general government employees plus general government consumption of fixed capital as shown in table 3.8.  
NOTE: Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.  
Chain-type quantity indexes for the series in this table are shown in table 7.14.

**Table 1.9. Relation of Gross Domestic Product, Gross National Product, Net National Product, National Income, and Personal Income**  
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
			IV	I	II	III	IV
<b>Gross domestic product</b>	<b>9,872.9</b>	<b>10,208.1</b>	<b>10,027.9</b>	<b>10,141.7</b>	<b>10,202.6</b>	<b>10,224.9</b>	<b>10,263.3</b>
<i>Plus: Income receipts from the rest of the world</i> .....	384.2	335.2	402.1	378.9	346.9	321.3	293.6
<i>Less: Income payments to the rest of the world</i> .....	396.3	340.5	397.9	389.4	358.6	332.4	281.6
<b>Equals: Gross national product</b> .....	<b>9,860.8</b>	<b>10,202.8</b>	<b>10,032.1</b>	<b>10,131.3</b>	<b>10,190.9</b>	<b>10,213.8</b>	<b>10,275.3</b>
<i>Less: Consumption of fixed capital</i> .....	1,241.3	1,351.4	1,276.8	1,299.9	1,341.5	1,406.7	1,357.4
Private.....	1,029.9	1,127.6	1,060.9	1,081.3	1,120.2	1,177.4	1,131.3
Capital consumption allowances.....	1,056.3	1,181.1	1,080.6	1,098.1	1,124.3	1,173.1	1,329.0
<i>Less: Capital consumption adjustment</i> .....	26.4	53.6	19.6	16.8	4.1	-4.3	197.7
Government.....	211.3	223.8	215.9	218.6	221.3	229.3	226.0
General government.....	180.1	189.4	184.1	186.2	188.6	190.0	192.5
Government enterprises.....	31.2	34.4	31.9	32.3	32.7	39.2	33.5
<b>Equals: Net national product</b> .....	<b>8,619.5</b>	<b>8,851.5</b>	<b>8,755.3</b>	<b>8,831.4</b>	<b>8,849.4</b>	<b>8,807.1</b>	<b>8,918.0</b>
<i>Less: Indirect business tax and nontax liability</i>	762.7	794.0	775.6	785.7	792.3	793.9	804.0
Business transfer payments.....	43.9	44.6	44.4	44.3	44.5	44.7	45.0
Statistical discrepancy.....	-130.4	-149.8	-150.0	-120.5	-143.2	-149.7	-186.0
<i>Plus: Subsidies less current surplus of government enterprises</i> .....	37.6	54.8	38.7	47.8	52.2	71.5	47.7
<b>Equals: National income</b> .....	<b>7,980.9</b>	<b>8,217.5</b>	<b>8,124.0</b>	<b>8,169.7</b>	<b>8,207.9</b>	<b>8,189.6</b>	<b>8,302.6</b>
<i>Less: Corporate profits with inventory valuation and capital consumption adjustments</i> .....	876.4	767.1	847.6	789.8	759.8	697.0	822.0
Net interest.....	532.7	554.3	540.6	549.4	553.0	558.3	556.4
Contributions for social insurance.....	701.5	731.2	714.9	729.1	732.8	733.0	730.0
Wage accruals less disbursements.....	.0	.0	.0	.0	.0	.0	.0
<i>Plus: Personal interest income</i> .....	1,000.6	993.6	1,013.1	1,010.9	1,001.0	991.5	970.9
Personal dividend income.....	379.2	416.3	396.6	404.8	411.9	420.0	428.4
Government transfer payments to persons.....	1,036.0	1,113.8	1,055.2	1,088.7	1,104.6	1,123.7	1,138.0
Business transfer payments to persons.....	33.1	35.0	33.8	34.3	34.8	35.3	35.7
<b>Equals: Personal income</b> .....	<b>8,319.2</b>	<b>8,723.5</b>	<b>8,519.6</b>	<b>8,640.2</b>	<b>8,714.6</b>	<b>8,771.8</b>	<b>8,767.2</b>
<b>Addenda:</b>							
Gross domestic income.....	10,003.4	10,358.0	10,178.0	10,262.2	10,345.7	10,374.6	10,449.3
Gross national income.....	9,991.2	10,352.6	10,182.1	10,251.8	10,334.0	10,363.5	10,461.3
Net domestic product.....	8,631.7	8,856.8	8,751.1	8,841.9	8,861.1	8,818.2	8,906.0

**Table 1.10. Relation of Real Gross Domestic Product, Real Gross National Product, and Real Net National Product**  
[Billions of chained (1996) dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
			IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>9,224.0</b>	<b>9,333.8</b>	<b>9,303.9</b>	<b>9,334.5</b>	<b>9,341.7</b>	<b>9,310.4</b>	<b>9,348.6</b>
<i>Plus: Income receipts from the rest of the world</i> .....	360.2	309.1	374.3	350.3	319.6	296.2	270.4
<i>Less: Income payments to the rest of the world</i> .....	367.0	309.4	365.8	355.2	325.7	301.8	255.0
<b>Equals: Gross national product</b> .....	<b>9,216.4</b>	<b>9,333.6</b>	<b>9,311.7</b>	<b>9,329.1</b>	<b>9,335.5</b>	<b>9,304.9</b>	<b>9,364.7</b>
<i>Less: Consumption of fixed capital</i> .....	1,238.9	1,365.2	1,279.1	1,313.1	1,353.4	1,407.1	1,387.1
Private.....	1,036.2	1,153.0	1,073.4	1,105.6	1,144.2	1,188.5	1,173.6
Government.....	203.1	213.1	206.2	208.2	210.2	219.6	214.6
General government.....	173.9	181.0	176.5	178.2	180.0	181.9	183.9
Government enterprises.....	29.2	32.1	29.6	29.9	30.2	37.4	30.8
<b>Equals: Net national product</b> .....	<b>7,982.5</b>	<b>7,982.8</b>	<b>8,038.9</b>	<b>8,025.2</b>	<b>7,995.4</b>	<b>7,917.0</b>	<b>7,993.6</b>
<b>Addenda:</b>							
Gross domestic income <sup>1</sup> .....	9,345.7	9,470.7	9,443.1	9,445.4	9,472.8	9,446.7	9,518.1
Gross national income <sup>2</sup> .....	9,338.2	9,470.6	9,450.9	9,440.1	9,466.7	9,441.3	9,534.2
Net domestic product.....	7,990.0	7,983.1	8,031.2	8,030.6	8,001.5	7,922.5	7,977.8

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

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

NOTE: Except as noted in footnotes 1 and 2, chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

The chain-type quantity index for gross national product is shown in table 7.3.

**Table 1.11. Command-Basis Real Gross National Product**  
[Billions of chained (1996) dollars]

<b>Gross national product</b> .....	<b>9,216.4</b>	<b>9,333.6</b>	<b>9,311.7</b>	<b>9,329.1</b>	<b>9,335.5</b>	<b>9,304.9</b>	<b>9,364.7</b>
<i>Less: Exports of goods and services and income receipts from the rest of the world</i> .....	1,496.2	1,390.6	1,525.3	1,496.2	1,428.0	1,347.8	1,290.3
<i>Plus: Command-basis exports of goods and services and income receipts from the rest of the world</i> <sup>1</sup> .....	1,516.1	1,444.7	1,542.2	1,521.7	1,467.3	1,432.9	1,356.8
<b>Equals: Command-basis gross national product</b> .....	<b>9,236.3</b>	<b>9,387.7</b>	<b>9,328.6</b>	<b>9,354.7</b>	<b>9,374.9</b>	<b>9,390.1</b>	<b>9,431.1</b>
<b>Addendum:</b>							
Terms of trade <sup>2</sup> .....	101.3	103.9	101.1	101.7	102.8	106.3	105.1

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

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

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

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

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

**Table 1.14. National Income by Type of Income**  
(Billions of dollars)

	2000	2001	Seasonally adjusted at annual rates				
			2000		2001		
			IV	I	II	III	IV
<b>National income</b> .....	<b>7,980.9</b>	<b>8,217.5</b>	<b>8,124.0</b>	<b>8,169.7</b>	<b>8,207.9</b>	<b>8,189.6</b>	<b>8,302.6</b>
<b>Compensation of employees</b> ..	<b>5,715.2</b>	<b>6,010.0</b>	<b>5,868.9</b>	<b>5,955.7</b>	<b>6,010.8</b>	<b>6,037.7</b>	<b>6,035.7</b>
Wage and salary accruals....	4,837.2	5,098.2	4,973.2	5,049.4	5,099.8	5,123.4	5,120.0
Government.....	768.4	806.0	776.6	788.8	799.6	812.5	823.2
Other.....	4,068.8	4,292.2	4,196.6	4,260.6	4,300.2	4,311.0	4,296.9
Supplements to wages and salaries.....	878.0	911.8	895.7	906.3	911.0	914.2	915.6
Employer contributions for social insurance.....	343.8	358.0	350.8	357.1	358.8	358.8	357.2
Other labor income.....	534.2	553.8	544.9	549.3	552.2	555.4	558.5
<b>Proprietors' income with inventory valuation and capital consumption adjustments</b> .....	<b>715.0</b>	<b>743.5</b>	<b>725.2</b>	<b>735.2</b>	<b>745.3</b>	<b>752.7</b>	<b>740.8</b>
Farm.....	30.6	27.6	31.7	29.8	28.7	32.3	19.6
Proprietors' income with inventory valuation adjustment.....	38.2	35.1	38.9	37.2	36.0	39.9	27.4
Capital consumption adjustment.....	-7.6	-7.5	-7.2	-7.4	-7.3	-7.6	-7.8
Nonfarm.....	684.4	715.9	693.5	705.4	716.6	720.5	721.2
Proprietors' income	625.9	642.1	633.6	642.7	652.5	652.8	620.4
Inventory valuation adjustment.....	-1.1	.3	-4	-1	-8	.4	1.9
Capital consumption adjustment.....	59.6	73.4	60.2	62.7	64.9	67.2	98.9
<b>Rental income of persons with capital consumption adjustment</b> .....	<b>141.6</b>	<b>142.6</b>	<b>141.7</b>	<b>139.6</b>	<b>139.0</b>	<b>144.0</b>	<b>147.7</b>
Rental income of persons....	202.5	212.0	204.7	205.2	213.4	211.7	217.5
Capital consumption adjustment.....	-61.0	-69.4	-63.0	-65.5	-74.4	-67.7	-69.8
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>876.4</b>	<b>767.1</b>	<b>847.6</b>	<b>789.8</b>	<b>759.8</b>	<b>697.0</b>	<b>822.0</b>
Corporate profits with inventory valuation adjustment.....	833.0	700.7	809.2	753.8	729.5	683.6	635.9
Profits before tax.....	845.4	698.5	816.5	755.7	738.3	680.6	619.4
Profits tax liability.....	271.5	216.0	253.5	236.8	228.0	204.9	194.1
Profits after tax.....	573.9	482.5	563.0	518.9	510.3	475.6	425.2
Dividends.....	379.6	416.6	397.0	405.2	412.3	420.4	428.7
Undistributed profits	194.3	65.9	165.9	113.7	98.0	55.2	-3.5
Inventory valuation adjustment.....	-12.4	2.2	-7.3	-1.9	-8.8	3.1	16.6
Capital consumption adjustment.....	43.4	66.4	38.4	36.0	30.3	13.4	186.1
<b>Net interest</b> .....	<b>532.7</b>	<b>554.3</b>	<b>540.6</b>	<b>549.4</b>	<b>553.0</b>	<b>558.3</b>	<b>556.4</b>
<b>Addenda:</b>							
Corporate profits after tax with inventory valuation and capital consumption adjustments.....	604.9	551.2	594.1	553.0	531.8	492.0	627.9
Net cash flow with inventory valuation and capital consumption adjustments.....	952.4	933.1	946.7	911.6	905.1	918.6	997.1
Undistributed profits with inventory valuation and capital consumption adjustments.....	225.3	134.5	197.0	147.8	119.5	71.7	199.1
Consumption of fixed capital.....	727.1	798.6	749.7	763.8	785.6	847.0	798.0
Less: Inventory valuation adjustment.....	-12.4	2.2	-7.3	-1.9	-8.8	3.1	16.6
<b>Equals: Net cash flow</b> .....	<b>964.8</b>	<b>930.9</b>	<b>954.0</b>	<b>913.5</b>	<b>913.9</b>	<b>915.6</b>	<b>980.6</b>

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

	2000	2001	Seasonally adjusted at annual rates				
			2000		2001		
			IV	I	II	III	IV
	Billions of dollars						
<b>Gross product of corporate business</b> .....	<b>6,110.8</b>	<b>6,301.1</b>	<b>6,226.6</b>	<b>6,265.9</b>	<b>6,296.3</b>	<b>6,285.8</b>	<b>6,356.6</b>
Consumption of fixed capital ..	727.1	798.6	749.7	763.8	785.6	847.0	798.0
<b>Net product</b> .....	<b>5,383.8</b>	<b>5,502.5</b>	<b>5,476.9</b>	<b>5,502.1</b>	<b>5,510.6</b>	<b>5,438.8</b>	<b>5,558.6</b>
Indirect business tax and nontax liability plus business transfer payments less subsidies..	557.7	574.9	567.6	574.6	579.0	559.2	586.7
<b>Domestic income</b> .....	<b>4,826.0</b>	<b>4,927.6</b>	<b>4,909.3</b>	<b>4,927.4</b>	<b>4,931.6</b>	<b>4,879.6</b>	<b>4,971.9</b>
Compensation of employees.....	3,883.4	4,087.7	4,001.4	4,058.5	4,093.8	4,104.5	4,094.0
Wage and salary accruals.....	3,342.9	3,526.4	3,449.7	3,500.6	3,533.0	3,541.8	3,530.3
Supplements to wages and salaries.....	540.5	561.3	551.6	557.9	560.8	562.8	563.6
Corporate profits with inventory valuation and capital consumption adjustments.....	739.6	617.8	690.8	649.7	615.8	550.9	655.0
Profits before tax.....	708.6	549.2	659.7	615.7	594.3	534.4	452.4
Profits tax liability.....	271.5	216.0	253.5	236.8	228.0	204.9	194.1
Profits after tax.....	437.1	333.2	406.2	378.9	366.3	329.5	258.2
Dividends.....	341.9	394.0	359.3	383.2	374.7	407.6	410.6
Undistributed profits	95.2	-60.8	46.9	-4.3	-8.4	-78.1	-152.4
Inventory valuation adjustment.....	-12.4	2.2	-7.3	-1.9	-8.8	3.1	16.6
Capital consumption adjustment.....	43.4	66.4	38.4	36.0	30.3	13.4	186.1
<b>Net interest</b> .....	<b>203.0</b>	<b>222.1</b>	<b>217.2</b>	<b>219.2</b>	<b>222.0</b>	<b>224.2</b>	<b>222.8</b>
<b>Gross product of financial corporate business</b> .....	<b>730.1</b>	<b>762.2</b>	<b>763.6</b>	<b>769.6</b>	<b>756.6</b>	<b>744.7</b>	<b>777.9</b>
<b>Gross product of nonfinancial corporate business</b> .....	<b>5,380.7</b>	<b>5,538.9</b>	<b>5,463.0</b>	<b>5,496.3</b>	<b>5,539.7</b>	<b>5,541.1</b>	<b>5,578.6</b>
Consumption of fixed capital ..	606.9	665.6	625.0	637.3	656.7	702.2	666.1
<b>Net product</b> .....	<b>4,773.9</b>	<b>4,873.3</b>	<b>4,838.0</b>	<b>4,859.0</b>	<b>4,883.0</b>	<b>4,838.9</b>	<b>4,912.5</b>
Indirect business tax and nontax liability plus business transfer payments less subsidies..	516.5	532.8	526.0	532.9	537.0	517.1	544.1
<b>Domestic income</b> .....	<b>4,257.4</b>	<b>4,340.6</b>	<b>4,312.0</b>	<b>4,326.1</b>	<b>4,345.9</b>	<b>4,321.8</b>	<b>4,368.4</b>
Compensation of employees.....	3,535.2	3,721.1	3,643.4	3,694.5	3,726.7	3,736.5	3,726.9
Wage and salary accruals.....	3,041.7	3,208.6	3,139.5	3,185.1	3,214.6	3,222.6	3,212.2
Supplements to wages and salaries.....	493.5	512.5	503.9	509.4	512.0	513.8	514.6
Corporate profits with inventory valuation and capital consumption adjustments.....	550.1	450.5	503.4	464.8	450.4	414.8	472.0
Profits before tax.....	504.2	369.2	455.3	413.5	411.0	381.0	271.2
Profits tax liability.....	186.6	139.7	168.2	152.5	151.2	139.3	115.8
Profits after tax.....	317.6	229.5	287.1	261.0	259.8	241.7	155.4
Dividends.....	269.0	309.5	282.2	300.9	294.3	320.1	322.5
Undistributed profits	48.6	-80.0	5.0	-39.9	-34.5	-78.4	-167.1
Inventory valuation adjustment.....	-12.4	2.2	-7.3	-1.9	-8.8	3.1	16.6
Capital consumption adjustment.....	58.3	79.1	55.4	53.2	48.2	30.7	184.3
<b>Net interest</b> .....	<b>172.1</b>	<b>168.9</b>	<b>165.2</b>	<b>166.8</b>	<b>168.9</b>	<b>170.6</b>	<b>169.5</b>
	Billions of chained (1996) dollars						
<b>Gross product of nonfinancial corporate business</b> .....	<b>5,157.9</b>	<b>5,215.7</b>	<b>5,196.7</b>	<b>5,205.3</b>	<b>5,216.3</b>	<b>5,181.5</b>	<b>5,259.9</b>
Consumption of fixed capital <sup>1</sup> ..	624.8	698.5	650.1	666.7	688.4	730.7	708.4
<b>Net product</b> <sup>2</sup> .....	<b>4,533.1</b>	<b>4,517.2</b>	<b>4,546.6</b>	<b>4,538.6</b>	<b>4,527.9</b>	<b>4,450.8</b>	<b>4,551.5</b>

1. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100.  
2. Chained-dollar net product of nonfinancial corporate business is the difference between the gross product and the consumption of fixed capital.

2. Personal Income and Outlays

**Table 2.1. Personal Income and Its Disposition**  
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000		2001		
			IV	I	II	III	IV
<b>Personal income</b> .....	<b>8,319.2</b>	<b>8,723.5</b>	<b>8,519.6</b>	<b>8,640.2</b>	<b>8,714.6</b>	<b>8,771.8</b>	<b>8,767.2</b>
<b>Wage and salary disbursements</b> .....	<b>4,837.2</b>	<b>5,098.2</b>	<b>4,973.2</b>	<b>5,049.4</b>	<b>5,099.8</b>	<b>5,123.4</b>	<b>5,120.0</b>
Private industries .....	4,068.8	4,292.2	4,196.6	4,260.6	4,300.2	4,311.0	4,296.9
Goods-producing industries .....	1,163.7	1,197.3	1,195.5	1,206.3	1,204.4	1,197.5	1,181.1
Manufacturing .....	830.1	842.1	852.2	853.3	850.2	841.1	823.9
Distributive industries .....	1,095.6	1,145.5	1,125.9	1,140.3	1,148.2	1,148.1	1,145.2
Service industries .....	1,809.5	1,949.4	1,875.2	1,914.0	1,947.6	1,965.4	1,970.6
Government .....	768.4	806.0	776.6	788.8	799.6	812.5	823.2
<b>Other labor income</b> .....	<b>534.2</b>	<b>553.8</b>	<b>544.9</b>	<b>549.3</b>	<b>552.2</b>	<b>555.4</b>	<b>558.5</b>
<b>Proprietors' income with inventory valuation and capital consumption adjustments</b> .....	<b>715.0</b>	<b>743.5</b>	<b>725.2</b>	<b>735.2</b>	<b>745.3</b>	<b>752.7</b>	<b>740.8</b>
Farm .....	30.6	27.6	31.7	29.8	28.7	32.3	19.6
Nonfarm .....	684.4	715.9	693.5	705.4	716.6	720.5	721.2
<b>Rental income of persons with capital consumption adjustment</b> .....	<b>141.6</b>	<b>142.6</b>	<b>141.7</b>	<b>139.6</b>	<b>139.0</b>	<b>144.0</b>	<b>147.7</b>
<b>Personal dividend income</b> .....	<b>379.2</b>	<b>416.3</b>	<b>396.6</b>	<b>404.8</b>	<b>411.9</b>	<b>420.0</b>	<b>428.4</b>
<b>Personal interest income</b> .....	<b>1,000.6</b>	<b>993.6</b>	<b>1,013.1</b>	<b>1,010.9</b>	<b>1,001.0</b>	<b>991.5</b>	<b>970.9</b>
<b>Transfer payments to persons</b> .....	<b>1,069.1</b>	<b>1,148.8</b>	<b>1,089.0</b>	<b>1,123.1</b>	<b>1,139.4</b>	<b>1,159.0</b>	<b>1,173.8</b>
Old-age, survivors, disability, and health insurance benefits .....	617.3	664.4	626.5	651.4	660.1	670.8	675.2
Government unemployment insurance benefits .....	20.3	23.7	22.1	22.7	23.1	23.9	25.2
Veterans benefits .....	25.1	26.5	25.3	26.2	25.8	26.5	27.4
Other transfer payments .....	406.4	434.2	415.1	422.8	430.4	437.8	445.9
Family assistance <sup>1</sup> .....	18.3	19.2	18.6	19.0	19.2	19.3	19.4
Other .....	388.1	415.0	396.5	403.8	411.2	418.5	426.6
<b>Less: Personal contributions for social insurance</b> .....	<b>357.7</b>	<b>373.3</b>	<b>364.1</b>	<b>372.1</b>	<b>374.0</b>	<b>374.2</b>	<b>372.8</b>
<b>Less: Personal tax and nontax payments</b> .....	<b>1,288.2</b>	<b>1,306.2</b>	<b>1,329.8</b>	<b>1,345.2</b>	<b>1,351.4</b>	<b>1,195.5</b>	<b>1,332.7</b>
<b>Equals: Disposable personal income</b> .....	<b>7,031.0</b>	<b>7,417.3</b>	<b>7,189.8</b>	<b>7,295.0</b>	<b>7,363.2</b>	<b>7,576.4</b>	<b>7,434.5</b>
<b>Less: Personal outlays</b> .....	<b>6,963.3</b>	<b>7,298.9</b>	<b>7,115.1</b>	<b>7,216.2</b>	<b>7,281.7</b>	<b>7,291.0</b>	<b>7,406.6</b>
Personal consumption expenditures .....	6,728.4	7,064.5	6,871.4	6,977.6	7,044.6	7,057.6	7,178.2
Interest paid by persons .....	205.3	203.2	212.9	208.5	206.3	201.5	196.4
Personal transfer payments to the rest of the world (net) .....	29.6	31.2	30.8	30.1	30.8	31.9	31.9
<b>Equals: Personal saving</b> .....	<b>67.7</b>	<b>118.4</b>	<b>74.7</b>	<b>78.8</b>	<b>81.5</b>	<b>285.3</b>	<b>27.9</b>
<b>Addenda:</b>							
Disposable personal income: Total, billions of chained (1996) dollars <sup>2</sup> .....	6,539.2	6,772.4	6,634.9	6,679.0	6,719.2	6,917.5	6,773.8
Per capita:							
Current dollars .....	24,889	25,943	25,331	25,634	25,798	26,457	25,880
Chained (1996) dollars .....	23,148	23,687	23,376	23,470	23,541	24,157	23,580
Population (mid-period, millions) .....	282.5	285.9	283.8	284.6	285.4	286.4	287.3
<b>Personal saving as a percentage of disposable personal income</b> .....	<b>1.0</b>	<b>1.6</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>3.8</b>	<b>.4</b>

1. Consists of aid to families with dependent children and, beginning with 1996, assistance programs operating under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.  
2. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.  
NOTE: Percent changes from preceding period for disposable personal income are shown in table 8.1.

**Table 2.2. Personal Consumption Expenditures by Major Type of Product**  
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000		2001		
			IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	<b>6,728.4</b>	<b>7,064.5</b>	<b>6,871.4</b>	<b>6,977.6</b>	<b>7,044.6</b>	<b>7,057.6</b>	<b>7,178.2</b>
<b>Durable goods</b> .....	<b>819.6</b>	<b>858.3</b>	<b>818.7</b>	<b>838.1</b>	<b>844.7</b>	<b>840.6</b>	<b>909.8</b>
Motor vehicles and parts .....	346.8	375.1	343.2	358.6	362.3	360.3	419.3
Furniture and household equipment .....	307.3	310.4	307.4	308.4	310.0	308.3	314.9
Other .....	165.5	172.8	168.0	171.1	172.5	172.1	175.6
<b>Nondurable goods</b> .....	<b>1,989.6</b>	<b>2,055.1</b>	<b>2,025.1</b>	<b>2,047.1</b>	<b>2,062.3</b>	<b>2,057.5</b>	<b>2,053.5</b>
Food .....	957.5	991.6	971.4	982.0	987.0	993.5	1,003.9
Clothing and shoes .....	319.1	322.2	323.5	325.7	322.4	318.5	322.1
Gasoline, fuel oil, and other energy goods .....	183.2	179.4	189.4	188.9	194.0	179.7	154.8
Gasoline and oil .....	165.3	162.6	170.1	169.5	177.3	163.4	140.3
Fuel oil and coal .....	17.9	16.7	19.3	19.4	16.7	16.3	14.5
Other .....	529.8	562.0	540.8	550.5	559.0	565.8	572.7
<b>Services</b> .....	<b>3,919.2</b>	<b>4,151.1</b>	<b>4,027.5</b>	<b>4,092.4</b>	<b>4,137.6</b>	<b>4,159.4</b>	<b>4,214.9</b>
Housing .....	958.8	1,015.9	978.0	992.8	1,008.2	1,022.9	1,039.6
Household operation .....	385.7	412.2	408.1	420.1	414.5	412.2	401.8
Electricity and gas .....	141.4	154.8	156.9	164.4	157.9	154.3	142.8
Other household operation .....	244.2	257.3	251.3	255.7	256.7	257.9	259.0
Transportation .....	272.8	278.3	278.8	280.5	279.8	277.5	275.3
Medical care .....	996.5	1,061.1	1,020.0	1,039.8	1,054.6	1,065.4	1,084.6
Recreation .....	256.2	270.9	260.9	267.3	271.0	270.9	274.4
Other .....	1,049.3	1,112.8	1,081.7	1,092.0	1,109.3	1,110.6	1,139.2
<b>Addenda:</b>							
Energy goods and services <sup>1</sup> .....	324.6	334.2	346.3	353.3	351.8	334.0	297.6
Personal consumption expenditures less food and energy .....	5,446.3	5,738.7	5,553.7	5,642.3	5,705.8	5,730.0	5,876.8

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

**Table 2.3. Real Personal Consumption Expenditures by Major Type of Product**  
[Billions of chained (1996) dollars]

	2000	2001	2002	2003	2004	2005	2006
<b>Personal consumption expenditures</b> .....	<b>6,257.8</b>	<b>6,450.3</b>	<b>6,341.1</b>	<b>6,388.5</b>	<b>6,428.4</b>	<b>6,443.9</b>	<b>6,540.3</b>
<b>Durable goods</b> .....	<b>895.5</b>	<b>955.6</b>	<b>899.4</b>	<b>922.4</b>	<b>938.1</b>	<b>940.2</b>	<b>1,021.7</b>
Motor vehicles and parts .....	348.3	375.0	343.9	357.0	361.9	361.5	419.4
Furniture and household equipment .....	377.0	403.2	383.8	391.0	400.5	403.7	417.8
Other .....	172.8	180.0	175.4	177.5	179.5	179.3	183.6
<b>Nondurable goods</b> .....	<b>1,849.9</b>	<b>1,883.3</b>	<b>1,866.8</b>	<b>1,878.0</b>	<b>1,879.4</b>	<b>1,882.0</b>	<b>1,893.6</b>
Food .....	881.3	886.2	886.4	887.3	886.1	883.8	887.6
Clothing and shoes .....	335.3	345.2	339.9	342.7	344.1	344.7	349.3
Gasoline, fuel oil, and other energy goods .....	150.3	151.7	150.9	152.6	150.1	152.6	151.7
Gasoline and oil .....	136.6	139.1	137.2	138.9	137.7	140.1	139.6
Fuel oil and coal .....	13.8	12.8	13.8	13.8	12.6	12.7	12.3
Other .....	484.5	502.3	491.4	497.3	501.4	503.0	507.5
<b>Services</b> .....	<b>3,527.7</b>	<b>3,633.4</b>	<b>3,588.8</b>	<b>3,605.1</b>	<b>3,629.8</b>	<b>3,640.4</b>	<b>3,658.2</b>
Housing .....	850.1	867.0	856.6	861.3	864.9	868.4	873.2
Household operation .....	377.6	387.2	393.4	392.3	387.0	388.0	381.3
Electricity and gas .....	136.4	134.6	144.4	140.1	135.0	134.0	129.4
Other household operation .....	241.0	253.2	248.7	252.3	252.7	254.7	253.0
Transportation .....	251.3	252.6	253.8	254.4	254.2	252.0	249.7
Medical care .....	903.9	935.4	915.0	921.6	932.1	940.2	947.7
Recreation .....	227.0	232.3	228.5	232.2	232.8	231.2	232.9
Other .....	917.1	957.9	941.3	942.8	957.7	959.7	971.5
Residual .....	-18.6	-26.5	-19.0	-21.7	-24.8	-25.1	-34.2
<b>Addenda:</b>							
Energy goods and services <sup>1</sup> .....	286.4	286.0	294.4	292.2	284.7	286.3	280.7
Personal consumption expenditures less food and energy .....	5,089.0	5,278.7	5,159.2	5,208.4	5,258.5	5,274.6	5,373.3

1. Consists of gasoline, fuel oil, and other energy goods and of electricity and gas.  
NOTE: Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.  
Chain-type quantity indexes for the series in this table are shown in table 7.4.  
Contributions to the percent change in real personal consumption expenditures are shown in table 8.3.

## 3. Government Current Receipts and Expenditures

**Table 3.1. Government Current Receipts and Expenditures**  
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
				IV	I	II	III
<b>Current receipts</b> .....	<b>3,023.9</b>	<b>3,047.4</b>	<b>3,073.9</b>	<b>3,096.8</b>	<b>3,104.5</b>	<b>2,927.3</b>	<b>3,060.8</b>
Personal tax and nontax receipts .....	1,288.2	1,306.2	1,329.8	1,345.2	1,351.4	1,195.5	1,332.7
Corporate profits tax accruals .....	271.5	216.0	253.5	236.8	228.0	204.9	194.1
Indirect business tax and nontax accruals .....	762.7	794.0	775.6	785.7	782.3	793.9	804.0
Contributions for social insurance .....	701.5	731.2	714.9	729.1	732.8	733.0	730.0
<b>Current expenditures</b> .....	<b>2,772.5</b>	<b>2,910.8</b>	<b>2,822.7</b>	<b>2,869.2</b>	<b>2,896.5</b>	<b>2,939.0</b>	<b>2,938.6</b>
Consumption expenditures .....	1,422.7	1,498.3	1,444.1	1,474.2	1,491.4	1,504.9	1,522.7
Transfer payments (net) .....	1,050.0	1,122.1	1,080.7	1,094.6	1,111.6	1,131.4	1,150.6
To persons .....	1,036.0	1,113.8	1,055.2	1,088.7	1,104.6	1,123.7	1,138.0
To the rest of the world (net) .....	14.0	8.3	25.5	5.8	7.1	7.7	12.6
Net interest paid .....	262.6	236.1	259.6	253.0	241.7	231.7	218.0
Interest paid .....	362.8	340.5	360.5	355.6	345.2	336.3	324.9
To persons and business .....	255.2	236.2	251.2	247.6	239.7	232.7	224.7
To the rest of the world .....	107.7	104.3	109.3	108.0	105.5	103.6	100.2
Less: Interest received by government .....	100.3	104.4	100.9	102.6	103.5	104.7	106.9
Less: Dividends received by government .....	.4	.4	.4	.4	.4	.4	.4
Subsidies less current surplus of government enterprises .....	37.6	54.8	38.7	47.8	52.2	71.5	47.7
Subsidies .....	44.1	57.2	42.4	52.5	55.0	72.6	48.6
Less: Current surplus of government enterprises .....	6.5	2.4	3.7	4.6	2.8	1.2	1.0
Less: Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
<b>Current surplus or deficit (-), national income and product accounts</b> .....	<b>251.4</b>	<b>136.5</b>	<b>251.2</b>	<b>227.6</b>	<b>208.0</b>	<b>-11.7</b>	<b>122.2</b>
Social insurance funds .....	117.7	107.6	124.1	115.7	113.0	104.2	97.6
Other .....	133.8	28.9	127.0	111.9	95.1	-115.9	24.6
<b>Addenda:</b>							
Net lending or net borrowing (-) .....	171.1	46.0	170.8	147.5	113.5	-92.2	15.3
Current surplus or deficit (-), national income and product accounts .....	251.4	136.5	251.2	227.6	208.0	-11.7	122.2
Plus: Consumption of fixed capital .....	211.3	223.8	215.9	218.6	221.3	229.3	226.0
Plus: Capital transfers received (net) .....	36.2	36.3	35.8	38.4	37.0	34.8	34.9
Less: Gross investment .....	318.3	341.2	322.8	330.9	344.0	331.9	357.7
Less: Net purchases of nonproduced assets .....	9.5	9.4	9.3	6.0	8.8	12.7	10.1

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

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
				IV	I	II	III
<b>Current receipts</b> .....	<b>2,046.8</b>	<b>2,028.2</b>	<b>2,077.5</b>	<b>2,087.4</b>	<b>2,091.5</b>	<b>1,907.1</b>	<b>2,026.7</b>
Personal tax and nontax receipts.....	1,009.5	1,010.1	1,040.5	1,051.4	1,060.0	897.2	1,031.8
Income taxes.....	999.5	1,000.4	1,030.4	1,041.5	1,050.2	887.6	1,022.4
Nontaxes.....	10.1	9.7	10.1	9.9	9.8	9.6	9.4
Corporate profits tax accruals.....	234.7	186.5	219.4	205.0	197.3	177.4	166.4
Federal Reserve banks.....	25.3	24.1	26.1	25.7	24.2	23.2	23.2
Other.....	209.3	162.5	193.3	179.4	173.1	154.3	143.2
Indirect business tax and nontax accruals.....	111.2	110.9	112.7	112.2	112.0	110.2	109.5
Excise taxes.....	69.8	68.2	70.3	68.7	69.4	67.3	67.2
Customs duties.....	21.1	20.6	21.2	21.6	20.3	20.3	20.4
Nontaxes.....	20.3	22.1	21.2	21.9	22.3	22.5	22.0
Contributions for social insurance.....	691.5	720.6	704.9	718.8	722.2	722.3	719.1
<b>Current expenditures</b> .....	<b>1,828.3</b>	<b>1,909.2</b>	<b>1,855.0</b>	<b>1,882.1</b>	<b>1,904.7</b>	<b>1,920.7</b>	<b>1,929.3</b>
Consumption expenditures.....	493.7	514.1	494.1	507.5	510.1	513.7	525.0
Transfer payments (net).....	779.3	831.7	802.9	811.7	823.3	838.6	853.1
To persons.....	765.3	823.4	777.4	805.8	816.3	830.9	840.5
To the rest of the world (net).....	14.0	8.3	25.5	5.8	7.1	7.7	12.6
Grants-in-aid to State and local governments.....	245.6	274.2	250.1	264.0	281.2	266.4	285.0
Net interest paid.....	262.9	236.9	259.9	253.5	242.5	232.5	219.1
Interest paid.....	282.2	257.7	279.0	273.4	262.5	253.2	241.6
To persons and business.....	174.5	153.4	169.7	165.4	156.9	149.7	141.4
To the rest of the world.....	107.7	104.3	109.3	108.0	105.5	103.6	100.2
Less: Interest received by government.....	19.3	20.8	19.1	19.9	20.0	20.7	22.5
Subsidies less current surplus of government enterprises..	46.8	52.4	48.1	45.4	47.6	69.5	47.1
Subsidies.....	43.7	44.7	42.0	39.9	40.0	60.7	38.1
Less: Current surplus of government enterprises...	-3.1	-7.8	-6.1	-5.6	-7.7	-8.8	-9.1
Less: Wage accruals less disbursements.....	.0	.0	.0	.0	.0	.0	.0
<b>Current surplus or deficit (-), national income and product accounts..</b>	<b>218.6</b>	<b>119.0</b>	<b>222.5</b>	<b>205.3</b>	<b>186.7</b>	<b>-13.6</b>	<b>97.4</b>
Social insurance funds.....	118.0	107.8	124.6	116.0	113.1	104.3	97.7
Other.....	100.6	11.2	97.9	89.3	73.6	-117.8	-3
<b>Addenda:</b>							
Net lending or net borrowing (-).....	210.6	104.7	211.0	200.7	174.7	-33.3	76.6
Current surplus or deficit (-), national income and product accounts.....	218.6	119.0	222.5	205.3	186.7	-13.6	97.4
Plus: Consumption of fixed capital.....	96.4	99.6	97.9	98.4	99.4	99.8	100.9
Plus: Capital transfers received (net).....	-7.9	-12.8	-9.7	-8.9	-12.7	-14.8	-14.9
Less: Gross investment...	96.5	101.6	100.1	97.8	99.9	102.0	106.7
Less: Net purchases of nonproduced assets.....	-1	-5	-3	-3.7	-1.1	2.8	.1

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

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
				IV	I	II	III
<b>Current receipts</b> .....	<b>1,222.6</b>	<b>1,293.3</b>	<b>1,246.4</b>	<b>1,273.4</b>	<b>1,294.3</b>	<b>1,286.6</b>	<b>1,319.1</b>
Personal tax and nontax receipts.....	278.7	296.1	289.3	293.8	291.4	298.2	300.9
Income taxes.....	219.8	234.1	229.3	233.0	229.8	235.9	237.8
Nontaxes.....	38.1	40.6	39.0	39.7	40.3	40.9	41.6
Other.....	20.7	21.3	21.0	21.2	21.3	21.4	21.5
Corporate profits tax accruals.....	36.8	29.4	34.1	31.8	30.7	27.5	27.8
Indirect business tax and nontax accruals.....	651.5	683.0	662.9	673.5	680.4	683.7	694.5
Sales taxes.....	321.5	336.8	327.8	332.4	335.6	335.8	343.4
Property taxes.....	248.4	258.3	251.9	254.5	256.8	259.5	262.2
Other.....	81.6	88.0	83.2	86.7	88.0	88.4	88.9
Contributions for social insurance.....	10.0	10.6	10.1	10.3	10.6	10.8	10.9
Federal grants-in-aid.....	245.6	274.2	250.1	264.0	281.2	266.4	285.0
<b>Current expenditures</b> .....	<b>1,189.8</b>	<b>1,275.8</b>	<b>1,217.8</b>	<b>1,251.1</b>	<b>1,273.0</b>	<b>1,284.7</b>	<b>1,294.3</b>
Consumption expenditures.....	929.0	984.2	950.0	966.7	981.3	991.2	997.7
Transfer payments to persons.....	270.7	290.4	277.8	282.9	288.3	292.8	297.6
Net interest paid.....	-3	-8	-2	-5	-8	-9	-1.1
Interest paid.....	80.7	82.9	81.6	82.2	82.8	83.1	83.4
Less: Interest received by government.....	80.9	83.7	81.8	82.7	83.6	83.9	84.5
Less: Dividends received by government.....	.4	.4	.4	.4	.4	.4	.4
Subsidies less current surplus of government enterprises..	-9.2	2.4	-9.4	2.4	4.6	2.0	.5
Subsidies.....	.4	12.5	.4	12.6	15.1	11.9	10.5
Less: Current surplus of government enterprises...	9.7	10.2	9.9	10.2	10.5	9.9	10.0
Less: Wage accruals less disbursements.....	.0	.0	.0	.0	.0	.0	.0
<b>Current surplus or deficit (-), national income and product accounts..</b>	<b>32.8</b>	<b>17.6</b>	<b>28.6</b>	<b>22.3</b>	<b>21.3</b>	<b>1.9</b>	<b>24.8</b>
Social insurance funds.....	-3	-2	-5	-3	-2	-1	-1
Other.....	33.1	17.7	29.1	22.6	21.4	2.0	24.9
<b>Addenda:</b>							
Net lending or net borrowing (-).....	-39.5	-58.6	-40.2	-53.2	-61.2	-58.9	-61.2
Current surplus or deficit (-), national income and product accounts.....	32.8	17.6	28.6	22.3	21.3	1.9	24.8
Plus: Consumption of fixed capital.....	114.9	124.2	118.0	120.2	121.9	129.5	125.2
Plus: Capital transfers received (net).....	44.1	49.1	45.5	47.3	49.7	49.7	49.8
Less: Gross investment...	221.8	239.6	222.7	233.1	244.2	230.0	251.0
Less: Net purchases of nonproduced assets.....	9.6	9.9	9.7	9.8	9.9	9.9	10.0

**Table 3.7. Government Consumption Expenditures and Gross Investment by Type**  
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
			IV	I	II	III	IV
<b>Government consumption expenditures and gross investment<sup>1</sup></b> .....	<b>1,741.0</b>	<b>1,839.5</b>	<b>1,766.8</b>	<b>1,805.2</b>	<b>1,835.4</b>	<b>1,836.9</b>	<b>1,880.4</b>
<b>Federal</b> .....	<b>590.2</b>	<b>615.7</b>	<b>594.2</b>	<b>605.3</b>	<b>609.9</b>	<b>615.7</b>	<b>631.7</b>
<b>National defense</b> .....	<b>375.4</b>	<b>399.0</b>	<b>382.4</b>	<b>392.9</b>	<b>396.1</b>	<b>399.6</b>	<b>407.5</b>
Consumption expenditures .....	321.9	342.2	325.3	338.3	339.5	343.1	347.9
Durable goods <sup>2</sup> .....	22.5	24.4	23.0	22.8	24.0	26.0	24.6
Nondurable goods .....	10.4	10.3	10.0	9.5	10.8	10.5	10.3
Services .....	289.0	307.6	292.2	306.0	304.6	306.7	313.1
Compensation of general government employees, except own-account investment <sup>3</sup> .....	137.9	143.0	138.1	141.1	141.8	143.3	146.0
Consumption of general government fixed capital <sup>4</sup> .....	63.8	64.0	64.0	63.8	64.1	63.9	64.2
Other services .....	87.4	100.6	90.1	101.1	99.7	99.6	102.9
Gross investment .....	53.5	56.8	57.1	54.6	56.7	56.5	59.5
Structures .....	5.3	5.3	5.3	5.3	5.3	4.8	5.6
Equipment and software .....	48.2	51.5	51.8	49.3	51.3	51.7	53.9
<b>Nondefense</b> .....	<b>214.8</b>	<b>216.6</b>	<b>211.8</b>	<b>212.4</b>	<b>213.8</b>	<b>216.1</b>	<b>224.2</b>
Consumption expenditures .....	171.8	171.9	168.8	169.2	170.6	170.6	177.0
Durable goods <sup>2</sup> .....	1.3	1.1	1.4	1.2	1.1	1.0	1.2
Nondurable goods .....	6.9	6.7	4.6	6.9	6.5	5.8	7.6
Commodity Credit Corporation inventory change .....	.8	.2	1.3	.3	.0	-.4	.9
Other nondurables .....	6.1	6.5	3.4	6.7	6.5	6.3	6.7
Services .....	163.6	164.0	162.7	161.1	163.0	163.8	168.2
Compensation of general government employees, except own-account investment <sup>3</sup> .....	93.5	96.1	91.3	94.4	95.2	96.9	98.0
Consumption of general government fixed capital <sup>4</sup> .....	26.6	29.0	27.7	28.2	28.8	29.3	29.9
Other services .....	43.6	38.8	43.8	38.5	39.0	37.6	40.3
Gross investment .....	43.0	44.8	43.0	43.2	43.2	45.5	47.2
Structures .....	10.8	11.3	11.0	11.5	10.6	11.0	12.2
Equipment and software .....	32.2	33.4	32.0	31.8	32.6	34.4	35.0
<b>State and local</b> .....	<b>1,150.8</b>	<b>1,223.8</b>	<b>1,172.6</b>	<b>1,199.8</b>	<b>1,225.5</b>	<b>1,221.2</b>	<b>1,248.7</b>
Consumption expenditures .....	929.0	984.2	950.0	966.7	981.3	991.2	997.7
Durable goods <sup>2</sup> .....	16.9	18.1	17.4	17.7	18.0	18.3	18.5
Nondurable goods .....	110.9	115.8	115.7	116.4	118.8	116.7	111.4
Services .....	801.2	850.3	816.9	832.6	844.5	856.2	867.7
Compensation of general government employees, except own-account investment <sup>3</sup> .....	661.8	696.4	671.9	681.0	690.9	702.6	711.0
Consumption of general government fixed capital <sup>4</sup> .....	89.8	96.3	92.4	94.2	95.8	96.9	98.4
Other services .....	49.7	57.6	52.6	57.4	57.8	56.8	58.3
Gross investment .....	221.8	239.6	222.7	233.1	244.2	230.0	251.0
Structures .....	165.0	183.1	164.5	175.6	187.2	173.7	195.7
Equipment and software .....	56.8	56.5	58.2	57.5	56.9	56.2	55.3
<b>Addenda:</b>							
Compensation of general government employees <sup>3</sup> ..	904.1	946.3	912.4	927.1	938.9	953.4	965.7
Federal .....	233.4	241.4	231.5	237.6	239.3	242.5	246.3
State and local .....	670.7	704.8	680.9	689.5	699.6	710.9	719.4

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

**Table 3.8. Real Government Consumption Expenditures and Gross Investment by Type**  
[Billions of chained (1996) dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
			IV	I	II	III	IV
<b>Government consumption expenditures and gross investment<sup>1</sup></b> .....	<b>1,572.6</b>	<b>1,628.6</b>	<b>1,582.8</b>	<b>1,603.4</b>	<b>1,623.0</b>	<b>1,624.1</b>	<b>1,663.9</b>
<b>Federal</b> .....	<b>545.9</b>	<b>560.3</b>	<b>547.9</b>	<b>552.2</b>	<b>554.7</b>	<b>559.6</b>	<b>574.9</b>
<b>National defense</b> .....	<b>349.0</b>	<b>365.3</b>	<b>353.8</b>	<b>360.3</b>	<b>362.4</b>	<b>365.3</b>	<b>373.2</b>
Consumption expenditures .....	294.5	307.1	296.0	304.4	304.6	307.5	312.1
Durable goods <sup>2</sup> .....	22.6	24.4	23.1	22.9	24.0	26.0	24.7
Nondurable goods .....	9.3	9.7	8.4	8.6	10.0	9.8	10.4
Services .....	262.9	273.5	264.9	273.2	271.0	272.3	277.5
Compensation of general government employees, except own-account investment <sup>3</sup> .....	120.3	120.6	120.5	119.5	119.6	120.6	122.9
Consumption of general government fixed capital <sup>4</sup> .....	62.6	62.9	62.7	62.7	62.8	63.0	63.2
Other services .....	80.2	90.2	81.9	91.2	88.8	89.0	91.6
Gross investment .....	54.7	58.6	58.4	56.1	58.2	58.1	61.8
Structures .....	4.6	4.4	4.6	4.5	4.5	4.0	4.7
Equipment and software .....	50.3	54.5	54.1	51.9	54.0	54.5	57.4
<b>Nondefense</b> .....	<b>196.7</b>	<b>195.0</b>	<b>194.0</b>	<b>191.8</b>	<b>192.3</b>	<b>194.3</b>	<b>201.6</b>
Consumption expenditures .....	154.2	151.2	151.8	149.5	150.0	149.8	155.5
Durable goods <sup>2</sup> .....	1.5	1.3	1.7	1.4	1.3	1.2	1.4
Nondurable goods .....	7.7	7.9	7.9	7.2	6.8	6.3	11.2
Commodity Credit Corporation inventory change ..	2.0	1.8	4.6	1.1	.9	.5	4.7
Other nondurables .....	5.7	6.1	3.3	6.1	5.9	5.8	6.5
Services .....	146.0	143.2	145.3	141.4	142.3	142.8	146.4
Compensation of general government employees, except own-account investment <sup>3</sup> .....	79.5	79.7	78.2	78.8	78.9	80.2	80.9
Consumption of general government fixed capital <sup>4</sup> .....	26.4	28.6	27.3	27.8	28.3	28.9	29.5
Other services .....	40.5	35.4	40.4	35.3	35.6	34.2	36.6
Gross investment .....	42.9	44.4	42.6	42.9	42.8	45.2	46.9
Structures .....	9.5	9.7	9.6	9.9	9.1	9.4	10.4
Equipment and software .....	33.9	35.3	33.5	33.4	34.3	36.4	37.0
<b>State and local</b> .....	<b>1,026.3</b>	<b>1,067.5</b>	<b>1,034.3</b>	<b>1,050.5</b>	<b>1,067.4</b>	<b>1,063.8</b>	<b>1,088.4</b>
Consumption expenditures ..	821.4	851.3	830.5	839.1	846.9	855.9	863.2
Durable goods <sup>2</sup> .....	17.0	18.1	17.4	17.7	17.9	18.2	18.5
Nondurable goods .....	99.9	105.7	102.0	103.5	105.0	106.6	107.9
Services .....	705.4	728.5	712.2	719.0	725.0	732.1	738.0
Compensation of general government employees, except own-account investment <sup>3</sup> .....	577.0	589.9	580.6	584.6	588.0	592.2	594.6
Consumption of general government fixed capital <sup>4</sup> .....	84.8	89.4	86.6	87.7	88.8	90.0	91.2
Other services .....	43.7	49.6	45.3	46.9	48.4	50.2	52.8
Gross investment .....	205.0	216.5	203.9	211.6	221.0	207.9	225.7
Structures .....	143.5	153.5	141.1	148.4	157.4	145.7	162.5
Equipment and software ..	63.1	63.9	64.8	64.6	64.2	63.6	63.1
<b>Residual</b> .....	<b>-5.3</b>	<b>-6.1</b>	<b>-8.9</b>	<b>-5.1</b>	<b>-4.7</b>	<b>-5.9</b>	<b>-8.6</b>
<b>Addenda:</b>							
Compensation of general government employees <sup>3</sup> ..	786.3	799.3	788.9	792.1	795.9	802.0	807.3
Federal .....	201.7	202.3	200.6	200.2	200.6	202.8	205.7
State and local .....	584.7	597.0	588.3	591.9	595.4	599.2	601.6

NOTE: Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the lines in the addenda.  
 See footnotes to table 3.7.  
 Chain-type quantity indexes for the series in this table are shown in table 7.11.  
 Contributions to percent change in real government consumption expenditures and gross investment are shown in table 8.6.



**Table 3.10. National Defense Consumption Expenditures and Gross Investment**  
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
			IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment<sup>1</sup></b> .....	<b>375.4</b>	<b>399.0</b>	<b>382.4</b>	<b>392.9</b>	<b>396.1</b>	<b>399.6</b>	<b>407.5</b>
<b>Consumption expenditures</b> ....	<b>321.9</b>	<b>342.2</b>	<b>325.3</b>	<b>338.3</b>	<b>339.5</b>	<b>343.1</b>	<b>347.9</b>
<b>Durable goods<sup>2</sup></b> .....	<b>22.5</b>	<b>24.4</b>	<b>23.0</b>	<b>22.8</b>	<b>24.0</b>	<b>26.0</b>	<b>24.6</b>
Aircraft.....	10.2	11.0	9.9	10.1	10.5	12.3	11.2
Missiles.....	2.3	2.6	2.5	2.7	2.7	2.6	2.2
Ships.....	1.5	1.3	1.4	1.4	1.2	1.4	1.1
Vehicles.....	.8	1.2	.9	.9	1.2	1.3	1.4
Electronics.....	2.9	3.0	3.0	2.8	2.9	3.1	3.1
Other durable goods.....	4.8	5.3	5.4	4.8	5.5	5.3	5.5
<b>Nondurable goods</b> .....	<b>10.4</b>	<b>10.3</b>	<b>10.0</b>	<b>9.5</b>	<b>10.8</b>	<b>10.5</b>	<b>10.3</b>
Petroleum products.....	4.0	4.0	4.3	4.0	4.1	4.3	3.6
Ammunition.....	1.7	2.1	1.9	1.9	2.1	2.2	2.1
Other nondurable goods..	4.6	4.2	3.9	3.6	4.7	4.0	4.6
<b>Services</b> .....	<b>289.0</b>	<b>307.6</b>	<b>292.2</b>	<b>306.0</b>	<b>304.6</b>	<b>306.7</b>	<b>313.1</b>
Compensation of general government employees, except own-account investment <sup>3</sup> .....	137.9	143.0	138.1	141.1	141.8	143.3	146.0
Military.....	88.8	93.5	89.5	91.9	92.1	93.3	96.5
Civilian.....	49.1	49.6	48.6	49.1	49.7	49.9	49.5
Consumption of general government fixed capital <sup>4</sup> .....	63.8	64.0	64.0	63.8	64.1	63.9	64.2
Other services.....	87.4	100.6	90.1	101.1	98.7	99.6	102.9
Research and development.....	23.6	31.9	26.0	33.7	30.2	30.5	33.3
Installation support.....	24.7	24.3	23.4	25.0	24.2	24.2	23.7
Weapons support.....	9.4	10.5	9.7	10.1	10.5	10.4	11.0
Personnel support.....	22.7	27.0	23.5	26.6	26.7	27.1	27.6
Transportation of material.....	4.8	4.9	4.7	4.7	4.7	4.9	5.0
Travel of persons.....	4.1	3.9	3.9	3.8	3.8	3.9	3.9
Other.....	-1.9	-1.8	-1.0	-2.9	-1.3	-1.5	-1.7
<b>Gross investment</b> .....	<b>53.5</b>	<b>56.8</b>	<b>57.1</b>	<b>54.6</b>	<b>56.7</b>	<b>56.5</b>	<b>59.5</b>
<b>Structures</b> .....	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>	<b>4.8</b>	<b>5.6</b>
<b>Equipment and software</b> ....	<b>48.2</b>	<b>51.5</b>	<b>51.8</b>	<b>49.3</b>	<b>51.3</b>	<b>51.7</b>	<b>53.9</b>
Aircraft.....	7.7	8.1	7.2	7.4	7.8	9.5	7.6
Missiles.....	2.6	3.3	3.9	3.7	3.5	3.0	3.1
Ships.....	6.6	7.2	6.8	7.2	7.4	6.9	7.3
Vehicles.....	1.8	1.9	1.6	1.8	1.9	1.7	2.0
Electronics and software..	15.1	15.3	15.6	15.0	14.5	15.3	16.4
Other equipment.....	14.4	15.8	16.7	14.3	16.2	15.2	17.4
<b>Addendum:</b>							
Compensation of general government employees <sup>3</sup> ..	138.6	143.9	138.8	141.7	142.5	144.1	147.0

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

**Table 3.11. Real National Defense Consumption Expenditures and Gross Investment**  
[Billions of chained (1996) dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
			IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment<sup>1</sup></b> .....	<b>349.0</b>	<b>365.3</b>	<b>353.8</b>	<b>360.3</b>	<b>362.4</b>	<b>365.3</b>	<b>373.2</b>
<b>Consumption expenditures</b> ....	<b>294.5</b>	<b>307.1</b>	<b>296.0</b>	<b>304.4</b>	<b>304.6</b>	<b>307.5</b>	<b>312.1</b>
<b>Durable goods<sup>2</sup></b> .....	<b>22.6</b>	<b>24.4</b>	<b>23.1</b>	<b>22.9</b>	<b>24.0</b>	<b>26.0</b>	<b>24.7</b>
Aircraft.....	10.3	11.1	9.9	10.1	10.5	12.3	11.3
Missiles.....	2.3	2.6	2.6	2.7	2.7	2.6	2.2
Ships.....	1.5	1.3	1.4	1.4	1.2	1.4	1.1
Vehicles.....	.6	.9	.6	.7	.8	.9	1.0
Electronics.....	3.3	3.4	3.4	3.2	3.3	3.5	3.6
Other durable goods.....	4.8	5.3	5.4	4.8	5.5	5.2	5.5
<b>Nondurable goods</b> .....	<b>9.3</b>	<b>9.7</b>	<b>8.4</b>	<b>8.6</b>	<b>10.0</b>	<b>9.8</b>	<b>10.4</b>
Petroleum products.....	3.1	3.4	2.7	3.1	3.3	3.6	3.6
Ammunition.....	1.8	2.1	1.9	1.9	2.2	2.2	2.2
Other nondurable goods..	4.4	4.0	3.7	3.5	4.5	3.8	4.4
<b>Services</b> .....	<b>262.9</b>	<b>273.5</b>	<b>264.9</b>	<b>273.2</b>	<b>271.0</b>	<b>272.3</b>	<b>277.5</b>
Compensation of general government employees, except own-account investment <sup>3</sup> .....	120.3	120.6	120.5	119.5	119.6	120.6	122.9
Military.....	78.9	80.2	79.3	79.0	79.0	79.9	82.7
Civilian.....	41.5	40.6	41.3	40.6	40.7	40.8	40.4
Consumption of general government fixed capital <sup>4</sup> .....	62.6	62.9	62.7	62.7	62.8	63.0	63.2
Other services.....	80.2	90.2	81.9	91.2	88.8	89.0	91.6
Research and development.....	21.8	29.0	23.8	30.8	27.5	27.6	30.0
Installation support.....	23.3	22.4	21.9	23.2	22.5	22.2	21.8
Weapons support.....	8.3	9.1	8.4	8.8	9.1	8.9	9.4
Personnel support.....	19.7	22.8	20.1	22.6	22.5	22.9	23.0
Transportation of material.....	4.6	4.5	4.5	4.5	4.5	4.5	4.6
Travel of persons.....	4.0	3.7	3.8	3.7	3.7	3.8	3.9
Other.....	-1.7	-1.6	-0.9	-2.4	-1.1	-1.3	-1.4
<b>Gross investment</b> .....	<b>54.7</b>	<b>58.6</b>	<b>58.4</b>	<b>56.1</b>	<b>58.2</b>	<b>58.1</b>	<b>61.8</b>
<b>Structures</b> .....	<b>4.6</b>	<b>4.4</b>	<b>4.6</b>	<b>4.5</b>	<b>4.5</b>	<b>4.0</b>	<b>4.7</b>
<b>Equipment and software</b> ....	<b>50.3</b>	<b>54.5</b>	<b>54.1</b>	<b>51.9</b>	<b>54.0</b>	<b>54.5</b>	<b>57.4</b>
Aircraft.....	8.3	9.2	7.8	8.3	8.8	10.8	9.1
Missiles.....	2.7	3.6	4.1	4.1	3.9	3.3	3.4
Ships.....	6.4	7.0	6.7	7.0	7.2	6.7	7.2
Vehicles.....	1.8	1.9	1.7	1.8	2.0	1.8	2.1
Electronics and software..	16.7	17.2	17.3	16.7	16.2	17.2	18.5
Other equipment.....	14.3	15.6	16.5	14.1	15.9	15.0	17.2
<b>Residual</b> .....	<b>-9</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-1.1</b>	<b>-1.3</b>	<b>-1.3</b>	<b>-1.5</b>
<b>Addendum:</b>							
Compensation of general government employees <sup>3</sup> ..	120.9	121.3	121.1	120.1	120.2	121.3	123.7

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the line in the addendum.  
 Chain-type indexes for the series in this table are shown in table 7.12.  
 See footnotes to table 3.10.

## 4. Foreign Transactions

**Table 4.1. Foreign Transactions in the National Income and Product Accounts**  
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
			IV	I	II	III	IV
<b>Receipts from the rest of the world</b> .....	<b>1,487.1</b>	<b>1,385.5</b>	<b>1,523.1</b>	<b>1,496.3</b>	<b>1,426.5</b>	<b>1,341.9</b>	<b>1,277.4</b>
Exports of goods and services	1,102.9	1,050.4	1,121.0	1,117.4	1,079.6	1,020.6	983.8
Goods <sup>1</sup> .....	785.6	736.4	799.7	794.2	754.4	710.7	686.1
Durable.....	570.3	524.7	578.2	573.6	539.6	504.6	481.0
Nondurable.....	215.3	211.7	221.5	220.6	214.8	206.2	205.1
Services <sup>1</sup> .....	317.3	314.0	321.3	323.2	325.2	309.8	297.7
Income receipts.....	384.2	335.2	402.1	378.9	346.9	321.3	293.6
<b>Payments to the rest of the world</b> .....	<b>1,487.1</b>	<b>1,385.5</b>	<b>1,523.1</b>	<b>1,496.3</b>	<b>1,426.5</b>	<b>1,341.9</b>	<b>1,277.4</b>
Imports of goods and services	1,466.9	1,380.1	1,511.6	1,481.2	1,427.0	1,315.0	1,297.3
Goods <sup>1</sup> .....	1,244.9	1,173.5	1,284.0	1,248.7	1,197.8	1,145.6	1,101.9
Durable.....	821.6	758.0	836.8	811.2	782.3	734.3	724.3
Nondurable.....	423.3	415.5	447.2	437.6	435.5	411.3	377.6
Services <sup>1</sup> .....	221.9	206.6	227.7	232.5	229.2	169.4	195.4
Income payments.....	396.3	340.5	397.9	389.4	358.6	332.4	281.6
Transfer payments (net).....	54.4	49.1	67.0	45.9	47.6	49.0	53.8
From persons (net).....	29.6	31.2	30.8	30.1	30.8	31.9	31.9
From government (net).....	14.0	8.3	25.5	5.8	7.1	7.7	12.6
From business.....	10.8	9.6	10.6	10.0	9.7	9.4	9.3
Net foreign investment.....	-430.5	-384.1	-453.4	-420.2	-406.6	-354.5	-355.3

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

**Table 4.2. Real Exports and Imports of Goods and Services and Receipts and Payments of Income**  
[Billions of chained (1996) dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
			IV	I	II	III	IV
<b>Exports of goods and services</b> .....	<b>1,133.2</b>	<b>1,081.7</b>	<b>1,147.5</b>	<b>1,144.1</b>	<b>1,108.3</b>	<b>1,052.2</b>	<b>1,022.2</b>
Goods <sup>1</sup> .....	836.1	788.9	849.5	844.4	805.2	762.9	743.1
Durable.....	608.9	561.0	617.1	611.7	575.9	540.0	516.3
Nondurable.....	227.0	227.7	232.2	232.5	229.0	222.6	226.7
Services <sup>1</sup> .....	299.3	293.7	300.5	301.8	303.6	289.6	279.6
<b>Income receipts</b> .....	<b>360.2</b>	<b>309.1</b>	<b>374.3</b>	<b>350.3</b>	<b>319.6</b>	<b>296.2</b>	<b>270.4</b>
<b>Imports of goods and services</b> .....	<b>1,532.3</b>	<b>1,490.4</b>	<b>1,568.5</b>	<b>1,548.6</b>	<b>1,515.0</b>	<b>1,463.2</b>	<b>1,434.9</b>
Goods <sup>1</sup> .....	1,315.6	1,278.7	1,345.9	1,322.8	1,290.1	1,256.6	1,245.1
Durable.....	925.3	869.3	947.7	919.6	870.3	845.5	841.7
Nondurable.....	392.3	405.9	400.7	403.3	415.1	406.2	399.1
Services <sup>1</sup> .....	218.7	213.0	224.7	227.4	226.2	207.6	190.9
<b>Income payments</b> .....	<b>367.0</b>	<b>309.4</b>	<b>365.8</b>	<b>355.2</b>	<b>325.7</b>	<b>301.8</b>	<b>255.0</b>

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

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

Chain-type quantity indexes for the series in this table are shown in table 7.9.

**Table 4.3. Exports and Imports of Goods and Services by Type of Product**  
(Billions of dollars)

	2000	2001	Seasonally adjusted at annual rates				
			2001				
			IV	I	II	III	IV
<b>Exports of goods and services</b> .....	<b>1,102.9</b>	<b>1,050.4</b>	<b>1,121.0</b>	<b>1,117.4</b>	<b>1,079.6</b>	<b>1,020.6</b>	<b>983.8</b>
<b>Exports of goods</b> <sup>1</sup> .....	<b>785.6</b>	<b>736.4</b>	<b>799.7</b>	<b>794.2</b>	<b>754.4</b>	<b>710.7</b>	<b>686.1</b>
Foods, feeds, and beverages	47.5	48.6	47.4	49.3	48.1	47.8	49.4
Industrial supplies and materials.....	165.9	155.8	170.9	166.0	157.8	151.8	147.7
Durable goods.....	63.2	56.9	64.1	61.4	57.5	55.0	53.6
Nondurable goods.....	102.7	98.9	106.8	104.6	100.3	96.8	94.0
Capital goods, except automotive.....	357.0	323.6	365.9	367.3	332.8	305.0	289.4
Civilian aircraft, engines, and parts.....	48.1	53.1	47.4	56.1	55.1	53.1	48.1
Computers, peripherals, and parts.....	55.5	47.8	57.2	56.0	48.6	44.5	42.1
Other.....	253.4	222.7	261.2	255.3	229.1	207.4	199.2
Automotive vehicles, engines, and parts.....	80.2	74.6	77.2	71.8	76.3	77.4	73.1
Consumer goods, except automotive.....	90.6	89.8	90.7	94.0	93.6	86.0	85.6
Durable goods.....	47.7	47.6	47.3	50.2	50.1	45.8	44.4
Nondurable goods.....	42.9	42.2	43.5	43.8	43.5	40.2	41.1
Other.....	44.5	43.8	47.6	45.8	45.8	42.8	40.9
<b>Exports of services</b> <sup>1</sup> .....	<b>317.3</b>	<b>314.0</b>	<b>321.3</b>	<b>323.2</b>	<b>325.2</b>	<b>309.8</b>	<b>297.7</b>
Transfers under U.S. military agency sales contracts.....	12.8	12.5	12.8	12.4	13.2	12.1	12.3
Travel.....	82.0	73.1	81.6	81.2	80.9	71.0	59.3
Passenger fares.....	20.7	17.9	20.7	19.7	19.9	17.8	14.2
Other transportation.....	30.2	28.0	30.4	29.4	28.4	27.9	26.5
Royalties and license fees.....	38.0	40.2	38.5	39.5	40.7	39.8	40.6
Other private services.....	107.6	114.5	109.8	113.0	114.3	113.6	117.1
Other.....	25.9	27.7	27.6	27.8	27.7	27.6	27.8
<b>Imports of goods and services</b> .....	<b>1,466.9</b>	<b>1,380.1</b>	<b>1,511.6</b>	<b>1,481.2</b>	<b>1,427.0</b>	<b>1,315.0</b>	<b>1,297.3</b>
<b>Imports of goods</b> <sup>1</sup> .....	<b>1,244.9</b>	<b>1,173.5</b>	<b>1,284.0</b>	<b>1,248.7</b>	<b>1,197.8</b>	<b>1,145.6</b>	<b>1,101.9</b>
Foods, feeds, and beverages	46.0	46.7	46.3	45.9	45.7	48.0	47.2
Industrial supplies and materials, except petroleum and products ..	173.6	167.2	180.2	182.4	174.2	161.5	150.7
Durable goods.....	88.5	80.6	86.9	86.2	80.6	79.0	76.5
Nondurable goods.....	85.1	86.6	93.3	96.2	93.5	82.4	74.2
Petroleum and products.....	120.2	103.8	127.1	117.2	114.3	102.7	81.1
Capital goods, except automotive.....	346.7	298.8	357.3	345.7	299.9	277.4	272.2
Civilian aircraft, engines, and parts.....	26.4	31.3	30.6	31.0	31.1	30.7	32.3
Computers, peripherals, and parts.....	89.8	74.4	89.6	85.7	75.9	67.9	67.9
Other.....	230.5	193.1	237.2	228.9	192.9	178.7	171.9
Automotive vehicles, engines, and parts.....	195.9	189.7	193.0	186.9	191.3	192.0	188.5
Consumer goods, except automotive.....	281.6	283.7	292.8	291.9	286.5	280.1	276.2
Durable goods.....	150.0	147.1	155.9	153.0	147.5	143.8	144.0
Nondurable goods.....	131.6	136.6	136.8	138.9	139.0	136.3	132.2
Other.....	81.1	83.7	87.2	78.7	86.0	83.9	86.0
<b>Imports of services</b> <sup>1</sup> .....	<b>221.9</b>	<b>206.6</b>	<b>227.7</b>	<b>232.5</b>	<b>229.2</b>	<b>169.4</b>	<b>195.4</b>
Direct defense expenditures	13.6	14.6	13.5	14.2	13.8	14.5	15.8
Travel.....	64.5	57.4	63.8	64.7	65.0	54.9	44.9
Passenger fares.....	24.2	22.6	24.1	24.0	25.8	23.4	17.2
Other transportation.....	41.1	38.4	42.9	42.1	39.3	36.6	35.5
Royalties and license fees.....	16.1	17.5	17.0	18.1	17.7	17.7	16.6
Other private services.....	54.7	48.0	58.5	61.4	59.5	54.1	57.2
Other.....	7.8	8.1	7.9	8.0	8.1	8.2	8.3
<b>Addenda:</b>							
Exports of agricultural goods <sup>2</sup> .....	52.8	54.9	53.2	54.4	53.9	54.9	56.3
Exports of nonagricultural goods.....	732.8	681.5	746.5	739.8	700.5	655.9	629.7
Imports of nonpetroleum goods.....	1,124.8	1,069.7	1,156.9	1,131.5	1,083.5	1,042.9	1,020.8

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 are reclassified from goods to services.

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

**Table 4.4. Real Exports and Imports of Goods and Services by Type of Product**  
(Billions of chained (1996) dollars)

	2000	2001	Seasonally adjusted at annual rates				
			2001				
			IV	I	II	III	IV
<b>Exports of goods and services</b> .....	<b>1,133.2</b>	<b>1,081.7</b>	<b>1,147.5</b>	<b>1,144.1</b>	<b>1,108.3</b>	<b>1,052.2</b>	<b>1,022.2</b>
<b>Exports of goods</b> <sup>1</sup> .....	<b>836.1</b>	<b>788.9</b>	<b>849.5</b>	<b>844.4</b>	<b>805.2</b>	<b>762.9</b>	<b>743.1</b>
Foods, feeds, and beverages	60.0	61.3	59.8	62.1	61.1	59.4	62.7
Industrial supplies and materials.....	168.2	163.1	172.1	168.7	162.7	160.2	160.6
Durable goods.....	67.1	61.4	68.2	65.8	62.0	59.3	58.7
Nondurable goods.....	101.2	101.5	104.1	102.9	100.6	100.7	101.7
Capital goods, except automotive.....	394.9	358.0	404.3	405.2	367.3	338.2	321.5
Civilian aircraft, engines, and parts.....	43.1	45.2	41.7	48.4	47.0	44.9	40.4
Computers, peripherals, and parts.....	85.6	76.0	88.8	87.5	76.6	71.5	68.5
Other.....	271.5	239.7	280.2	273.7	246.1	223.8	215.4
Automotive vehicles, engines, and parts.....	78.3	72.6	75.4	70.0	74.2	75.2	71.1
Consumer goods, except automotive.....	89.8	89.4	90.1	93.5	93.3	85.6	84.9
Durable goods.....	47.3	47.2	47.0	49.8	49.8	45.4	43.9
Nondurable goods.....	42.5	42.2	43.2	43.8	43.6	40.2	41.1
Other.....	45.9	45.3	49.0	47.1	47.0	44.2	42.8
<b>Exports of services</b> <sup>1</sup> .....	<b>299.3</b>	<b>293.7</b>	<b>300.5</b>	<b>301.8</b>	<b>303.6</b>	<b>289.6</b>	<b>279.6</b>
Transfers under U.S. military agency sales contracts.....	13.0	12.7	12.9	12.6	13.5	12.3	12.6
Travel.....	73.8	65.5	72.6	72.3	71.7	63.7	54.2
Passenger fares.....	19.7	16.9	19.8	18.4	19.1	16.6	13.4
Other transportation.....	28.1	26.6	27.4	27.4	26.9	26.4	25.7
Royalties and license fees.....	35.6	37.0	35.8	36.5	37.4	36.7	37.3
Other private services.....	108.8	114.8	110.5	113.5	114.6	113.9	117.3
Other.....	20.7	21.2	21.9	21.7	21.3	21.1	20.9
Residual.....	-9.0	-5.4	-10.8	-9.4	-4.2	-3.1	-5.5
<b>Imports of goods and services</b> .....	<b>1,532.3</b>	<b>1,490.4</b>	<b>1,568.5</b>	<b>1,548.6</b>	<b>1,515.0</b>	<b>1,463.2</b>	<b>1,434.9</b>
<b>Imports of goods</b> <sup>1</sup> .....	<b>1,315.6</b>	<b>1,278.7</b>	<b>1,345.9</b>	<b>1,322.8</b>	<b>1,290.1</b>	<b>1,256.6</b>	<b>1,245.1</b>
Foods, feeds, and beverages	49.4	51.7	50.4	49.7	50.6	53.8	52.6
Industrial supplies and materials, except petroleum and products ..	167.9	165.3	167.2	165.0	166.5	166.5	163.0
Durable goods.....	86.5	81.6	86.0	84.9	79.8	80.3	81.2
Nondurable goods.....	81.4	83.1	81.2	80.1	85.9	85.5	81.0
Petroleum and products.....	86.0	88.7	85.9	91.3	92.2	85.3	86.1
Capital goods, except automotive.....	451.7	400.7	470.1	456.6	400.4	374.4	371.2
Civilian aircraft, engines, and parts.....	23.9	27.3	27.3	27.5	27.1	26.6	27.9
Computers, peripherals, and parts.....	152.6	139.0	156.4	151.9	139.4	129.8	135.0
Other.....	279.3	237.0	289.1	279.5	236.7	219.9	211.9
Automotive vehicles, engines, and parts.....	192.5	186.5	189.5	183.4	188.3	189.2	185.1
Consumer goods, except automotive.....	293.5	298.1	306.2	305.4	300.7	294.6	291.6
Durable goods.....	161.2	160.0	168.2	165.2	160.2	156.7	157.9
Nondurable goods.....	132.7	138.3	138.4	140.5	140.6	137.9	134.0
Other.....	80.9	83.5	86.6	77.6	85.2	84.3	86.8
<b>Imports of services</b> <sup>1</sup> .....	<b>218.7</b>	<b>213.0</b>	<b>224.7</b>	<b>227.4</b>	<b>226.2</b>	<b>207.6</b>	<b>190.9</b>
Direct defense expenditures	15.4	16.7	15.6	16.1	16.0	16.4	18.2
Travel.....	66.7	59.8	67.5	66.8	68.4	57.3	46.6
Passenger fares.....	20.7	17.8	20.0	19.3	20.7	17.6	13.5
Other transportation.....	34.9	33.2	35.7	35.6	33.5	31.7	32.0
Royalties and license fees.....	15.1	16.1	15.8	16.7	16.3	16.3	15.2
Other private services.....	58.6	64.3	63.0	66.2	64.6	63.6	62.9
Other.....	7.4	7.7	7.5	7.6	7.7	7.8	7.9
Residual.....	-12.9	-1.9	-15.6	-11.3	1.8	3.2	-9
<b>Addenda:</b>							
Exports of agricultural goods <sup>2</sup> .....	68.5	70.6	68.7	69.9	69.9	69.5	73.2
Exports of nonagricultural goods.....	766.6	718.5	779.7	773.7	735.1	693.8	671.2
Imports of nonpetroleum goods.....	1,227.6	1,186.1	1,259.5	1,227.7	1,192.9	1,168.1	1,155.5

\* Because of rapid changes in relative prices, the chained-dollar estimates for computers are especially misleading as a measure of the contribution or relative importance of this component.

Note. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. For exports and for imports, the residual line is the difference between the aggregate line and the sum of the most detailed lines.

Chain-type quantity indexes for the series in this table are shown in table 7.10. Contributions to the percent change in real exports and in real imports of goods and services are shown in table 8.5.

See footnotes to table 4.3.

## 5. Saving and Investment

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

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
			IV	I	II	III	IV
<b>Gross saving</b> .....	<b>1,785.7</b>	<b>1,740.8</b>	<b>1,799.7</b>	<b>1,754.0</b>	<b>1,750.5</b>	<b>1,751.9</b>	<b>1,706.7</b>
<b>Gross private saving</b> .....	<b>1,323.0</b>	<b>1,380.5</b>	<b>1,332.7</b>	<b>1,307.9</b>	<b>1,321.2</b>	<b>1,534.4</b>	<b>1,358.4</b>
Personal saving.....	67.7	118.4	74.7	78.8	81.5	285.3	27.9
Undistributed corporate profits with inventory valuation and capital consumption adjustments.....	225.3	134.5	197.0	147.8	119.5	71.7	199.1
Undistributed profits.....	194.3	65.9	165.9	113.7	98.0	55.2	-3.5
Inventory valuation adjustment.....	-12.4	2.2	-7.3	-1.9	-8.8	3.1	16.6
Capital consumption adjustment.....	43.4	66.4	38.4	36.0	30.3	13.4	186.1
Corporate consumption of fixed capital.....	727.1	798.6	749.7	763.8	785.6	847.0	798.0
Noncorporate consumption of fixed capital.....	302.8	329.0	311.3	317.5	334.6	330.4	333.3
Wage accruals less disbursements.....	.0	.0	.0	.0	.0	.0	.0
<b>Gross government saving</b> .....	<b>462.7</b>	<b>360.3</b>	<b>467.1</b>	<b>446.1</b>	<b>429.3</b>	<b>217.6</b>	<b>348.3</b>
Federal.....	315.0	218.6	320.5	303.7	286.2	86.2	198.3
Consumption of fixed capital.....	96.4	99.6	97.9	98.4	99.4	99.8	100.9
Current surplus or deficit (-), national income and product accounts.....	218.6	119.0	222.5	205.3	186.7	-13.6	97.4
State and local.....	147.8	141.8	146.6	142.5	143.2	131.4	150.0
Consumption of fixed capital.....	114.9	124.2	118.0	120.2	121.9	129.5	125.2
Current surplus or deficit (-), national income and product accounts.....	32.8	17.6	28.6	22.3	21.3	1.9	24.8
<b>Gross investment</b> .....	<b>1,655.3</b>	<b>1,590.9</b>	<b>1,649.7</b>	<b>1,633.5</b>	<b>1,607.3</b>	<b>1,602.3</b>	<b>1,520.7</b>
Gross private domestic investment.....	1,767.5	1,633.9	1,780.3	1,722.8	1,669.9	1,624.8	1,518.2
Gross government investment.....	318.3	341.2	322.8	330.9	344.0	331.9	357.7
Net foreign investment.....	-430.5	-384.1	-453.4	-420.2	-406.6	-354.5	-353.3
Statistical discrepancy.....	-130.4	-149.8	-150.0	-120.5	-143.2	-149.7	-186.0
<b>Addendum:</b>							
Gross saving as a percentage of gross national product.....	18.1	17.1	17.9	17.3	17.2	17.2	16.6

**Table 5.4. Private Fixed Investment by Type**  
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
			IV	I	II	III	IV
<b>Private fixed investment</b> .....	<b>1,718.1</b>	<b>1,692.4</b>	<b>1,741.6</b>	<b>1,748.3</b>	<b>1,706.5</b>	<b>1,682.6</b>	<b>1,632.1</b>
<b>Nonresidential</b> .....	<b>1,293.1</b>	<b>1,246.0</b>	<b>1,318.2</b>	<b>1,311.2</b>	<b>1,260.2</b>	<b>1,231.0</b>	<b>1,181.6</b>
<b>Structures</b> .....	<b>313.6</b>	<b>330.3</b>	<b>330.9</b>	<b>345.8</b>	<b>338.6</b>	<b>334.3</b>	<b>302.5</b>
Nonresidential buildings, including farm.....	227.0	224.2	235.1	241.3	230.4	218.6	206.5
Utilities.....	51.7	57.3	57.5	60.5	59.4	54.3	54.9
Mining exploration, shafts, and wells.....	27.6	38.7	30.5	36.9	42.0	42.0	34.1
Other structures.....	7.3	10.1	7.8	7.1	6.7	19.4	7.0
<b>Equipment and software</b> .....	<b>979.5</b>	<b>915.8</b>	<b>987.3</b>	<b>965.4</b>	<b>921.7</b>	<b>896.8</b>	<b>879.1</b>
Information processing equipment and software.....	466.5	427.1	486.5	460.4	431.1	412.9	404.2
Computers and peripheral equipment <sup>1</sup> .....	109.3	87.7	114.0	102.9	89.6	78.5	79.8
Software <sup>2</sup> .....	183.1	189.0	193.3	190.5	189.0	189.8	186.9
Other.....	174.1	150.4	179.3	167.1	152.5	144.6	137.5
Industrial equipment.....	166.7	162.1	170.1	175.8	166.4	156.0	150.4
Transportation equipment.....	195.9	178.0	180.1	179.0	175.7	177.7	179.4
Other.....	150.3	148.5	150.5	150.3	148.5	150.2	145.2
<b>Residential</b> .....	<b>425.1</b>	<b>446.3</b>	<b>423.4</b>	<b>437.0</b>	<b>446.2</b>	<b>451.6</b>	<b>450.4</b>
<b>Structures</b> .....	<b>415.6</b>	<b>436.8</b>	<b>413.9</b>	<b>427.5</b>	<b>436.7</b>	<b>442.1</b>	<b>440.8</b>
Single family.....	220.7	229.6	216.4	226.5	229.6	231.6	230.7
Multifamily.....	28.1	31.4	27.9	29.6	31.0	31.7	33.3
Other structures.....	166.9	175.8	169.7	171.4	176.1	178.7	176.9
<b>Equipment</b> .....	<b>9.4</b>	<b>9.6</b>	<b>9.5</b>	<b>9.5</b>	<b>9.6</b>	<b>9.5</b>	<b>9.6</b>

1. Includes new computers and peripheral equipment only.
2. Excludes software "embedded," or bundled, in computers and other equipment.

**Table 5.5. Real Private Fixed Investment by Type**  
[Billions of chained (1996) dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
			IV	I	II	III	IV
<b>Private fixed investment</b> .....	<b>1,716.2</b>	<b>1,682.6</b>	<b>1,732.1</b>	<b>1,740.3</b>	<b>1,696.4</b>	<b>1,671.6</b>	<b>1,621.9</b>
<b>Nonresidential</b> .....	<b>1,350.7</b>	<b>1,308.0</b>	<b>1,374.5</b>	<b>1,373.9</b>	<b>1,320.9</b>	<b>1,292.0</b>	<b>1,245.0</b>
<b>Structures</b> .....	<b>272.8</b>	<b>275.2</b>	<b>283.3</b>	<b>291.7</b>	<b>282.3</b>	<b>276.8</b>	<b>249.9</b>
Nonresidential buildings, including farm.....	194.9	185.9	199.1	202.0	191.6	180.8	169.3
Utilities.....	48.5	52.8	53.5	56.1	55.0	49.9	50.4
Mining exploration, shafts, and wells.....	23.5	28.4	24.8	28.3	30.4	30.0	25.1
Other structures.....	6.7	8.8	7.0	6.3	5.9	17.0	6.1
<b>Equipment and software</b> .....	<b>1,087.4</b>	<b>1,039.0</b>	<b>1,099.3</b>	<b>1,087.7</b>	<b>1,043.2</b>	<b>1,019.4</b>	<b>1,005.6</b>
Information processing equipment and software.....	609.5	587.1	641.8	620.9	588.1	572.1	567.4
Computers and peripheral equipment <sup>1</sup> .....	290.3	288.4	317.6	314.4	287.3	265.7	286.0
Software <sup>2</sup> .....	187.6	191.8	196.0	192.9	191.1	193.1	190.3
Other.....	186.5	163.9	193.2	180.8	165.9	158.1	151.1
Industrial equipment.....	162.6	157.3	165.6	170.7	161.2	151.3	146.0
Transportation equipment.....	192.7	175.5	176.2	177.4	174.4	174.0	176.1
Other.....	144.8	141.0	144.4	143.3	141.1	142.3	137.2
<b>Residential</b> .....	<b>371.4</b>	<b>376.9</b>	<b>365.3</b>	<b>372.9</b>	<b>378.3</b>	<b>380.5</b>	<b>376.0</b>
<b>Structures</b> .....	<b>361.8</b>	<b>367.3</b>	<b>355.8</b>	<b>363.3</b>	<b>368.6</b>	<b>370.9</b>	<b>366.3</b>
Single family.....	190.9	191.8	185.0	191.1	192.8	193.3	189.9
Multifamily.....	22.7	24.4	22.2	23.3	24.2	24.7	25.5
Other structures.....	148.4	151.1	148.7	149.0	151.6	152.9	150.9
<b>Equipment</b> .....	<b>9.6</b>	<b>9.7</b>	<b>9.6</b>	<b>9.7</b>	<b>9.7</b>	<b>9.7</b>	<b>9.8</b>
Residual.....	-93.5	-88.2	-110.8	-105.0	-85.8	-71.2	-91.8

1. Includes new computers and peripheral equipment only. Because of rapid changes in relative prices, the chained-dollar estimates for computers are especially misleading as a measure of the contribution or relative importance of this component; accurate estimates of these contributions are shown in table 8.4.
2. Excludes software "embedded," or bundled, in computers and other equipment.

NOTE. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Chain-type quantity indexes for the series in this table are shown in table 7.6.

Contributions to the percent change in real private fixed investment are shown in table 8.4.

**Table 5.10B. Change in Private Inventories by Industry**  
[Billions of dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
				IV	I	II	III
<b>Change in private inventories.....</b>	<b>49.4</b>	<b>-58.4</b>	<b>38.7</b>	<b>-25.5</b>	<b>-36.6</b>	<b>-57.8</b>	<b>-113.9</b>
Farm.....	-1.8	-1.7	.9	.7	-1.2	-1.9	-4.2
Construction, mining, and utilities.....	-2.5	3.5	-9.0	2.6	8.0	2.5	.9
Manufacturing.....	12.4	-32.5	12.0	-13.6	-33.4	-42.5	-40.5
Durable goods industries.....	12.1	-25.5	16.8	-9.3	-23.8	-35.0	-33.9
Nondurable goods industries.....	.4	-7.0	-4.8	-4.3	-9.6	-7.4	-6.6
Wholesale trade.....	20.5	-12.0	12.3	-3.3	2.2	-17.8	-29.3
Durable goods industries.....	13.4	-15.5	5.4	-3.7	-10.9	-21.8	-25.7
Nondurable goods industries.....	7.1	3.5	6.8	.4	13.1	3.9	-3.5
Retail trade.....	15.1	-17.2	19.6	-15.6	-13.4	1.3	-41.1
Motor vehicle dealers.....	6.0	-13.8	8.5	-19.7	-5.6	2.2	-31.9
Food and beverage stores.....	-2	.5	.1	1.3	.4	-5	.6
General merchandise stores.....	1.2	.3	2.8	6.1	-4	-4	-4.1
Other retail stores.....	8.2	-4.2	8.2	-3.3	-7.8	.0	-5.7
Other industries.....	5.6	1.4	2.8	3.6	1.2	.6	.3
<b>Addenda:</b>							
Change in private inventories.....	49.4	-58.4	38.7	-25.5	-36.6	-57.8	-113.9
Durable goods industries.....	34.7	-54.8	31.5	-31.0	-42.3	-55.3	-90.5
Nondurable goods industries.....	14.7	-3.7	7.2	5.5	5.8	-2.5	-23.4
Nonfarm industries.....	51.1	-56.8	37.8	-26.2	-35.3	-55.9	-109.7
Nonfarm change in book value <sup>1</sup> .....	74.5	-65.0	61.2	-28.2	-34.0	-68.2	-129.5
Nonfarm inventory valuation adjustment <sup>2</sup> .....	-23.4	8.2	-23.4	2.0	-1.3	12.3	19.8
Wholesale trade.....	20.5	-12.0	12.3	-3.3	2.2	-17.8	-29.3
Merchant wholesale trade.....	16.0	-8.8	8.8	-2.9	2.2	-10.3	-24.2
Durable goods industries.....	9.5	-12.7	2.4	-3.0	-10.8	-15.5	-21.3
Nondurable goods industries.....	6.6	3.9	6.4	.1	13.0	5.2	-2.9
Nonmerchant wholesale trade.....	4.4	-3.3	3.5	-.4	.1	-7.6	-5.1

1. This series is derived from the Census Bureau series "current cost inventories."  
2. The inventory valuation adjustment (IVA) shown in this table differs from the IVA that adjusts business incomes. The IVA in this table reflects the mix of methods (such as first-in, first-out and last-in, first-out) underlying inventories derived primarily from Census Bureau statistics (see footnote 1). This mix differs from that underlying business income derived primarily from Internal Revenue Service statistics.  
NOTE: Estimates in this table are based on the North American Industry Classification System (NAICS).

**Table 5.11B. Real Change in Private Inventories by Industry**  
[Billions of chained (1996) dollars]

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
				IV	I	II	III
<b>Change in private inventories.....</b>	<b>50.6</b>	<b>-61.7</b>	<b>42.8</b>	<b>-27.1</b>	<b>-38.3</b>	<b>-61.9</b>	<b>-119.3</b>
Farm.....	-2.0	-2.6	3.0	.2	-2.5	-2.9	-5.3
Construction, mining, and utilities.....	-1.8	3.0	-6.8	1.9	6.8	2.4	.8
Manufacturing.....	13.1	-35.4	12.9	-15.0	-35.6	-47.0	-44.1
Durable goods industries.....	12.7	-28.0	17.9	-10.5	-25.3	-39.1	-37.1
Nondurable goods industries.....	.6	-7.5	-4.4	-4.5	-10.2	-8.0	-7.1
Wholesale trade.....	21.2	-12.5	12.5	-3.0	2.6	-18.9	-30.7
Durable goods industries.....	14.2	-17.0	5.5	-3.7	-11.6	-24.0	-28.8
Nondurable goods industries.....	7.0	3.6	6.8	.6	12.8	3.8	-2.9
Retail trade.....	14.9	-16.9	19.3	-15.3	-13.2	1.2	-40.2
Motor vehicle dealers.....	6.0	-13.7	8.4	-19.6	-5.6	2.2	-31.9
Food and beverage stores.....	-2	.4	.1	1.2	.4	-4	.6
General merchandise stores.....	1.1	.3	2.7	6.0	-4	-4	-4.0
Other retail stores.....	8.1	-4.1	8.1	-3.2	-7.7	.0	-5.6
Other industries.....	5.5	1.4	2.8	3.6	1.2	.5	.3
Residual.....	-6	2.5	-1.3	.9	3.8	4.0	1.7
<b>Addenda:</b>							
Change in private inventories.....	50.6	-61.7	42.8	-27.1	-38.3	-61.9	-119.3
Durable goods industries.....	36.0	-58.6	32.8	-32.8	-44.5	-60.3	-97.0
Nondurable goods industries.....	15.1	-4.6	10.5	4.5	4.5	-3.3	-23.9
Nonfarm industries.....	52.3	-59.0	39.7	-27.3	-35.8	-59.0	-113.8
Wholesale trade.....	21.2	-12.5	12.5	-3.0	2.6	-18.9	-30.7
Merchant wholesale trade.....	16.6	-9.1	8.9	-2.5	2.6	-10.9	-25.5
Durable goods industries.....	9.9	-13.9	2.2	-3.0	-11.5	-17.1	-23.9
Nondurable goods industries.....	6.6	4.0	6.4	.3	12.8	5.1	-2.3
Nonmerchant wholesale trade.....	4.5	-3.3	3.6	-.4	.0	-7.7	-5.2

NOTE: Estimates in this table are based on the North American Industry Classification System (NAICS). Chained (1996) dollar series for real change in private inventories are calculated as the period-to-period change in chained-dollar end-of-period inventories. Quarterly changes in end-of-period inventories are stated at annual rates. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

**Table 5.12B. Private Inventories and Domestic Final Sales by Industry**

[Billions of dollars]

	Seasonally adjusted quarterly totals				
	2000	2001			
	IV	I	II	III	IV
<b>Private inventories</b> <sup>1</sup> .....	<b>1,507.1</b>	<b>1,486.3</b>	<b>1,464.6</b>	<b>1,424.4</b>	<b>1,383.3</b>
Farm.....	103.2	108.0	105.5	97.1	93.5
Construction, mining, and utilities.....	41.4	44.8	41.8	37.9	36.7
Manufacturing.....	489.0	465.5	450.5	429.0	420.2
Durable goods industries.....	303.3	294.8	285.8	267.8	261.8
Nondurable goods industries.....	185.7	170.8	164.6	161.2	158.4
Wholesale trade.....	363.9	361.4	361.7	355.6	342.5
Durable goods industries.....	224.1	221.4	218.1	211.9	204.0
Nondurable goods industries.....	139.8	140.0	143.6	143.7	138.5
Retail trade.....	403.4	399.1	397.0	397.3	384.4
Motor vehicle dealers.....	128.8	123.3	121.7	122.5	113.4
Food and beverage stores.....	32.0	32.9	33.2	33.2	33.3
General merchandise stores.....	64.3	66.1	66.1	66.0	64.9
Other retail stores.....	178.3	176.9	176.0	175.6	172.9
Other industries.....	106.2	107.4	108.2	107.6	106.1
<b>Addenda:</b>					
Private inventories.....	1,507.1	1,486.3	1,464.6	1,424.4	1,383.3
Durable goods industries.....	733.6	716.6	703.0	679.3	656.3
Nondurable goods industries.....	773.5	769.7	761.6	745.1	727.1
Nonfarm industries.....	1,403.9	1,378.3	1,359.1	1,327.3	1,289.8
Wholesale trade.....	363.9	361.4	361.7	355.6	342.5
Merchant wholesale trade.....	309.5	307.5	307.6	304.0	294.2
Durable goods industries.....	191.7	189.4	186.2	181.7	175.0
Nondurable goods industries.....	117.7	118.1	121.4	122.3	119.1
Nonmerchant wholesale trade.....	54.5	53.9	54.1	51.5	48.3
<b>Final sales of domestic business</b> <sup>2</sup> .....	<b>704.1</b>	<b>716.6</b>	<b>720.5</b>	<b>722.0</b>	<b>728.1</b>
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	<b>383.0</b>	<b>390.4</b>	<b>391.1</b>	<b>388.0</b>	<b>392.6</b>
<b>Ratios of private inventories to final sales of domestic business:</b>					
Private inventories to final sales.....	2.14	2.07	2.03	1.97	1.90
Nonfarm inventories to final sales.....	1.99	1.92	1.89	1.84	1.77
Nonfarm inventories to final sales of goods and structures.....	3.67	3.53	3.47	3.42	3.29

1. Inventories are as of the end of the quarter. The quarter-to-quarter change in inventories calculated from current-dollar inventories in this table is not the current-dollar change in the private inventories component of GDP. The former is the difference between two inventory stocks, each valued at its respective end-of-quarter prices. The latter is the change in the physical volume of inventories valued at average prices of the quarter. In addition, changes calculated from this table are at quarterly rates, whereas, the change in private inventories is stated at annual rates.

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

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

**Table 5.13B. Real Private Inventories and Real Domestic Final Sales by Industry**

[Billions of chained (1996) dollars]

	Seasonally adjusted quarterly totals				
	2000	2001			
	IV	I	II	III	IV
<b>Private inventories</b> <sup>1</sup> .....	<b>1,505.0</b>	<b>1,498.3</b>	<b>1,488.7</b>	<b>1,473.2</b>	<b>1,443.4</b>
Farm.....	104.6	104.6	104.0	103.3	102.0
Construction, mining, and utilities.....	34.7	35.2	36.9	37.5	37.7
Manufacturing.....	490.3	486.5	477.6	465.9	454.9
Durable goods industries.....	311.7	309.1	302.7	292.9	283.7
Nondurable goods industries.....	178.7	177.6	175.0	173.0	171.2
Wholesale trade.....	375.4	374.7	375.3	370.6	362.9
Durable goods industries.....	240.4	239.5	236.6	230.6	223.4
Nondurable goods industries.....	135.1	138.2	138.4	139.3	138.6
Retail trade.....	393.8	390.0	386.7	387.0	377.0
Motor vehicle dealers.....	127.6	122.7	121.3	121.9	113.9
Food and beverage stores.....	30.0	30.3	30.4	30.3	30.4
General merchandise stores.....	62.9	64.3	64.2	64.1	63.1
Other retail stores.....	173.3	172.5	170.6	170.6	169.2
Other industries.....	105.2	106.1	106.4	106.5	106.6
Residual.....	.8	1.2	2.2	3.2	3.6
<b>Addenda:</b>					
Private inventories.....	1,505.0	1,498.3	1,488.7	1,473.2	1,443.4
Durable goods industries.....	757.0	748.8	737.7	722.6	698.4
Nondurable goods industries.....	747.1	748.2	749.3	748.5	742.5
Nonfarm industries.....	1,399.5	1,392.6	1,383.7	1,368.9	1,340.5
Wholesale trade.....	375.4	374.7	375.3	370.6	362.9
Merchant wholesale trade.....	321.6	321.0	321.6	318.9	312.5
Durable goods industries.....	206.0	205.2	202.3	198.1	192.1
Nondurable goods industries.....	115.6	115.7	118.9	120.2	119.6
Nonmerchant wholesale trade.....	53.8	53.7	53.7	51.7	50.4
<b>Final sales of domestic business</b> <sup>2</sup> .....	<b>658.6</b>	<b>665.5</b>	<b>665.9</b>	<b>663.9</b>	<b>667.3</b>
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	<b>372.8</b>	<b>378.4</b>	<b>377.0</b>	<b>373.9</b>	<b>375.6</b>
<b>Ratios of private inventories to final sales of domestic business:</b>					
Private inventories to final sales.....	2.29	2.25	2.24	2.22	2.16
Nonfarm inventories to final sales.....	2.13	2.09	2.08	2.06	2.01
Nonfarm inventories to final sales of goods and structures.....	3.75	3.68	3.67	3.66	3.57

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

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

NOTE: Estimates in this table are based on the North American Industry Classification System (NAICS). Chained (1996) dollar inventory series are calculated to ensure that the chained (1996) dollar change in inventories for 1996 equals the current-dollar change in inventories for 1996 and that the average of the 1995 and 1996 end-of-year chain-weighted and fixed-weighted inventories are equal. Chained (1996) dollar final sales are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines for inventories.

6. Income and Employment by Industry

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

	2000	2001	Seasonally adjusted at annual rates				
			2000		2001		
			IV	I	II	III	IV
<b>National income without capital consumption adjustment</b> .....	<b>7,946.6</b>	<b>8,154.5</b>	<b>8,095.6</b>	<b>8,143.9</b>	<b>8,194.4</b>	<b>8,184.4</b>	<b>8,095.3</b>
<b>Domestic industries</b> .....	<b>7,958.7</b>	<b>8,159.8</b>	<b>8,091.4</b>	<b>8,154.4</b>	<b>8,206.1</b>	<b>8,195.5</b>	<b>8,083.3</b>
<b>Private industries</b> .....	<b>6,949.7</b>	<b>7,104.6</b>	<b>7,071.1</b>	<b>7,119.3</b>	<b>7,158.4</b>	<b>7,132.7</b>	<b>7,007.7</b>
Agriculture, forestry, and fishing.....	117.9	118.7	118.5	119.1	119.9	125.6	110.4
Mining.....	57.1	61.9	60.4	66.3	65.8	61.7	53.7
Construction.....	425.0	446.4	434.1	445.5	447.7	448.9	443.6
Manufacturing.....	1,237.5	1,170.4	1,221.5	1,195.1	1,194.8	1,174.7	1,117.0
Durable goods.....	723.2	673.2	713.2	699.7	687.0	672.0	634.1
Nondurable goods.....	514.3	497.2	508.4	495.4	507.8	502.7	482.9
Transportation and public utilities.....	555.4	558.5	567.5	572.9	571.8	564.9	524.3
Transportation.....	245.2	237.1	247.8	244.4	242.0	238.9	222.8
Communications.....	163.4	167.1	172.7	173.1	169.3	169.4	156.6
Electric, gas, and sanitary services.....	146.7	154.3	147.1	155.4	160.5	156.6	144.9
Wholesale trade.....	479.7	476.1	485.9	475.0	471.7	482.2	475.6
Retail trade.....	663.5	692.6	670.1	687.5	693.1	695.3	694.3
Finance, insurance, and real estate.....	1,476.6	1,529.8	1,513.7	1,528.7	1,541.3	1,516.3	1,532.9
Services.....	1,937.0	2,050.2	1,999.3	2,029.3	2,052.3	2,063.2	2,055.8
<b>Government</b> .....	<b>1,009.0</b>	<b>1,055.3</b>	<b>1,020.3</b>	<b>1,035.0</b>	<b>1,047.6</b>	<b>1,062.8</b>	<b>1,075.6</b>
<b>Rest of the world</b> .....	<b>-12.1</b>	<b>-5.3</b>	<b>4.2</b>	<b>-10.4</b>	<b>-11.7</b>	<b>-11.1</b>	<b>12.0</b>

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

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

	2000	2001	Seasonally adjusted at annual rates				
			2000		2001		
			IV	I	II	III	IV
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>876.4</b>	<b>767.1</b>	<b>847.6</b>	<b>789.8</b>	<b>759.8</b>	<b>697.0</b>	<b>822.0</b>
<b>Domestic industries</b> .....	<b>739.6</b>	<b>617.8</b>	<b>690.8</b>	<b>649.7</b>	<b>615.8</b>	<b>550.9</b>	<b>655.0</b>
Financial.....	189.5	167.3	187.5	184.9	165.4	136.1	183.0
Nonfinancial.....	550.1	450.5	503.4	464.8	450.4	414.8	472.0
<b>Rest of the world</b> .....	<b>136.8</b>	<b>149.3</b>	<b>156.8</b>	<b>140.0</b>	<b>144.0</b>	<b>146.1</b>	<b>167.0</b>
Receipts from the rest of the world.....	204.9	190.8	210.4	201.0	194.0	185.9	182.2
Less: Payments to the rest of the world.....	68.1	41.5	53.6	61.0	50.0	39.8	15.2
<b>Corporate profits with inventory valuation adjustment</b> .....	<b>833.0</b>	<b>700.7</b>	<b>809.2</b>	<b>753.8</b>	<b>729.5</b>	<b>663.6</b>	<b>635.9</b>
<b>Domestic industries</b> .....	<b>696.3</b>	<b>551.4</b>	<b>652.4</b>	<b>613.8</b>	<b>585.4</b>	<b>537.5</b>	<b>468.9</b>
Financial.....	204.4	180.0	204.4	202.2	183.3	153.4	181.2
Federal Reserve banks.....	30.0	27.9	30.9	30.4	28.7	27.4	25.0
Other.....	174.4	152.1	173.5	171.7	154.6	128.0	156.2
Nonfinancial.....	491.8	371.4	448.0	411.6	402.1	384.1	287.7
Manufacturing.....	155.2	79.5	119.4	90.4	93.4	84.0	50.3
Durable goods.....	63.2	9.1	38.1	24.8	15.6	8.6	-12.4
Primary metal industries.....	3.1	-1.2	1.6	-2.0	-1.5	-8	-5
Fabricated metal products.....	14.3	8.6	7.4	9.3	9.7	7.7	7.9
Industrial machinery and equipment.....	7.9	-5.6	7.6	4.5	-3.6	-10.7	-12.4
Electronic and other electric equipment.....	3.7	-7.2	.8	-1.5	-4.8	-9.2	-13.3
Motor vehicles and equipment.....	5.1	-2.3	2.6	-2.9	-3.2	3.1	-6.4
Other.....	29.1	16.8	18.0	17.4	18.9	18.5	12.4
Nondurable goods.....	92.0	70.4	81.3	65.6	77.8	75.5	62.8
Food and kindred products.....	21.6	15.6	17.2	10.9	16.6	16.9	17.9
Chemicals and allied products.....	30.6	28.2	32.2	25.1	29.0	30.5	28.0
Petroleum and coal products.....	7.5	7.0	7.9	9.0	10.4	7.2	1.3
Other.....	32.3	19.7	23.9	20.5	22.0	20.9	15.5
Transportation and public utilities.....	67.4	52.4	67.3	66.4	62.6	54.8	25.7
Transportation.....	13.7	.6	10.7	5.1	3.3	.9	-6.9
Communications.....	12.7	8.5	17.8	15.5	9.9	9.3	-7
Electric, gas, and sanitary services.....	41.0	43.3	38.7	45.8	49.4	44.6	33.3
Wholesale trade.....	60.5	40.4	55.9	40.3	34.0	45.4	41.9
Retail trade.....	81.8	85.5	76.3	84.9	85.6	87.3	84.3
Other.....	126.9	113.6	129.1	129.7	126.5	112.6	85.5
<b>Rest of the world</b> .....	<b>136.8</b>	<b>149.3</b>	<b>156.8</b>	<b>140.0</b>	<b>144.0</b>	<b>146.1</b>	<b>167.0</b>

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

## 7. Quantity and Price Indexes

Table 7.1. Quantity and Price Indexes for Gross Domestic Product

(Index numbers, 1996=100)

	2000	2001	Seasonally adjusted					2000	2001	Seasonally adjusted											
			2000	2001						2000	2001	2000	2001								
				IV	I	II	III						IV	IV	I	II	III	IV			
<b>Gross domestic product:</b>																					
Current dollars .....	126.36	130.65	128.35	129.80	130.58	130.87	131.36	126.17	120.15	128.24	127.82	123.50	116.75	112.54	126.17	120.15	128.24	127.82	123.50	116.75	112.54
Chain-type quantity index .....	118.06	119.46	119.08	119.47	119.56	119.16	119.65	129.63	123.74	131.27	130.88	126.78	120.37	116.93	129.63	123.74	131.27	130.88	126.78	120.37	116.93
Chain-type price index .....	107.04	109.37	107.78	108.65	109.22	109.83	109.80	97.33	97.09	97.70	97.67	97.42	97.00	96.25	97.33	97.09	97.70	97.67	97.42	97.00	96.25
Implicit price deflator .....	107.04	109.37	107.78	108.65	109.21	109.82	109.78	97.33	97.10	97.70	97.67	97.41	96.99	96.25	97.33	97.10	97.70	97.67	97.41	96.99	96.25
<b>Personal consumption expenditures:</b>																					
Current dollars .....	128.47	134.88	131.20	133.22	134.50	134.75	137.05	127.04	119.07	129.32	128.43	121.99	114.93	110.94	127.04	119.07	129.32	128.43	121.99	114.93	110.94
Chain-type quantity index .....	119.48	123.64	121.07	121.98	122.74	123.03	124.87	135.20	127.57	137.37	136.55	130.21	123.36	120.16	135.20	127.57	137.37	136.55	130.21	123.36	120.16
Chain-type price index .....	107.52	109.53	108.37	109.23	109.59	109.53	109.76	93.97	93.31	94.15	94.06	93.69	93.17	92.33	93.97	93.31	94.15	94.06	93.69	93.17	92.33
Implicit price deflator .....	107.52	109.52	108.36	109.22	109.59	109.52	109.75	93.97	93.34	94.14	94.05	93.69	93.17	92.33	93.97	93.34	94.14	94.05	93.69	93.17	92.33
<b>Durable goods:</b>																					
Current dollars .....	132.96	139.23	132.80	135.95	137.03	136.36	147.58	124.05	122.77	125.64	126.35	127.16	121.15	116.41	124.05	122.77	125.64	126.35	127.16	121.15	116.41
Chain-type quantity index .....	145.27	155.01	145.90	149.63	152.17	152.51	165.73	117.01	114.82	117.47	117.99	118.70	113.24	109.33	117.01	114.82	117.47	117.99	118.70	113.24	109.33
Chain-type price index .....	91.53	89.84	91.03	90.86	90.05	89.41	89.05	106.02	106.92	106.95	107.08	107.13	106.98	106.48	106.02	106.92	106.95	107.08	107.13	106.98	106.48
Implicit price deflator .....	91.53	89.82	91.03	90.86	90.05	89.41	89.05	106.02	106.93	106.95	107.08	107.13	106.98	106.48	106.02	106.93	106.95	107.08	107.13	106.98	106.48
<b>Nondurable goods:</b>																					
Current dollars .....	126.40	130.56	128.66	130.05	131.02	130.72	130.46	152.30	143.29	156.95	153.79	148.16	136.53	134.70	152.30	143.29	156.95	153.79	148.16	136.53	134.70
Chain-type quantity index .....	117.52	119.64	118.60	119.31	119.40	119.40	120.30	95.73	92.53	96.37	95.65	94.19	89.87	90.41	95.73	92.53	96.37	95.65	94.19	89.87	90.41
Chain-type price index .....	107.55	109.13	108.48	109.01	109.74	109.33	108.44	101.45	97.00	101.34	102.25	101.31	81.61	88.50	101.45	97.00	101.34	102.25	101.31	81.61	88.50
Implicit price deflator .....	107.55	109.13	108.48	109.01	109.73	109.33	108.44	101.45	97.00	101.34	102.25	101.31	81.61	88.50	101.45	97.00	101.34	102.25	101.31	81.61	88.50
<b>Services:</b>																					
Current dollars .....	128.63	136.24	132.18	134.31	135.79	136.51	138.33	143.37	133.49	147.09	150.20	148.06	109.45	126.25	128.63	136.24	132.18	134.31	135.79	136.51	138.33
Chain-type quantity index .....	115.78	119.25	117.78	118.32	119.13	119.48	120.06	141.32	137.62	145.14	146.90	146.14	134.12	123.31	115.78	119.25	117.78	118.32	119.13	119.48	120.06
Chain-type price index .....	111.10	114.26	112.24	113.53	114.00	114.27	115.23	101.45	96.88	101.34	102.24	101.31	81.60	102.37	111.10	114.26	112.24	113.53	114.00	114.27	115.23
Implicit price deflator .....	111.10	114.25	112.23	113.52	113.99	114.26	115.22	101.45	97.00	101.34	102.25	101.31	81.61	102.38	111.10	114.25	112.23	113.52	113.99	114.26	115.22
<b>Gross private domestic investment:</b>																					
Current dollars .....	142.23	131.48	143.26	138.63	134.38	130.75	122.17	110.60	114.53	111.31	112.76	114.14	114.22	117.02	142.23	131.48	143.26	138.63	134.38	130.75	122.17
Chain-type quantity index .....	142.67	131.23	143.10	138.49	134.08	130.40	121.95	110.71	112.94	111.63	112.58	113.09	113.10	113.01	142.67	131.23	143.10	138.49	134.08	130.40	121.95
Chain-type price index .....	99.71	100.20	100.10	100.11	100.21	100.27	100.22	110.71	112.94	111.63	112.58	113.09	113.10	113.01	99.71	100.20	100.10	100.11	100.21	100.27	100.22
Implicit price deflator .....	99.70	100.19	100.11	100.11	100.22	100.27	100.18	110.71	112.95	111.63	112.58	113.09	113.10	113.01	99.70	100.19	100.11	100.11	100.22	100.27	100.18
<b>Fixed investment:</b>																					
Current dollars .....	141.68	139.55	143.61	144.16	140.72	138.75	134.58	122.44	129.36	124.26	126.95	129.08	129.18	132.24	141.68	139.55	143.61	144.16	140.72	138.75	134.58
Chain-type quantity index .....	141.52	138.75	142.83	143.51	139.89	137.84	133.74	110.60	114.53	111.31	112.76	114.14	114.22	117.02	141.52	138.75	142.83	143.51	139.89	137.84	133.74
Chain-type price index .....	100.11	100.59	100.55	100.46	100.60	100.67	100.63	110.71	112.94	111.63	112.58	113.09	113.10	113.01	100.11	100.59	100.55	100.46	100.60	100.67	100.63
Implicit price deflator .....	100.11	100.58	100.55	100.45	100.59	100.66	100.63	110.71	112.95	111.63	112.58	113.09	113.10	113.01	100.11	100.58	100.55	100.45	100.59	100.66	100.63
<b>Nonresidential:</b>																					
Current dollars .....	143.76	138.53	146.55	145.78	140.11	136.87	131.38	111.02	115.82	111.78	113.88	114.74	115.82	118.83	143.76	138.53	146.55	145.78	140.11	136.87	131.38
Chain-type quantity index .....	150.17	145.42	152.81	152.75	146.86	143.65	138.43	102.68	105.41	103.07	103.88	104.35	105.27	108.15	150.17	145.42	152.81	152.75	146.86	143.65	138.43
Chain-type price index .....	95.74	95.26	95.91	95.44	95.41	95.29	94.91	108.12	109.87	108.46	109.62	109.96	110.02	109.87	95.74	95.26	95.91	95.44	95.41	95.29	94.91
Implicit price deflator .....	95.73	95.26	95.90	95.44	95.40	95.28	94.91	108.12	109.87	108.45	109.62	109.96	110.02	109.88	95.73	95.26	95.90	95.44	95.40	95.28	94.91
<b>Structures:</b>																					
Current dollars .....	139.37	146.80	147.07	153.69	150.48	148.57	134.45	105.15	111.77	107.12	110.06	110.95	111.94	114.14	139.37	146.80	147.07	153.69	150.48	148.57	134.45
Chain-type quantity index .....	121.25	122.30	125.94	129.64	125.47	123.04	111.07	97.76	102.32	99.11	100.93	101.50	102.31	104.53	121.25	122.30	125.94	129.64	125.47	123.04	111.07
Chain-type price index .....	114.95	120.13	116.83	118.61	119.99	120.80	121.11	107.56	109.24	108.08	109.04	109.32	109.41	109.19	114.95	120.13	116.83	118.61	119.99	120.80	121.11
Implicit price deflator .....	114.95	120.03	116.78	118.55	119.93	120.75	121.06	107.56	109.24	108.08	109.05	109.31	109.41	109.19	114.95	120.03	116.78	118.55	119.93	120.75	121.06
<b>Equipment and software:</b>																					
Current dollars .....	145.23	135.78	146.38	143.15	136.65	132.97	130.35	123.04	124.09	121.32	121.68	122.48	123.76	128.44	145.23	135.78	146.38	143.15	136.65	132.97	130.35
Chain-type quantity index .....	161.23	154.05	162.99	161.27	154.68	151.15	149.10	112.67	111.70	111.10	109.88	110.14	111.29	115.50	161.23	154.05	162.99	161.27	154.68	151.15	149.10
Chain-type price index .....	90.08	88.13	89.82	88.76	88.35	87.97	87.42	109.20	111.09	109.19	110.74	111.20	111.21	111.21	90.08	88.13	89.82	88.76	88.35	87.97	87.42
Implicit price deflator .....	90.08	88.14	89.81	88.76	88.35	87.97	87.42	109.21	111.09	109.19	110.74	111.20	111.20	111.20	90.08	88.14	89.81	88.76	88.35	87.97	87.42
<b>Residential:</b>																					





**Table 7.6. Chain-Type Quantity and Price Indexes for Private Fixed Investment by Type**  
[Index numbers, 1996=100]

	2000	2001	Seasonally adjusted				
			2000	2001			
				IV	I	II	III
Chain-type quantity indexes							
<b>Private fixed investment</b> .....	<b>141.52</b>	<b>138.75</b>	<b>142.83</b>	<b>143.51</b>	<b>139.89</b>	<b>137.84</b>	<b>133.74</b>
<b>Nonresidential</b> .....	<b>150.17</b>	<b>145.42</b>	<b>152.81</b>	<b>152.75</b>	<b>146.86</b>	<b>143.65</b>	<b>138.43</b>
<b>Structures</b> .....	<b>121.25</b>	<b>122.30</b>	<b>125.94</b>	<b>129.64</b>	<b>125.47</b>	<b>123.04</b>	<b>111.07</b>
Nonresidential buildings, including farm.....	120.55	115.01	123.16	124.94	118.53	111.83	104.74
Utilities.....	134.59	146.59	148.48	155.60	152.54	138.35	139.86
Mining exploration, shafts, and wells.....	111.34	134.88	117.75	134.07	144.17	142.21	119.07
Other structures.....	107.69	142.46	112.50	101.72	95.79	274.34	97.99
<b>Equipment and software</b> ....	<b>161.23</b>	<b>154.05</b>	<b>162.99</b>	<b>161.27</b>	<b>154.68</b>	<b>151.15</b>	<b>149.10</b>
Information processing equipment and software.....	212.17	204.39	223.42	216.16	204.73	199.14	197.52
Computers and peripheral equipment <sup>1</sup> .....	409.69	406.95	448.15	443.73	405.45	374.98	403.62
Software <sup>2</sup> .....	197.16	201.64	206.04	202.73	200.84	203.00	199.98
Other.....	153.83	135.19	159.28	149.07	136.77	130.33	124.60
Industrial equipment.....	119.13	115.30	121.40	125.14	118.15	110.90	106.99
Transportation equipment.....	138.72	126.32	126.85	127.72	125.54	125.27	126.76
Other.....	129.44	126.08	129.11	128.15	126.17	127.28	122.72
<b>Residential</b> .....	<b>118.55</b>	<b>120.32</b>	<b>116.62</b>	<b>119.03</b>	<b>120.76</b>	<b>121.47</b>	<b>120.04</b>
<b>Structures</b> .....	<b>118.40</b>	<b>120.18</b>	<b>116.42</b>	<b>118.87</b>	<b>120.62</b>	<b>121.36</b>	<b>119.87</b>
Single family.....	119.97	120.53	116.26	120.12	121.15	121.51	119.33
Multifamily.....	111.49	120.15	109.28	114.43	119.31	121.35	125.51
Other structures.....	117.61	119.76	117.90	118.06	120.17	121.19	119.60
<b>Equipment</b> .....	<b>125.30</b>	<b>126.79</b>	<b>126.02</b>	<b>126.25</b>	<b>127.13</b>	<b>126.24</b>	<b>127.56</b>
Chain-type price indexes							
<b>Private fixed investment</b> .....	<b>100.11</b>	<b>100.59</b>	<b>100.55</b>	<b>100.46</b>	<b>100.60</b>	<b>100.67</b>	<b>100.63</b>
<b>Nonresidential</b> .....	<b>95.74</b>	<b>95.26</b>	<b>95.91</b>	<b>95.44</b>	<b>95.41</b>	<b>95.29</b>	<b>94.91</b>
<b>Structures</b> .....	<b>114.95</b>	<b>120.13</b>	<b>116.83</b>	<b>118.61</b>	<b>119.99</b>	<b>120.80</b>	<b>121.11</b>
Nonresidential buildings, including farm.....	116.47	120.69	118.14	119.52	120.29	120.94	122.02
Utilities.....	106.54	108.49	107.44	107.87	108.18	108.95	108.95
Mining exploration, shafts, and wells.....	117.48	136.35	123.12	130.70	138.34	140.30	136.07
Other structures.....	109.68	113.92	111.55	112.90	113.67	114.22	114.89
<b>Equipment and software</b> ....	<b>90.08</b>	<b>88.13</b>	<b>89.82</b>	<b>88.76</b>	<b>88.35</b>	<b>87.97</b>	<b>87.42</b>
Information processing equipment and software.....	76.55	72.70	75.79	74.13	73.28	72.17	71.22
Computers and peripheral equipment <sup>1</sup> .....	37.65	30.25	35.78	32.62	31.11	29.44	27.80
Software <sup>2</sup> .....	97.62	98.58	98.64	98.79	98.92	98.31	98.28
Other.....	93.35	91.72	92.81	92.42	91.94	91.52	91.01
Industrial equipment.....	102.56	103.06	102.70	102.97	103.20	103.10	102.99
Transportation equipment.....	101.66	101.40	102.20	100.85	100.76	102.11	101.89
Other.....	103.86	105.34	104.25	104.86	105.23	105.51	105.77
<b>Residential</b> .....	<b>114.46</b>	<b>118.39</b>	<b>115.88</b>	<b>117.19</b>	<b>117.95</b>	<b>118.67</b>	<b>119.77</b>
<b>Structures</b> .....	<b>114.87</b>	<b>118.90</b>	<b>116.33</b>	<b>117.66</b>	<b>118.45</b>	<b>119.18</b>	<b>120.31</b>
Single family.....	115.60	119.72	116.96	118.50	119.10	119.80	121.50
Multifamily.....	123.90	128.60	125.62	127.29	127.94	128.69	130.50
Other structures.....	112.48	116.33	114.07	115.08	116.13	116.90	117.22
<b>Equipment</b> .....	<b>98.10</b>	<b>98.50</b>	<b>98.10</b>	<b>98.73</b>	<b>98.25</b>	<b>98.51</b>	<b>98.50</b>

1. Includes new computers and peripheral equipment only.  
2. Excludes software "embedded," or bundled, in computers and other equipment.

**Table 7.9. Chain-Type Quantity and Price Indexes for Exports and Imports of Goods and Services and for Receipts and Payments of Income**  
[Index numbers, 1996=100]

	2000	2001	Seasonally adjusted				
			2000	2001			
				IV	I	II	III
Chain-type quantity indexes							
<b>Exports of goods and services</b> .....	<b>129.63</b>	<b>123.74</b>	<b>131.27</b>	<b>130.88</b>	<b>126.78</b>	<b>120.37</b>	<b>116.93</b>
Goods <sup>1</sup> .....	135.20	127.57	137.37	136.55	130.21	123.36	120.16
Durable.....	144.40	133.03	146.33	145.05	136.57	128.07	122.44
Nondurable.....	115.40	115.76	118.03	118.21	116.42	113.16	115.24
Services <sup>1</sup> .....	117.01	114.82	117.47	117.99	118.70	113.24	109.33
<b>Income receipts</b> .....	<b>146.67</b>	<b>125.88</b>	<b>152.41</b>	<b>142.66</b>	<b>130.15</b>	<b>120.60</b>	<b>110.10</b>
<b>Imports of goods and services</b> .....	<b>159.09</b>	<b>154.75</b>	<b>162.86</b>	<b>160.79</b>	<b>157.30</b>	<b>151.92</b>	<b>148.99</b>
Goods <sup>1</sup> .....	162.75	158.18	166.50	163.65	159.60	155.46	154.04
Durable.....	173.51	163.00	177.72	172.44	163.20	158.55	157.83
Nondurable.....	142.65	147.59	145.67	146.63	150.93	147.70	145.10
Services <sup>1</sup> .....	141.32	137.62	145.14	146.90	146.14	134.12	123.31
<b>Income payments</b> .....	<b>161.33</b>	<b>136.02</b>	<b>160.79</b>	<b>156.13</b>	<b>143.16</b>	<b>132.68</b>	<b>112.11</b>
Chain-type price indexes							
<b>Exports of goods and services</b> .....	<b>97.33</b>	<b>97.09</b>	<b>97.70</b>	<b>97.67</b>	<b>97.42</b>	<b>97.00</b>	<b>96.25</b>
Goods <sup>1</sup> .....	93.97	93.31	94.15	94.06	93.69	93.17	92.33
Durable.....	93.66	93.52	93.71	93.78	93.70	93.43	93.16
Nondurable.....	94.85	92.94	95.40	94.89	93.78	92.64	90.47
Services <sup>1</sup> .....	106.02	106.92	106.95	107.08	107.13	106.98	106.48
<b>Income receipts</b> .....	<b>106.66</b>	<b>108.45</b>	<b>107.43</b>	<b>108.17</b>	<b>108.54</b>	<b>108.50</b>	<b>108.60</b>
<b>Imports of goods and services</b> .....	<b>95.73</b>	<b>92.53</b>	<b>96.37</b>	<b>95.65</b>	<b>94.19</b>	<b>89.87</b>	<b>90.41</b>
Goods <sup>1</sup> .....	94.63	91.73	95.40	94.40	92.85	91.17	88.50
Durable.....	88.79	87.17	88.29	88.20	87.59	86.84	86.05
Nondurable.....	107.90	102.37	111.66	108.55	104.95	101.30	94.67
Services <sup>1</sup> .....	101.45	96.88	101.34	102.24	101.31	81.60	102.37
<b>Income payments</b> .....	<b>107.98</b>	<b>110.08</b>	<b>108.79</b>	<b>109.63</b>	<b>110.11</b>	<b>110.14</b>	<b>110.43</b>

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

Table 7.10. Chain-Type Quantity and Price Indexes for Exports and Imports of Goods and Services by Type of Product
[Index numbers, 1996=100]

Table with columns for year (2000, 2001), quarterly data (IV, I, II, III, IV), and categories (Chain-type quantity indexes, Chain-type price indexes). Rows include Exports of goods and services, Exports of goods, Imports of goods and services, Imports of goods, Exports of services, and Imports of services.

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

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

**Table 7.11. Chain-Type Quantity and Price Indexes for Government Consumption Expenditures and Gross Investment by Type**  
[Index numbers, 1996=100]

	2000	2001	Seasonally adjusted					2000	2001	Seasonally adjusted						
			2000	2001						2000	2001	2000	2001			
				IV	I	II	III						IV	IV	I	II
<b>Chain-type quantity indexes</b>							<b>Chain-type price indexes</b>									
<b>Government consumption expenditures and gross investment <sup>1</sup></b>	<b>110.60</b>	<b>114.53</b>	<b>111.31</b>	<b>112.76</b>	<b>114.14</b>	<b>114.22</b>	<b>117.02</b>	<b>Government consumption expenditures and gross investment <sup>1</sup></b>	<b>110.71</b>	<b>112.94</b>	<b>111.63</b>	<b>112.58</b>	<b>113.09</b>	<b>113.10</b>	<b>113.01</b>	
<b>Federal</b>	<b>102.68</b>	<b>105.41</b>	<b>103.07</b>	<b>103.88</b>	<b>104.35</b>	<b>105.27</b>	<b>108.15</b>	<b>Federal</b>	<b>108.12</b>	<b>109.87</b>	<b>108.46</b>	<b>109.62</b>	<b>109.96</b>	<b>110.02</b>	<b>109.87</b>	
<b>National defense</b>	<b>97.76</b>	<b>102.32</b>	<b>99.11</b>	<b>100.93</b>	<b>101.50</b>	<b>102.31</b>	<b>104.53</b>	<b>National defense</b>	<b>107.56</b>	<b>109.24</b>	<b>108.09</b>	<b>109.04</b>	<b>109.32</b>	<b>109.41</b>	<b>109.18</b>	
Consumption expenditures	97.41	101.57	97.90	100.67	100.72	101.69	103.20	Consumption expenditures	109.29	111.42	109.89	111.14	111.46	111.59	111.50	
Durable goods <sup>2</sup>	107.86	116.31	110.11	109.00	114.40	124.17	117.68	Durable goods <sup>2</sup>	99.55	99.82	99.73	99.87	99.92	99.78	99.71	
Nondurable goods	121.74	126.26	109.41	112.32	130.41	127.27	135.04	Nondurable goods	110.89	105.80	118.85	110.18	107.91	106.58	98.52	
Services	96.04	99.91	96.77	99.80	99.00	99.48	101.37	Services	109.94	112.46	110.32	111.99	112.42	112.62	112.82	
Compensation of general government employees, except own-account investment <sup>3</sup>	90.40	90.65	90.57	89.80	89.88	90.60	92.32	Compensation of general government employees, except own-account investment <sup>3</sup>	114.63	118.57	114.58	118.03	118.56	118.82	118.86	
Consumption of general government fixed capital <sup>4</sup>	99.36	99.89	99.46	99.58	99.71	99.98	100.30	Consumption of general government fixed capital <sup>4</sup>	101.87	101.67	102.10	101.71	102.00	101.40	101.54	
Other services	103.24	116.11	105.47	117.51	114.40	114.59	117.95	Other services	108.98	111.54	110.11	110.79	111.17	111.87	112.34	
Gross investment	100.15	107.20	106.83	102.70	106.58	106.40	113.12	Gross investment	97.77	97.03	97.90	97.27	97.33	97.21	96.30	
Structures	69.35	66.15	68.01	67.05	67.27	60.30	70.00	Structures	114.85	118.96	116.53	117.80	118.63	119.19	120.22	
Equipment and software	104.84	113.61	112.86	108.21	112.69	113.70	119.84	Equipment and software	95.83	94.67	95.82	95.03	95.02	94.84	93.79	
<b>Nondefense</b>	<b>112.67</b>	<b>111.70</b>	<b>111.10</b>	<b>109.88</b>	<b>110.14</b>	<b>111.29</b>	<b>115.50</b>	<b>Nondefense</b>	<b>109.20</b>	<b>111.09</b>	<b>109.19</b>	<b>110.74</b>	<b>111.20</b>	<b>111.20</b>	<b>111.21</b>	
Consumption expenditures	107.89	105.80	106.20	104.60	104.95	104.85	108.79	Consumption expenditures	111.43	113.67	111.22	113.21	113.76	113.86	113.87	
Durable goods <sup>2</sup>								Durable goods <sup>2</sup>								
Nondurable goods								Nondurable goods								
Commodity Credit Corporation inventory change								Commodity Credit Corporation inventory change								
Other nondurables	87.51	93.42	50.58	94.37	90.83	89.02	99.45	Other nondurables	107.26	108.21	103.08	109.52	110.57	108.70	104.04	
Services	107.56	105.55	107.04	104.16	104.89	105.26	107.88	Services	112.10	114.50	112.00	113.96	114.49	114.67	114.89	
Compensation of general government employees, except own-account investment <sup>3</sup>	104.13	104.35	102.33	103.14	103.33	105.04	105.90	Compensation of general government employees, except own-account investment <sup>3</sup>	117.55	120.61	116.79	119.83	120.60	120.85	121.15	
Consumption of general government fixed capital <sup>4</sup>	146.69	158.97	151.51	154.26	157.30	160.51	163.80	Consumption of general government fixed capital <sup>4</sup>	100.74	101.57	101.48	101.57	101.77	101.44	101.48	
Other services	97.97	85.66	97.85	85.27	86.15	82.64	88.56	Other services	107.56	109.69	108.17	109.23	109.51	109.93	110.12	
Gross investment	135.48	140.25	134.61	135.29	135.07	142.57	148.08	Gross investment	100.19	100.77	100.85	100.84	100.98	100.64	100.63	
Structures	85.48	87.07	86.43	88.72	81.53	84.51	93.53	Structures	113.33	116.72	114.65	115.91	116.58	116.88	117.53	
Equipment and software	165.07	171.84	163.02	162.64	167.03	177.34	180.33	Equipment and software	95.01	94.79	95.47	95.09	95.08	94.58	94.40	
<b>State and local</b>	<b>115.26</b>	<b>119.90</b>	<b>116.17</b>	<b>117.99</b>	<b>119.88</b>	<b>119.48</b>	<b>122.24</b>	<b>State and local</b>	<b>112.14</b>	<b>114.64</b>	<b>113.37</b>	<b>114.22</b>	<b>114.82</b>	<b>114.79</b>	<b>114.73</b>	
Consumption expenditures	113.05	117.17	114.31	115.50	116.57	117.80	118.81	Consumption expenditures	113.11	115.62	114.39	115.21	115.88	115.82	115.59	
Durable goods <sup>2</sup>	129.87	138.31	132.91	135.08	137.28	139.50	141.36	Durable goods <sup>2</sup>	99.66	100.32	99.94	100.05	100.42	100.44	100.35	
Nondurable goods	125.11	132.37	127.63	129.53	131.47	133.44	135.05	Nondurable goods	110.94	109.60	113.54	112.48	113.13	109.49	103.31	
Services	111.33	114.99	112.40	113.48	114.43	115.56	116.49	Services	113.59	116.71	114.71	115.81	116.49	116.95	117.58	
Compensation of general government employees, except own-account investment <sup>3</sup>	106.39	108.77	107.06	107.81	108.43	109.21	109.64	Compensation of general government employees, except own-account investment <sup>3</sup>	114.71	118.05	115.74	116.49	117.50	118.63	119.59	
Consumption of general government fixed capital <sup>4</sup>	124.33	131.05	126.86	128.52	130.19	131.88	133.59	Consumption of general government fixed capital <sup>4</sup>	105.80	107.73	106.77	107.47	107.80	107.66	107.98	
Other services	189.85	215.20	196.57	203.71	210.08	217.94	229.07	Other services	113.53	116.38	116.15	122.42	119.50	113.08	110.52	
Gross investment	125.15	132.17	124.45	129.16	134.86	126.91	137.73	Gross investment	108.16	110.61	109.19	110.15	110.49	110.60	111.23	
Structures	117.13	125.31	115.16	121.13	128.49	118.96	132.67	Structures	114.99	119.21	116.57	118.31	118.93	119.20	120.40	
Equipment and software	152.57	154.51	156.63	156.33	155.24	153.86	152.61	Equipment and software	90.04	88.43	89.84	89.01	88.68	88.41	87.63	
<b>Addenda:</b>								<b>Addenda:</b>								
Compensation of general government employees <sup>3</sup>	103.55	105.25	103.89	104.30	104.81	105.60	106.30	Compensation of general government employees <sup>3</sup>	114.98	118.38	115.66	117.05	117.97	118.88	119.63	
Federal	95.58	95.89	95.08	94.89	95.06	96.10	97.50	Federal	115.75	119.33	115.41	118.69	119.33	119.58	119.72	
State and local	106.61	108.86	107.28	107.93	108.57	109.27	109.69	State and local	114.71	118.05	115.74	116.49	117.50	118.63	119.59	

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

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

3. Compensation of government employees engaged in new own-account investment and related expendi-

tures for goods and services are classified as investment in structures and in software. The compensation of all general government employees is shown in the addenda.

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

**Table 7.14. Chain-Type Quantity and Price Indexes for Gross Domestic Product by Sector**  
[Index numbers, 1996=100]

	2000	2001	Seasonally adjusted				
			2000	2001			
				IV	I	II	III
Chain-type quantity indexes							
<b>Gross domestic product</b>	<b>118.06</b>	<b>119.46</b>	<b>119.08</b>	<b>119.47</b>	<b>119.56</b>	<b>119.16</b>	<b>119.65</b>
<b>Business</b> <sup>1</sup>	<b>120.18</b>	<b>121.32</b>	<b>121.26</b>	<b>121.59</b>	<b>121.53</b>	<b>120.87</b>	<b>121.31</b>
Nonfarm <sup>2</sup>	120.08	121.25	121.12	121.49	121.50	120.81	121.22
Nonfarm less housing	121.17	122.34	122.25	122.68	122.53	121.84	122.32
Housing	110.34	111.55	111.10	110.92	112.27	111.56	111.46
Farm	130.73	128.13	136.12	132.24	124.31	126.37	129.60
<b>Households and institutions</b>	<b>111.50</b>	<b>115.55</b>	<b>112.75</b>	<b>113.84</b>	<b>115.36</b>	<b>116.24</b>	<b>116.78</b>
Private households	99.69	107.64	104.64	105.44	107.65	108.67	108.80
Nonprofit institutions	111.93	115.84	113.04	114.15	115.64	116.51	117.07
<b>General government</b> <sup>3</sup>	<b>105.57</b>	<b>107.75</b>	<b>106.13</b>	<b>106.66</b>	<b>107.27</b>	<b>108.14</b>	<b>108.92</b>
Federal	99.35	100.37	99.26	99.29	99.61	100.63	101.93
State and local	108.49	111.20	109.35	110.11	110.85	111.65	112.21
Chain-type price indexes							
<b>Gross domestic product</b>	<b>107.04</b>	<b>109.37</b>	<b>107.78</b>	<b>108.65</b>	<b>109.22</b>	<b>109.83</b>	<b>109.80</b>
<b>Business</b> <sup>1</sup>	<b>106.07</b>	<b>108.17</b>	<b>106.77</b>	<b>107.56</b>	<b>108.06</b>	<b>108.62</b>	<b>108.44</b>
Nonfarm <sup>2</sup>	106.66	108.71	107.36	108.11	108.57	109.07	109.09
Nonfarm less housing	106.07	107.88	106.71	107.42	107.80	108.22	108.09
Housing	112.36	116.77	113.69	114.83	116.05	117.35	118.85
Farm	65.55	71.08	66.21	69.60	73.02	77.36	64.33
<b>Households and institutions</b>	<b>111.14</b>	<b>116.49</b>	<b>112.90</b>	<b>114.50</b>	<b>115.80</b>	<b>117.21</b>	<b>118.44</b>
Private households	113.36	117.53	114.94	116.95	116.84	117.83	118.50
Nonprofit institutions	111.07	116.45	112.83	114.41	115.76	117.19	118.43
<b>General government</b> <sup>3</sup>	<b>113.03</b>	<b>115.99</b>	<b>113.71</b>	<b>114.88</b>	<b>115.69</b>	<b>116.37</b>	<b>117.02</b>
Federal	111.62	114.13	111.51	113.70	114.22	114.23	114.37
State and local	113.66	116.83	114.69	115.43	116.36	117.32	118.20

1. Equals gross domestic product less gross product of households and institutions and of general government.  
2. Equals gross domestic business product less gross farm product.  
3. Equals compensation of general government employees plus general government consumption of fixed capital.

**Table 7.15. Price, Costs, and Profit Per Unit of Real Gross Product of Nonfinancial Corporate Business**  
[Dollars]

<b>Price per unit of real gross product of nonfinancial corporate business</b> <sup>1</sup>	<b>1.043</b>	<b>1.062</b>	<b>1.051</b>	<b>1.056</b>	<b>1.062</b>	<b>1.069</b>	<b>1.061</b>
<b>Compensation of employees (unit labor cost)</b>	<b>.685</b>	<b>.713</b>	<b>.701</b>	<b>.710</b>	<b>.714</b>	<b>.721</b>	<b>.709</b>
<b>Unit nonlabor cost</b>	<b>.251</b>	<b>.262</b>	<b>.253</b>	<b>.256</b>	<b>.261</b>	<b>.269</b>	<b>.262</b>
Consumption of fixed capital	.118	.128	.120	.122	.126	.136	.127
Indirect business tax and nontax liability plus business transfer payments less subsidies	.100	.102	.101	.102	.103	.100	.103
Net interest	.033	.032	.032	.032	.032	.033	.032
<b>Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production)</b>	<b>.107</b>	<b>.086</b>	<b>.097</b>	<b>.089</b>	<b>.086</b>	<b>.089</b>	<b>.090</b>
Profits tax liability	.036	.027	.032	.029	.029	.027	.022
Profits after tax with inventory valuation and capital consumption adjustments	.070	.060	.065	.060	.057	.053	.068

1. The implicit price deflator for gross product of nonfinancial corporate business divided by 100.

**Table 7.16B. Implicit Price Deflators for Private Inventories by Industry**  
[Index numbers, 1996=100]

	Seasonally adjusted				
	2000	2001			
		IV	I	II	III
<b>Private inventories</b> <sup>1</sup>	<b>100.14</b>	<b>99.20</b>	<b>98.38</b>	<b>96.69</b>	<b>95.84</b>
Farm	98.72	103.19	101.40	94.00	91.73
Construction, mining, and utilities	119.10	127.36	113.32	101.06	97.27
Manufacturing	99.73	95.69	94.31	92.09	92.37
Durable goods industries	97.30	95.38	94.42	91.43	92.28
Nondurable goods industries	103.91	96.18	94.08	93.18	92.52
Wholesale trade	96.94	96.46	96.36	95.94	94.36
Durable goods industries	93.21	92.45	92.19	91.90	91.30
Nondurable goods industries	103.53	103.56	103.73	103.09	99.91
Retail trade	102.43	102.33	102.65	102.65	101.97
Motor vehicle dealers	100.95	100.47	100.28	100.52	99.54
Food and beverage stores	106.83	108.56	109.34	109.81	109.47
General merchandise stores	102.29	102.71	102.84	102.89	102.73
Other retail stores	102.86	102.52	103.19	102.91	102.18
Other industries	100.98	101.24	101.67	100.98	99.49
<b>Addenda:</b>					
Private inventories	100.14	99.20	98.38	96.69	95.84
Durable goods industries	96.91	95.70	95.29	94.00	93.97
Nondurable goods industries	103.54	102.88	101.64	99.56	97.92
Nonfarm industries	100.32	98.97	98.23	96.96	96.22
Wholesale trade	96.94	96.46	96.36	95.94	94.36
Merchant wholesale trade	96.22	95.80	95.64	95.34	94.12
Durable goods industries	93.09	92.31	92.03	91.72	91.11
Nondurable goods industries	101.81	102.03	102.07	101.78	99.58
Nonmerchant wholesale trade	101.34	100.51	100.78	99.61	95.79

1. Implicit price deflators are as of the end of the quarter and are consistent with the inventory stocks shown in tables 5.12B and 5.13B.

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

**Table 7.17. Chain-Type Quantity Indexes for Gross Domestic Product by Major Type of Product**  
[Index numbers, 1996=100]

	2000	2001	Seasonally adjusted				
			2000	2001			
				IV	I	II	III
<b>Gross domestic product..</b>	<b>118.06</b>	<b>119.46</b>	<b>119.08</b>	<b>119.47</b>	<b>119.56</b>	<b>119.16</b>	<b>119.65</b>
Final sales of domestic product.....	117.78	120.47	118.93	120.10	120.32	120.16	121.30
Change in private inventories.....							
<b>Goods .....</b>	<b>126.03</b>	<b>124.16</b>	<b>126.40</b>	<b>125.58</b>	<b>124.43</b>	<b>123.05</b>	<b>123.60</b>
Final sales.....	125.39	127.23	126.13	127.56	126.76	126.08	128.52
Change in private inventories.....							
<b>Durable goods.....</b>	<b>141.24</b>	<b>135.84</b>	<b>141.61</b>	<b>138.69</b>	<b>136.86</b>	<b>133.55</b>	<b>134.27</b>
Final sales.....	140.30	142.30	140.94	143.20	142.27	140.06	143.67
Change in private inventories.....							
<b>Nondurable goods.....</b>	<b>113.87</b>	<b>114.58</b>	<b>114.23</b>	<b>114.96</b>	<b>114.31</b>	<b>114.32</b>	<b>114.74</b>
Final sales.....	113.55	115.25	114.36	115.17	114.48	114.88	116.48
Change in private inventories.....							
<b>Services .....</b>	<b>112.75</b>	<b>115.96</b>	<b>114.29</b>	<b>114.92</b>	<b>115.69</b>	<b>116.20</b>	<b>117.06</b>
<b>Structures.....</b>	<b>118.08</b>	<b>120.72</b>	<b>118.39</b>	<b>121.87</b>	<b>122.49</b>	<b>120.24</b>	<b>118.27</b>
<b>Addenda:</b>							
Motor vehicle output.....	128.39	122.33	120.86	115.40	121.94	124.45	127.52
Gross domestic product less motor vehicle output.....	117.69	119.35	119.00	119.59	119.47	118.97	119.38

**Table 7.18B. Chain-Type Quantity Indexes for Motor Vehicle Output**  
[Index numbers, 1996=100]

	2000	2001	Seasonally adjusted				
			2000	2001			
				IV	I	II	III
<b>Motor vehicle output...</b>	<b>128.39</b>	<b>122.33</b>	<b>120.86</b>	<b>115.40</b>	<b>121.94</b>	<b>124.45</b>	<b>127.52</b>
Auto output.....	96.38	91.26	88.64	86.02	92.82	95.93	90.27
Truck output <sup>1</sup> .....	154.88	147.96	147.43	139.65	145.98	148.02	158.17
<b>Final sales of domestic product.....</b>	<b>124.50</b>	<b>126.76</b>	<b>116.56</b>	<b>122.45</b>	<b>123.26</b>	<b>120.99</b>	<b>140.34</b>
<b>Personal consumption expenditures.....</b>	<b>138.22</b>	<b>149.99</b>	<b>136.30</b>	<b>142.79</b>	<b>143.87</b>	<b>143.39</b>	<b>169.91</b>
New motor vehicles.....	145.58	162.70	143.35	151.05	151.92	153.36	194.48
Autos.....	130.17	134.01	126.45	131.41	127.73	124.68	152.23
Light trucks.....	163.75	196.39	163.25	174.17	180.33	187.03	244.03
Net purchases of used autos.....	115.93	112.26	114.94	117.89	119.59	113.62	97.94
<b>Private fixed investment....</b>	<b>129.88</b>	<b>113.73</b>	<b>115.73</b>	<b>117.35</b>	<b>116.27</b>	<b>110.73</b>	<b>110.58</b>
New motor vehicles.....	125.47	111.53	113.87	116.29	115.51	108.68	105.63
Autos.....	104.10	96.80	99.03	103.03	102.51	94.90	86.76
Trucks.....	145.93	125.76	128.21	129.19	128.15	122.02	123.68
Light trucks.....	162.17	149.15	146.12	152.40	151.76	145.01	147.43
Other.....	115.53	82.49	94.82	86.18	84.46	79.50	79.80
Net purchases of used autos.....	109.21	103.30	106.89	112.15	112.38	101.04	87.64
<b>Gross government investment.....</b>	<b>119.06</b>	<b>122.81</b>	<b>123.23</b>	<b>123.05</b>	<b>123.06</b>	<b>118.64</b>	<b>126.50</b>
Autos.....	95.59	96.44	97.03	80.36	100.70	106.48	98.22
New trucks.....	132.21	137.56	137.89	147.13	135.51	125.36	142.25
<b>Net exports.....</b>	<b>95.72</b>	<b>92.84</b>	<b>89.64</b>	<b>81.40</b>	<b>93.91</b>	<b>101.50</b>	<b>94.54</b>
Autos.....	95.38	101.68	88.95	85.72	101.05	114.49	105.45
Trucks.....	96.54	77.14	91.07	73.82	81.28	78.36	75.12
Imports.....	156.20	153.17	156.01	151.58	154.11	154.46	152.52
Autos.....	161.70	157.40	165.77	161.00	157.91	155.93	154.74
Trucks.....	130.02	132.83	109.80	106.93	135.81	147.02	141.56
<b>Change in private inventories</b>							
<b>Autos.....</b>							
New.....							
Domestic.....							
Foreign.....							
Used.....							
<b>New trucks.....</b>							
Domestic.....							
Foreign.....							
<b>Addenda:</b>							
Final sales of motor vehicles to domestic purchasers.....	134.54	135.90	128.36	132.86	133.13	130.69	146.90
Private fixed investment in new autos and new light trucks.....	127.69	118.05	118.13	123.05	122.49	115.23	111.41
Domestic output of new autos <sup>2</sup> .....	101.35	95.41	95.25	93.79	96.66	98.92	92.27
Sales of imported new autos <sup>3</sup> .....	154.48	153.42	154.26	148.78	154.69	147.71	162.51

1. Except for exports and imports, consists of new trucks only.
2. Consists of final sales and change in private inventories of new autos assembled in the United States.
3. Consists of personal consumption expenditures, private fixed investment, and gross government investment.



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

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
				IV	I	II	III
<b>Percent change at annual rate:</b>							
<b>Gross domestic product</b> .....	<b>4.1</b>	<b>1.2</b>	<b>1.9</b>	<b>1.3</b>	<b>.3</b>	<b>-1.3</b>	<b>1.7</b>
<b>Percentage points at annual rates:</b>							
<b>Personal consumption expenditures</b> .....	<b>3.28</b>	<b>2.10</b>	<b>2.14</b>	<b>2.05</b>	<b>1.72</b>	<b>.67</b>	<b>4.14</b>
Durable goods.....	.77	.54	-.17	.83	.56	.07	2.84
Motor vehicles and parts.....	.22	.26	-.29	.52	.19	-.02	2.26
Furniture and household equipment.....	.38	.21	.08	.23	.29	.10	.42
Other.....	.17	.07	.04	.08	.08	-.01	.16
Nondurable goods.....	.94	.36	.12	.49	.06	.12	.50
Food.....	.38	.05	.01	.04	-.05	-.10	.17
Clothing and shoes.....	.24	.09	.01	.10	.06	.02	.17
Gasoline, fuel oil, and other energy goods.....	-.01	.02	-.03	.09	-.13	.12	-.04
Other.....	.33	.20	.14	.26	.18	.07	.20
Services.....	1.57	1.19	2.19	.73	1.10	.48	.80
Housing.....	.22	.19	.21	.22	.16	.16	.22
Household operation.....	.21	.10	.57	-.04	-.22	.04	-.28
Electricity and gas.....	.05	-.03	.37	-.19	-.24	-.04	-.20
Other household operation.....	.16	.12	.20	.15	.01	.08	-.07
Transportation.....	.08	.01	.09	.03	-.01	-.10	-.10
Medical care.....	.30	.35	.37	.29	.46	.36	.34
Recreation.....	.09	.06	.06	.17	.03	-.07	.08
Other.....	.67	.47	.89	.07	.68	.09	.54
<b>Gross private domestic investment</b> .....	<b>1.19</b>	<b>-1.41</b>	<b>-.42</b>	<b>-2.28</b>	<b>-2.16</b>	<b>-1.79</b>	<b>-4.12</b>
<b>Fixed investment</b> .....	<b>1.28</b>	<b>-.33</b>	<b>.09</b>	<b>.33</b>	<b>-1.74</b>	<b>-.97</b>	<b>-1.96</b>
Nonresidential.....	1.25	-.40	.13	-.02	-.19	-.10	-.17
Structures.....	.19	.02	.24	.39	-.44	-.26	-.12
Equipment and software.....	1.06	-.42	-.11	-.41	-.15	-.82	-.47
Information processing equipment and software.....	.86	-.15	.64	-.62	-.95	-.46	-.13
Computers and peripheral equipment.....	.36	.01	.18	-.04	-.34	-.26	.23
Software <sup>1</sup> .....	.21	.04	.25	-.12	-.07	.08	-.11
Other.....	.30	-.21	.20	-.46	-.54	-.28	-.25
Industrial equipment.....	.18	-.05	.02	.21	-.39	-.40	-.21
Transportation equipment.....	-.05	-.18	-.70	.05	-.12	-.02	.08
Other.....	.07	-.04	-.07	-.04	-.09	.05	-.21
Residential.....	.04	.07	-.05	.35	.25	.10	-.21
<b>Change in private inventories</b> .....	<b>-.09</b>	<b>-1.08</b>	<b>-.50</b>	<b>-2.61</b>	<b>-.42</b>	<b>-.81</b>	<b>-2.16</b>
Farm.....	.00	.00	.18	.01	-.10	-.01	-.09
Nonfarm.....	-.09	-1.08	-.68	-2.61	-.32	-.80	-2.08
<b>Net exports of goods and services</b> .....	<b>-.79</b>	<b>-.12</b>	<b>-.39</b>	<b>.63</b>	<b>-.12</b>	<b>-.27</b>	<b>-.14</b>
<b>Exports</b> .....	<b>1.01</b>	<b>-.49</b>	<b>-.46</b>	<b>-.13</b>	<b>-1.37</b>	<b>-2.13</b>	<b>-1.14</b>
Goods.....	.85	-.44	-.58	-.19	-.145	-.155	-.72
Services.....	.17	-.06	.12	.06	.08	-.58	-.42
<b>Imports</b> .....	<b>-1.81</b>	<b>.37</b>	<b>.07</b>	<b>.76</b>	<b>1.25</b>	<b>1.86</b>	<b>1.00</b>
Goods.....	-1.54	.33	.07	.87	1.21	1.20	.40
Services.....	-.26	.04	.00	-.11	.05	.66	.59
<b>Government consumption expenditures and gross investment</b> .....	<b>.47</b>	<b>.63</b>	<b>.58</b>	<b>.92</b>	<b>.87</b>	<b>.05</b>	<b>1.76</b>
<b>Federal</b> .....	<b>.10</b>	<b>.16</b>	<b>.27</b>	<b>.19</b>	<b>.11</b>	<b>.21</b>	<b>.66</b>
National defense.....	.00	.18	.38	.28	.09	.12	.34
Consumption expenditures.....	.00	.14	.13	.37	.01	.13	.20
Gross investment.....	.01	.04	.24	-.09	.08	.00	.14
Nondefense.....	.10	-.02	-.11	-.09	.02	.09	.32
Consumption expenditures.....	.09	-.03	-.13	-.10	.02	-.01	.25
Gross investment.....	.00	.02	.02	.01	.00	.09	.07
<b>State and local</b> .....	<b>.37</b>	<b>.47</b>	<b>.31</b>	<b>.73</b>	<b>.76</b>	<b>-.16</b>	<b>1.10</b>
Consumption expenditures.....	.32	.34	.27	.39	.35	.41	.33
Gross investment.....	.05	.13	.04	.34	.41	-.56	.77
<b>Addenda:</b>							
Goods.....	2.15	-.55	-.90	-.95	-1.33	-1.59	.64
Services.....	1.78	1.53	2.60	1.18	1.45	.96	1.64
Structures.....	.21	.21	.21	1.09	.19	-.70	-.62
Motor vehicle output.....	-.03	-.18	-.77	-.59	.70	.27	.33
Final sales of computers <sup>2</sup> .....	.45	.11	.30	.10	-.31	-.10	.23

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

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

NOTE: The quantity indexes on which the estimates in this table are based are shown in tables 7.1, 7.2, 7.4, 7.6, 7.9, 7.11, and 7.17.

**Table 8.3. Contributions to Percent Change in Real Personal Consumption Expenditures by Major Type of Product**

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
				IV	I	II	III
<b>Percent change at annual rate:</b>							
<b>Personal consumption expenditures</b> .....	<b>4.8</b>	<b>3.1</b>	<b>3.1</b>	<b>3.0</b>	<b>2.5</b>	<b>1.0</b>	<b>6.1</b>
<b>Percentage points at annual rates:</b>							
<b>Durable goods</b> .....	<b>1.13</b>	<b>.79</b>	<b>-.25</b>	<b>1.22</b>	<b>.81</b>	<b>.11</b>	<b>4.13</b>
Motor vehicles and parts.....	.32	.39	-.43	.76	.28	-.02	3.28
Furniture and household equipment.....	.56	.30	.12	.33	.42	.14	.61
Other.....	.25	.10	.06	.12	.11	-.01	.24
<b>Nondurable goods</b> .....	<b>1.39</b>	<b>.53</b>	<b>.18</b>	<b>.72</b>	<b>.09</b>	<b>.16</b>	<b>.76</b>
Food.....	.57	.08	.02	.06	-.07	-.14	.26
Clothing and shoes.....	.35	.14	.01	.15	.08	.03	.25
Gasoline, fuel oil, and other energy goods.....	-.02	.03	-.05	.13	-.18	.18	-.05
Gasoline and oil.....	.00	.05	-.03	.13	-.09	.17	-.03
Fuel oil and coal.....	-.01	-.02	-.02	.00	-.09	.01	-.02
Other.....	.49	.29	.20	.38	.26	.10	.30
<b>Services</b> .....	<b>2.32</b>	<b>1.75</b>	<b>3.22</b>	<b>1.08</b>	<b>1.62</b>	<b>.69</b>	<b>1.23</b>
Housing.....	.32	.29	.32	.32	.24	.23	.34
Household operation.....	.31	.14	.83	-.06	-.32	.06	-.39
Electricity and gas.....	.07	-.04	.54	-.28	-.34	-.06	-.29
Other household operation.....	.24	.18	.29	.22	.02	.12	-.10
Transportation.....	.12	.02	.14	.04	-.02	-.14	-.14
Medical care.....	.45	.52	.54	.43	.68	.52	.50
Recreation.....	.13	.09	.09	.24	.04	-.10	.12
Other.....	.99	.69	1.31	.10	1.00	.13	.80
<b>Addenda:</b>							
Energy goods and services <sup>1</sup> .....	.05	-.01	.49	-.15	-.53	.11	-.35
Personal consumption expenditures less food and energy.....	4.23	3.01	2.64	3.11	3.12	.99	6.20

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

NOTE: The quantity indexes on which the estimates in this table are based are shown in table 7.4. The estimates in this table differ from those in table 8.2 because this table shows contributions to real personal consumption expenditures, whereas table 8.2 shows contributions to real gross domestic product.







Table 8.30. Contributions to Percent Change in the Gross Domestic Purchases Price Index

	2000	2001	Seasonally adjusted at annual rates				
			2000	2001			
				IV	I	II	III
<b>Percent change at annual rate:</b>							
<b>Gross domestic purchases</b> .....	<b>2.6</b>	<b>1.7</b>	<b>1.7</b>	<b>2.7</b>	<b>1.3</b>	<b>-.1</b>	<b>.5</b>
<b>Percentage points at annual rates:</b>							
<b>Personal consumption expenditures</b> .....	<b>1.76</b>	<b>1.23</b>	<b>1.28</b>	<b>2.12</b>	<b>.89</b>	<b>-.15</b>	<b>.56</b>
Durable goods .....	-.13	-.15	-.09	-.06	-.29	-.23	-.13
Motor vehicles and parts .....	.02	.02	.03	.09	-.05	-.06	.04
Furniture and household equipment .....	-.14	-.17	-.15	-.18	-.22	-.16	-.15
Other .....	-.01	.00	.03	.04	-.02	-.01	-.02
Nondurable goods .....	.72	.29	.38	.38	.52	-.29	-.63
Food .....	.22	.28	.15	.37	.24	.35	.23
Clothing and shoes .....	-.04	-.06	.07	-.02	-.18	-.17	-.02
Gasoline, fuel oil, and other energy goods .....	.42	-.05	.13	-.10	.31	-.66	-.91
Other .....	.12	.12	.03	.12	.15	.19	.07
Services .....	1.17	1.10	.99	1.80	.65	.37	1.33
Housing .....	.30	.36	.32	.36	.43	.40	.42
Household operation .....	.06	.16	.20	.50	.00	-.13	-.13
Electricity and gas .....	.08	.16	.20	.47	-.02	-.09	-.24
Other household operation .....	-.01	.01	.00	.03	.02	-.03	.11
Transportation .....	.08	.04	.08	.04	-.01	.01	.01
Medical care .....	.29	.28	.26	.48	.12	.06	.40
Recreation .....	.09	.08	.05	.09	.12	.06	.06
Other .....	.34	.16	.08	.33	.00	-.04	.56
<b>Gross private domestic investment</b> .....	<b>.19</b>	<b>.08</b>	<b>.11</b>	<b>.01</b>	<b>.06</b>	<b>.04</b>	<b>-.03</b>
<b>Fixed investment</b> .....	<b>.20</b>	<b>.08</b>	<b>.14</b>	<b>-.05</b>	<b>.09</b>	<b>.04</b>	<b>-.02</b>
Nonresidential .....	.02	-.06	.00	-.24	-.02	-.06	-.18
Structures .....	.12	.14	.15	.20	.15	.09	.03
Equipment and software .....	-.11	-.20	-.14	-.44	-.17	-.15	-.21
Information processing equipment and software .....	-.14	-.23	-.17	-.40	-.20	-.25	-.20
Computers and peripheral equipment .....	-.15	-.22	-.15	-.38	-.17	-.18	-.17
Software <sup>1</sup> .....	.04	.02	.01	.01	.01	-.04	.00
Other .....	-.03	-.03	-.03	-.03	-.03	-.03	-.03
Industrial equipment .....	.01	.01	.00	.02	.01	-.01	-.01
Transportation equipment .....	.02	.00	.01	-.09	-.01	.09	-.01
Other equipment .....	.01	.02	.02	.03	.02	.01	.01
Residential .....	.19	.14	.14	.19	.11	.10	.16
<b>Change in private inventories</b> .....	<b>-.01</b>	<b>.00</b>	<b>-.03</b>	<b>.07</b>	<b>-.03</b>	<b>-.01</b>	<b>-.01</b>
Farm .....	.00	.00	.00	.00	.00	-.01	.01
Nonfarm .....	-.01	.00	-.03	.07	-.03	.00	-.01
<b>Government consumption expenditures and gross investment</b> .....	<b>.66</b>	<b>.35</b>	<b>.33</b>	<b>.59</b>	<b>.31</b>	<b>.00</b>	<b>-.06</b>
<b>Federal</b> .....	<b>.17</b>	<b>.09</b>	<b>.02</b>	<b>.25</b>	<b>.07</b>	<b>.01</b>	<b>-.03</b>
National defense .....	.11	.06	.04	.13	.04	.01	-.03
Consumption expenditures .....	.11	.06	.03	.15	.04	.01	-.01
Gross investment .....	.00	.00	.00	-.01	.00	.00	-.02
Nondefense .....	.06	.04	-.01	.12	.03	.00	.00
Consumption expenditures .....	.05	.03	-.02	.12	.03	.01	.00
Gross investment .....	.01	.00	.01	.00	.00	-.01	.00
<b>State and local</b> .....	<b>.49</b>	<b>.25</b>	<b>.30</b>	<b>.34</b>	<b>.24</b>	<b>-.01</b>	<b>-.02</b>
Consumption expenditures .....	.42	.20	.26	.26	.21	-.02	-.08
Gross investment .....	.07	.05	.05	.08	.03	.01	.05
<b>Addenda:</b>							
Final sales of computers <sup>2</sup> .....	-.20	-.26	-.14	-.48	-.19	-.20	-.18
Gross domestic purchases less final sales of computers .....	2.84	1.98	1.93	3.20	1.55	.17	.74
Food .....	.22	.28	.15	.38	.25	.34	.23
Energy goods and services .....	.63	.08	.42	.36	.25	-.94	-1.48
Gross domestic purchases less food and energy .....	1.75	1.29	1.14	1.95	.78	.49	1.72

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

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

NOTE: The price indexes on which the estimates in this table are based are shown in tables 7.1, 7.2, 7.4, 7.6, and 7.11.



**Annual Estimates**

Except as noted for table B.3 below, these tables are derived from the NIPA tables that were published in the August and September 2001 issues of the SURVEY OF CURRENT BUSINESS, and the estimates reflect the most recent comprehensive and annual NIPA revisions.

**Table B.3. Gross Domestic Product by Industry, Current-Dollar and Real Estimates for 1998-2000**

	Billions of dollars			Billions of chained (1996) dollars				Billions of dollars			Billions of chained (1996) dollars		
	1998	1999	2000	1998	1999	2000		1998	1999	2000	1998	1999	2000
<b>Gross domestic product</b> .....	<b>8,781.5</b>	<b>9,268.6</b>	<b>9,872.9</b>	<b>8,508.9</b>	<b>8,856.5</b>	<b>9,224.0</b>	Transportation services .....	28.0	29.9	32.3	27.8	29.8	30.6
<b>Private industries</b> .....	<b>7,678.2</b>	<b>8,116.9</b>	<b>8,656.5</b>	<b>7,490.6</b>	<b>7,852.7</b>	<b>8,177.6</b>	Communications .....	238.5	258.5	281.1	231.2	256.5	283.9
<b>Agriculture, forestry, and fishing</b> .....	<b>128.0</b>	<b>127.2</b>	<b>135.8</b>	<b>145.5</b>	<b>153.4</b>	<b>166.3</b>	Telephone and telegraph .....	179.4	196.4	208.9	181.3	208.0	232.5
Farms .....	80.6	74.3	79.0	100.3	106.0	120.5	Radio and television .....	59.1	62.1	72.2	50.3	50.3	54.1
Agricultural services, forestry, and fishing .....	47.4	53.0	56.7	44.4	46.7	47.3	Electric, gas, and sanitary services .....	204.8	215.6	230.0	193.7	212.9	217.9
<b>Mining</b> .....	<b>100.2</b>	<b>103.3</b>	<b>127.1</b>	<b>119.7</b>	<b>112.0</b>	<b>95.2</b>	<b>Wholesale trade</b> .....	<b>607.9</b>	<b>633.5</b>	<b>674.1</b>	<b>663.3</b>	<b>688.8</b>	<b>708.4</b>
Metal mining .....	5.4	5.0	4.9	7.7	8.2	7.4	<b>Retail trade</b> .....	<b>790.4</b>	<b>834.9</b>	<b>893.9</b>	<b>800.0</b>	<b>843.7</b>	<b>905.7</b>
Coal mining .....	10.7	10.6	10.1	11.9	13.5	13.5	<b>Finance, insurance, and real estate</b> .....	<b>1,708.5</b>	<b>1,810.6</b>	<b>1,936.2</b>	<b>1,622.1</b>	<b>1,713.5</b>	<b>1,809.5</b>
Oil and gas extraction .....	72.8	76.2	99.5	89.4	79.8	63.4	Depository institutions .....	300.0	325.6	366.5	256.5	268.1	289.2
Nonmetallic minerals, except fuels .....	11.3	11.5	12.6	10.9	10.9	12.4	Nondepository institutions .....	52.8	53.7	59.0	57.3	60.6	66.8
<b>Construction</b> .....	<b>380.8</b>	<b>425.5</b>	<b>463.6</b>	<b>348.9</b>	<b>370.0</b>	<b>379.3</b>	Security and commodity brokers .....	143.9	138.8	144.2	163.2	210.0	290.7
<b>Manufacturing</b> .....	<b>1,431.5</b>	<b>1,496.8</b>	<b>1,566.6</b>	<b>1,444.3</b>	<b>1,532.1</b>	<b>1,594.6</b>	Insurance carriers .....	150.2	158.3	167.7	135.1	135.2	131.1
Durable goods .....	830.7	865.7	901.7	892.9	965.1	1,034.1	Insurance agents, brokers, and service .....	56.4	65.4	67.3	51.8	58.9	60.1
Lumber and wood products .....	41.9	46.3	44.4	40.1	43.0	44.1	Real estate .....	981.6	1,051.2	1,116.3	944.9	986.2	1,018.3
Furniture and fixtures .....	24.3	26.0	26.7	22.9	23.9	24.4	Nonfarm housing services .....	718.7	764.4	810.5	677.2	701.3	721.1
Stone, clay, and glass products .....	38.7	42.5	43.9	36.6	38.4	39.7	Other real estate .....	262.9	286.8	305.8	268.9	286.6	299.3
Primary metal industries .....	53.1	50.2	52.9	54.5	57.2	57.4	Holding and other investment offices .....	23.4	17.6	15.4	15.4	10.6	7.4
Fabricated metal products .....	101.7	107.6	108.7	96.5	98.4	99.6	<b>Services</b> .....	<b>1,829.9</b>	<b>1,980.9</b>	<b>2,164.6</b>	<b>1,699.0</b>	<b>1,774.8</b>	<b>1,865.2</b>
Industrial machinery and equipment .....	158.6	157.3	167.6	195.8	214.4	236.0	Hotels and other lodging places .....	73.5	80.4	86.5	63.3	64.8	67.3
Electronic and other electric equipment .....	159.2	165.5	181.2	210.8	255.8	327.7	Personal services .....	57.0	57.4	60.4	53.7	52.6	53.5
Motor vehicles and equipment .....	111.5	118.9	120.2	111.6	114.7	116.9	Business services .....	439.8	502.6	571.7	410.7	452.5	490.9
Other transportation equipment .....	58.4	64.5	62.7	56.7	61.2	55.2	Auto repair, services, and parking .....	81.0	88.1	93.9	75.1	80.6	83.7
Instruments and related products .....	57.5	58.8	64.2	49.0	48.2	48.1	Miscellaneous repair services .....	24.4	25.2	26.7	21.6	20.2	19.6
Miscellaneous manufacturing industries .....	25.9	28.3	29.1	24.9	26.9	27.7	Motion pictures .....	29.1	32.0	34.9	28.2	29.2	30.0
Nondurable goods .....	600.8	631.0	664.8	555.5	574.0	574.0	Amusement and recreation services .....	70.1	75.1	80.8	65.1	68.3	69.5
Food and kindred products .....	121.8	132.9	137.0	112.1	117.3	118.2	Health services .....	491.1	516.3	546.8	460.9	470.5	485.4
Tobacco products .....	17.3	18.9	22.3	11.9	6.3	6.2	Legal services .....	116.7	123.0	133.5	107.3	110.4	115.6
Textile mill products .....	25.8	25.5	24.7	24.1	23.6	24.1	Educational services .....	67.5	72.1	78.6	61.1	62.4	64.6
Apparel and other textile products .....	26.0	24.3	23.6	25.2	22.6	22.5	Social services .....	57.6	61.8	67.5	52.3	53.7	55.5
Paper and allied products .....	55.7	58.0	59.9	56.2	57.3	50.0	Membership organizations .....	53.6	58.3	63.5	48.3	48.3	49.6
Printing and publishing .....	95.6	102.7	105.5	85.6	88.1	86.6	Other services .....	254.5	275.9	306.2	238.6	250.7	269.3
Chemicals and allied products .....	164.8	175.1	191.1	155.2	168.7	184.2	Private households .....	14.0	12.7	13.6	13.3	11.7	12.0
Petroleum and coal products .....	32.9	30.4	36.5	26.4	34.4	25.5	<b>Statistical discrepancy</b> <sup>1</sup> .....	<b>-31.0</b>	<b>-72.7</b>	<b>-130.4</b>	<b>-30.1</b>	<b>-69.9</b>	<b>-123.0</b>
Rubber and miscellaneous plastics products .....	56.8	59.3	60.2	55.6	58.2	59.8	<b>Government</b> .....	<b>1,103.3</b>	<b>1,151.7</b>	<b>1,216.4</b>	<b>1,047.3</b>	<b>1,060.7</b>	<b>1,085.4</b>
Leather and leather products .....	4.1	3.9	4.0	3.8	3.7	3.9	<b>Federal</b> .....	<b>359.9</b>	<b>369.7</b>	<b>387.0</b>	<b>347.6</b>	<b>346.5</b>	<b>353.0</b>
<b>Transportation and public utilities</b> .....	<b>732.0</b>	<b>776.8</b>	<b>825.0</b>	<b>683.1</b>	<b>737.2</b>	<b>781.5</b>	General government .....	298.6	308.1	323.8	286.2	285.8	290.1
Transportation .....	288.7	302.7	313.9	257.9	268.6	281.1	Government enterprises .....	61.3	61.6	63.2	61.5	60.8	63.1
Railroad transportation .....	24.3	23.2	22.9	22.8	22.5	23.2	<b>State and local</b> .....	<b>743.4</b>	<b>782.0</b>	<b>829.5</b>	<b>699.7</b>	<b>714.0</b>	<b>732.2</b>
Local and interurban passenger transit .....	16.8	17.6	18.7	15.5	16.6	18.2	General government .....	681.2	716.6	760.4	642.5	653.5	669.0
Trucking and warehousing .....	114.1	122.0	126.0	95.5	100.3	105.7	Government enterprises .....	62.2	65.4	69.1	57.3	60.5	63.2
Water transportation .....	13.6	13.7	14.8	13.2	11.8	11.7	<b>Not allocated by industry</b> <sup>2</sup> .....				<b>-48.9</b>	<b>-110.6</b>	<b>-170.7</b>
Transportation by air .....	85.8	90.2	93.0	76.8	80.9	85.0							
Pipelines, except natural gas .....	6.1	6.1	6.2	6.4	6.4	6.4							

1. The current-dollar statistical discrepancy equals gross domestic product (GDP) measured as the sum of expenditures less gross domestic income—that is, GDP measured as the costs incurred and profits earned in domestic production. The chained (1996) dollar statistical discrepancy equals the current-dollar statistical discrepancy deflated by the implicit price deflator for gross domestic business product.

2. Equals GDP in chained (1996) dollars less the statistical discrepancy and the sum of GDP by industry of the detailed industries. The value of not allocated by industry reflects the nonadditivity of chained-dollar estimates

and the differences in source data used to estimate real GDP by industry and the expenditures measure of real GDP.

Note. Estimates are based on the 1987 Standard Industrial Classification. The table is derived from tables 1 and 6 in "Gross Domestic Product by Industry for 1998-2000" in the November 2001 Survey. This table corrects errors in the current-dollar estimates for total "Services" for 1998-2000 that were in table 1.



**Table B.5. Private Fixed Investment in Structures by Type**

	Billions of dollars			Billions of chained (1996) dollars		
	1998	1999	2000	1998	1999	2000
<b>Private fixed investment in structures</b> .....	<b>638.5</b>	<b>678.2</b>	<b>729.2</b>	<b>599.0</b>	<b>616.0</b>	<b>634.5</b>
<b>Nonresidential</b> .....	<b>282.4</b>	<b>283.5</b>	<b>313.6</b>	<b>262.2</b>	<b>256.9</b>	<b>272.8</b>
New.....	281.7	282.9	312.8	261.5	256.2	272.0
Nonresidential buildings, excluding farm.....	197.2	201.9	221.8	184.3	181.0	190.4
Industrial.....	35.6	28.7	30.2	33.3	25.8	26.0
Commercial.....	100.7	110.1	123.9	94.1	98.7	106.4
Office buildings <sup>1</sup> .....	49.1	55.4	64.8	45.9	49.6	55.6
Other <sup>2</sup> .....	51.6	54.7	59.1	48.2	49.1	50.8
Religious.....	6.4	7.2	7.9	6.0	6.4	6.7
Educational.....	10.9	10.4	12.4	10.2	9.3	10.7
Hospital and institutional.....	15.4	15.1	16.2	14.4	13.5	13.9
Other <sup>3</sup> .....	28.2	30.4	31.2	26.3	27.2	26.8
Utilities.....	44.2	47.2	51.7	42.7	45.7	48.5
Railroads.....	5.7	4.7	4.2	5.5	4.7	4.2
Telecommunications.....	12.3	18.3	18.8	12.1	18.1	18.4
Electric light and power.....	12.5	14.7	21.3	12.0	14.0	19.5
Gas.....	12.4	8.1	6.4	11.9	7.6	5.7
Petroleum pipelines.....	1.3	1.5	1.0	1.2	1.4	0.9
Farm.....	4.3	5.0	5.2	4.0	4.5	4.4
Mining exploration, shafts, and wells.....	30.2	22.6	27.6	25.1	20.0	23.5
Petroleum and natural gas.....	28.9	21.4	25.9	23.9	18.9	22.0
Other.....	1.3	1.2	1.6	1.2	1.1	1.4
Other <sup>4</sup> .....	5.9	6.2	6.6	5.6	5.7	5.9
Brokers' commissions on sale of structures.....	2.3	2.4	2.6	2.2	2.2	2.4
Net purchases of used structures.....	-1.7	-1.8	-1.9	-1.6	-1.6	-1.6
<b>Residential</b> .....	<b>356.1</b>	<b>394.7</b>	<b>415.6</b>	<b>336.8</b>	<b>359.3</b>	<b>361.8</b>
New.....	310.4	344.4	363.4	292.4	311.6	314.6
New housing units.....	224.9	250.1	259.6	211.6	225.6	223.8
Permanent site.....	210.4	236.1	248.8	197.5	212.2	213.4
Single-family structures.....	185.8	208.6	220.7	175.9	188.9	190.9
Multifamily structures.....	24.6	27.4	28.1	21.7	23.4	22.7
Manufactured homes.....	14.5	14.1	10.9	14.1	13.3	10.1
Improvements.....	84.5	93.0	102.4	79.9	84.9	89.6
Other <sup>5</sup> .....	1.0	1.3	1.4	0.9	1.2	1.2
Brokers' commissions on sale of structures.....	48.8	53.7	55.4	47.4	50.9	50.1
Net purchases of used structures.....	-3.0	-3.4	-3.2	-2.9	-3.1	-2.8
Residual.....	.....	.....	.....	-0.3	-1.0	-1.0

1. Consists of office buildings, except those constructed at industrial sites and those constructed by utilities for their own use.
2. Consists of stores, restaurants, garages, service stations, warehouses, mobile structures, and other buildings used for commercial purposes.
3. Consists of hotels and motels, buildings used primarily for social and recreational activities, and buildings not elsewhere classified, such as passenger terminals, greenhouses, and animal hospitals.
4. Consists primarily of streets, dams and reservoirs, sewer and water facilities, parks, and airfields.
5. Consists primarily of dormitories and of fraternity and sorority houses.

Note. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

**Table B.6. Private Fixed Investment in Equipment and Software by Type**

	Billions of dollars			Billions of chained (1996) dollars		
	1998	1999	2000	1998	1999	2000
<b>Private fixed investment in equipment and software</b> .....	<b>827.1</b>	<b>899.9</b>	<b>988.9</b>	<b>883.7</b>	<b>987.3</b>	<b>1,096.9</b>
<b>Nonresidential equipment and software</b> .....	<b>818.9</b>	<b>891.1</b>	<b>979.5</b>	<b>875.4</b>	<b>978.3</b>	<b>1,087.4</b>
Information processing equipment and software.....	363.4	399.7	466.5	429.3	506.2	609.5
Computers and peripheral equipment <sup>1</sup> .....	84.2	90.8	109.3	147.7	208.6	290.3
Software <sup>2</sup> .....	140.1	159.8	183.1	147.1	167.3	187.6
Communication equipment.....	81.2	93.4	116.8	85.6	102.1	131.4
Instruments.....	36.3	37.7	38.8	36.1	37.5	38.3
Photocopy and related equipment.....	13.7	10.8	11.0	13.9	10.9	11.1
Office and accounting equipment.....	8.0	7.2	7.4	8.0	7.3	7.5
Industrial equipment.....	147.6	149.3	166.7	145.6	146.4	162.6
Fabricated metal products.....	12.7	12.9	13.0	12.7	13.0	13.1
Engines and turbines.....	4.7	5.4	8.1	4.6	5.1	7.6
Metalworking machinery.....	34.9	34.5	35.8	34.5	33.9	35.0
Special industry machinery, n.e.c.....	37.1	38.2	48.7	36.4	37.0	47.1
General industrial, including materials handling, equipment.....	34.7	33.7	36.0	34.0	32.8	34.7
Electrical transmission, distribution, and industrial apparatus.....	23.5	24.7	25.2	23.4	24.6	24.9
Transportation equipment.....	168.2	199.1	195.9	168.2	197.6	192.7
Trucks, buses, and truck trailers.....	98.1	116.6	114.2	100.0	116.7	113.2
Autos.....	40.5	43.4	41.0	39.2	42.9	41.3
Aircraft.....	20.0	28.9	30.1	19.7	28.1	28.0
Ships and boats.....	2.6	2.8	3.7	2.5	2.6	3.4
Railroad equipment.....	7.0	7.5	7.0	7.1	7.6	7.0
Other equipment.....	143.7	146.2	154.3	141.1	142.4	149.3
Furniture and fixtures.....	35.9	38.3	42.1	35.1	37.3	40.6
Tractors.....	14.9	13.1	14.2	14.7	12.8	13.8
Agricultural machinery, except tractors.....	12.8	10.0	11.4	12.5	9.7	10.9
Construction machinery, except tractors.....	20.9	22.0	19.2	20.2	20.8	18.0
Mining and oilfield machinery.....	4.7	5.8	7.9	4.5	5.5	7.4
Service industry machinery.....	15.4	16.2	16.2	15.0	15.6	15.5
Electrical equipment, n.e.c.....	14.1	14.4	15.2	14.5	14.9	16.0
Other.....	24.9	26.3	28.2	24.5	25.7	27.3
Less: Sale of equipment scrap, excluding autos.....	3.9	3.3	4.0	4.5	4.2	4.5
<b>Residential equipment</b> .....	<b>8.2</b>	<b>8.8</b>	<b>9.4</b>	<b>8.3</b>	<b>9.0</b>	<b>9.6</b>
Residual.....	.....	.....	.....	-13.6	-37.8	-79.2
<b>Addenda:</b>						
Private fixed investment in equipment and software.....	827.1	899.9	988.9	.....	.....	.....
Less: Dealers' margin on used equipment.....	8.2	8.5	9.3	.....	.....	.....
Net purchases of used equipment from government.....	1.2	1.0	1.0	.....	.....	.....
Plus: Net sales of used equipment.....	39.4	41.1	42.8	.....	.....	.....
Net exports of used equipment.....	0.5	0.4	0.5	.....	.....	.....
Sale of equipment scrap.....	4.0	3.4	4.1	.....	.....	.....
Equals: Private fixed investment in new equipment and software.....	861.7	935.4	1,025.9	.....	.....	.....

1. Includes new computers and peripheral equipment only. Because of rapid changes in relative prices, the chained-dollar estimates for computers are especially misleading as a measure of the contribution or relative importance of this component.
2. Excludes software "embedded," or bundled, in computers and other equipment.

Note. Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

n.e.c. Not elsewhere classified.





**Table B.8. Employment by Industry**  
[Thousands]

	Full-time and part-time employees			Persons engaged in production <sup>1</sup>				Full-time and part-time employees			Persons engaged in production <sup>1</sup>		
	1998	1999	2000	1998	1999	2000		1998	1999	2000	1998	1999	2000
<b>Total</b> .....	<b>133,456</b>	<b>136,368</b>	<b>139,350</b>	<b>129,742</b>	<b>132,204</b>	<b>134,917</b>	Water transportation.....	185	188	194	185	185	191
<b>Domestic industries</b> .....	<b>133,968</b>	<b>136,872</b>	<b>139,861</b>	<b>130,181</b>	<b>132,636</b>	<b>135,355</b>	Transportation by air <sup>2</sup> .....	1,199	1,245	1,296	1,123	1,163	1,215
<b>Private industries</b> .....	<b>111,706</b>	<b>114,333</b>	<b>116,865</b>	<b>111,577</b>	<b>113,897</b>	<b>116,253</b>	Pipelines, except natural gas .....	13	13	13	13	13	13
<b>Agriculture, forestry, and fishing</b> .....	<b>2,188</b>	<b>2,294</b>	<b>2,321</b>	<b>3,345</b>	<b>3,389</b>	<b>3,338</b>	Transportation services .....	471	476	488	465	474	476
Farms .....	880	923	890	1,705	1,693	1,635	Communications.....	1,477	1,553	1,668	1,365	1,423	1,524
Agricultural services, forestry, and fishing .....	1,308	1,371	1,431	1,640	1,696	1,703	Telephone and telegraph .....	1,046	1,107	1,197	960	1,011	1,089
<b>Mining</b> .....	<b>594</b>	<b>540</b>	<b>541</b>	<b>602</b>	<b>545</b>	<b>546</b>	Radio and television .....	431	446	471	405	412	435
Metal mining .....	49	44	40	49	45	42	Electric, gas, and sanitary services .....	861	863	857	853	860	851
Coal mining .....	93	87	79	93	86	77	<b>Wholesale trade</b> .....	<b>6,918</b>	<b>6,995</b>	<b>7,113</b>	<b>6,923</b>	<b>7,018</b>	<b>7,107</b>
Oil and gas extraction .....	340	296	308	349	304	315	<b>Retail trade</b> .....	<b>22,991</b>	<b>23,542</b>	<b>24,060</b>	<b>20,407</b>	<b>20,954</b>	<b>21,432</b>
Nonmetallic minerals, except fuels .....	112	113	114	111	110	112	<b>Finance, insurance, and real estate</b> .....	<b>7,533</b>	<b>7,713</b>	<b>7,758</b>	<b>7,631</b>	<b>7,817</b>	<b>7,855</b>
<b>Construction</b> .....	<b>6,296</b>	<b>6,704</b>	<b>7,007</b>	<b>7,602</b>	<b>8,023</b>	<b>8,368</b>	Depository institutions .....	2,046	2,049	2,038	1,933	1,928	1,906
<b>Manufacturing</b> .....	<b>18,923</b>	<b>18,669</b>	<b>18,571</b>	<b>18,933</b>	<b>18,659</b>	<b>18,511</b>	Nondepository institutions .....	662	708	686	643	690	667
Durable goods .....	11,270	11,177	11,185	11,349	11,222	11,220	Security and commodity brokers .....	681	728	797	732	797	873
Lumber and wood products .....	840	857	849	896	915	899	Insurance carriers .....	1,574	1,608	1,588	1,501	1,526	1,500
Furniture and fixtures .....	534	550	559	543	562	570	Insurance agents, brokers, and service .....	788	795	802	881	873	895
Stone, clay, and glass products .....	566	572	583	569	573	581	Real estate .....	1,532	1,567	1,583	1,704	1,759	1,766
Primary metal industries .....	715	698	700	711	697	696	Holding and other investment offices .....	250	258	264	237	244	248
Fabricated metal products .....	1,517	1,529	1,544	1,514	1,517	1,537	<b>Services</b> .....	<b>39,584</b>	<b>40,978</b>	<b>42,380</b>	<b>39,479</b>	<b>40,640</b>	<b>42,080</b>
Industrial machinery and equipment .....	2,211	2,142	2,122	2,211	2,136	2,109	Hotels and other lodging places .....	1,869	1,934	1,979	1,697	1,758	1,816
Electronic and other electric equipment .....	1,710	1,670	1,719	1,700	1,656	1,705	Personal services .....	1,339	1,363	1,387	1,803	1,831	1,879
Motor vehicles and equipment .....	997	1,023	1,021	995	1,018	1,019	Business services .....	8,779	9,437	10,074	8,987	9,566	10,222
Other transportation equipment .....	900	874	836	903	872	834	Auto repair, services, and parking .....	1,273	1,326	1,368	1,520	1,557	1,591
Instruments and related products .....	873	854	845	865	841	838	Miscellaneous repair services .....	395	391	382	591	553	539
Miscellaneous manufacturing industries .....	407	408	407	442	435	432	Motion pictures .....	592	612	609	644	659	652
Nondurable goods .....	7,653	7,492	7,386	7,584	7,437	7,291	Amusement and recreation services .....	1,728	1,783	1,858	1,496	1,547	1,637
Food and kindred products .....	1,695	1,696	1,699	1,673	1,679	1,674	Health services .....	10,222	10,356	10,485	9,526	9,644	9,772
Tobacco products .....	40	37	35	39	36	34	Legal services .....	1,114	1,142	1,164	1,225	1,219	1,223
Textile mill products .....	597	560	533	598	556	535	Educational services .....	2,271	2,355	2,447	2,100	2,169	2,269
Apparel and other textile products .....	769	697	641	774	708	617	Social services and membership organizations .....	5,195	5,388	5,583	5,025	5,189	5,356
Paper and allied products .....	679	669	656	672	664	650	Social services .....	2,751	2,859	2,992	2,993	3,086	3,201
Printing and publishing .....	1,593	1,575	1,569	1,577	1,556	1,544	Membership organizations .....	2,444	2,529	2,591	2,032	2,103	2,155
Chemicals and allied products .....	1,040	1,037	1,039	1,026	1,026	1,030	Other services <sup>3</sup> .....	3,527	3,640	3,836	3,983	4,086	4,291
Petroleum and coal products .....	135	131	126	134	131	125	Private households .....	1,280	1,251	1,208	882	862	833
Rubber and miscellaneous plastics products .....	1,018	1,011	1,016	1,006	1,001	1,006	<b>Government</b> .....	<b>22,262</b>	<b>22,539</b>	<b>22,996</b>	<b>18,604</b>	<b>18,739</b>	<b>19,102</b>
Leather and leather products .....	87	79	72	85	80	76	Federal .....	5,194	5,139	5,235	4,207	4,164	4,262
<b>Transportation and public utilities</b> .....	<b>6,679</b>	<b>6,898</b>	<b>7,114</b>	<b>6,655</b>	<b>6,852</b>	<b>7,016</b>	General government .....	4,200	4,147	4,260	3,416	3,370	3,478
Transportation .....	4,341	4,482	4,589	4,437	4,569	4,641	Civilian .....	1,878	1,856	1,976	1,845	1,821	1,931
Railroad transportation .....	223	223	213	211	211	202	Military <sup>4</sup> .....	2,322	2,291	2,284	1,571	1,549	1,547
Local and interurban passenger transit .....	473	489	500	486	503	503	Government enterprises .....	994	992	975	791	794	784
Trucking and warehousing <sup>2</sup> .....	1,777	1,848	1,885	1,954	2,020	2,041	State and local .....	17,068	17,400	17,761	14,397	14,575	14,840
							General government .....	16,227	16,546	16,891	13,528	13,699	13,953
							Education .....	8,928	9,148	9,382	7,226	7,359	7,556
							Other .....	7,299	7,398	7,509	6,302	6,340	6,397
							Government enterprises .....	841	854	870	869	876	887
							<b>Rest of the world<sup>5</sup></b> .....	<b>-512</b>	<b>-504</b>	<b>-511</b>	<b>-439</b>	<b>-432</b>	<b>-438</b>

1. Equals the number of full-time equivalent employees plus the number of self-employed persons. Unpaid family workers are not included.  
 2. Reflects the reclassification of air couriers from trucking and warehousing to transportation by air.  
 3. Consists of museums, botanical and zoological gardens; engineering and management services; and services, not elsewhere classified.

4. Includes Coast Guard.  
 5. Includes estimates of foreign professional workers and undocumented Mexican migratory workers employed temporarily in the United States.

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



Table B.10. Farm Sector Output, Gross Product, and National Income

	Billions of dollars			Billions of chained (1996) dollars		
	1998	1999	2000	1998	1999	2000
<b>Farm output</b> .....	<b>214.6</b>	<b>208.3</b>	<b>214.7</b>	<b>238.5</b>	<b>244.3</b>	<b>248.4</b>
Cash receipts from farm marketings .....	197.6	192.2	199.8	219.8	226.2	232.4
Crops .....	103.3	96.5	100.2	121.5	125.4	131.2
Livestock .....	94.2	95.7	99.6	98.3	100.9	101.8
Farm housing .....	6.7	7.2	7.7	6.0	6.2	6.2
Farm products consumed on farms .....	0.5	0.5	0.6	0.5	0.5	0.5
Other farm income .....	9.0	9.9	8.5	9.9	11.8	10.1
Change in farm inventories .....	0.9	-1.5	-1.8	1.6	-1.9	-2.0
Crops .....	1.1	-0.9	-1.2	1.8	-1.4	-2.2
Livestock .....	-0.3	-0.6	-0.6	-0.3	-0.6	-0.5
<b>Less: Intermediate goods and services purchased</b> .....	<b>134.1</b>	<b>134.0</b>	<b>135.7</b>	<b>138.2</b>	<b>139.1</b>	<b>132.9</b>
Intermediate goods and services, other than rent .....	118.9	120.4	121.7	122.5	125.1	119.4
Rent paid to nonoperator landlords .....	15.2	13.6	14.0	15.7	14.0	13.5
<b>Equals: Gross farm product</b> .....	<b>80.6</b>	<b>74.3</b>	<b>79.0</b>	<b>100.3</b>	<b>106.0</b>	<b>120.5</b>
<b>Less: Consumption of fixed capital</b> .....	<b>27.3</b>	<b>29.3</b>	<b>28.6</b>	<b>26.7</b>	<b>28.0</b>	<b>27.0</b>
<b>Equals: Net farm product</b> .....	<b>53.3</b>	<b>45.0</b>	<b>50.4</b>	<b>73.5</b>	<b>77.9</b>	<b>98.2</b>
<b>Less: Indirect business tax and nontax liability</b> .....	<b>5.2</b>	<b>5.5</b>	<b>5.4</b>	.....	.....	.....
<b>Plus: Subsidies to operators</b> .....	<b>10.4</b>	<b>18.4</b>	<b>19.5</b>	.....	.....	.....
<b>Equals: Farm national income</b> .....	<b>58.5</b>	<b>58.0</b>	<b>64.5</b>	.....	.....	.....
Compensation of employees .....	18.6	19.3	19.5	.....	.....	.....
Wage and salary accruals .....	16.2	16.5	16.8	.....	.....	.....
Supplements to wages and salaries .....	2.5	2.9	2.8	.....	.....	.....
Proprietors' income and corporate profits with inventory valuation and capital consumption adjustments .....	29.9	28.3	34.1	.....	.....	.....
Proprietors' income .....	25.6	26.6	30.6	.....	.....	.....
Corporate profits .....	4.3	1.7	3.5	.....	.....	.....
Net interest .....	10.0	10.3	10.9	.....	.....	.....

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

Table B.11. Housing Sector Output, Gross Product, and National Income

	Billions of dollars			Billions of chained (1996) dollars		
	1998	1999	2000	1998	1999	2000
<b>Housing output</b> <sup>1</sup> .....	<b>825.8</b>	<b>873.1</b>	<b>919.6</b>	<b>777.2</b>	<b>799.5</b>	<b>816.6</b>
Nonfarm housing .....	819.0	865.9	912.0	771.2	793.3	810.4
Owner-occupied .....	625.0	664.6	702.7	588.3	609.0	625.3
Tenant-occupied .....	194.0	201.3	209.3	182.9	184.3	185.1
Farm housing .....	6.7	7.2	7.7	6.0	6.2	6.2
<b>Less: Intermediate goods and services consumed</b> .....	<b>114.5</b>	<b>116.1</b>	<b>116.4</b>	<b>107.4</b>	<b>105.3</b>	<b>102.3</b>
<b>Equals: Gross housing product</b> .....	<b>711.3</b>	<b>757.1</b>	<b>803.2</b>	<b>669.8</b>	<b>694.2</b>	<b>714.3</b>
Nonfarm housing .....	705.6	751.1	796.9	664.7	689.1	709.3
Owner-occupied .....	535.6	575.1	613.6	504.2	527.7	547.4
Tenant-occupied .....	170.0	176.0	183.4	160.5	161.4	161.9
Farm housing .....	5.6	5.9	6.3	5.1	5.1	5.1
<b>Less: Consumption of fixed capital</b> .....	<b>133.1</b>	<b>143.4</b>	<b>153.6</b>	<b>125.8</b>	<b>130.1</b>	<b>133.5</b>
Capital consumption allowances .....	71.9	77.4	81.8	.....	.....	.....
Less: Capital consumption adjustment .....	-61.2	-66.0	-71.8	.....	.....	.....
<b>Equals: Net housing product</b> .....	<b>578.1</b>	<b>613.6</b>	<b>649.6</b>	<b>544.0</b>	<b>564.1</b>	<b>580.8</b>
<b>Less: Indirect business tax and nontax liability plus business transfer payments</b> .....	<b>130.5</b>	<b>135.8</b>	<b>140.8</b>	.....	.....	.....
<b>Plus: Subsidies less current surplus of government enterprises</b> .....	<b>24.1</b>	<b>23.8</b>	<b>23.8</b>	.....	.....	.....
<b>Equals: Housing national income</b> .....	<b>471.8</b>	<b>501.6</b>	<b>532.6</b>	.....	.....	.....
Compensation of employees .....	9.6	10.0	10.9	.....	.....	.....
Proprietors' income with inventory valuation and capital consumption adjustments .....	20.6	18.9	17.6	.....	.....	.....
Rental income of persons with capital consumption adjustment .....	121.0	130.0	123.8	.....	.....	.....
Corporate profits with inventory valuation and capital consumption adjustments .....	4.4	4.1	4.3	.....	.....	.....
Net interest .....	316.2	338.6	376.0	.....	.....	.....

1. Equals personal consumption expenditures for housing less expenditures for other housing as shown in table B.4.

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









## D. Domestic Perspectives

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

Table D.1. Domestic Perspectives

	2000	2001	2001												2002	
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Consumer and producer prices, (monthly data seasonally adjusted) <sup>1</sup>																
Consumer price index for all urban consumers, 1982-84=100:																
All items .....	172.2	177.1	175.6	176.0	176.1	176.6	177.4	177.8	177.3	177.4	178.1	177.6	177.5	177.3	177.6	178.0
Less food and energy .....	181.3	186.1	183.9	184.4	184.8	185.1	185.4	185.9	186.3	186.7	187.1	187.4	188.1	188.3	188.6	189.1
Services .....	195.3	203.4	200.6	201.0	201.5	201.9	202.8	203.6	203.8	204.5	204.6	204.8	205.6	206.1	206.8	207.4
Producer price index, 1982=100:																
Finished goods .....	138.0	140.7	141.7	142.0	141.7	142.1	142.4	141.7	140.0	140.6	141.1	139.2	138.4	137.6	137.8	138.1
Less food and energy .....	148.0	150.0	149.6	149.3	149.5	149.8	150.1	150.2	150.4	150.4	150.6	150.0	150.1	150.1	150.0	150.0
Finished consumer goods .....	138.2	141.5	142.8	143.2	142.8	143.2	143.7	142.8	140.5	141.2	141.8	139.6	138.5	137.5	137.8	138.3
Capital equipment .....	138.8	139.7	139.8	139.4	139.6	139.8	139.6	139.7	140.0	140.0	140.1	139.5	139.4	139.4	139.3	139.4
Intermediate materials .....	129.2	129.7	132.0	131.7	131.3	131.1	131.2	131.0	129.5	129.2	129.3	127.6	126.8	125.8	125.7	125.6
Crude materials .....	120.6	121.3	165.5	141.8	132.0	132.8	130.2	119.6	113.3	112.5	107.6	98.1	105.6	95.5	99.0	98.2
Money, interest rates, and stock prices																
Money stock (monthly and quarterly data seasonally adjusted): <sup>2</sup>																
Percent change:																
M1 .....			0.63	0.28	0.77	0.21	0.62	0.81	1.15	0.76	5.00	-3.57	0.19	1.25	0.25	0.11
M2 .....			0.91	0.77	0.96	0.81	0.47	0.87	0.79	0.78	2.25	-0.19	0.82	0.77	0.19	0.55
Ratio:																
Gross domestic product to M1 .....	8.942	8.975		9.214			9.132			8.789			8.788			
Personal income to M2 .....	1.733	1.671	1.725	1.719	1.710	1.700	1.695	1.686	1.678	1.667	1.629	1.630	1.617	1.609	1.614	1.615
Interest rates (percent, not seasonally adjusted): <sup>2</sup>																
Federal funds rate .....	6.24	3.88	5.98	5.49	5.31	4.80	4.21	3.97	3.77	3.65	3.07	2.49	2.09	1.82	1.73	1.74
Discount rate on new 91-day Treasury bills .....	5.84	3.45	5.27	4.93	4.50	3.91	3.66	3.48	3.54	3.39	2.87	2.22	1.93	1.72	1.66	1.73
Yield on new high-grade corporate bonds .....	7.57	6.94	7.15	7.08	6.87	7.09	7.19	7.11	7.02	6.85	6.83	6.72	6.51	6.80	6.75	6.65
10-Year U.S. Treasury bonds .....	6.03	5.02	5.16	5.10	4.89	5.14	5.39	5.28	5.24	4.97	4.73	4.57	4.65	5.09	5.04	4.91
Yield on municipal bonds, 20-bond average .....	5.71	5.15	5.10	5.18	5.13	5.27	5.29	5.20	5.20	5.03	5.09	5.05	5.04	5.25	5.16	5.11
Mortgage commitment rate .....	8.06	6.97	7.03	7.05	6.95	7.08	7.15	7.16	7.13	6.95	6.82	6.62	6.66	7.07	7.00	6.89
Average prime rate charged by banks .....	9.23	6.91	9.05	8.50	8.32	7.80	7.24	6.98	6.75	6.67	6.28	5.53	5.10	4.84	4.75	4.75
Index of stock prices (not seasonally adjusted): <sup>3</sup>																
500 common stocks, 1941-43=10 .....	1,427.22	1,194.18	1,335.63	1,305.75	1,185.85	1,189.84	1,270.37	1,238.71	1,204.45	1,178.51	1,044.64	1,076.59	1,129.68	1,144.93	1,140.21	1,100.67
Labor markets (thousands, monthly and quarterly data seasonally adjusted, unless otherwise noted) <sup>1</sup>																
Civilian labor force .....	140,863	141,815	141,757	141,622	141,869	141,734	141,445	141,468	141,651	141,380	142,068	142,280	142,279	142,314	141,390	142,211
Labor force participation rates (percent):																
Males 20 and over .....	76.6	76.4	76.6	76.5	76.4	76.6	76.4	76.3	76.3	76.2	76.5	76.5	76.5	76.5	75.9	76.1
Females 20 and over .....	60.9	60.9	61.1	61.1	61.2	61.0	60.9	60.7	60.8	60.8	60.8	60.8	60.8	61.0	60.5	61.1
16-19 years of age .....	52.2	50.0	51.7	50.9	51.1	50.4	49.3	50.2	49.8	47.7	49.7	49.8	49.4	48.2	47.8	47.8
Civilian employment .....	135,208	135,073	135,870	135,734	135,808	135,424	135,235	135,003	135,106	134,408	135,004	134,615	134,253	134,055	133,468	134,319
Ratio, civilian employment to working-age population (percent) .....	64.5	63.8	64.4	64.3	64.3	64.1	63.9	63.8	63.8	63.4	63.6	63.3	63.1	63.0	62.6	63.0
Persons engaged in nonagricultural activities .....	131,903	131,929	132,701	132,601	132,645	132,257	132,042	131,959	132,051	131,282	131,823	131,412	131,099	130,809	130,195	131,073
Employees on nonagricultural payrolls .....	131,759	132,213	132,428	132,595	132,654	132,489	132,530	132,431	132,449	132,395	132,230	131,782	131,427	131,321	131,195	131,261
Goods-producing industries .....	25,709	25,122	25,633	25,627	25,802	25,421	25,324	25,186	25,122	24,963	24,888	24,746	24,577	24,453	24,278	24,247
Services-producing industries .....	106,050	107,092	106,795	106,968	107,052	107,068	107,206	107,245	107,327	107,432	107,342	107,036	106,850	106,868	106,917	107,014
Average weekly hours, manufacturing (hours) .....	41.6	40.7	41.0	40.9	41.0	41.0	40.7	40.7	40.8	40.7	40.6	40.5	40.3	40.6	40.6	40.7
Average weekly overtime hours, manufacturing (hours) .....	4.6	3.9	4.2	3.9	4.1	3.9	3.9	3.9	4.0	4.1	3.9	3.8	3.7	3.8	3.9	3.9
Number of persons unemployed .....	5,655	6,742	5,887	5,888	6,061	6,310	6,210	6,465	6,545	6,972	7,064	7,665	8,026	8,259	7,922	7,891
Unemployment rates (percent):																
Total .....	4.0	4.8	4.2	4.2	4.3	4.5	4.4	4.6	4.6	4.9	5.0	5.4	5.6	5.8	5.6	5.5
15 weeks and over .....	0.9	1.2	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.3	1.3	1.4	1.6	1.7	1.8	1.8
Average duration of unemployment (weeks) .....	12.6	13.2	12.6	12.8	12.8	12.6	12.4	12.9	12.7	13.2	13.3	13.0	14.4	14.5	14.6	15.0
Nonfarm business sector, 1992=100:																
Output per hour of all persons .....	116.6	118.8		117.8			118.4			118.7			120.2			
Unit labor costs .....	113.6	118.0		117.2			118.0			118.7			117.9			
Hourly compensation .....	132.5	140.1		138.1			139.7			141.0			141.8			

See footnotes at the end of the table.

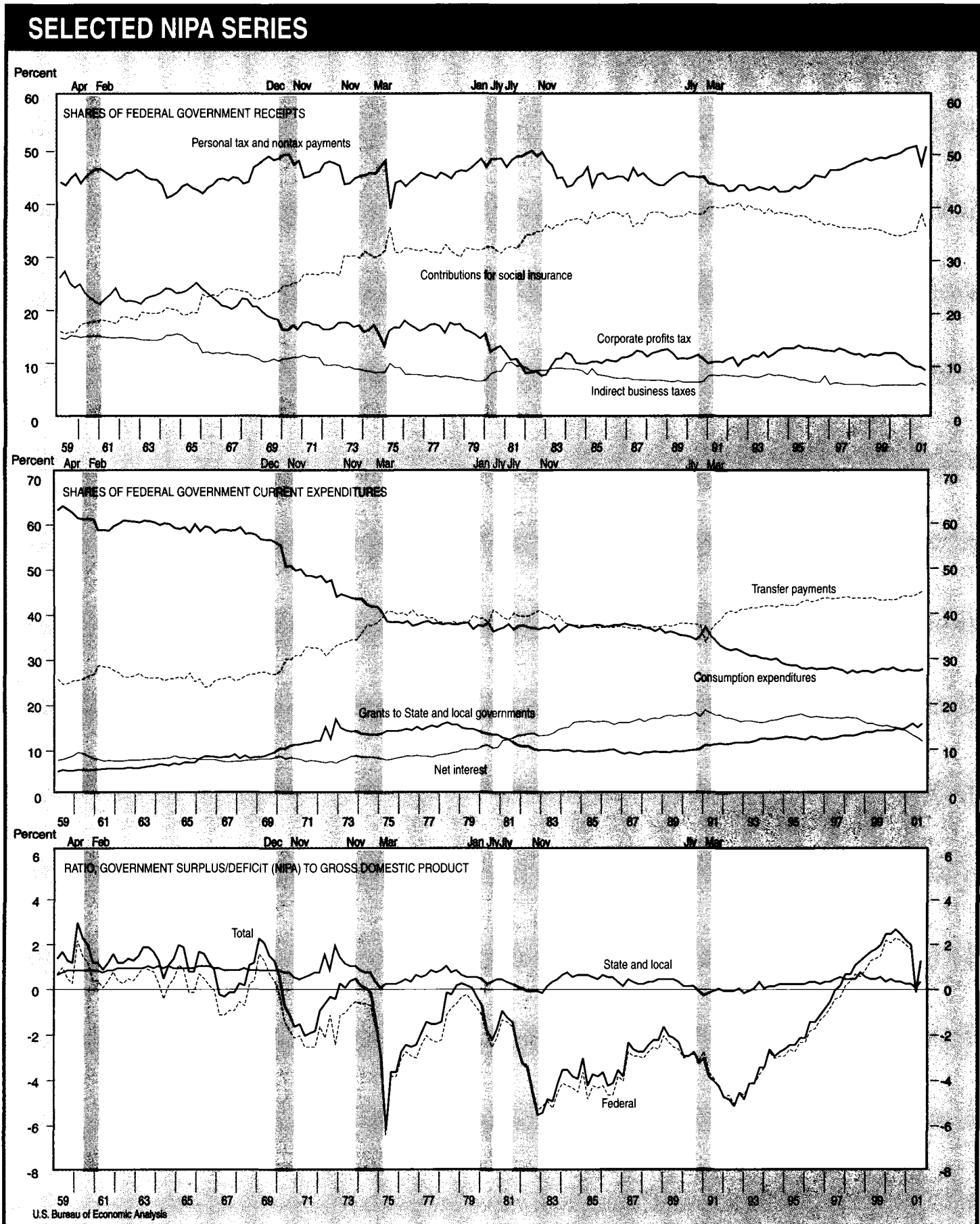


Table D.1. Domestic Perspectives—Continued

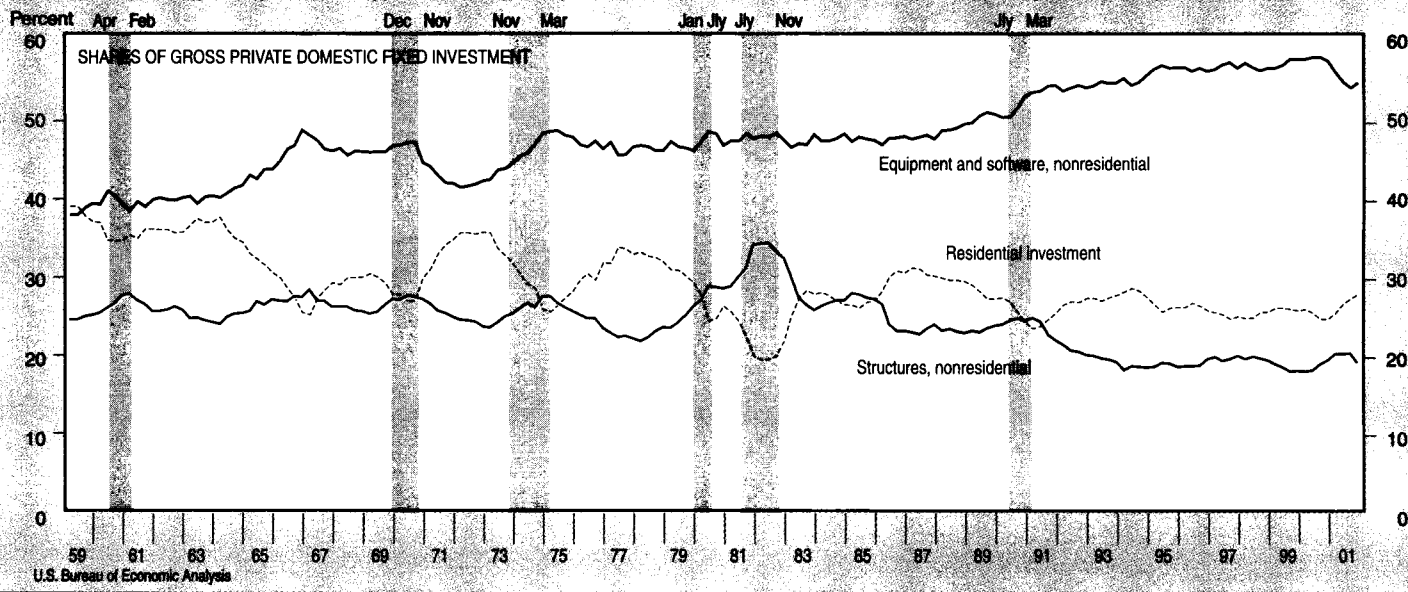
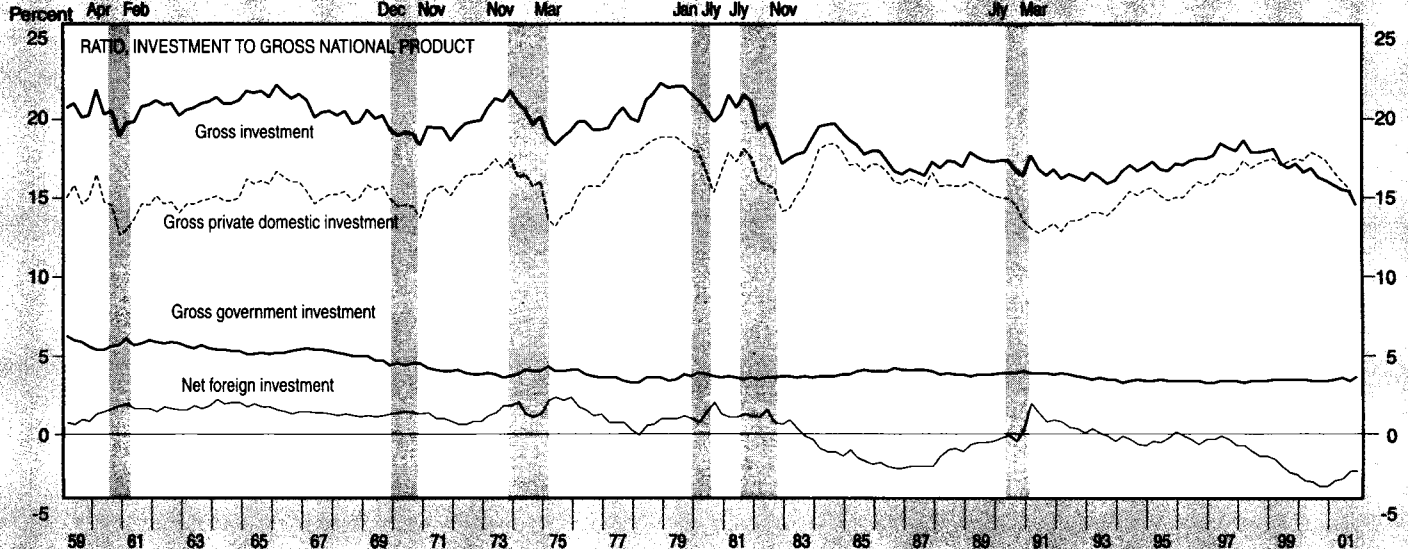
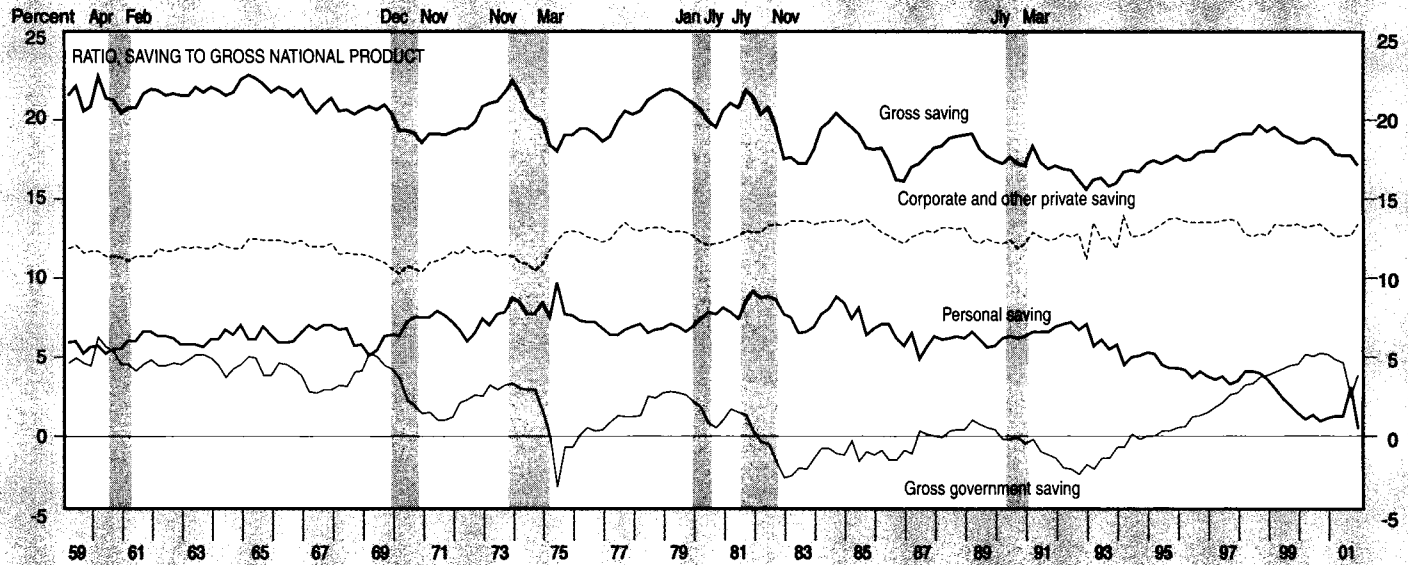
	2000	2001	2001												2002	
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Construction (monthly data seasonally adjusted at annual rates) <sup>4</sup>																
Total new private construction put in place (billions of dollars).....	640.6	666.5	673.7	681.8	681.2	677.4	670.8	665.3	667.8	663.1	660.2	656.9	651.5	654.3	649.9	660.7
Residential.....	374.3	395.7	386.1	398.9	395.1	392.2	394.3	391.5	395.7	399.6	398.1	400.1	396.5	399.2	402.8	416.7
Nonresidential.....	210.1	208.7	223.8	220.2	225.9	220.6	211.7	210.8	211.0	201.9	202.0	198.1	193.0	190.8	187.5	181.9
Housing starts (thousands of units):																
Total.....	1,569	1,603	1,666	1,623	1,592	1,626	1,610	1,634	1,660	1,559	1,585	1,518	1,616	1,602	1,721	1,769
1-unit structures.....	1,231	1,273	1,336	1,288	1,208	1,295	1,285	1,292	1,290	1,271	1,265	1,225	1,244	1,312	1,357	1,457
New 1-family houses sold (thousands of units).....	877	907	938	959	953	899	882	889	877	871	854	860	937	987	831	875
Manufacturing and trade, inventories and sales (millions of dollars, monthly data seasonally adjusted) <sup>4</sup>																
Inventories:																
Total manufacturing and trade.....	1,191,498	1,118,861	1,209,008	1,203,367	1,198,530	1,196,694	1,194,840	1,187,715	1,181,701	1,179,117	1,172,328	1,153,426	1,139,678	1,134,537	1,136,620	.....
Manufacturing.....	472,455	436,359	485,307	484,353	480,579	479,659	476,712	471,967	468,378	464,933	460,645	457,341	451,365	447,261	444,439	.....
Merchant wholesalers.....	304,857	288,899	303,233	301,541	301,822	302,102	303,004	301,869	299,032	298,320	297,162	293,636	289,938	288,391	287,699	.....
Retail trade.....	414,186	393,603	420,468	417,473	416,129	414,933	415,124	413,879	414,291	415,864	414,521	402,449	398,375	398,885	404,482	.....
Sales:																
Total manufacturing and trade.....	10,119,150	9,941,814	842,491	843,032	837,800	833,698	841,208	828,409	831,772	832,273	807,798	830,347	817,316	817,553	826,403	.....
Manufacturing.....	4,280,872	4,030,288	347,550	347,983	347,486	339,031	347,267	337,322	338,546	337,443	321,573	328,851	324,866	326,794	333,246	.....
Merchant wholesalers.....	2,755,523	2,728,344	233,830	233,080	229,619	229,959	228,919	226,302	227,918	229,004	226,207	223,568	223,601	222,565	225,206	.....
Retail trade.....	3,082,755	3,183,182	261,111	261,969	260,695	264,708	265,022	264,785	265,308	265,826	260,018	277,928	268,849	268,194	267,951	.....
Industrial production indexes and capacity utilization rates (monthly data seasonally adjusted) <sup>2</sup>																
Industrial production indexes, 1992=100:																
Total.....	145.7	140.1	143.9	143.5	142.9	142.0	141.6	140.3	140.4	140.0	138.5	137.7	137.2	136.8	137.1	137.6
By industry:																
Durable manufactures.....	190.0	179.3	185.6	184.6	184.7	182.9	182.7	180.1	180.0	178.9	176.1	173.9	174.3	173.9	174.6	175.3
Nondurable manufactures.....	114.8	111.4	113.5	113.5	112.5	111.8	111.5	111.1	111.5	111.1	110.5	110.8	110.2	109.7	110.0	110.1
By market category:																
Consumer goods.....	121.9	120.7	121.0	121.2	121.8	121.3	121.4	121.1	122.2	121.4	119.9	119.6	120.0	120.8	120.4	120.8
Capacity utilization rates (percent):																
Total industry.....	81.8	76.8	79.3	78.9	78.5	77.8	77.5	76.7	76.7	76.4	75.5	75.0	74.7	74.4	74.5	74.8
Manufacturing.....	80.7	75.1	77.6	77.2	76.7	76.0	75.8	75.0	75.1	74.6	73.7	73.3	73.2	72.9	73.0	73.2
Credit market borrowing (billions of dollars, quarterly data seasonally adjusted at annual rates) <sup>2</sup>																
All sectors, by instrument:																
Total.....	1,754.1	1,977.0	.....	1,848.1	.....	.....	1,714.6	.....	.....	2,279.5	.....	.....	2,065.9	.....	.....	.....
Open market paper.....	207.6	-164.4	.....	-360.2	.....	.....	-225.5	.....	.....	-179.3	.....	.....	107.6	.....	.....	.....
U.S. government securities.....	137.6	622.4	.....	428.2	.....	.....	409.2	.....	.....	1,085.9	.....	.....	566.4	.....	.....	.....
Municipal securities.....	35.3	120.6	.....	110.7	.....	.....	112.4	.....	.....	56.0	.....	.....	203.2	.....	.....	.....
Corporate and foreign bonds.....	402.2	611.6	.....	855.5	.....	.....	590.5	.....	.....	400.5	.....	.....	600.1	.....	.....	.....
Bank loans, n.e.c.....	114.1	-83.4	.....	34.1	.....	.....	-170.0	.....	.....	-13.6	.....	.....	-184.3	.....	.....	.....
Other loans and advances.....	142.7	51.7	.....	83.6	.....	.....	107.9	.....	.....	139.2	.....	.....	-123.8	.....	.....	.....
Mortgages.....	575.6	723.2	.....	552.2	.....	.....	814.4	.....	.....	766.4	.....	.....	759.8	.....	.....	.....
Consumer credit.....	139.0	95.2	.....	144.0	.....	.....	75.5	.....	.....	24.4	.....	.....	137.0	.....	.....	.....

Sources:

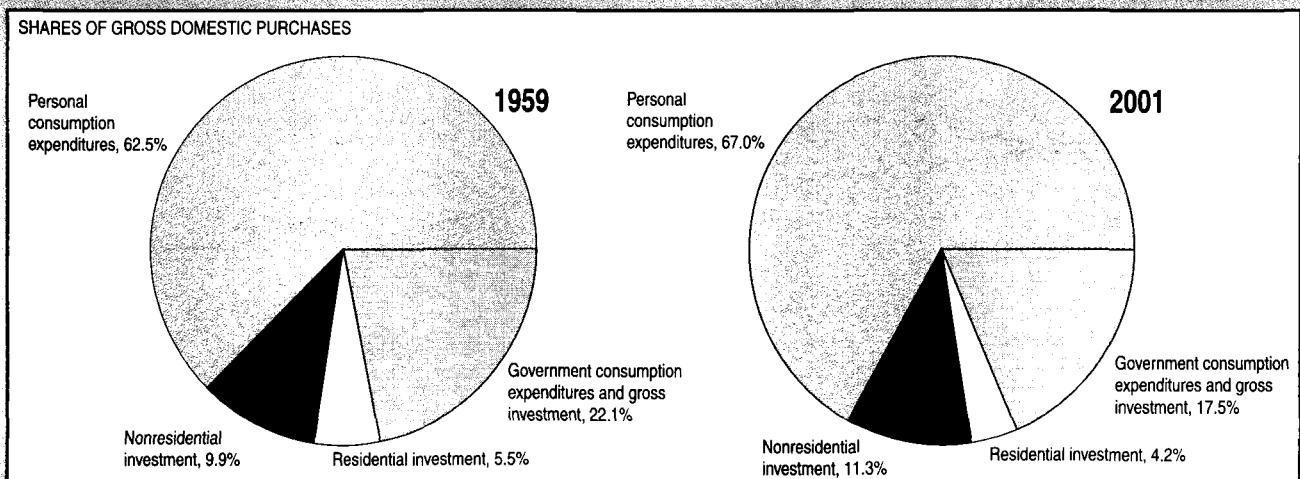
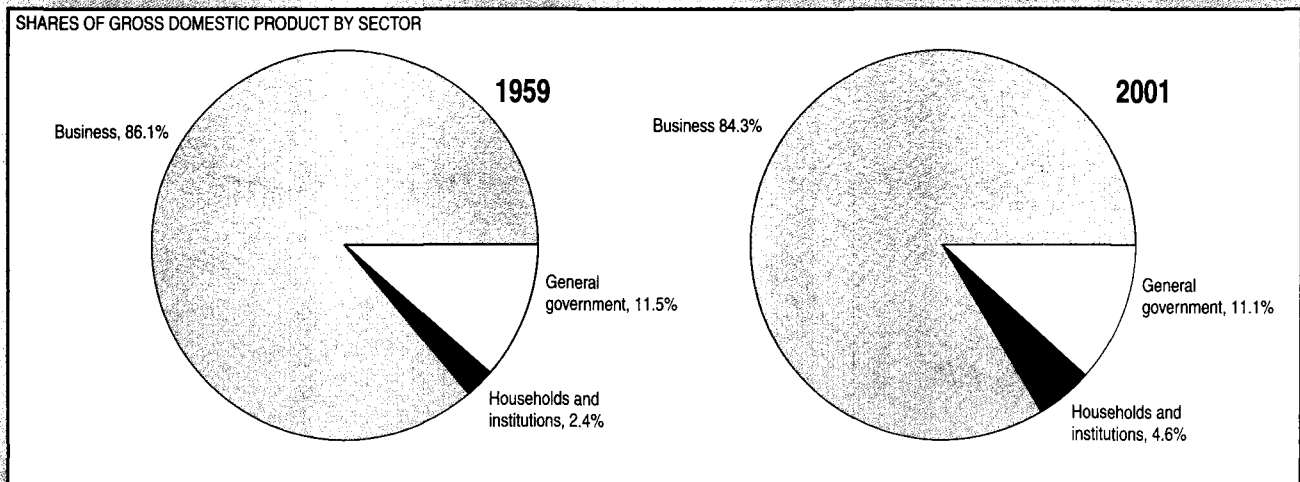
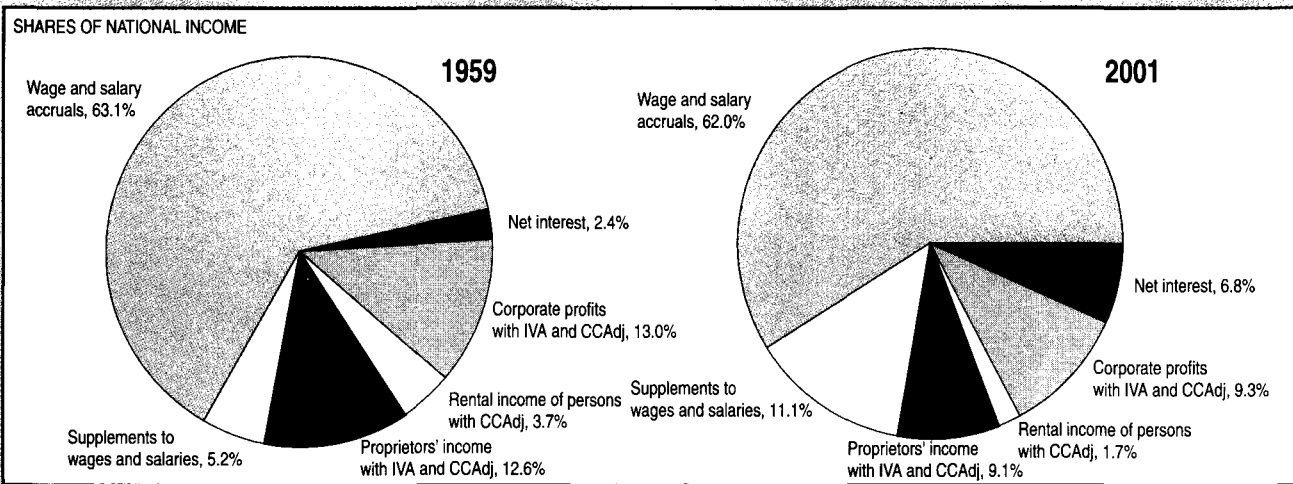
1. Bureau of Labor Statistics  
2. Federal Reserve Board3. Standard and Poor's, Inc.  
4. Bureau of the Census  
n.e.c. Not elsewhere classified



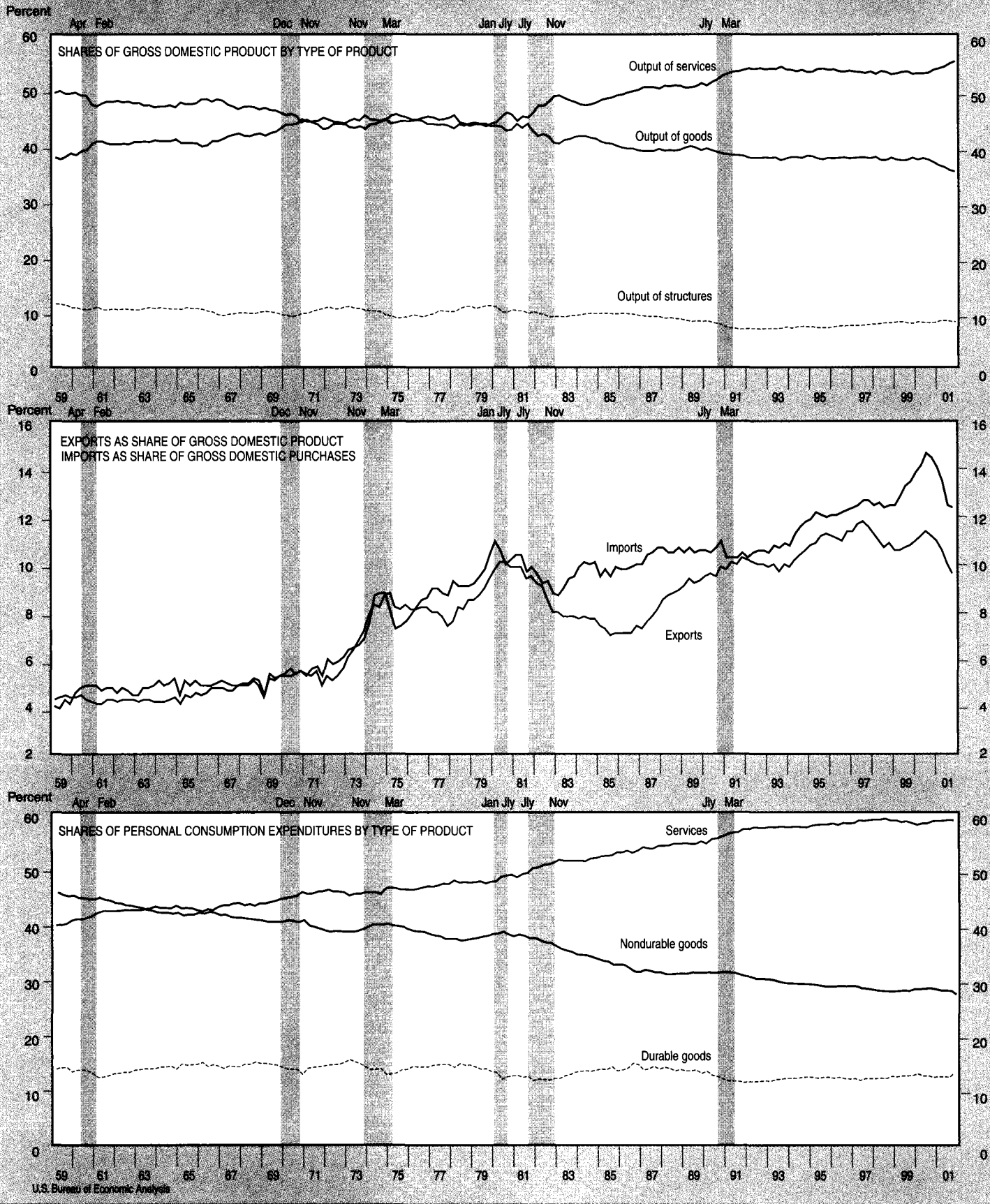
# SELECTED NIPA SERIES



# SELECTED NIPA SERIES

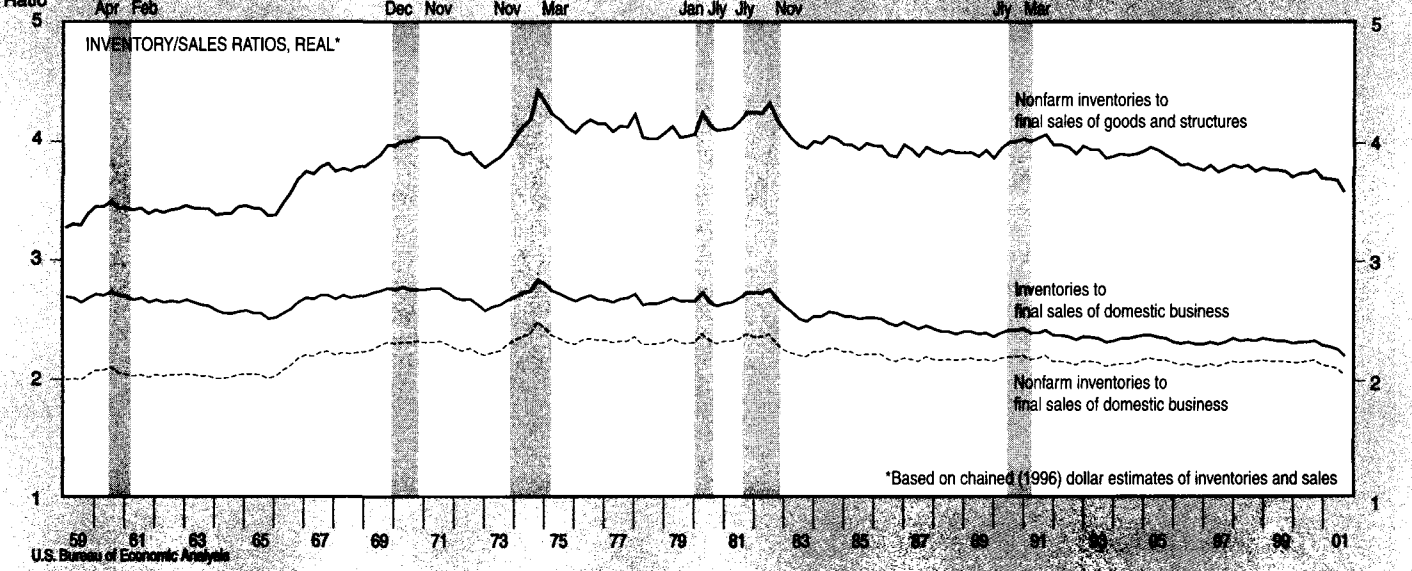
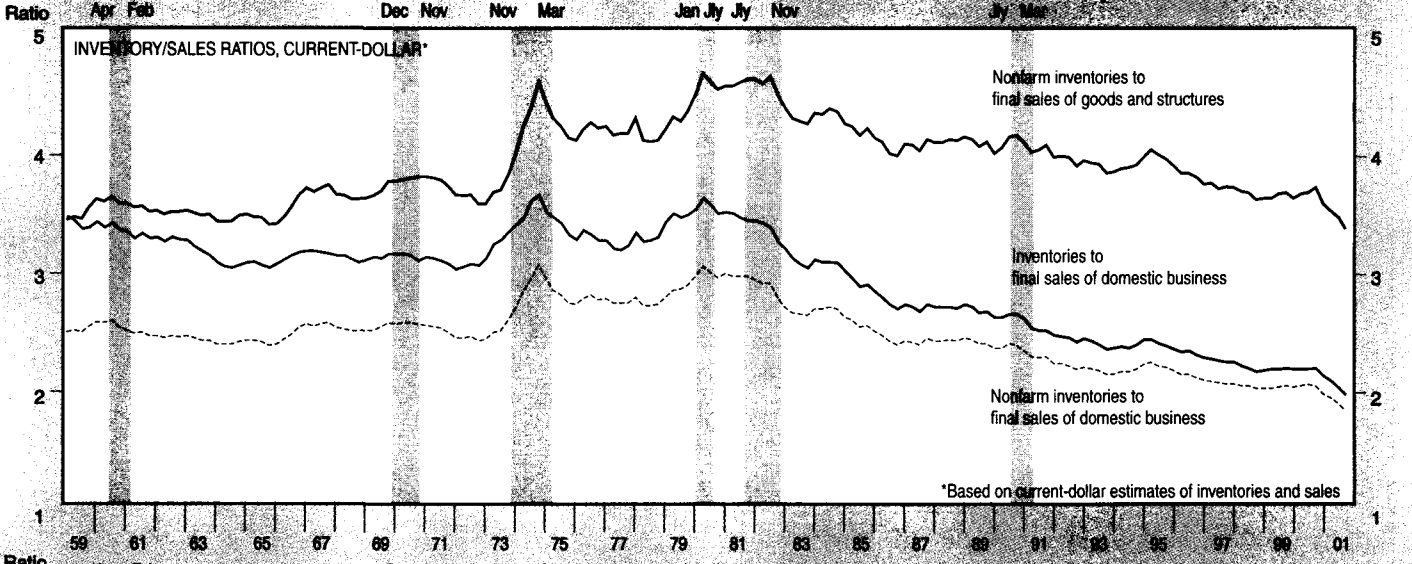
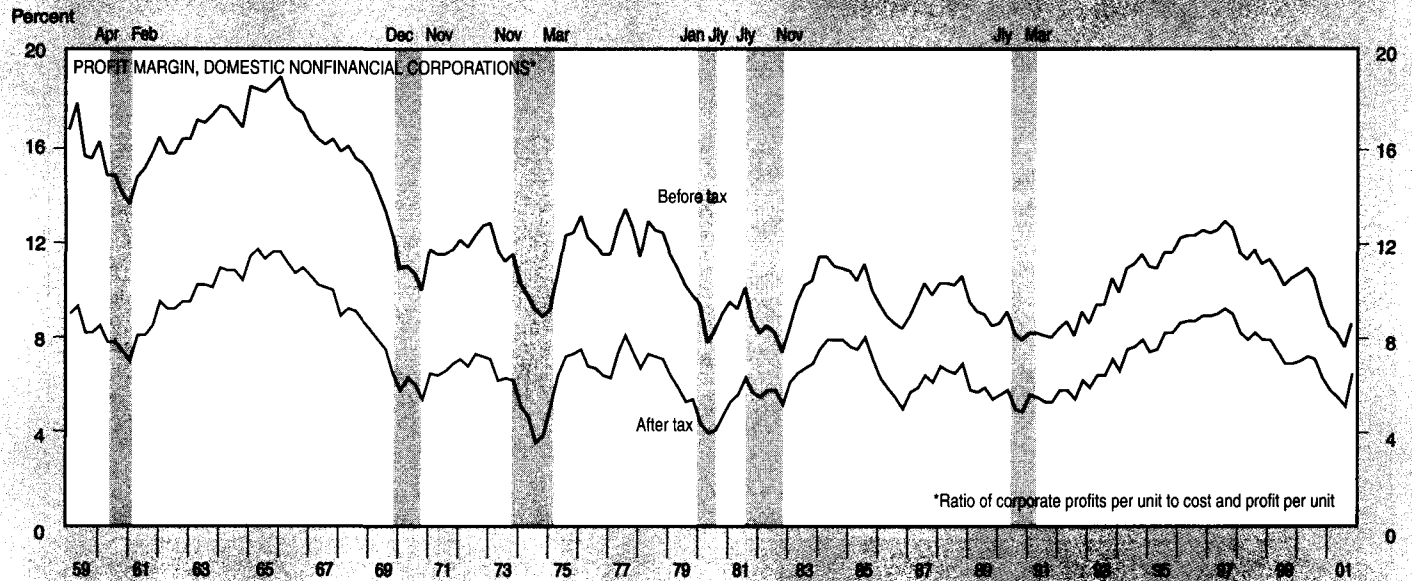


# SELECTED NIPA SERIES

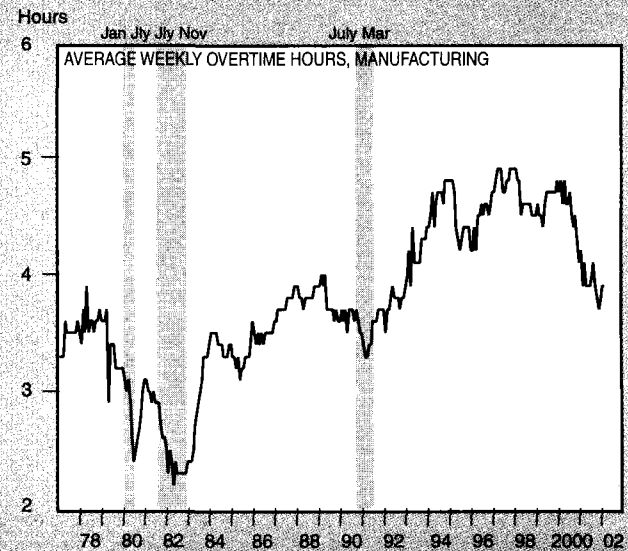
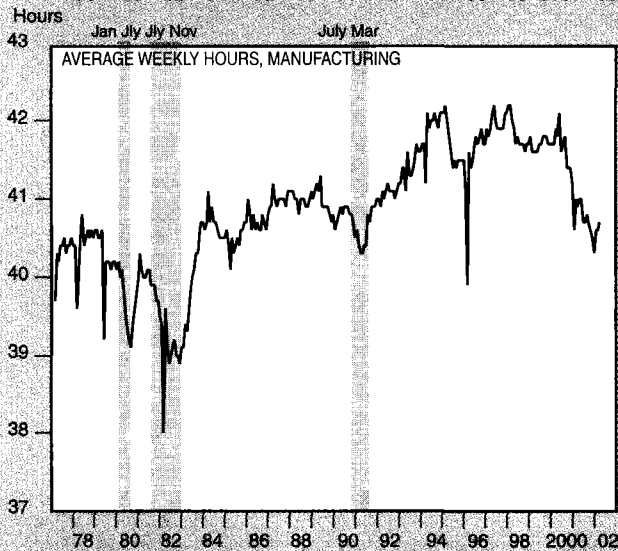
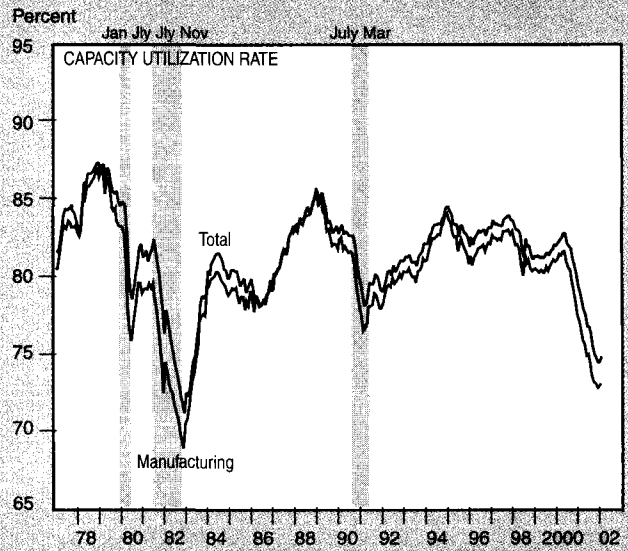
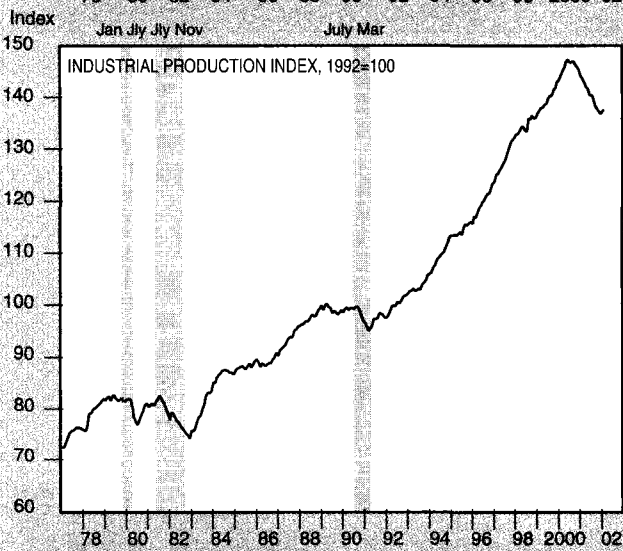
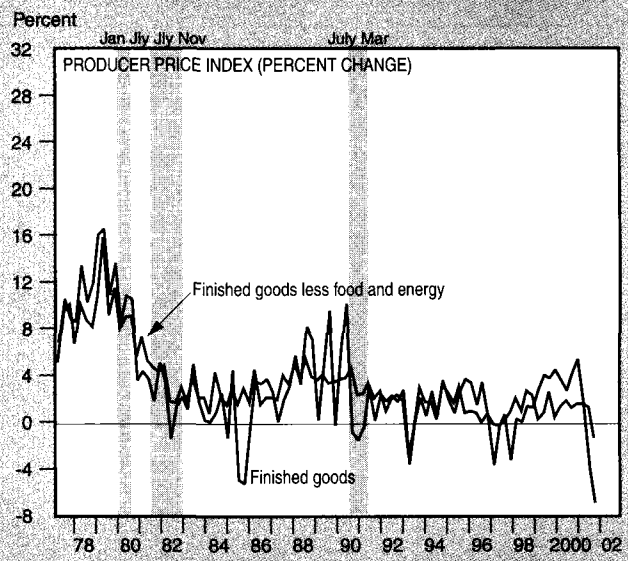
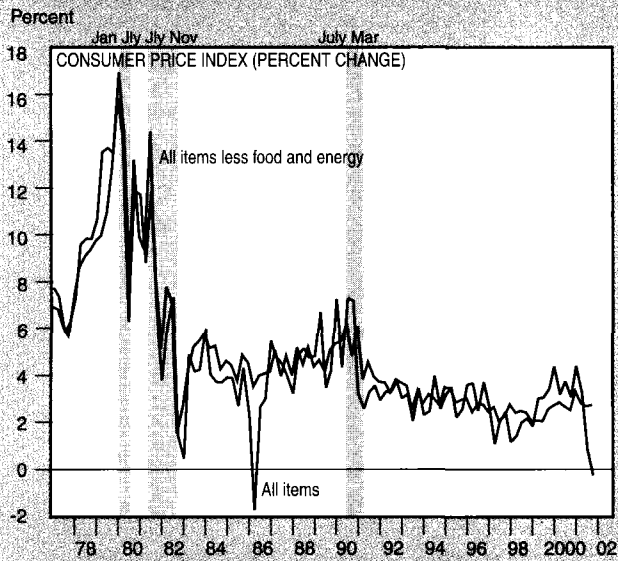


U.S. Bureau of Economic Analysis

# SELECTED NIPA SERIES

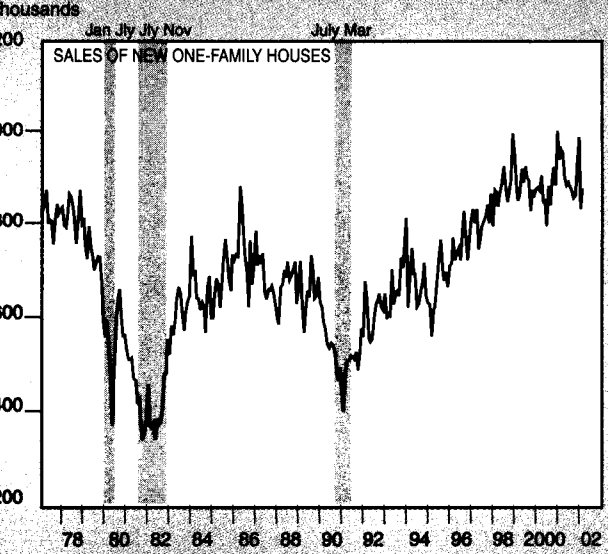
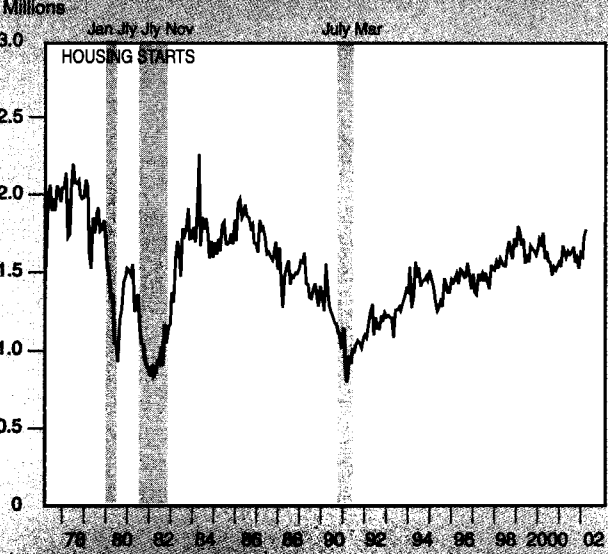
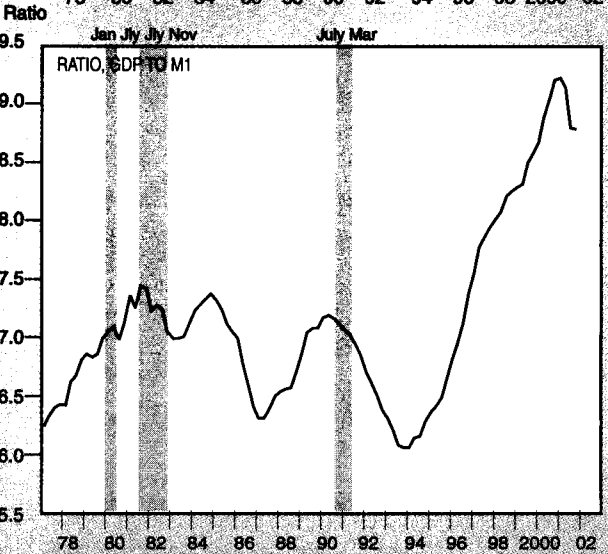
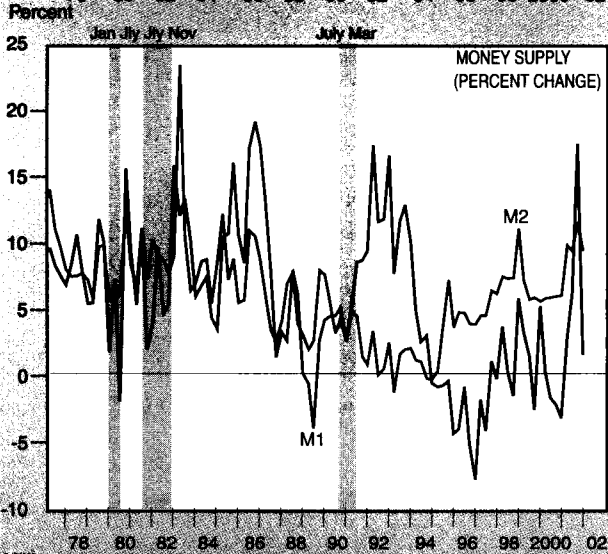
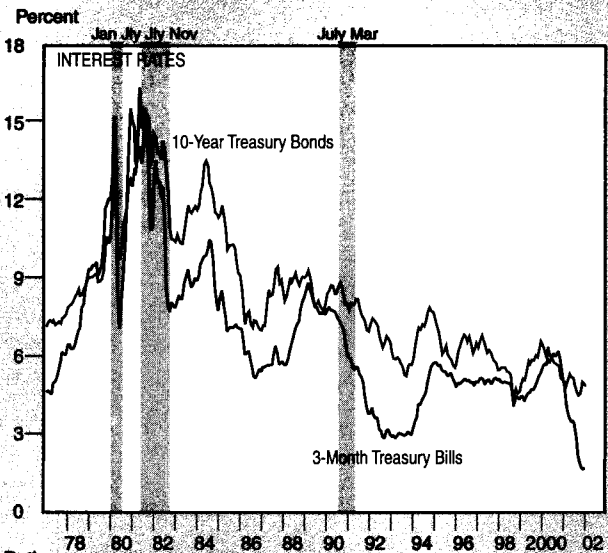
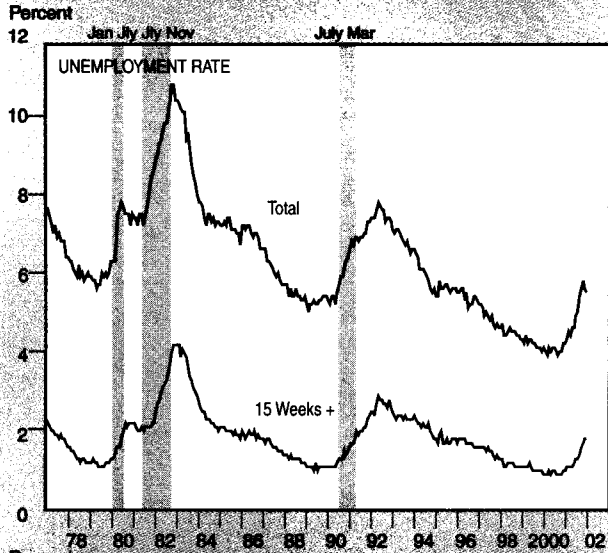


# OTHER INDICATORS OF THE DOMESTIC ECONOMY



U.S. Bureau of Economic Analysis

# OTHER INDICATORS OF THE DOMESTIC ECONOMY



U.S. Bureau of Economic Analysis







Table F.3. U.S. International Transactions, by Area  
[Millions of dollars]

Table with 13 columns: Line, (Credits +, debits -)¹, Western Europe (2001), European Union¹⁴ (2001), United Kingdom (2001), and European Union (6)¹⁵ (2001). Rows include Current account (Exports and Imports of goods and services), Capital and financial account (Capital account), and Statistical discrepancy.

See footnotes on page D-57.





Table F4. Private Services Transactions

[Millions of dollars]

Table with 18 columns: Line, 2000, 2001 P, Not seasonally adjusted (2000, 2001), Seasonally adjusted (2000, 2001). Rows include Exports of private services, Imports of private services, and Memoranda.

P Preliminary. Revised. Patented techniques, processes, and formulas and other intangible property rights that are used in goods production. Copyrights, trademarks, franchises, rights to broadcast live events, software licensing fees, and other intangible property rights.

3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign governments and international organizations in the United States and film and television tape rentals. Payments (imports) include mainly expenditures of U.S. residents temporarily working abroad and film and television tape rentals. Source: Table 3 in "U.S. International Transactions, Fourth Quarter and Year 2001" in the April 2002 issue of the Survey of Current Business.

Footnotes to Table F.2 and F.3: 1. Credits, +; Exports of goods and services and income receipts; unilateral current transfers to the United States; capital account transactions receipts; financial inflows—increase in foreign-owned assets (U.S. liabilities) or decrease in U.S.-owned assets (U.S. claims). Debits, -; Imports of goods and services and income payments; unilateral current transfers to foreigners; capital accounts transactions payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims). 2. Excludes exports of goods under U.S. military agency sales contracts identified in Census export documents, excludes imports of goods under direct defense expenditures identified in Census import documents, and reflects various other adjustments (for valuation, coverage, and timing) of Census statistics to balance of payments basis; see table 2 in "U.S. International Transactions, Fourth Quarter and Year 2001" in the April 2002 issue of the Survey of Current Business. 3. Includes some goods: Mainly military equipment in line 5; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 22; and fuels purchased by airline and steamship operators in lines 8 and 25. 4. Includes transfers of goods and services under U.S. military grant programs. 5. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents. 6. Beginning in 1982, the "other transfers" component includes taxes paid by U.S. private residents to foreign governments and taxes paid by private nonresidents to the U.S. Government. 7. At the present time, all U.S. Treasury-owned gold is held in the United States. 8. Includes sales of foreign obligations to foreigners. 9. Consists of bills, certificates, marketable bonds and notes, and nonmarketable convertible and nonconvertible bonds and notes. 10. Consists of U.S. Treasury and Export-Import Bank obligations, not included elsewhere, and of debt securities of U.S. Government corporations and agencies. 11. Includes, primarily, U.S. Government liabilities associated with military agency sales contracts and other transactions arranged with or through foreign official agencies; see table 4 in "U.S. International Transactions, Fourth Quarter and Year 2001" in the April 2002 issue of the Survey. 12. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and State and local governments. 13. Conceptually, line 76 is equal to "net foreign investment" in the national income and product accounts (NIPAs). However, the foreign transactions account in the NIPAs (a) includes adjustments to the international transactions accounts for the treatment of gold, (b) includes adjustments for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (c) includes services furnished without payment by financial pension plans except life insurance carriers and private noninsured pension plans. A reconciliation of the balance on goods and services from the international accounts and the NIPA net exports appears in reconciliation table 2 in appendix A in this issue. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.5B of the full set of NIPA tables published annually in the August issue of the Survey. Additional footnotes to Table F.3: 14. The "European Union" includes the "European Union (6)," United Kingdom, Denmark, Ireland, Greece, Spain, and Portugal. Beginning with the first quarter of 1995, the "European Union" also includes Austria, Finland, and Sweden. 15. The "European Union (6)" includes Belgium, France, Germany (includes the former German Democratic Republic (East Germany) beginning in the fourth quarter of 1990), Italy, Luxembourg, Netherlands, European Atomic Energy Community, European Coal and Steel Community, and European Investment Bank. 16. Includes, as part of international and unallocated, the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment internationally, and in petroleum trading. Also includes taxes withheld; current-cost adjustments associated with U.S. and foreign direct investment; small transactions in business services that are not reported by country; and net U.S. currency flows, for which geographic source data are not available. 17. Details not shown separately; see totals in lines 56 and 63. 18. Details not shown separately are included in line 69.

## G. Investment Tables

Table G.1. International Investment Position of the United States at Yearend, 1999 and 2000

[Millions of dollars]

Line	Type of investment	Position, 1999 <sup>r</sup>	Changes in position in 2000 (decrease (-))				Total (a+b+c+d)	Position, 2000 <sup>p</sup>
			Attributable to:					
			Financial flows	Valuation adjustments				
				Price changes	Exchange rate changes <sup>1</sup>	Other changes <sup>2</sup>		
		(a)	(b)	(c)	(d)			
<b>Net international investment position of the United States:</b>								
1	With direct investment positions at current cost (line 3 less line 24)	-1,099,786	-443,266	-189,189	-161,397	50,975	-742,877	-1,842,663
2	With direct investment positions at market value (line 4 less line 25)	-1,525,347	-443,266	-42,232	-233,846	57,247	-662,097	-2,187,444
<b>U.S.-owned assets abroad:</b>								
3	With direct investment positions at current cost (lines 5+10+15) ....	5,921,099	580,952	-162,350	-194,351	21,862	246,113	6,167,212
4	With direct investment positions at market value (lines 5+10+16) ...	7,206,320	580,952	-364,486	-264,903	31,909	-16,528	7,189,792
5	U.S. official reserve assets .....	136,418	290	-4,134	-4,157	-17	-8,018	128,400
6	Gold .....	75,950	.....	<sup>3</sup> -4,134	.....	<sup>4</sup> -17	-4,151	71,799
7	Special drawing rights .....	10,336	722	.....	-519	.....	203	10,539
8	Reserve position in the International Monetary Fund .....	17,950	-2,308	.....	-818	.....	-3,126	14,824
9	Foreign currencies .....	32,182	1,876	.....	-2,820	.....	-944	31,238
10	U.S. Government assets, other than official reserve assets .....	84,227	944	.....	.....	.....	944	85,171
11	U.S. credits and other long-term assets <sup>5</sup> .....	81,657	920	.....	.....	.....	920	82,577
12	Repayable in dollars .....	81,367	929	.....	.....	.....	929	82,296
13	Other <sup>6</sup> .....	290	-9	.....	.....	.....	-9	281
14	U.S. foreign currency holdings and U.S. short-term assets .....	2,570	24	.....	.....	.....	24	2,594
<b>U.S. private assets:</b>								
15	With direct investment at current cost (lines 17+19+22+23) .....	5,700,454	579,718	-158,216	-190,194	21,879	253,187	5,953,641
16	With direct investment at market value (lines 18+19+22+23) .....	6,985,675	579,718	-360,352	-260,746	31,926	-9,454	6,976,221
<b>Direct investment abroad:</b>								
17	At current cost .....	1,327,954	152,437	6,128	-21,975	-19,367	117,223	1,445,177
18	At market value .....	2,613,175	152,437	-196,008	-92,527	-9,320	-145,418	2,467,757
19	Foreign securities .....	2,604,383	124,935	-164,344	-158,470	.....	-197,879	2,406,504
20	Bonds .....	577,745	25,200	-10,672	-14,579	.....	-51	577,694
21	Corporate stocks .....	2,026,638	99,735	-153,672	-143,891	.....	-197,828	1,828,810
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	667,732	163,846	.....	-6,327	.....	157,519	825,251
23	U.S. claims reported by U.S. banks, not included elsewhere .....	1,100,385	138,500	.....	-3,422	41,246	176,324	1,276,709
<b>Foreign-owned assets in the United States:</b>								
24	With direct investment at current cost (lines 26+33) .....	7,020,885	1,024,218	26,839	-32,954	-29,113	988,990	8,009,875
25	With direct investment at market value (lines 26+34) .....	8,731,667	1,024,218	-322,254	-31,057	-25,338	645,569	9,377,236
26	Foreign official assets in the United States .....	870,364	37,619	14,446	.....	.....	52,065	922,429
27	U.S. Government securities .....	628,907	30,676	17,314	.....	.....	47,990	676,897
28	U.S. Treasury securities .....	578,225	-10,233	14,352	.....	.....	4,119	582,344
29	Other .....	50,682	40,909	2,962	.....	.....	43,871	94,553
30	Other U.S. Government liabilities <sup>7</sup> .....	15,486	-1,987	.....	.....	.....	-1,987	13,499
31	U.S. liabilities reported by U.S. banks, not included elsewhere .....	138,847	5,803	.....	.....	.....	5,803	144,650
32	Other foreign official assets .....	87,124	3,127	-2,868	.....	.....	259	87,383
<b>Other foreign assets:</b>								
33	With direct investment at current cost (lines 35+37+38+41+42+43) ...	6,150,521	986,599	12,393	-32,954	-29,113	936,925	7,087,446
34	With direct investment at market value (lines 36+37+38+41+42+43)	7,861,303	986,599	-336,700	-31,057	-25,338	593,504	8,454,807
<b>Direct investment in the United States:</b>								
35	At current cost .....	1,094,439	287,655	102	-1,897	-10,794	275,066	1,369,505
36	At market value .....	2,805,221	287,655	-348,991	.....	-7,019	-68,355	2,736,866
37	U.S. Treasury securities .....	660,693	-52,792	31,783	.....	.....	-21,009	639,684
38	U.S. securities other than U.S. Treasury securities .....	2,522,009	485,644	-19,492	-24,188	.....	441,964	2,963,973
39	Corporate and other bonds .....	1,061,924	292,904	43,619	-24,188	.....	312,335	1,374,259
40	Corporate stocks .....	1,460,085	192,740	-63,111	.....	.....	129,629	1,589,714
41	U.S. currency .....	250,657	1,129	.....	.....	.....	1,129	251,786
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	555,566	177,010	.....	-1,519	-8,319	167,172	722,738
43	U.S. liabilities reported by U.S. banks, not included elsewhere .....	1,067,157	87,953	.....	-5,350	-10,000	72,603	1,139,760

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

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

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

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

4. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These demonetizations/monetizations are not included in international transactions financial flows.

5. Also includes paid-in capital subscriptions to international financial institutions and 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.

NOTE: The data in this table are from table 1 in "The International Investment Position of the United States at Yearend 2000," in the July 2001 issue of the SURVEY OF CURRENT BUSINESS.

**Table G.2. U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 1998-2000**  
(Millions of dollars)

	Direct investment position on a historical-cost basis			Capital outflows (inflows (-))			Income		
	1998	1999	2000	1998	1999	2000	1998	1999	2000
<b>All countries, all industries.....</b>	<b>1,000,703</b>	<b>1,130,789</b>	<b>1,244,654</b>	<b>131,004</b>	<b>142,551</b>	<b>139,257</b>	<b>90,676</b>	<b>109,179</b>	<b>134,787</b>
<b>By country</b>									
Canada.....	98,200	111,051	126,421	7,832	15,947	18,301	7,601	11,986	14,518
Europe.....	518,433	588,341	648,731	86,129	82,016	76,935	50,695	55,982	67,154
<i>Of which:</i>									
France.....	42,328	40,009	39,087	4,323	1,585	1,220	2,164	1,722	2,406
Germany.....	47,685	50,892	53,610	3,051	5,796	2,173	5,081	5,100	4,350
Netherlands.....	89,978	105,571	115,506	22,213	8,337	10,927	10,078	11,315	11,888
Switzerland.....	38,225	48,849	54,873	8,223	11,108	8,578	6,152	6,759	7,161
United Kingdom.....	183,035	212,007	233,384	29,094	35,019	28,976	11,852	14,604	21,833
Latin America and Other Western Hemisphere.....	196,755	220,705	239,388	16,699	20,601	19,947	17,019	18,909	19,116
<i>Of which:</i>									
Bermuda.....	41,908	47,119	54,114	2,358	4,025	7,507	3,658	4,295	5,793
Brazil.....	37,195	34,276	35,560	4,382	1,291	2,285	2,807	1,586	1,803
Mexico.....	26,657	32,262	35,414	4,593	5,084	3,542	3,760	4,507	4,258
Panama.....	25,924	33,027	35,407	682	1,834	1,819	1,823	2,077	1,325
Africa.....	14,061	14,884	15,813	3,075	1,611	1,149	1,399	2,016	2,973
Middle East.....	10,739	10,519	11,851	2,092	611	1,920	1,021	1,139	2,117
Asia and Pacific.....	159,678	181,882	199,599	14,715	20,992	20,951	12,380	18,984	28,881
<i>Of which:</i>									
Australia.....	31,483	34,776	35,324	6,284	4,100	1,464	1,908	2,466	3,625
Japan.....	41,423	49,438	55,606	6,428	5,179	8,060	2,010	4,130	7,266
International.....	2,837	3,406	2,851	462	773	53	561	163	27
<b>By industry</b>									
Petroleum.....	91,248	97,864	105,486	7,491	11,676	10,403	7,227	10,094	18,524
Manufacturing.....	290,070	312,072	343,992	23,122	34,102	44,101	29,683	33,966	39,268
Food and kindred products.....	35,304	35,151	36,840	2,133	257	2,645	4,305	3,805	3,847
Chemicals and allied products.....	79,446	83,524	86,081	6,110	7,960	4,210	8,213	9,356	9,995
Primary and fabricated metals.....	18,379	18,930	18,713	2,897	1,213	477	1,234	1,432	1,709
Industrial machinery and equipment.....	30,928	34,944	42,523	1,789	4,877	8,521	5,699	4,379	6,839
Electronic and other electric equipment.....	32,077	37,474	43,441	2,820	5,716	9,113	2,053	4,153	5,177
Transportation equipment.....	33,888	36,133	41,099	-1,356	5,736	7,254	2,417	4,556	3,646
Other manufacturing.....	60,048	65,916	75,294	8,728	8,344	11,882	5,762	6,284	8,055
Wholesale trade.....	68,742	80,254	88,090	5,524	11,849	10,288	8,992	10,477	13,079
Depository institutions.....	40,020	38,382	37,155	2,112	-1,338	-2,306	734	1,655	1,788
Finance, (except depository institutions), insurance, and real estate.....	375,368	443,263	497,267	62,229	55,011	58,344	34,765	41,429	50,996
Services.....	59,148	70,398	79,857	11,934	11,632	11,455	6,089	8,486	8,738
Other industries.....	76,108	88,556	92,809	18,591	19,618	6,971	3,186	3,072	2,395

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

The data in this table are from tables 16 and 17 in "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 2000" in the September 2001 issue of the SURVEY OF CURRENT BUSINESS.



**Table G 3. Selected Financial and Operating Data for Nonbank Foreign Affiliates of U.S. Companies by Country and by Industry of Affiliate, 1999**

	All nonbank affiliates						Majority-owned nonbank foreign affiliates (MOFA's)						
	Millions of dollars					Thousands of employees	Millions of dollars						Thousands of employees
	Total assets	Sales	Net income	U.S. exports of goods shipped to affiliates	U.S. imports of goods shipped by affiliates		Total assets	Sales	Net income	Gross product	U.S. exports of goods shipped to MOFA's	U.S. imports of goods shipped by MOFA's	
<b>All countries, all industries</b>	<b>4,628,182</b>	<b>2,587,301</b>	<b>199,069</b>	<b>208,850</b>	<b>193,615</b>	<b>8,907.1</b>	<b>4,041,598</b>	<b>2,195,327</b>	<b>160,490</b>	<b>561,158</b>	<b>202,914</b>	<b>181,283</b>	<b>7,470.8</b>
<b>By country</b>													
Canada.....	367,802	302,844	15,476	73,586	79,382	1,054.6	335,254	280,644	14,951	63,803	71,937	75,634	984.0
Europe.....	2,626,759	1,367,665	99,754	(D)	32,960	3,787.4	2,423,918	1,201,512	91,467	321,581	48,029	31,888	3,418.9
<i>Of which:</i>													
France.....	161,495	142,034	3,884	5,526	3,198	518.0	140,315	123,850	3,610	36,942	4,906	3,088	479.0
Germany.....	291,077	241,496	9,889	8,100	4,397	675.8	256,495	199,709	8,375	61,862	8,047	4,350	631.9
Netherlands.....	299,780	135,445	17,281	(D)	1,472	194.9	281,275	116,298	15,669	17,897	6,969	1,466	179.2
United Kingdom.....	1,190,163	(D)	(D)	12,658	9,001	1,171.8	1,134,967	340,196	22,602	100,997	12,645	8,951	1,065.2
Latin America and Other Western Hemisphere.....	688,777	299,839	28,816	40,912	37,134	1,827.5	560,556	245,569	26,000	59,361	39,564	35,261	1,444.4
<i>Of which:</i>													
Brazil.....	128,207	70,358	-269	4,070	3,073	411.5	90,625	55,248	880	16,095	3,933	3,002	339.5
Mexico.....	97,540	100,544	5,846	30,279	28,846	933.1	71,350	79,328	4,805	17,146	29,419	27,558	729.2
Africa.....	50,744	31,566	2,839	1,032	1,761	218.6	37,664	23,895	2,242	9,365	945	1,758	114.2
Middle East.....	51,402	29,259	23,278	797	1,260	92.8	18,404	13,618	1,343	5,427	733	882	47.6
Asia and Pacific.....	818,875	547,305	27,630	43,586	41,118	1,889.0	653,207	425,372	24,126	100,212	41,642	35,860	1,450.9
<i>Of which:</i>													
Australia.....	115,825	73,205	3,312	4,485	1,128	309.1	100,368	59,941	3,157	19,305	4,405	1,121	249.4
Japan.....	341,266	200,201	6,256	13,606	7,443	399.4	246,876	125,063	4,848	30,761	12,555	2,447	212.4
International.....	23,823	8,823	1,276	(D)	0	37.3	12,596	4,716	360	1,410	65	0	10.9
<b>By industry</b>													
Mining.....	227,580	79,944	13,161	2,189	7,140	155.5	196,002	71,113	11,395	40,910	1,979	6,606	133.7
Utilities.....	155,644	57,017	3,807	6	(D)	119.0	104,500	35,170	3,218	10,131	4	2	66.5
Manufacturing.....	1,135,726	1,273,075	80,586	150,279	168,073	4,900.4	956,228	1,096,394	54,376	312,419	145,721	156,437	4,244.5
<i>Of which:</i>													
Food.....	69,568	93,404	3,898	2,687	(D)	376.4	63,349	84,924	3,624	19,222	2,598	4,129	334.2
Chemicals.....	259,028	210,141	19,996	17,180	12,865	616.8	226,231	186,383	18,584	58,380	16,159	12,258	552.5
Primary and fabricated metals.....	57,559	46,290	1,897	2,942	3,896	240.1	48,969	39,627	1,754	12,135	2,617	3,615	212.6
Machinery.....	79,844	79,713	3,000	7,071	8,684	391.6	64,928	64,739	2,850	19,123	6,745	7,369	340.6
Computer and electronic products.....	146,176	200,519	8,313	36,728	41,242	781.0	142,038	197,109	8,203	38,651	36,562	41,036	765.7
Electrical equipment, appliances, and components.....	24,229	28,075	1,199	2,658	3,932	294.0	21,161	24,895	1,072	7,441	2,589	3,340	255.5
Transportation equipment.....	183,174	282,090	7,043	67,020	78,108	943.2	151,882	241,451	6,299	48,364	65,352	70,463	839.4
Wholesale trade.....	318,086	599,641	19,989	48,176	16,518	658.1	299,388	543,867	18,682	82,132	47,326	16,366	620.0
Information.....	226,838	135,799	4,575	552	135	581.0	101,836	69,132	1,766	19,413	539	135	270.0
Finance (except depository institutions) and insurance.....	1,648,888	161,134	21,324	8	0	322.3	1,567,608	150,472	20,229	22,439	8	0	295.0
Professional, scientific, and technical services.....	92,049	79,025	4,125	1,749	830	374.5	86,470	72,176	3,882	29,153	1,722	830	343.5
Other industries.....	823,371	201,666	51,501	5,890	(D)	1,796.3	729,566	157,002	46,942	44,561	5,615	907	1,497.6

D Suppressed to avoid disclosure of data of individual companies.

NOTE: The data in this table are from the 1999 Benchmark Survey of U.S. Direct Investment Abroad; see "Operations of U.S. Multinational Companies: Preliminary Results From the 1999 Benchmark Survey" in the March 2002 issue of the SURVEY OF CURRENT BUSINESS.

**Table G.4. Foreign Direct Investment in the United States: Selected Items, by Country of Foreign Parent and by Industry of U.S. Affiliate, 1998-2000**  
[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital inflows (outflows (-))			Income		
	1998	1999	2000	1998	1999	2000	1998	1999	2000
<b>All countries, all industries.....</b>	<b>778,418</b>	<b>965,632</b>	<b>1,238,627</b>	<b>174,434</b>	<b>294,976</b>	<b>281,115</b>	<b>32,402</b>	<b>49,780</b>	<b>60,157</b>
<b>By country</b>									
Canada .....	72,696	76,526	100,822	15,959	21,241	27,975	1,382	1,998	912
Europe .....	518,576	670,030	890,611	153,111	239,088	224,261	25,495	39,706	45,904
<i>Of which:</i>									
France .....	59,925	82,276	119,069	11,368	25,406	41,965	1,691	3,119	5,562
Germany .....	93,289	111,706	122,846	42,986	23,144	11,351	4,348	6,341	2,603
Luxembourg .....	26,804	57,047	83,304	13,819	27,633	26,777	1,187	2,634	4,839
Netherlands .....	92,298	125,775	152,432	6,533	40,412	22,462	6,139	7,430	9,221
Switzerland .....	48,263	53,706	81,698	4,509	3,365	21,850	854	4,351	4,171
United Kingdom .....	137,489	166,900	229,762	60,335	108,613	73,667	7,268	12,649	16,171
Latin America and Other Western Hemisphere.....	28,056	38,104	42,700	-2,569	16,410	4,326	1,286	1,120	2,928
<i>Of which:</i>									
Bermuda .....	3,735	12,590	14,942	-161	9,368	2,208	194	58	-320
Mexico .....	2,055	1,730	2,471	871	1,269	902	216	175	87
Panama .....	6,227	5,475	4,004	988	-209	-1,398	864	752	644
United Kingdom Islands, Caribbean.....	9,885	11,082	12,513	-1,469	4,474	1,005	-77	229	1,919
Africa .....	853	1,547	2,119	-601	417	670	-93	-78	10
Middle East .....	4,126	4,432	8,373	-762	372	3,909	274	149	1,855
Asia and Pacific.....	154,111	174,993	194,002	9,295	17,448	19,974	4,057	6,885	8,550
<i>Of which:</i>									
Australia .....	10,520	13,230	14,487	1,506	2,363	2,429	302	325	486
Japan .....	134,340	153,119	163,215	8,024	15,489	10,043	4,300	6,165	7,337
<b>By industry</b>									
Petroleum .....	49,028	51,890	92,856	58,924	5,650	48,067	1,442	4,811	13,915
Manufacturing.....	333,233	399,525	496,578	83,406	90,884	95,058	19,320	26,735	25,550
Food and kindred products.....	22,117	19,599	23,442	-7,369	-1,518	4,800	657	1,549	1,796
Chemicals and allied products.....	93,804	97,327	122,083	7,401	8,635	22,241	6,816	7,202	6,296
Primary and fabricated metals.....	18,923	20,125	21,561	1,054	2,058	6,099	1,610	1,072	1,233
Machinery .....	62,564	83,917	118,920	22,452	37,647	32,941	1,701	1,732	4,679
Other manufacturing .....	135,825	178,556	210,571	59,869	44,062	28,976	8,535	15,180	11,546
Wholesale trade .....	87,611	94,657	109,611	10,073	14,214	16,871	4,509	5,314	7,705
Retail trade.....	20,447	24,843	32,091	3,730	4,651	4,097	843	1,595	1,688
Depository institutions.....	46,257	61,539	68,619	5,420	19,024	9,569	2,586	3,002	3,992
Finance, except depository institutions.....	48,517	62,450	88,082	4,370	15,893	19,657	-1,286	927	1,252
Insurance .....	74,581	85,290	106,403	4,020	22,233	25,799	3,391	3,722	5,737
Real estate .....	39,545	40,248	42,300	1,760	1,966	1,203	147	1,494	2,007
Services .....	40,506	60,878	102,955	4,931	22,519	42,410	1,143	2,067	815
Other industries .....	38,693	84,311	99,134	-2,201	97,942	18,384	307	112	-2,504

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

The data in this table are from tables 16 and 17 in "Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows 2000" in the September 2001 issue of the Survey of Current Business.

**Table G.5. Selected Financial and Operating Data of Nonbank U.S. Affiliates and Majority-Owned Nonbank U.S. Affiliates of Foreign Companies by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 1999**

	All nonbank affiliates							Majority-owned nonbank affiliates						
	Millions of dollars				Thousands of employees	Millions of dollars		Millions of dollars				Thousands of employees	Millions of dollars	
	Total assets	Sales	Net income	Gross product		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates	Total assets	Sales	Net income	Gross product		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
<b>All countries, all industries</b> .....	<b>4,135,217</b>	<b>2,035,356</b>	<b>27,535</b>	<b>451,656</b>	<b>6,003.3</b>	<b>152,229</b>	<b>307,111</b>	<b>3,597,658</b>	<b>1,781,554</b>	<b>23,715</b>	<b>390,957</b>	<b>5,031.1</b>	<b>139,272</b>	<b>294,794</b>
<b>By country</b>														
Canada.....	410,254	159,743	-584	43,037	665.2	7,515	16,292	381,234	140,605	-1,128	36,538	535.5	7,336	15,763
Europe.....	2,707,203	1,199,123	24,545	294,501	3,901.1	84,693	128,625	2,519,797	1,050,593	24,067	257,653	3,278.4	78,028	127,050
<i>Of which:</i>														
France.....	512,368	167,417	-1,822	42,243	604.9	16,358	15,331	446,301	126,929	-103	29,436	368.8	(D)	15,067
Germany.....	507,652	313,152	7,702	70,181	847.7	31,637	53,194	486,648	282,137	6,881	61,175	693.4	30,564	52,565
Netherlands.....	449,446	182,093	4,360	35,618	484.8	5,309	15,932	422,053	146,733	2,950	31,491	470.1	5,008	15,898
Sweden.....	68,619	43,021	1,600	10,849	147.6	4,274	4,344	68,193	42,392	1,577	10,696	146.0	4,258	4,320
Switzerland.....	507,157	104,189	4,166	31,153	434.6	5,353	6,907	491,571	93,461	3,598	26,053	343.9	5,121	6,770
United Kingdom.....	536,127	279,117	9,189	81,981	965.6	15,713	19,028	499,954	268,026	8,313	79,198	917.1	15,195	18,827
Latin America and Other Western Hemisphere.....	121,614	76,125	-1,303	20,731	290.7	6,139	12,164	112,627	68,769	-1,243	19,361	276.5	5,961	10,248
<i>Of which:</i>														
Bermuda.....	49,590	26,206	-590	8,898	168.6	(D)	1,204	47,694	25,946	-576	8,859	166.2	(D)	1,202
Mexico.....	11,293	10,394	-142	1,754	33.9	864	2,770	9,600	8,824	-151	1,440	29.5	760	2,376
Panama.....	3,659	2,252	67	898	12.4	(D)	166	3,542	2,186	59	(D)	J	(D)	166
United Kingdom Islands, Caribbean.....	34,405	9,251	-548	1,677	36.0	78	(D)	33,694	8,984	-547	1,570	34.2	73	(D)
Venezuela.....	12,844	18,502	204	4,974	8.7	169	4,925	(D)	(D)	(D)	(D)	H	(D)	(D)
Africa.....	5,411	4,704	89	1,250	13.2	375	215	5,363	(D)	(D)	1,212	13.0	(D)	213
Middle East.....	18,103	12,599	348	2,863	48.6	696	1,194	15,607	10,899	296	2,103	35.6	682	1,117
Asia and Pacific.....	654,272	543,281	-521	79,454	1,018.3	50,852	147,074	546,812	487,946	1,175	69,230	860.6	45,094	139,011
<i>Of which:</i>														
Australia.....	67,343	31,184	612	6,760	84.8	1,375	1,465	55,840	24,748	614	5,240	67.8	(D)	(D)
Japan.....	534,484	453,423	-327	64,721	834.2	41,180	123,867	445,221	411,798	753	56,965	715.8	37,744	119,816
United States.....	218,361	39,781	4,961	9,820	66.2	1,959	1,548	16,218	(D)	(D)	4,860	31.5	(D)	1,391
<b>By industry<sup>1</sup></b>														
Manufacturing.....	982,809	906,382	16,514	236,165	2,616.7	96,527	140,924	895,031	805,166	14,757	216,110	2,386.3	88,410	131,842
<i>Of which:</i>														
Food.....	43,908	50,426	255	10,950	156.3	2,441	4,162	43,026	48,818	225	10,580	149.8	2,364	4,151
Chemicals.....	206,151	142,527	3,359	41,288	363.2	14,575	15,373	187,635	128,549	2,589	37,146	327.0	13,218	14,952
Primary and fabricated metals.....	64,822	59,500	650	15,498	211.6	4,421	7,549	51,839	48,278	580	13,080	186.9	3,626	6,700
Machinery.....	62,054	50,952	-26	14,664	222.6	7,086	7,104	58,535	46,672	198	13,684	208.1	6,398	6,373
Computers and electronic products.....	98,773	108,226	-2,878	22,454	291.0	16,991	33,685	89,620	101,277	-2,593	21,068	275.1	15,098	30,906
Electrical equipment, appliances, and components.....	41,001	39,974	128	10,744	189.9	7,187	3,246	39,771	38,441	33	10,246	183.8	6,784	3,173
Transportation equipment.....	185,592	201,609	7,767	43,211	422.6	30,476	45,064	178,711	189,445	7,287	40,397	390.6	28,729	43,032
Wholesale trade.....	303,806	500,839	5,350	54,664	518.4	48,629	157,366	293,111	470,013	6,385	52,406	461.7	44,199	155,256
Retail trade.....	70,956	114,300	1,555	28,359	737.0	1,521	4,303	49,779	84,317	698	20,050	545.7	(D)	3,606
Information.....	212,450	91,453	-3,423	27,581	332.2	1,053	160	143,342	63,263	845	18,809	224.2	1,033	80
<i>Of which:</i>														
Publishing industries.....	62,715	32,183	416	11,605	133.8	(D)	(D)	(D)	28,304	-115	9,208	120.8	(D)	78
Broadcasting and telecommunications.....	117,541	46,671	-4,278	12,502	142.5	6	(D)	59,400	23,337	440	6,173	52.2	2	3
Finance (except depository institutions) and insurance..	2,162,809	206,641	9,750	27,969	263.6	0	1	1,893,509	180,668	3,613	22,927	226.9	0	1
Real estate and rental and leasing.....	131,014	26,037	903	11,850	52.2	(D)	562	110,094	21,570	527	9,332	42.0	(D)	562
Professional, scientific, and technical services.....	27,319	21,865	-1,002	7,991	119.3	(D)	357	23,407	19,846	-216	7,829	102.3	463	357
Other industries.....	244,053	167,840	-2,112	57,078	1,363.7	3,777	3,440	189,383	136,710	-2,895	43,495	1,041.9	3,661	3,089

D Suppressed to avoid disclosure of data of individual companies.

1. The industry classification system used to classify the data for U.S. affiliates is based on the North American Industry Classification System. Prior to 1997, the affiliate data were classified using an industry classification system based on the Standard Industrial Classification system.

Notes. The data in this table are from BEA's annual survey of the operations of U.S. affiliates of foreign

companies; see "U.S. Affiliates of Foreign Companies: Operations in 1999," in the August 2001 issue of the Survey of Current Business.

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

### H. International Perspectives

The quarterly data in this table are shown in the middle month of the quarter.

**Table H.1. International Perspectives**

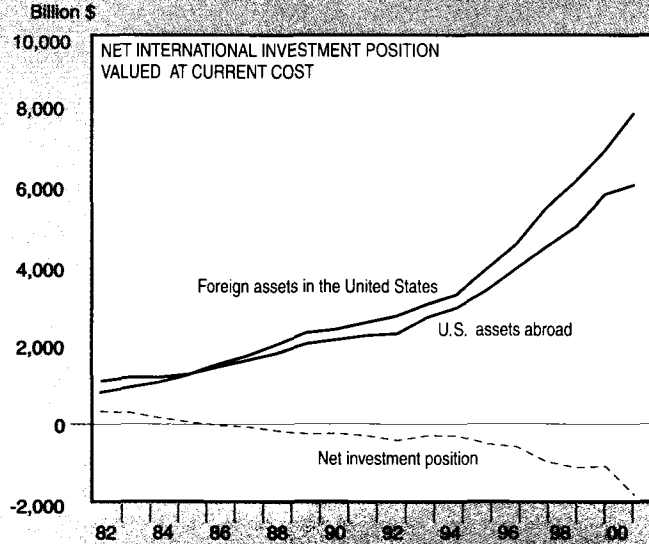
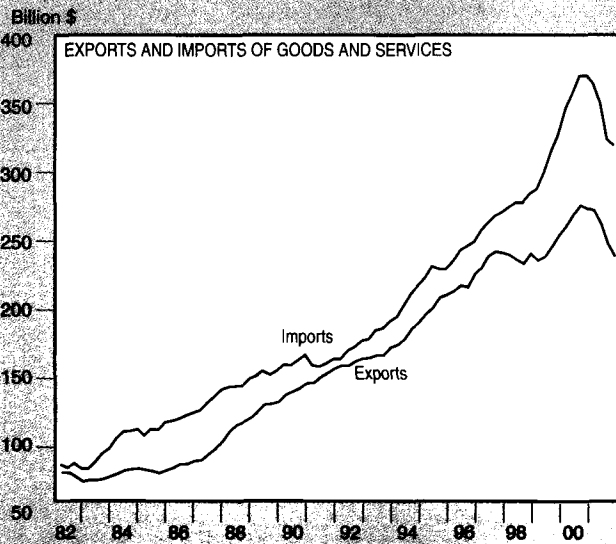
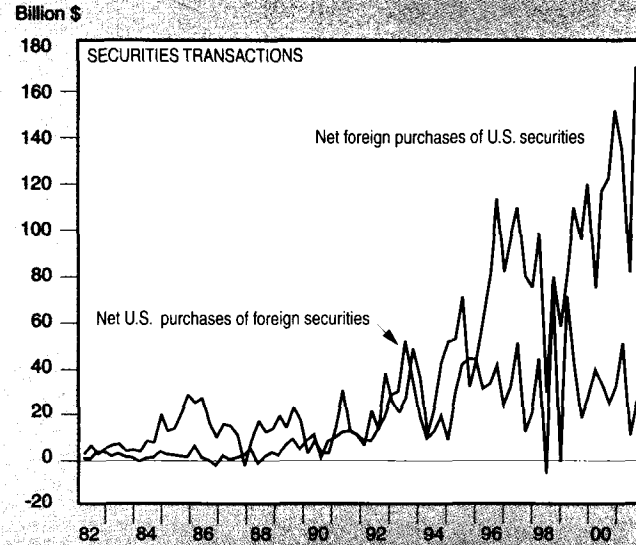
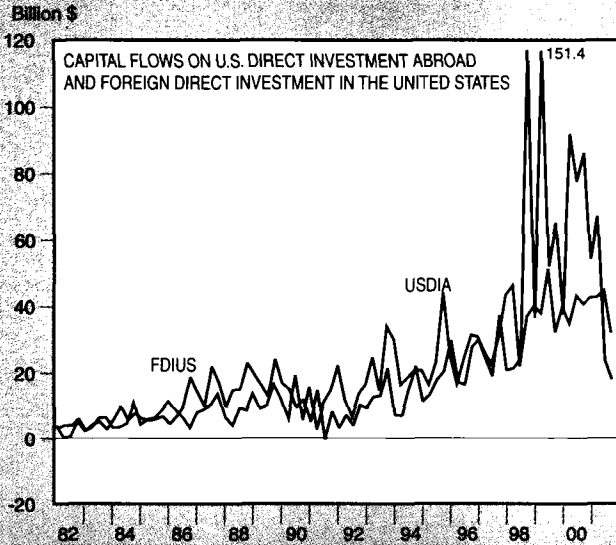
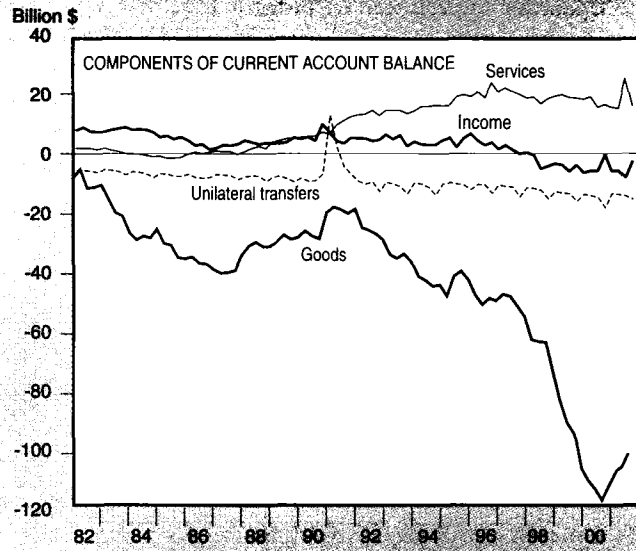
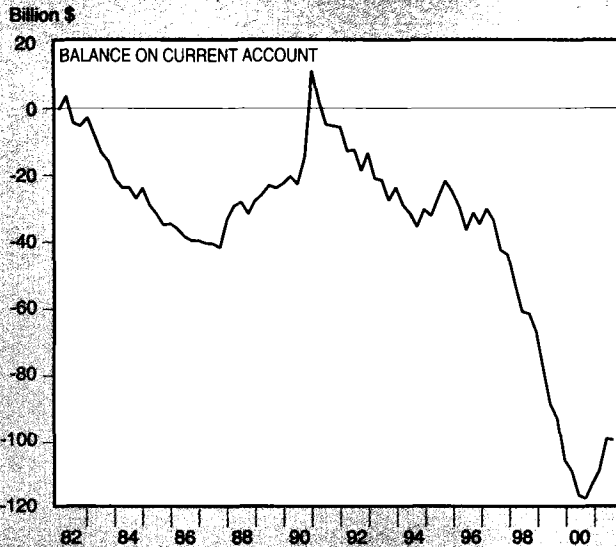
	2000	2001	2001													2002
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	
Exchange rates per U.S. dollar (not seasonally adjusted) <sup>1</sup>																
Canada (Can.\$/US\$).....	1.4855	1.5490	1.5219	1.5032	1.5216	1.5587	1.5578	1.5411	1.5245	1.5308	1.5399	1.5679	1.5717	1.5922	1.5788	1.5997
Euro area (US\$/Euro) <sup>2</sup> .....	0.9234	0.8955	0.8983	0.9376	0.9205	0.9083	0.8925	0.8753	0.8530	0.8615	0.9014	0.9114	0.9050	0.8883	0.8912	0.8832
Japan (¥/US\$).....	1.0782	1.2152	1.1221	1.1667	1.1623	1.2151	1.2377	1.2177	1.2235	1.2450	1.2137	1.1861	1.2145	1.2241	1.2759	1.3268
Mexico (Peso/US\$).....	9.4590	9.3408	9.4670	9.7690	9.7110	9.5990	9.3280	9.1480	9.0880	9.1680	9.1330	9.4250	9.3390	9.2250	9.1570	9.1640
United Kingdom (US\$/£).....	1.5159	1.4401	1.4629	1.4775	1.4525	1.4445	1.4348	1.4265	1.4020	1.4148	1.4372	1.4638	1.4501	1.4356	1.4413	1.4322
Addendum: Exchange value of the U.S. dollar <sup>3</sup>	119.67	126.09	122.95	122.93	123.50	125.61	126.61	126.35	127.12	127.65	125.62	125.97	126.86	127.33	127.52	129.15
Unemployment rates (percent, monthly data seasonally adjusted)																
Canada .....	6.8	7.2	6.8	6.9	6.9	7.0	7.0	7.0	7.1	7.1	7.3	7.2	7.4	7.6	8.0	7.9
France .....	9.5	8.8	9.0	8.9	8.7	8.7	8.6	8.6	8.6	8.8	8.8	8.9	8.9	9.0	9.0	9.0
Germany .....	9.6	9.4	9.3	9.3	9.3	9.3	9.4	9.3	9.3	9.3	9.4	9.4	9.5	9.5	9.5	9.6
Italy .....	10.4	.....	.....	.....	9.9	.....	.....	9.6	.....	.....	9.4	.....	.....	9.2	.....	.....
Japan .....	4.7	5.0	4.8	4.8	4.7	4.7	4.8	4.9	4.9	5.0	5.0	5.3	5.3	5.4	5.5	5.3
Mexico .....	.....	.....	2.1	2.2	2.2	2.3	2.2	2.4	2.3	2.3	2.4	2.4	3.1	2.6	2.8	.....
United Kingdom .....	3.6	3.2	3.4	3.3	3.3	3.3	3.2	3.2	3.2	3.2	3.1	3.1	3.2	3.2	3.2	3.2
Addendum: United States .....	4.0	4.8	4.0	4.2	4.2	4.3	4.5	4.4	4.6	4.6	4.9	5.0	5.4	5.6	5.8	5.6
Consumer prices (monthly data seasonally adjusted, 1995=100)																
Canada .....	109.0	111.7	110.5	110.1	110.6	110.9	111.7	112.7	112.8	112.4	112.4	112.7	112.1	111.1	111.2	111.5
France .....	106.3	108.1	107.0	106.6	106.9	107.4	107.9	108.6	108.6	108.4	108.4	108.6	108.7	108.4	108.5	109.0
Germany .....	107.0	109.6	107.8	108.3	109.0	109.1	109.5	110.0	110.2	110.2	110.0	110.0	109.7	109.5	109.6	110.6
Italy .....	112.8	115.9	114.1	114.6	115.0	115.1	115.6	115.9	116.2	116.3	116.3	116.3	116.5	116.7	116.8	117.4
Japan .....	101.5	100.8	101.3	101.3	101.0	100.8	101.0	101.1	100.8	100.5	100.9	100.7	100.7	100.2	100.1	99.9
Mexico .....	239.9	255.2	249.3	250.7	250.6	252.1	253.4	254.0	254.6	253.9	255.4	257.8	259.0	260.0	260.3	262.7
United Kingdom .....	114.2	116.3	115.5	114.8	115.4	115.5	116.1	116.9	117.0	116.3	116.7	117.1	116.9	116.5	116.3	116.3
Addendum: United States .....	113.0	116.2	114.6	115.2	115.5	115.6	115.9	116.4	116.7	116.4	116.4	116.9	116.6	116.5	116.4	116.6
Real gross domestic product (percent change from preceding quarter, quarterly data seasonally adjusted at annual rates)																
Canada .....	4.4	1.5	.....	.....	1.1	.....	.....	0.9	.....	.....	-0.6	.....	.....	.....	2.0	.....
France .....	3.6	2.0	.....	.....	1.6	.....	.....	0.8	.....	.....	1.8	.....	.....	.....	-0.6	.....
Germany .....	3.2	0.7	.....	.....	1.6	.....	.....	0.2	.....	.....	-0.7	.....	.....	.....	-1.0	.....
Italy .....	2.9	1.8	.....	.....	3.4	.....	.....	0.0	.....	.....	0.5	.....	.....	.....	-0.8	.....
Japan .....	2.2	-0.4	.....	.....	4.1	.....	.....	-4.8	.....	.....	-2.1	.....	.....	.....	-4.5	.....
United Kingdom .....	3.0	2.4	.....	.....	3.0	.....	.....	1.8	.....	.....	1.9	.....	.....	.....	0.1	.....
Addendum: United States .....	4.1	1.2	.....	.....	1.3	.....	.....	0.3	.....	.....	-1.3	.....	.....	.....	1.7	.....
Short-term, 3-month, interest rates (percent, not seasonally adjusted)																
Canada .....	5.78	3.98	5.74	5.44	5.16	4.69	4.61	4.42	4.41	4.31	4.06	3.49	2.84	2.24	2.10	2.01
Euro area .....	4.39	4.26	4.93	4.77	4.76	4.71	4.69	4.64	4.45	4.47	4.35	3.98	3.60	3.39	3.34	3.34
Mexico .....	16.15	12.24	17.41	18.50	18.07	16.47	15.40	12.61	10.27	10.25	8.54	10.88	9.68	8.69	7.53	7.35
United Kingdom .....	6.10	4.97	5.88	5.76	5.68	5.47	5.33	5.17	5.18	5.19	4.92	4.64	4.36	3.93	3.98	.....
Addendum: United States .....	5.84	3.45	5.83	5.27	4.93	4.50	3.91	3.66	3.48	3.54	3.39	2.87	2.22	1.93	1.72	1.66
Long-term interest rates, government bond yields (percent, not seasonally adjusted)																
Canada .....	5.92	5.79	5.58	5.71	5.69	5.60	5.85	6.03	5.97	6.05	5.85	5.80	5.66	5.55	5.72	5.69
Euro area .....	5.44	5.03	5.07	5.01	5.02	4.94	5.10	5.26	5.21	5.25	5.06	5.04	4.82	4.67	4.96	5.02
France .....	5.89	5.38	5.55	5.48	5.60	5.36	5.47	5.60	5.57	5.46	5.29	5.26	5.04	5.07	5.35	.....
Germany .....	5.26	4.80	4.89	4.80	4.78	4.67	4.83	5.05	5.00	5.02	4.82	4.81	4.60	4.45	4.74	4.86
Italy .....	5.58	5.19	5.30	5.18	5.18	5.13	5.28	5.45	5.39	5.40	5.22	5.20	4.96	4.80	5.05	5.14
Japan .....	1.74	1.32	1.62	1.51	1.42	1.17	1.32	1.25	1.15	1.31	1.34	1.35	1.36	1.33	1.33	1.42
United Kingdom .....	5.30	4.93	4.89	4.85	4.85	4.72	4.96	5.13	5.20	5.19	4.96	4.97	4.82	4.63	4.90	.....
Addendum: United States .....	6.03	5.02	5.24	5.16	5.10	4.89	5.14	5.39	5.28	5.24	4.97	4.73	4.57	4.65	5.09	5.04
Share price indices (not seasonally adjusted, 1995=100)																
Canada .....	216.7	174.4	201.5	210.2	182.2	171.6	179.2	184.1	174.5	173.4	166.9	154.2	155.3	167.5	173.4	172.5
France .....	321.7	260.1	303.6	299.7	292.8	271.0	276.0	288.0	273.8	259.4	255.0	214.1	220.4	234.5	236.5	237.3
Germany .....	260.3	196.4	227.0	227.4	225.1	207.7	207.3	213.5	208.9	201.3	190.1	157.3	163.8	175.5	178.9	182.8
Italy .....	319.0	258.8	312.1	306.8	297.4	272.7	281.6	282.8	268.0	259.3	256.0	210.0	216.6	225.7	228.7	229.5
Japan .....	97.7	69.3	79.7	80.0	74.5	75.2	80.6	76.7	75.0	68.6	61.9	56.5	59.9	61.8	60.9	57.8
Mexico .....	293.6	275.7	254.7	292.7	271.8	258.1	269.8	297.2	300.4	291.7	284.4	243.5	249.5	262.8	287.1	312.2
United Kingdom .....	178.5	147.9	167.4	165.0	163.5	154.4	153.9	157.5	153.7	145.5	143.2	130.0	132.8	137.8	136.9	136.6
Addendum: United States .....	221.4	207.8	221.7	223.4	222.6	207.3	208.5	221.3	216.7	210.7	207.6	187.0	191.0	197.6	200.2	199.8

1. All exchange rates are from the Board of Governors of the Federal Reserve System.  
 2. Rates for selected euro-area currencies can be derived by using the following conversion rates: 1 euro = 6.55957 French francs, 1.95633 German marks, and 1936.27 Italian lire.  
 3. The rate shown for the United States is an index of the weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of major U.S. trading partners, January 1997=100. For more information on the exchange rate indexes, see "New Summary Measures of the Foreign Exchange Value of

the Dollar," *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811-18.  
 Note: U.S. interest rates, unemployment rates, and GDP growth rates are from the Federal Reserve, the Bureau of Labor Statistics, and BEA, respectively. GDP growth rates for other countries are calculated from levels published by those countries. Most other data (including U.S. consumer prices and U.S. share prices, both of which have been rebased to 1995 to facilitate comparison) are © OECD and are reproduced with permission.

I. Charts

# THE U.S. IN THE INTERNATIONAL ECONOMY



# Regional Data

## J. State and Regional Tables

The tables in this section include the most recent estimates of State personal income and gross state product. The sources of these estimates are noted.

The quarterly and annual estimates of State personal income and the estimates of gross state product are available on CD-ROM. For information on State personal income, e-mail [reis.remd@bea.gov](mailto:reis.remd@bea.gov); write to the Regional Economic Information System, BE-55, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5360. For information on gross state product, e-mail [gspspread@bea.gov](mailto:gspspread@bea.gov); write to the Regional Economic Analysis Division, BE-61, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5340.

**Table J.1. Personal Income by State and Region**  
 [Millions of dollars, seasonally adjusted at annual rates]

Area name	1997	1998				1999				2000				2001			Percent change <sup>1</sup> 2001:II- 2001:III
	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	
<b>United States</b> .....	<b>7,089,802</b>	<b>7,247,217</b>	<b>7,375,568</b>	<b>7,483,561</b>	<b>7,568,669</b>	<b>7,623,542</b>	<b>7,711,739</b>	<b>7,811,071</b>	<b>7,932,240</b>	<b>8,097,740</b>	<b>8,264,219</b>	<b>8,374,722</b>	<b>8,512,567</b>	<b>8,632,966</b>	<b>8,705,018</b>	<b>8,761,374</b>	<b>0.6</b>
<b>New England</b> .....	<b>417,856</b>	<b>425,381</b>	<b>434,503</b>	<b>441,766</b>	<b>447,460</b>	<b>448,905</b>	<b>455,499</b>	<b>464,988</b>	<b>472,092</b>	<b>487,310</b>	<b>494,517</b>	<b>502,804</b>	<b>512,981</b>	<b>523,084</b>	<b>523,644</b>	<b>526,745</b>	<b>0.6</b>
Connecticut.....	119,083	122,269	124,027	125,931	127,658	127,443	129,131	131,424	132,786	135,970	138,448	140,111	142,690	146,083	146,503	146,760	0.2
Maine.....	28,280	28,659	29,294	29,787	30,079	29,946	30,527	31,388	31,041	31,753	32,364	32,534	32,996	34,039	34,266	34,701	1.3
Massachusetts.....	196,179	198,961	204,203	207,472	210,087	211,639	214,799	219,571	224,609	233,514	236,408	241,958	247,074	250,894	250,462	252,183	0.7
New Hampshire.....	33,367	34,015	34,883	35,789	36,372	36,419	37,103	37,861	38,571	40,073	40,504	41,007	42,165	42,944	43,102	43,389	0.7
Rhode Island.....	26,840	27,056	27,446	27,905	28,273	28,378	28,607	29,164	29,381	30,009	30,360	30,802	31,227	31,881	31,878	32,146	0.8
Vermont.....	14,106	14,421	14,650	14,882	14,991	15,080	15,332	15,579	15,703	15,991	16,433	16,390	16,828	17,242	17,434	17,565	0.8
<b>Mideast</b> .....	<b>1,345,607</b>	<b>1,372,131</b>	<b>1,395,665</b>	<b>1,411,817</b>	<b>1,420,120</b>	<b>1,439,506</b>	<b>1,446,396</b>	<b>1,467,645</b>	<b>1,477,726</b>	<b>1,512,578</b>	<b>1,545,487</b>	<b>1,564,588</b>	<b>1,602,664</b>	<b>1,625,161</b>	<b>1,628,527</b>	<b>1,635,621</b>	<b>0.4</b>
Delaware.....	20,685	21,388	21,862	21,978	22,203	22,634	22,701	23,078	23,436	23,645	24,225	24,616	25,278	25,240	25,814	25,789	-0.1
District of Columbia.....	19,318	19,559	19,950	20,302	20,366	20,222	20,415	20,595	20,905	21,382	21,762	21,938	22,594	22,655	23,077	23,314	1.0
Maryland.....	152,085	154,317	157,717	160,062	161,870	164,121	165,910	168,610	170,140	174,030	176,626	179,562	183,807	187,403	189,598	191,479	1.0
New Jersey.....	266,702	272,154	276,816	281,611	282,963	285,607	286,636	289,488	295,482	301,864	311,145	314,788	323,766	323,003	326,402	327,139	0.2
New York.....	566,942	580,380	589,947	595,153	596,210	609,410	603,233	620,834	619,025	637,015	650,883	658,647	675,787	688,745	683,299	686,047	0.4
Pennsylvania.....	319,875	324,332	329,372	332,711	336,509	337,512	341,501	345,039	348,738	354,643	360,846	365,038	371,431	378,116	380,337	381,855	0.4
<b>Great Lakes</b> .....	<b>1,162,737</b>	<b>1,184,049</b>	<b>1,201,077</b>	<b>1,214,093</b>	<b>1,229,275</b>	<b>1,232,392</b>	<b>1,245,171</b>	<b>1,257,035</b>	<b>1,273,062</b>	<b>1,291,760</b>	<b>1,312,127</b>	<b>1,325,189</b>	<b>1,340,167</b>	<b>1,355,843</b>	<b>1,367,332</b>	<b>1,373,966</b>	<b>0.5</b>
Illinois.....	349,004	353,978	360,198	365,246	368,527	368,955	372,509	374,815	380,485	387,040	393,233	399,127	405,556	411,517	411,726	412,980	0.3
Indiana.....	142,616	146,406	148,642	150,501	152,261	153,025	154,155	155,804	158,304	160,369	163,277	165,178	165,374	168,247	169,182	170,160	0.6
Michigan.....	254,304	261,041	263,803	264,408	269,327	271,361	274,640	277,903	279,951	285,035	288,883	290,572	293,068	294,691	298,708	299,395	0.2
Ohio.....	284,936	287,944	291,379	294,709	298,829	298,429	301,580	304,158	308,293	312,096	316,416	318,662	321,892	324,581	329,798	331,961	0.7
Wisconsin.....	131,877	134,681	137,055	139,229	140,332	140,621	142,287	144,394	146,031	147,220	150,318	151,651	154,277	156,807	157,918	159,449	1.0
<b>Plains</b> .....	<b>472,462</b>	<b>482,442</b>	<b>490,979</b>	<b>498,029</b>	<b>503,395</b>	<b>502,245</b>	<b>507,434</b>	<b>514,950</b>	<b>524,215</b>	<b>528,989</b>	<b>542,586</b>	<b>549,461</b>	<b>554,867</b>	<b>562,659</b>	<b>566,768</b>	<b>570,806</b>	<b>0.7</b>
Iowa.....	69,432	69,549	70,695	71,882	72,682	71,488	71,696	73,410	74,388	77,340	78,047	78,473	79,567	80,242	81,375	81,753	1.4
Kansas.....	65,128	66,482	67,655	68,554	69,079	69,183	69,804	70,770	72,374	71,638	73,560	75,204	74,915	76,743	76,775	77,553	1.0
Minnesota.....	132,539	136,354	139,277	141,041	143,213	143,336	145,889	147,494	150,219	152,130	156,606	158,854	162,129	164,137	165,310	165,897	0.4
Missouri.....	133,793	136,230	138,272	140,235	141,144	141,656	142,617	143,994	146,086	148,641	151,938	153,613	155,555	157,789	158,917	159,466	0.3
Nebraska.....	41,368	42,217	43,068	43,878	44,197	44,328	44,952	45,655	46,966	46,517	47,339	47,903	48,183	48,693	49,322	49,322	1.3
North Dakota.....	13,645	14,474	14,644	14,881	15,086	14,496	14,687	15,072	15,261	15,546	16,075	16,069	15,971	16,575	16,550	16,750	1.2
South Dakota.....	16,557	17,137	17,638	17,558	17,998	17,760	18,189	18,614	18,261	19,194	19,727	19,671	19,943	19,935	20,280	20,442	0.8
<b>Southeast</b> .....	<b>1,566,483</b>	<b>1,599,718</b>	<b>1,630,270</b>	<b>1,655,356</b>	<b>1,672,978</b>	<b>1,682,412</b>	<b>1,700,411</b>	<b>1,715,078</b>	<b>1,740,374</b>	<b>1,774,540</b>	<b>1,812,551</b>	<b>1,831,608</b>	<b>1,862,368</b>	<b>1,890,394</b>	<b>1,915,878</b>	<b>1,931,441</b>	<b>0.8</b>
Alabama.....	92,797	94,911	96,075	97,225	98,134	98,957	100,330	101,297	102,122	102,614	104,586	104,671	106,399	108,054	109,488	110,137	0.6
Arkansas.....	52,200	52,886	53,566	54,117	54,648	55,381	56,077	56,613	57,111	58,006	58,635	59,613	59,124	61,067	61,393	62,040	1.1
Florida.....	385,845	395,416	403,233	408,668	411,447	412,838	416,775	420,218	423,840	434,332	444,037	450,034	459,645	464,610	473,008	477,718	1.0
Georgia.....	188,452	193,969	198,078	202,737	205,938	208,698	211,635	214,381	218,305	222,988	227,472	229,956	234,344	237,453	240,626	241,245	0.3
Kentucky.....	84,530	86,273	87,860	88,970	89,575	89,711	90,611	91,726	93,043	95,335	96,771	98,117	99,556	101,257	102,048	102,868	0.8
Louisiana.....	94,407	95,883	97,319	98,231	98,692	98,181	99,218	99,673	100,799	101,678	103,199	103,535	104,035	106,375	107,437	108,190	0.7
Mississippi.....	52,721	54,061	54,748	55,590	56,113	56,056	56,574	57,500	57,993	58,357	59,489	59,766	60,256	61,229	61,646	62,138	0.8
North Carolina.....	184,249	187,533	191,117	194,415	197,262	198,409	200,768	199,989	205,770	210,878	216,158	218,512	222,497	226,150	227,539	230,119	1.1
South Carolina.....	82,839	84,235	85,898	87,709	88,998	89,187	90,529	91,698	92,828	94,047	96,332	96,910	98,355	100,241	100,494	100,930	0.4
Tennessee.....	128,578	131,034	133,934	135,362	136,791	136,751	138,804	140,354	141,828	147,045	147,045	148,763	150,682	153,172	154,846	156,294	0.9
Virginia.....	184,222	187,245	191,829	195,305	198,256	201,141	201,745	204,911	208,683	213,290	219,484	222,274	227,285	230,004	236,014	238,217	0.9
West Virginia.....	35,643	36,272	36,615	37,028	37,124	37,100	37,347	37,718	38,052	38,488	39,343	39,456	40,190	40,782	41,338	41,505	0.4
<b>Southwest</b> .....	<b>696,383</b>	<b>718,501</b>	<b>730,916</b>	<b>744,151</b>	<b>752,742</b>	<b>757,062</b>	<b>769,129</b>	<b>778,344</b>	<b>791,391</b>	<b>811,128</b>	<b>826,550</b>	<b>837,121</b>	<b>850,780</b>	<b>870,752</b>	<b>874,714</b>	<b>883,599</b>	<b>1.0</b>
Arizona.....	106,706	109,543	111,786	114,249	116,061	116,059	118,853	120,611	121,891	126,892	127,750	129,875	132,013	133,876	136,136	137,447	1.0
New Mexico.....	35,443	36,385	36,659	37,021	37,402	37,202	37,767	38,072	38,521	38,864	39,993	40,197	40,837	41,597	42,309	42,840	1.3
Oklahoma.....	71,539	73,590	74,445	75,210	75,604	76,137	77,061	77,703	78,660	79,413	81,040	82,152	83,611	84,735	85,271	86,315	1.2
Texas.....	482,695	498,983	508,026	517,671	523,675	527,665	535,447	541,959	552,319	565,959	577,766	584,898	594,320	610,544	610,998	616,997	1.0
<b>Rocky Mountain</b> .....	<b>212,288</b>	<b>217,851</b>	<b>221,365</b>	<b>225,220</b>	<b>228,969</b>	<b>230,812</b>	<b>235,410</b>	<b>239,016</b>	<b>244,641</b>	<b>247,946</b>	<b>256,296</b>	<b>260,656</b>					

Table J.2. Personal Income and Per Capita Personal Income by State and Region, 1995-2000

Area name	Personal income							Per capita personal income <sup>1</sup>							Rank in U.S.
	Millions of dollars						Percent change <sup>2</sup>	Dollars							
	1995	1996	1997	1998	1999	2000		1995	1996	1997	1998	1999	2000		
<b>United States</b> .....	<b>6,192,235</b>	<b>6,538,103</b>	<b>6,928,545</b>	<b>7,418,754</b>	<b>7,769,648</b>	<b>8,312,312</b>	<b>7.0</b>	<b>23,272</b>	<b>24,286</b>	<b>25,427</b>	<b>26,909</b>	<b>27,859</b>	<b>29,451</b>		
<b>New England</b> .....	364,297	384,144	408,231	437,278	460,371	499,403	8.5	27,060	28,359	29,946	31,870	33,296	35,824		
Connecticut.....	104,315	109,354	116,421	124,971	130,196	139,305	7.0	31,423	32,814	34,803	37,190	38,506	40,870	1	
Maine.....	25,046	26,434	27,773	29,455	30,726	32,412	5.5	20,102	21,118	22,091	23,352	24,220	25,399	36	
Massachusetts.....	170,052	180,237	191,596	205,181	217,654	239,739	10.1	27,711	29,188	30,799	32,748	34,482	37,710	2	
New Hampshire.....	28,650	30,228	32,397	35,265	37,489	40,938	9.2	24,775	25,751	27,254	29,297	30,690	33,042	6	
Rhode Island.....	23,787	24,818	26,293	27,670	28,883	30,599	5.9	23,427	24,349	25,685	26,870	27,813	29,158	17	
Vermont.....	12,449	13,073	13,752	14,736	15,423	16,411	6.4	21,147	22,029	23,037	24,557	25,514	26,904	30	
<b>Mideast</b> .....	<b>1,193,865</b>	<b>1,255,345</b>	<b>1,315,810</b>	<b>1,399,933</b>	<b>1,457,818</b>	<b>1,556,329</b>	<b>6.8</b>	<b>26,441</b>	<b>27,680</b>	<b>28,887</b>	<b>30,583</b>	<b>31,660</b>	<b>33,549</b>		
Delaware.....	18,237	19,369	20,145	21,858	22,962	24,441	6.4	24,996	26,143	26,812	28,649	29,625	31,074	12	
District of Columbia.....	18,217	18,517	19,135	20,044	20,534	21,919	6.7	31,479	32,455	33,811	35,568	36,254	38,374		
Maryland.....	135,115	140,809	148,826	158,491	167,195	178,506	6.8	26,678	27,574	28,892	30,496	31,860	33,621	5	
New Jersey.....	233,209	246,659	260,705	278,386	289,304	312,891	8.2	28,881	30,296	31,757	33,646	34,666	37,112	3	
New York.....	503,163	530,990	553,543	590,423	614,626	655,583	6.7	27,190	28,594	29,694	31,522	32,620	34,502	4	
Pennsylvania.....	285,923	299,001	313,457	330,731	343,197	362,989	5.8	23,441	24,465	25,630	27,005	27,971	29,533	16	
<b>Great Lakes</b> .....	<b>1,034,159</b>	<b>1,079,799</b>	<b>1,138,557</b>	<b>1,207,124</b>	<b>1,251,915</b>	<b>1,317,311</b>	<b>5.2</b>	<b>23,545</b>	<b>24,407</b>	<b>25,587</b>	<b>26,984</b>	<b>27,832</b>	<b>29,122</b>		
Illinois.....	304,767	322,790	340,594	361,987	374,191	396,239	5.9	25,375	26,667	27,942	29,491	30,274	31,842	10	
Indiana.....	126,525	132,890	139,459	149,453	155,322	163,549	5.3	21,634	22,511	23,427	24,908	25,682	26,838	32	
Michigan.....	231,594	238,095	250,216	264,645	275,964	289,390	4.9	23,931	24,394	25,505	26,870	27,886	29,071	18	
Ohio.....	255,313	264,162	279,367	293,215	303,115	317,266	4.7	22,791	23,495	24,770	25,918	26,725	27,914	20	
Wisconsin.....	115,960	121,864	128,920	137,824	143,323	150,866	5.3	22,373	23,303	24,484	26,018	26,863	28,066	19	
<b>Plains</b> .....	<b>410,645</b>	<b>439,948</b>	<b>462,173</b>	<b>493,711</b>	<b>512,211</b>	<b>543,976</b>	<b>6.2</b>	<b>22,150</b>	<b>23,530</b>	<b>24,526</b>	<b>26,010</b>	<b>26,780</b>	<b>28,219</b>		
Iowa.....	60,171	64,696	67,938	71,202	72,746	77,283	6.2	20,991	22,469	23,503	24,531	24,945	26,376	33	
Kansas.....	56,627	60,074	63,728	67,942	70,483	73,829	4.7	21,777	22,978	24,183	25,538	26,312	27,408	28	
Minnesota.....	113,217	122,800	129,020	139,971	146,684	157,430	7.3	24,320	25,930	27,112	29,109	30,127	31,913	9	
Missouri.....	117,640	123,992	131,144	138,970	143,573	152,437	6.2	21,887	22,840	23,937	25,176	25,815	27,186	29	
Nebraska.....	36,293	39,618	40,724	43,340	45,475	47,423	4.3	21,908	23,672	24,146	25,558	26,663	27,658	25	
North Dakota.....	12,243	13,607	13,332	14,771	14,879	15,916	7.0	18,890	20,908	20,506	22,785	23,053	24,780	38	
South Dakota.....	14,454	15,883	16,288	17,514	18,371	19,659	7.0	19,597	21,407	21,893	23,484	24,491	25,993	34	
<b>Southeast</b> .....	<b>1,366,116</b>	<b>1,445,912</b>	<b>1,532,165</b>	<b>1,639,580</b>	<b>1,709,569</b>	<b>1,820,267</b>	<b>6.5</b>	<b>21,165</b>	<b>22,056</b>	<b>23,004</b>	<b>24,258</b>	<b>24,940</b>	<b>26,179</b>		
Alabama.....	83,903	87,221	91,284	96,586	100,676	104,568	3.9	19,524	20,133	20,891	21,913	22,706	23,460	43	
Arkansas.....	45,995	48,700	51,055	53,804	56,046	58,844	5.0	18,179	18,982	19,670	20,531	21,191	21,945	47	
Florida.....	333,525	355,136	377,673	404,691	418,418	447,012	6.8	22,974	23,942	24,901	26,159	26,560	27,836	21	
Georgia.....	159,800	172,935	183,757	200,180	213,255	228,692	7.2	21,840	23,090	23,945	25,481	26,522	27,790	23	
Kentucky.....	74,080	78,221	82,827	88,169	91,273	97,445	6.8	19,061	19,960	20,982	22,123	22,712	24,057	39	
Louisiana.....	84,573	87,879	92,286	97,531	99,468	103,112	3.7	19,321	19,981	20,875	21,954	22,292	23,041	45	
Mississippi.....	46,242	48,898	51,598	55,128	57,030	59,467	4.3	16,990	17,799	18,588	19,674	20,180	20,856	50	
North Carolina.....	157,634	167,638	179,691	192,582	201,235	217,011	7.8	21,476	22,361	23,478	24,667	25,314	26,842	31	
South Carolina.....	72,050	76,287	81,045	86,710	91,060	96,411	5.9	19,227	20,093	21,005	22,127	22,943	23,952	40	
Tennessee.....	114,260	119,287	125,457	134,280	139,434	147,752	6.0	21,462	22,032	22,821	24,106	24,722	25,878	35	
Virginia.....	161,442	169,938	180,190	193,159	204,120	220,583	8.1	24,230	25,213	26,418	28,032	29,208	31,065	13	
West Virginia.....	32,611	33,771	35,202	36,760	37,554	39,370	4.8	17,862	18,528	19,342	20,235	20,720	21,767	49	
<b>Southwest</b> .....	<b>586,017</b>	<b>624,034</b>	<b>677,462</b>	<b>736,578</b>	<b>773,982</b>	<b>831,395</b>	<b>7.4</b>	<b>20,644</b>	<b>21,528</b>	<b>22,884</b>	<b>24,373</b>	<b>25,128</b>	<b>26,477</b>		
Arizona.....	88,870	95,787	103,702	112,910	119,354	129,133	8.2	20,059	20,890	21,896	23,121	23,738	24,991	37	
New Mexico.....	31,716	32,232	34,860	36,967	37,990	39,973	5.5	18,435	18,963	19,610	20,520	20,920	21,883	48	
Oklahoma.....	63,333	66,289	69,951	74,712	77,390	81,554	5.4	19,174	19,876	20,771	21,966	22,576	23,582	42	
Texas.....	402,097	428,726	468,950	512,089	539,347	580,736	7.7	21,239	22,197	23,777	25,426	26,266	27,722	24	
<b>Rocky Mountain</b> .....	<b>179,684</b>	<b>192,141</b>	<b>206,847</b>	<b>223,351</b>	<b>237,470</b>	<b>257,555</b>	<b>8.5</b>	<b>21,453</b>	<b>22,441</b>	<b>23,657</b>	<b>25,058</b>	<b>26,122</b>	<b>27,775</b>		
Colorado.....	92,947	100,012	108,765	118,407	127,638	140,353	10.0	24,314	25,536	27,088	28,783	30,225	32,441	7	
Idaho.....	22,869	24,173	25,226	27,079	28,572	30,759	7.7	19,419	20,091	20,525	21,622	22,387	23,640	41	
Montana.....	16,297	16,992	17,726	18,961	19,315	20,395	5.6	18,588	19,165	19,909	21,235	21,511	22,541	46	
Utah.....	37,278	40,354	43,696	46,781	49,172	52,474	6.7	18,514	19,519	20,618	21,624	22,335	23,364	44	
Wyoming.....	10,293	10,609	11,433	12,124	12,774	13,575	6.3	21,210	21,724	23,348	24,687	25,960	27,436	27	
<b>Far West</b> .....	<b>1,057,453</b>	<b>1,116,779</b>	<b>1,187,299</b>	<b>1,281,199</b>	<b>1,366,313</b>	<b>1,486,076</b>	<b>8.8</b>	<b>24,197</b>	<b>25,225</b>	<b>26,374</b>	<b>27,998</b>	<b>29,402</b>	<b>31,491</b>		
Alaska.....	15,513	15,762	16,488	17,134	17,482	18,612	6.5	25,659	25,889	26,876	27,610	27,947	29,597	14	
California.....	771,470	812,404	861,557	931,627	997,293	1,094,770	9.8	24,374	25,409	26,555	28,277	29,818	32,225	8	
Hawaii.....	30,202	30,393	31,218	31,854	32,450	33,776	4.1	25,211	25,212	25,714	26,135	26,658	27,819	22	
Nevada.....	39,377	43,331	47,258	52,032	55,706	59,640	7.1	24,908	26,009	26,836	28,190	28,883	29,551	15	
Oregon.....	71,209	75,561	80,575	85,262	89,058	94,999	6.7	22,355	23,257	24,365	25,406	26,192	27,649	26	
Washington.....	129,681	139,328	150,203	163,291	174,324	184,280	5.7	23,658	25,007	26,457	28,287	29,783	31,129	11	

1. Per capita personal income was computed using midyear population estimates. The Census Bureau has not yet released intercensal population estimates that incorporate the results of the 2000 Decennial Census. BEA converted the April 1, 2000, Census Bureau population counts to a midyear 2000 basis and derived an interim set of population estimates for 1991-99 that are consistent with 1990 and 2000 population data.

2. Percent change was calculated from unrounded data.

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

Table J.3. Disposable Personal Income and Per Capita Disposable Personal Income by State and Region, 1995-2000

Area name	Disposable personal income							Per capita disposable personal income						Rank in U.S.
	Millions of dollars						Percent change <sup>2</sup>	Dollars						
	1995	1996	1997	1998	1999	2000		1995	1996	1997	1998	1999	2000	
<b>United States</b> .....	<b>5,414,784</b>	<b>5,669,393</b>	<b>5,960,749</b>	<b>6,349,408</b>	<b>6,611,524</b>	<b>7,025,313</b>	<b>6.3</b>	<b>20,350</b>	<b>21,059</b>	<b>21,875</b>	<b>23,031</b>	<b>23,707</b>	<b>24,891</b>	
<b>New England</b> .....	<b>313,002</b>	<b>326,543</b>	<b>342,605</b>	<b>364,158</b>	<b>380,402</b>	<b>409,580</b>	<b>7.7</b>	<b>23,249</b>	<b>24,106</b>	<b>25,132</b>	<b>26,541</b>	<b>27,513</b>	<b>29,381</b>	..... 1
Connecticut .....	88,432	91,536	95,724	101,790	105,261	111,867	6.3	26,638	27,468	28,616	30,292	31,131	32,820	37
Maine .....	22,173	23,257	24,200	25,466	26,485	27,813	5.0	17,796	18,581	19,249	20,190	20,877	21,795	1
Massachusetts .....	144,898	151,896	159,674	169,600	178,071	194,493	9.2	23,612	24,598	25,668	27,069	28,211	30,593	3
New Hampshire .....	25,490	26,610	28,200	30,645	32,353	35,091	8.5	22,043	22,668	23,724	25,459	26,486	28,323	4
Rhode Island .....	20,990	21,780	22,851	23,895	24,917	26,244	5.3	20,673	21,369	22,323	23,204	23,995	25,008	17
Vermont .....	11,019	11,463	11,955	12,762	13,316	14,072	5.7	18,718	19,317	20,027	21,267	22,028	23,069	31
<b>Midwest</b> .....	<b>1,029,185</b>	<b>1,073,172</b>	<b>1,114,511</b>	<b>1,177,620</b>	<b>1,217,450</b>	<b>1,290,916</b>	<b>6.0</b>	<b>22,794</b>	<b>23,663</b>	<b>24,468</b>	<b>25,726</b>	<b>26,440</b>	<b>27,827</b>	..... 11
Delaware .....	15,686	16,547	16,987	18,449	19,418	20,658	6.4	21,499	22,334	22,610	24,181	25,052	26,264	11
District of Columbia .....	15,840	15,862	16,120	16,710	16,835	17,773	5.6	27,372	27,801	28,483	29,652	29,723	31,116	..... 1
Maryland .....	116,066	119,755	125,597	133,050	140,137	148,896	6.3	22,917	23,451	24,382	25,601	26,704	28,044	6
New Jersey .....	201,166	211,334	220,964	233,679	240,563	258,327	7.4	24,913	25,957	26,916	28,243	28,825	30,640	2
New York .....	430,223	450,040	464,468	491,801	506,445	535,586	5.8	23,248	24,234	24,916	26,257	26,879	28,187	5
Pennsylvania .....	250,204	259,634	270,375	283,932	294,052	309,676	5.3	20,512	21,244	22,107	23,183	23,966	25,195	16
<b>Great Lakes</b> .....	<b>897,966</b>	<b>930,464</b>	<b>975,464</b>	<b>1,029,492</b>	<b>1,066,140</b>	<b>1,116,769</b>	<b>4.7</b>	<b>20,445</b>	<b>21,031</b>	<b>21,922</b>	<b>23,014</b>	<b>23,702</b>	<b>24,689</b>	..... 8
Illinois .....	264,821	278,447	291,507	307,893	317,042	334,111	5.4	22,049	23,003	23,915	25,084	25,651	26,849	8
Indiana .....	109,861	114,831	119,826	128,610	133,755	140,540	5.1	18,785	19,452	20,129	21,434	22,116	23,062	32
Michigan .....	201,124	204,949	214,500	225,311	234,914	244,345	4.0	20,783	20,998	21,864	22,877	23,738	24,546	18
Ohio .....	221,905	227,746	239,900	250,845	259,083	269,590	4.1	19,809	20,256	21,270	22,172	22,843	23,719	24
Wisconsin .....	100,255	104,491	109,732	116,833	121,346	128,182	5.6	19,343	19,981	20,839	22,056	22,743	23,846	23
<b>Plains</b> .....	<b>359,419</b>	<b>382,827</b>	<b>399,625</b>	<b>425,700</b>	<b>441,947</b>	<b>466,638</b>	<b>5.6</b>	<b>19,387</b>	<b>20,475</b>	<b>21,207</b>	<b>22,427</b>	<b>23,106</b>	<b>24,207</b>	..... 35
Iowa .....	53,020	56,896	59,294	62,103	63,279	67,090	6.0	18,496	19,760	20,513	21,396	21,699	22,897	35
Kansas .....	49,628	52,367	55,113	58,698	60,807	63,294	4.1	19,085	20,030	20,914	22,063	22,700	23,497	26
Minnesota .....	97,206	103,586	109,183	117,947	124,449	132,188	6.2	20,881	22,002	22,943	24,529	25,560	26,796	9
Missouri .....	103,462	108,364	114,001	120,335	124,172	131,457	5.9	19,249	19,961	20,808	21,800	22,326	23,444	27
Nebraska .....	32,023	34,932	35,531	37,647	39,525	40,910	3.5	19,330	20,872	21,067	22,200	23,174	23,860	22
North Dakota .....	10,960	12,226	11,853	13,205	13,273	14,175	6.8	16,911	18,786	18,231	20,369	20,566	22,070	36
South Dakota .....	13,120	14,456	14,650	15,765	16,441	17,525	6.6	17,788	19,484	19,691	21,139	21,918	23,172	30
<b>Southeast</b> .....	<b>1,208,156</b>	<b>1,269,457</b>	<b>1,336,061</b>	<b>1,424,130</b>	<b>1,480,462</b>	<b>1,568,114</b>	<b>5.9</b>	<b>18,718</b>	<b>19,365</b>	<b>20,060</b>	<b>21,071</b>	<b>21,598</b>	<b>22,552</b>	..... 41
Alabama .....	74,485	77,079	80,342	84,960	88,519	91,541	3.4	17,333	17,792	18,387	19,275	19,964	20,537	41
Arkansas .....	40,945	43,230	45,063	47,323	49,311	51,573	4.6	16,183	16,850	17,362	18,058	18,645	19,233	47
Florida .....	296,985	312,805	329,682	351,457	361,945	383,970	6.1	20,457	21,088	22,718	22,975	23,911	25	
Georgia .....	139,674	150,182	158,350	171,788	182,524	194,576	6.6	19,089	20,052	20,634	21,867	22,700	23,645	21
Kentucky .....	64,839	68,160	71,915	76,236	78,776	83,864	6.5	16,683	17,393	18,196	19,129	19,602	20,704	40
Louisiana .....	75,996	78,079	81,431	86,212	88,169	91,057	3.3	17,362	17,753	18,420	19,407	19,760	20,347	43
Mississippi .....	41,699	43,943	46,245	49,312	50,979	53,071	4.1	15,321	15,995	16,660	17,598	18,039	18,612	50
North Carolina .....	138,006	145,935	155,311	165,764	172,677	185,667	7.5	18,802	19,466	20,293	21,232	21,733	22,965	33
South Carolina .....	63,606	66,986	70,880	75,519	79,261	83,621	5.5	16,973	17,644	18,371	19,271	19,935	20,775	39
Tennessee .....	102,796	106,568	111,632	119,386	123,919	130,881	5.6	19,309	19,683	20,306	21,432	21,971	22,923	34
Virginia .....	140,055	146,489	154,028	163,662	171,096	183,590	7.3	21,020	21,734	22,582	23,751	24,482	25,855	13
West Virginia .....	29,070	30,001	31,182	32,512	33,197	34,703	4.5	15,940	16,460	17,134	17,897	18,316	19,187	48
<b>Southwest</b> .....	<b>523,337</b>	<b>552,859</b>	<b>596,546</b>	<b>645,928</b>	<b>678,193</b>	<b>724,461</b>	<b>6.8</b>	<b>18,436</b>	<b>19,072</b>	<b>20,151</b>	<b>21,373</b>	<b>22,018</b>	<b>23,072</b>	..... 49
Arizona .....	78,460	83,726	90,217	97,630	102,882	110,837	7.7	17,709	18,259	19,049	19,992	20,462	21,450	38
New Mexico .....	28,290	29,502	30,758	32,506	33,324	34,981	5.0	16,444	16,834	17,303	18,093	18,398	19,150	49
Oklahoma .....	56,276	58,473	61,222	65,346	67,667	70,990	4.9	17,037	17,532	18,179	19,212	19,740	20,528	42
Texas .....	360,310	381,159	414,349	450,447	474,321	507,653	7.0	19,032	19,734	21,009	22,366	23,099	24,233	19
<b>Rocky Mountain</b> .....	<b>157,037</b>	<b>166,565</b>	<b>178,194</b>	<b>191,754</b>	<b>202,686</b>	<b>218,172</b>	<b>7.6</b>	<b>18,749</b>	<b>19,454</b>	<b>20,380</b>	<b>21,513</b>	<b>22,296</b>	<b>23,528</b>	..... 7
Colorado .....	80,723	86,111	92,927	100,483	107,621	117,426	9.1	21,117	21,987	23,144	24,426	25,485	27,141	7
Idaho .....	20,135	21,208	22,044	23,653	24,787	26,429	6.6	17,098	17,626	17,936	18,886	19,422	20,312	44
Montana .....	14,492	15,037	15,621	16,688	16,934	17,795	5.1	16,530	16,960	17,544	18,690	18,860	19,668	46
Utah .....	32,526	35,002	37,715	40,470	42,379	44,959	6.1	16,154	16,930	17,796	18,707	19,249	20,018	45
Wyoming .....	9,160	9,207	9,886	10,460	10,966	11,564	5.5	18,875	18,853	20,188	21,299	22,286	23,371	28
<b>Far West</b> .....	<b>926,681</b>	<b>967,506</b>	<b>1,017,744</b>	<b>1,090,625</b>	<b>1,144,244</b>	<b>1,230,665</b>	<b>7.6</b>	<b>21,204</b>	<b>21,853</b>	<b>22,608</b>	<b>23,834</b>	<b>24,623</b>	<b>26,079</b>	..... 14
Alaska .....	13,755	13,919	14,497	14,999	15,311	16,236	6.0	22,751	22,862	23,630	24,170	24,477	25,818	14
California .....	674,953	701,878	735,173	789,619	829,744	899,346	8.4	21,324	21,952	22,659	23,967	24,809	26,472	10
Hawaii .....	26,674	26,730	27,371	27,359	28,250	29,288	3.7	22,256	22,174	22,545	22,858	23,208	24,123	20
Nevada .....	34,623	37,634	41,126	44,918	47,963	51,037	6.4	21,900	22,589	23,354	24,336	24,868	25,289	15
Oregon .....	61,581	64,801	68,539	72,617	75,453	79,655	5.6	19,332	19,946	20,725	21,638	22,190	23,183	29
Washington .....	115,095	122,543	131,039	140,613	147,524	155,102	5.1	20,997	21,994	23,081	24,358	25,204	26,201	12

1. Per capita disposable personal income was computed using midyear population estimates. The Census Bureau has not yet released intercensal population estimates that incorporate the results of the 2000 Decennial Census. BEA converted the April 1, 2000, Census Bureau population counts to a midyear 2000 basis and derived an interim set of population estimates for 1991-99 that are consistent with 1990 and 2000 population data.

2. Percent change was calculated from unrounded data.

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



**Table J.4. Gross State Product (GSP) by Industry for States and Regions, 1999**  
(Millions of dollars)

State and region	Rank of total GSP	Total GSP	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
<b>United States</b>		<b>9,308,983</b>	<b>125,441</b>	<b>111,797</b>	<b>416,354</b>	<b>1,500,806</b>	<b>779,647</b>	<b>643,284</b>	<b>856,364</b>	<b>1,792,090</b>	<b>1,986,918</b>	<b>1,096,282</b>
<b>New England</b>		<b>542,347</b>	<b>4,048</b>	<b>314</b>	<b>21,668</b>	<b>83,767</b>	<b>32,284</b>	<b>36,951</b>	<b>45,940</b>	<b>136,278</b>	<b>130,309</b>	<b>50,788</b>
Connecticut	22	151,779	1,038	113	4,954	25,048	9,020	9,750	12,213	43,623	33,389	12,631
Maine	42	34,064	674	5	1,552	5,261	2,396	2,007	4,136	6,401	6,862	4,770
Massachusetts	11	262,564	1,429	98	10,861	36,569	14,833	19,560	20,581	64,279	70,462	23,892
New Hampshire	38	44,229	320	39	1,822	9,792	2,551	2,936	4,361	10,254	8,689	3,466
Rhode Island	44	32,546	214	12	1,724	4,098	2,187	1,710	2,949	8,678	7,074	3,899
Vermont	49	17,164	374	47	754	2,998	1,298	989	1,700	3,043	3,832	2,129
<b>Mideast</b>		<b>1,734,325</b>	<b>10,026</b>	<b>3,563</b>	<b>62,972</b>	<b>211,579</b>	<b>137,294</b>	<b>112,601</b>	<b>132,085</b>	<b>454,432</b>	<b>405,374</b>	<b>204,398</b>
Delaware	41	34,669	292	2	1,486	4,914	1,752	1,382	2,455	13,813	5,379	3,194
District of Columbia		55,832	17	21	468	1,300	2,853	757	1,577	7,294	20,512	21,032
Maryland	16	174,710	1,440	145	9,451	14,216	13,096	10,800	15,677	37,179	42,217	30,491
New Jersey	8	331,544	1,749	257	12,627	39,335	31,534	30,757	25,461	78,417	77,836	33,570
New York	2	754,990	3,175	545	22,862	77,365	55,123	45,078	52,556	247,163	173,681	77,042
Pennsylvania	6	382,980	3,353	2,593	16,079	74,449	32,935	23,826	34,359	70,566	85,749	39,070
<b>Great Lakes</b>		<b>1,464,641</b>	<b>14,379</b>	<b>4,533</b>	<b>67,649</b>	<b>346,862</b>	<b>113,472</b>	<b>105,625</b>	<b>134,471</b>	<b>240,154</b>	<b>286,846</b>	<b>150,649</b>
Illinois	4	445,666	3,575	1,151	20,059	72,563	40,830	35,342	36,683	90,755	100,527	44,180
Indiana	15	182,202	1,820	761	9,235	56,294	13,845	11,157	16,853	23,744	30,219	18,273
Michigan	9	308,310	2,849	876	14,880	80,740	20,280	22,630	30,207	43,546	60,402	31,900
Ohio	7	361,981	2,973	1,519	15,645	93,409	26,559	25,814	35,102	56,156	66,058	38,648
Wisconsin	20	166,481	3,162	226	7,830	43,856	11,858	10,682	15,626	25,953	29,639	17,648
<b>Plains</b>		<b>601,905</b>	<b>15,043</b>	<b>3,291</b>	<b>28,803</b>	<b>109,036</b>	<b>57,025</b>	<b>47,316</b>	<b>57,682</b>	<b>95,926</b>	<b>116,828</b>	<b>70,956</b>
Iowa	30	85,243	3,000	218	3,759	19,058	7,231	6,700	7,705	12,865	14,450	10,258
Kansas	31	80,843	2,304	1,022	3,711	13,598	10,093	6,426	8,318	10,389	14,105	10,876
Minnesota	17	172,982	3,004	804	8,585	31,319	13,183	14,210	16,310	31,974	35,994	17,599
Missouri	18	170,470	1,928	427	8,369	32,966	17,199	12,621	16,584	26,038	34,888	19,449
Nebraska	36	53,744	2,606	79	2,554	7,532	4,269	4,712	8,332	10,291	7,585	5,043
North Dakota	50	16,991	701	611	931	1,526	1,753	1,573	1,747	2,404	3,290	2,455
South Dakota	46	21,631	1,500	130	893	3,036	1,784	1,516	2,307	3,923	3,810	2,733
<b>Southeast</b>		<b>2,023,742</b>	<b>29,951</b>	<b>27,617</b>	<b>98,337</b>	<b>337,901</b>	<b>181,644</b>	<b>140,640</b>	<b>205,076</b>	<b>331,203</b>	<b>399,457</b>	<b>271,917</b>
Alabama	25	115,071	2,280	1,527	5,397	21,886	9,971	7,542	11,927	16,945	19,447	18,149
Arkansas	33	64,773	2,370	506	2,996	14,599	6,815	4,293	7,621	7,499	10,083	7,993
Florida	5	442,895	7,838	878	22,406	31,716	38,082	33,880	50,610	95,440	108,007	54,039
Georgia	10	275,719	3,697	1,244	13,744	46,781	31,476	24,967	25,743	42,230	53,029	32,808
Kentucky	26	113,539	2,002	2,433	5,064	31,275	9,108	6,964	10,861	12,404	18,122	15,306
Louisiana	24	128,959	1,232	15,121	6,259	19,622	11,897	7,573	11,944	16,793	22,653	15,866
Mississippi	34	64,286	1,687	638	2,999	13,241	6,096	3,786	7,017	7,347	11,180	10,295
North Carolina	12	258,592	3,933	533	12,793	62,211	18,273	15,875	23,022	47,441	42,305	32,207
South Carolina	28	106,917	1,164	177	6,281	22,899	9,495	6,699	11,851	14,650	17,519	16,180
Tennessee	19	170,085	1,492	510	7,462	35,392	14,141	12,996	19,439	24,019	35,089	19,546
Virginia	13	242,221	1,994	1,084	11,086	31,779	21,679	13,845	20,977	41,832	54,741	43,205
West Virginia	40	40,685	261	2,967	1,852	6,501	4,609	2,223	4,063	4,604	7,283	6,323
<b>Southwest</b>		<b>968,362</b>	<b>14,329</b>	<b>49,117</b>	<b>45,952</b>	<b>140,037</b>	<b>97,433</b>	<b>71,545</b>	<b>95,296</b>	<b>145,119</b>	<b>192,998</b>	<b>116,537</b>
Arizona	23	143,683	2,138	1,214	8,327	20,707	10,516	9,620	15,359	26,845	31,573	17,385
New Mexico	37	51,026	1,049	4,281	2,022	8,527	3,753	2,146	4,795	6,689	9,170	8,594
Oklahoma	29	86,382	1,944	4,257	3,316	14,604	7,958	5,206	9,035	10,564	15,723	13,774
Texas	3	687,272	9,197	39,365	32,288	96,199	75,205	54,573	66,107	101,021	136,533	76,783
<b>Rocky Mountain</b>		<b>288,479</b>	<b>6,004</b>	<b>8,317</b>	<b>17,680</b>	<b>33,966</b>	<b>31,968</b>	<b>17,785</b>	<b>28,799</b>	<b>45,973</b>	<b>60,234</b>	<b>37,753</b>
Colorado	21	153,728	2,261	2,400	9,233	15,622	18,740	9,644	15,127	26,869	35,529	18,303
Idaho	43	34,025	1,776	188	2,261	7,344	2,667	2,183	3,481	4,018	5,545	4,562
Montana	47	20,636	828	754	1,158	1,544	2,461	1,354	2,137	2,818	4,195	3,385
Utah	35	62,641	697	1,143	4,092	8,311	5,514	3,894	6,708	10,299	12,935	9,047
Wyoming	48	17,448	443	3,831	936	1,144	2,585	709	1,346	1,968	2,029	2,455
<b>Far West</b>		<b>1,685,181</b>	<b>31,661</b>	<b>15,046</b>	<b>73,292</b>	<b>237,657</b>	<b>128,528</b>	<b>110,821</b>	<b>157,016</b>	<b>343,005</b>	<b>394,871</b>	<b>193,285</b>
Alaska	45	26,353	449	5,301	1,225	1,113	4,392	791	1,867	2,671	3,419	5,124
California	1	1,229,098	22,779	7,655	47,264	179,178	89,906	82,506	113,360	266,876	288,081	131,493
Hawaii	39	40,914	493	43	1,654	1,030	4,268	1,539	4,456	9,481	9,023	8,928
Nevada	32	69,864	512	1,519	7,147	2,884	5,587	3,234	7,266	11,803	22,729	7,182
Oregon	27	109,694	3,064	144	5,797	27,151	7,750	8,226	9,484	15,753	19,334	12,992
Washington	14	209,258	4,365	383	10,204	26,301	16,624	14,524	20,584	36,420	52,286	27,566

NOTE.—Totals shown for the United States differ from the national income and product account estimates of gross domestic product (GDP) because GSP is derived from gross domestic income, which differs from GDP by the statistical discrepancy. In addition, GSP excludes and GDP includes the compensation of Federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and

for military equipment, except office equipment. Also, GSP and GDP have different revision schedules. Source: This table reflects the GSP estimates for 1999 that were released on June 4, 2001. Detailed estimates are available on BEA's Web site at <[www.bea.gov](http://www.bea.gov)> under "State and local area data."

K. Local Area Table

Table K.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 1997-99

Table with 17 columns: Area name, Personal income (Millions of dollars, Percent change), Per capita personal income (Dollars, Rank in U.S.), Area name, Personal income (Millions of dollars, Percent change), Per capita personal income (Dollars, Rank in U.S.). Rows include United States, Consolidated Metropolitan Statistical Areas, and Metropolitan Statistical Areas.

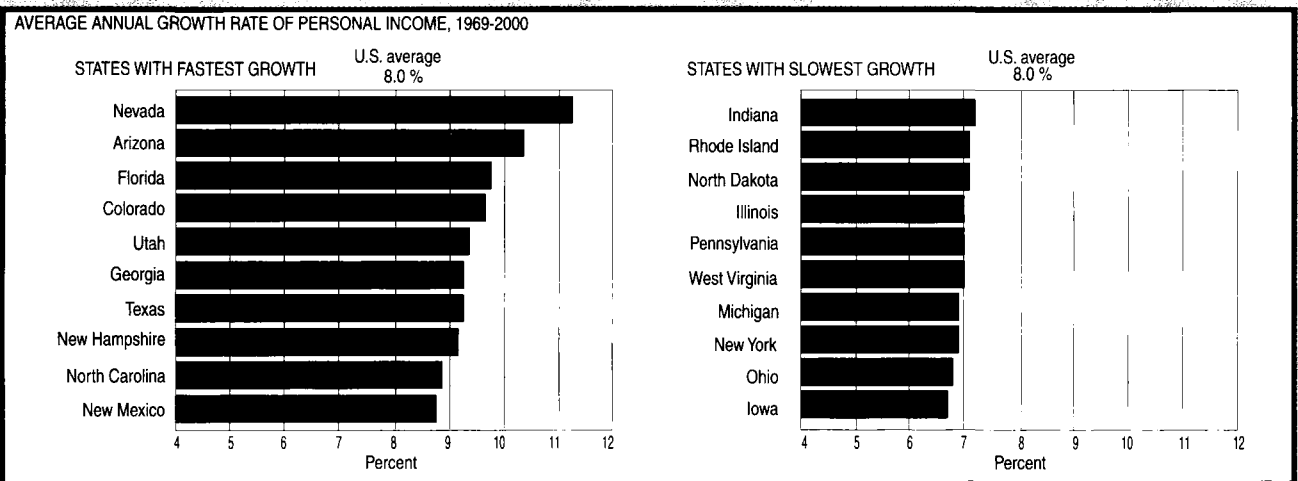
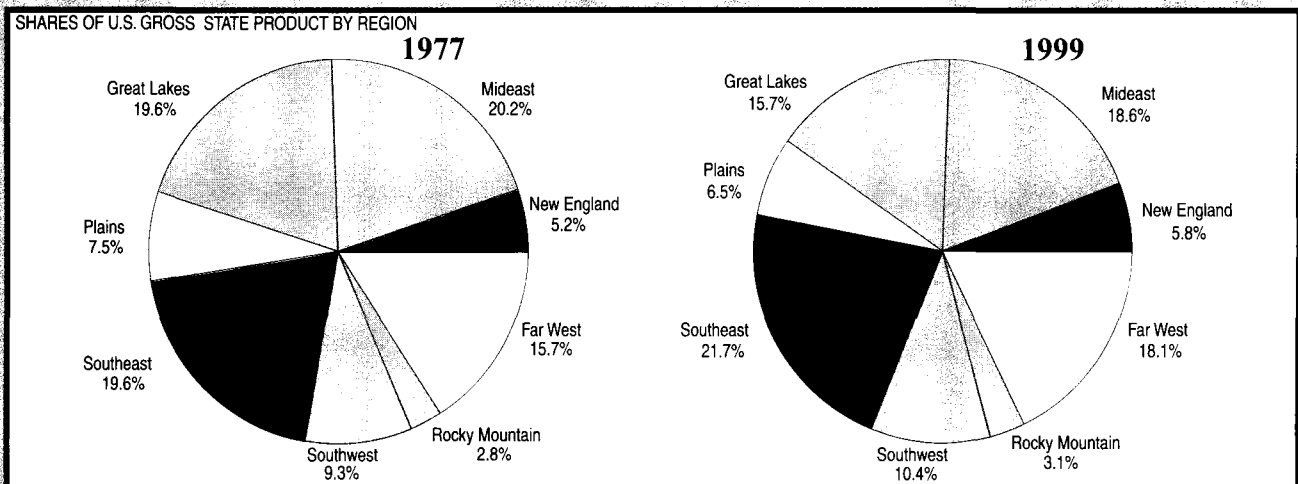
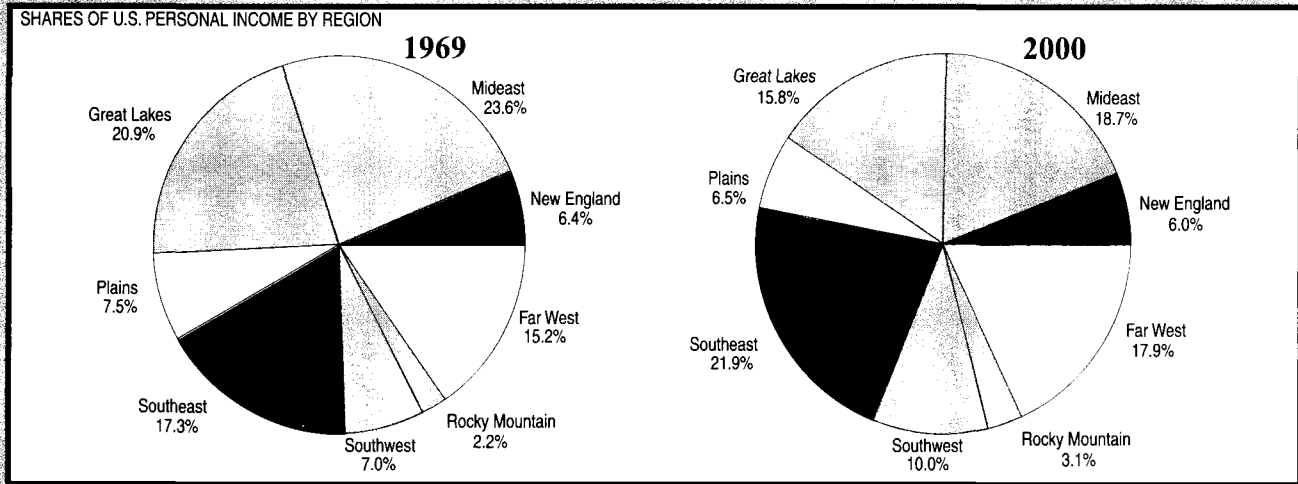
See footnotes at the end of the table.

Table K.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 1997-99—Continued

Area name	Personal income				Per capita personal income <sup>1</sup>				Area name	Personal income				Per capita personal income <sup>1</sup>			
	Millions of dollars			Percent change	Dollars			Rank in U.S.		Millions of dollars			Percent change	Dollars			Rank in U.S.
	1997	1998	1999		1997	1998	1999			1997	1998	1999		1997	1998	1999	
Lakeland-Winter Haven, FL	9,333	10,056	10,653	5.9	20,893	22,217	23,294	236	Richmond-Petersburg, VA	26,093	27,779	29,413	5.9	27,676	29,174	30,593	51
Lancaster, PA	11,363	12,014	12,563	4.6	25,048	26,307	27,309	114	Riverside-San Bernardino, CA*	61,591	66,105	70,604	6.8	20,201	21,210	22,060	274
Lansing-East Lansing, MI	10,643	10,826	11,458	5.8	23,633	24,043	25,419	160	Roanoke, VA	5,919	6,254	6,488	3.7	25,906	27,437	28,491	85
Laredo, TX	2,407	2,583	2,726	5.5	13,345	13,828	14,112	317	Rochester, MN	3,260	3,589	3,853	7.4	28,456	30,690	32,359	35
Las Cruces, NM	2,613	2,789	2,897	3.8	15,701	16,508	17,003	315	Rochester, NY	28,344	29,453	30,389	3.2	26,162	27,251	28,162	90
Las Vegas, NV-AZ	33,759	37,416	40,723	8.8	26,786	28,334	29,486	68	Rockford, IL	8,720	9,176	9,498	3.5	24,556	25,708	26,484	132
Lawrence, KS	1,890	2,018	2,130	5.6	19,921	20,896	21,658	283	Rocky Mount, NC	3,141	3,283	3,163	-3.7	21,616	22,500	21,510	288
Lawton, OK	2,202	2,300	2,360	2.6	20,253	21,264	22,134	270	Sacramento, CA*	39,412	42,394	45,530	7.4	25,796	27,276	28,718	83
Lewisburg-Auburn, ME (NECMA)	2,214	2,318	2,388	3.0	21,934	22,892	23,570	225	Saginaw-Bay City-Midland, MI	9,681	10,005	10,424	4.2	24,061	24,914	26,012	143
Lexington, KY	11,288	12,177	12,831	5.4	25,432	27,089	28,161	91	St. Cloud, MN	3,334	3,708	3,831	3.3	30,600	32,770	33,231	240
Lima, OH	3,375	3,547	3,709	4.6	21,797	22,987	24,072	209	St. Joseph, MO	2,101	2,199	2,310	5.1	21,629	22,591	23,764	220
Lincoln, NE	5,996	6,440	6,772	5.2	25,693	27,340	28,493	84	St. Louis, MO-IL	71,103	75,109	78,051	3.9	27,798	29,321	30,382	57
Little Rock-North Little Rock, AR	13,748	14,856	15,414	5.2	24,975	26,445	27,571	107	Salem, OR*	7,142	7,565	7,973	5.4	21,989	22,903	23,789	219
Longview-Marshall, TX	4,442	4,661	4,792	2.8	21,429	22,348	22,872	251	Salinas, CA	9,633	10,358	10,927	5.5	26,842	28,252	29,393	72
Los Angeles-Long Beach, CA*	235,075	251,637	263,815	4.8	25,758	27,281	28,276	89	Salt Lake City-Ogden, UT	29,318	31,235	32,967	5.5	23,435	24,725	25,855	149
Louisville, KY-IN	25,985	28,009	29,514	5.4	26,141	28,041	29,342	73	San Angelo, TX	2,211	2,323	2,399	3.3	21,613	22,622	23,453	231
Lubbock, TX	5,129	5,419	5,574	2.9	22,294	23,747	24,459	196	San Antonio, TX	34,572	36,765	38,680	5.2	22,831	23,872	24,716	185
Lynchburg, VA	4,427	4,694	4,939	5.2	21,402	22,605	23,649	224	San Diego, CA	70,957	76,840	83,183	8.3	26,867	27,779	29,489	67
Macon, GA	7,076	7,484	7,857	5.0	22,383	23,449	24,433	198	San Francisco, CA*	70,441	77,548	83,768	8.0	42,150	46,071	49,695	1
Madison, WI	12,142	12,994	13,714	5.5	28,064	30,599	31,999	37	San Jose, CA*	61,593	66,341	76,850	15.8	37,981	40,406	46,649	2
Mansfield, OH	3,733	3,861	3,975	3.0	21,874	21,831	22,509	263	San Luis Obispo-Alascadero-Paso Robles, CA	5,452	5,824	6,134	5.3	23,559	24,879	25,888	147
McAllen-Edinburg-Mission, TX	6,297	6,746	7,135	5.8	12,493	12,982	13,339	318	Santa Barbara-Santa Maria-Lompoc, CA	10,507	11,259	11,817	5.0	27,164	28,909	30,218	61
Medford-Ashland, OR	3,260	3,980	4,220	6.0	22,044	22,766	24,004	211	Santa Cruz-Watsonville, CA*	7,140	7,589	8,224	8.4	29,890	31,204	33,539	28
Melbourne-Titusville-Palm Bay, FL	10,581	11,051	11,421	3.4	23,045	23,775	24,282	205	Santa Fe, NM	3,893	4,196	4,366	4.0	27,855	29,339	30,634	50
Memphis, TN-AR-MO	28,090	30,361	31,857	4.9	25,961	27,793	28,828	80	Santa Rosa, CA*	12,445	13,224	14,296	8.1	29,183	30,485	32,492	32
Merced, CA	3,369	3,520	3,687	4.8	17,377	17,842	18,367	312	Sarasota-Bradenton, FL	17,634	18,852	19,626	4.1	32,943	34,719	35,679	17
Miami, FL*	49,081	51,561	53,811	4.4	23,020	23,972	24,733	182	Savannah, GA	6,774	7,332	7,653	4.4	23,879	25,703	26,534	131
Middlesex-Somerset-Hunterdon, NJ*	39,916	42,910	45,189	5.3	36,137	38,405	39,969	7	Scranton-Wilkes-Barre-Hazleton, PA	14,151	14,546	15,031	3.3	22,782	23,609	24,581	188
Milwaukee-Waukesha, WI*	41,976	44,379	46,512	4.8	28,760	30,405	31,805	38	Seattle-Bellevue-Everett, WA*	76,080	84,641	93,116	10.0	33,484	36,616	39,880	8
Minneapolis-St. Paul, MN-WI	88,287	95,516	101,242	6.0	31,587	33,466	35,250	20	Sharon, PA	2,475	2,565	2,656	3.5	20,274	21,063	21,864	278
Missoula, MT	1,955	2,085	2,187	4.9	22,006	23,446	24,476	194	Sheboygan, WI	2,692	2,871	3,051	6.3	24,516	26,101	27,705	100
Mobile, AL	10,667	11,274	11,681	3.6	20,242	21,202	21,814	280	Sherman-Denison, TX	2,176	2,314	2,440	5.4	21,616	22,685	23,521	230
Modesto, CA	8,512	9,100	9,517	4.6	20,295	21,318	21,790	282	Shreveport-Bossier City, LA	8,358	8,771	9,084	3.6	22,006	23,232	24,053	210
Monmouth-Ocean, NJ*	32,675	34,897	36,620	4.9	30,278	31,919	33,021	30	Sioux City, IA-NE	2,766	2,938	3,032	3.2	22,957	24,414	25,144	171
Monroe, LA	2,942	3,100	3,246	4.7	20,016	21,115	22,128	271	Sioux Falls, SD	4,313	4,663	4,991	7.0	27,270	28,989	30,341	58
Montgomery, AL	7,478	7,855	8,266	5.2	23,416	24,426	25,637	153	South Bend, IN	6,270	6,659	6,919	3.9	24,288	25,791	26,761	124
Muncie, IN	2,609	2,716	2,813	3.6	22,160	23,347	24,382	203	Spokane, WA	9,152	9,538	9,985	4.7	22,567	23,365	24,368	202
Myrtle Beach, SC	3,765	4,061	4,373	7.7	22,226	23,266	24,492	193	Springfield, IL	5,240	5,516	5,713	3.6	25,699	27,036	28,000	96
Naples, FL	8,121	8,934	9,288	5.1	42,117	44,414	44,862	4	Springfield, MO	6,766	7,221	7,562	4.7	22,474	23,697	24,525	192
Nashville, TN	31,474	33,867	35,750	5.6	27,677	29,306	30,510	54	Springfield, MA (NECMA)	14,627	15,295	15,995	4.6	24,763	25,938	27,149	120
Nassau-Suffolk, NY*	95,132	99,841	104,197	4.4	35,771	37,372	38,751	11	State College, PA	2,921	3,052	3,187	4.4	22,049	23,122	24,107	208
New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT*	65,653	70,443	73,991	5.0	40,378	43,207	45,267	3	Stevensville-Weirton, OH-WV	2,625	2,763	2,819	2.0	19,227	20,527	21,151	293
New London-Norwich, CT (NECMA)	7,291	7,649	7,817	2.2	29,130	30,972	31,771	40	Stockton-Lodi, CA	11,002	11,420	12,133	6.2	20,375	20,775	21,544	286
New Orleans, LA	31,462	33,175	33,890	2.2	24,069	25,394	25,960	146	Suiter, SC	1,888	1,966	2,050	4.3	18,944	17,506	18,238	313
New York, NY*	298,362	318,126	338,168	6.3	34,492	36,653	38,814	10	Syracuse, NY	16,982	17,707	18,335	3.5	22,991	24,097	25,017	174
Newark, NJ*	67,668	72,186	75,676	4.8	34,830	37,055	38,715	12	Tacoma, WA*	15,573	16,531	17,420	5.4	23,490	24,455	25,289	166
Newburgh, NY-PA*	8,539	9,111	9,596	5.3	23,345	24,628	25,553	158	Tallahassee, FL	6,084	6,524	6,825	4.6	23,550	25,177	26,252	137
Norfolk-Virginia Beach-Newport News, VA-NC	35,458	37,229	39,034	4.8	22,883	24,012	24,979	177	Tampa-St. Petersburg-Clearwater, FL	57,336	60,882	64,120	5.3	25,769	27,006	28,145	92
Oakland, CA*	72,106	77,261	83,769	8.4	31,741	33,374	35,666	18	Terre Haute, IN	2,991	3,155	3,286	4.1	20,049	21,226	22,170	269
Ocala, FL	4,842	5,207	5,440	4.5	20,539	21,581	22,115	273	Texasarkana, TX-Texasarkana, AR	2,499	2,572	2,680	4.2	20,293	20,949	21,811	281
Odessa-Midland, TX	5,859	6,198	6,056	-2.3	24,382	25,410	24,999	175	Toledo, OH	15,355	15,896	16,496	3.8	25,155	26,520	27,087	121
Oklahoma City, OK	23,010	24,433	25,568	4.6	22,335	23,542	24,437	197	Topeka, KS	4,114	4,337	4,507	3.9	24,282	25,457	26,394	134
Olympia, WA*	4,749	5,033	5,293	5.2	23,778	24,883	25,760	150	Trenton, NJ*	11,631	12,441	13,230	6.3	35,260	37,531	39,626	9
Omaha, NE-IA	19,050	20,200	21,450	6.2	27,717	29,146	30,692	48	Tucson, AZ	16,809	18,049	19,215	6.5	21,587	22,837	23,911	214
Orange County, CA*	81,395	87,626	93,333	6.5	30,536	32,171	33,805	26	Tulsa, OK	19,477	21,140	21,740	2.8	25,468	27,219	27,654	103
Orlando, FL	35,321	38,384	40,782	6.2	24,124	25,541	26,568	129	Tuscaloosa, AL	3,349	3,587	3,746	4.4	20,497	22,314	23,207	244
Owensboro, KY	1,962	2,041	2,132	4.5	21,599	22,437	23,383	233	Tyler, TX	4,018	4,346	4,533	4.3	24,249	25,860	26,711	125
Panama City, FL	3,126	3,267	3,361	2.9	21,361	22,264	22,719	257	Utica-Rome, NY	6,277	6,556	6,806	3.8	21,101	22,246	23,225	242
Parkersburg-Marietta, WV-OH	3,232	3,388	3,409	2.2	21,442	22,249	22,826	253	Vallejo-Fairfield-Napa, CA*	11,980	12,709	13,937	9.7	24,498	25,608	27,506	108
Pensacola, FL	8,295	8,791	9,067	3.1	21,063	21,879	22,476	264	Ventura, CA*	19,689	20,591	22,083	7.2	27,265	28,124	29,639	65
Peoria-Pekin, IL	8,702	9,193	9,458	2.9	25,155	26,567	27,297	115	Victoria, TX	1,867	2,003	2,075	3.6	23,149	24,525	25,273	168
Philadelphia, PA-NJ*	146,477	154,869	161,501	4.3	29,635	31,316	32,627	31	Vineland-Millville-Bridgeton, NJ*	3,032	3,110	3,208	3.1	21,514	22,155	22,894	249
Phoenix-Mesa, AZ	71,071	77,606	83,228	7.2	25,013	26,480	27,617	105	Visalia-Tulare-Porterville, CA	6,182	6,598	6,929	5.0	17,654	18,609	19,329	309
Pine Bluff, AR	1,516	1,581	1,627	2.9	18,466	1											

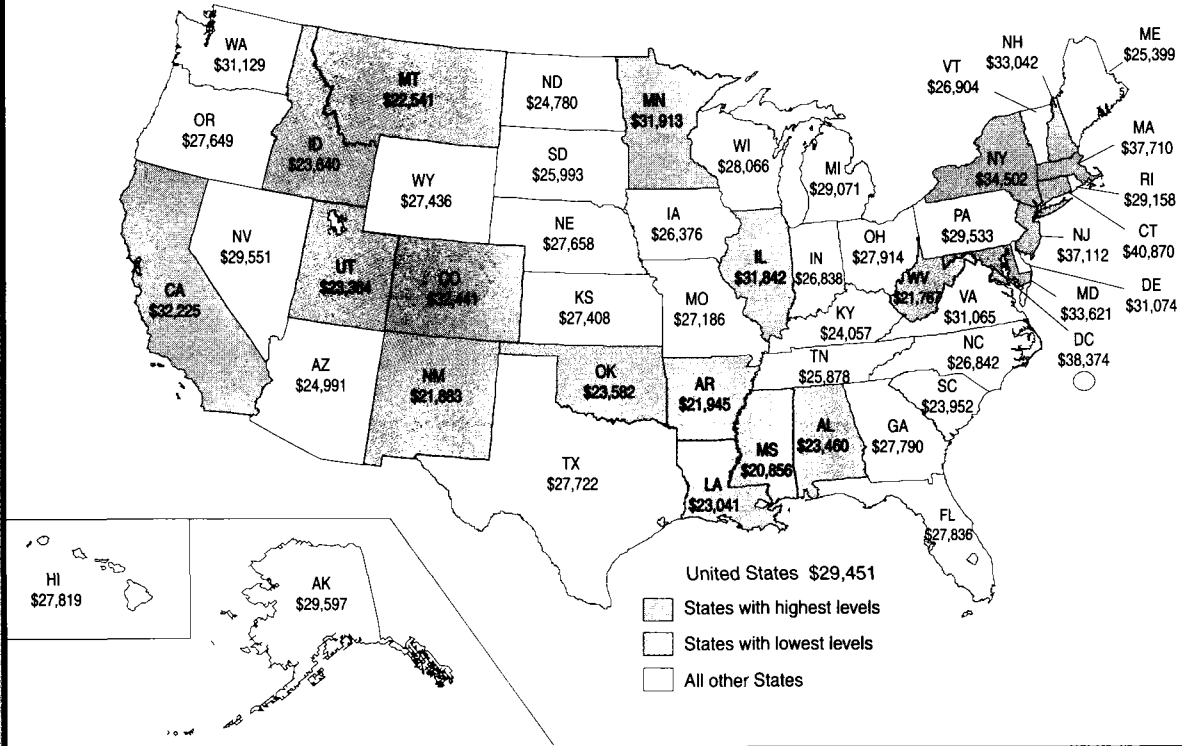
L. Charts

**SELECTED REGIONAL ESTIMATES**

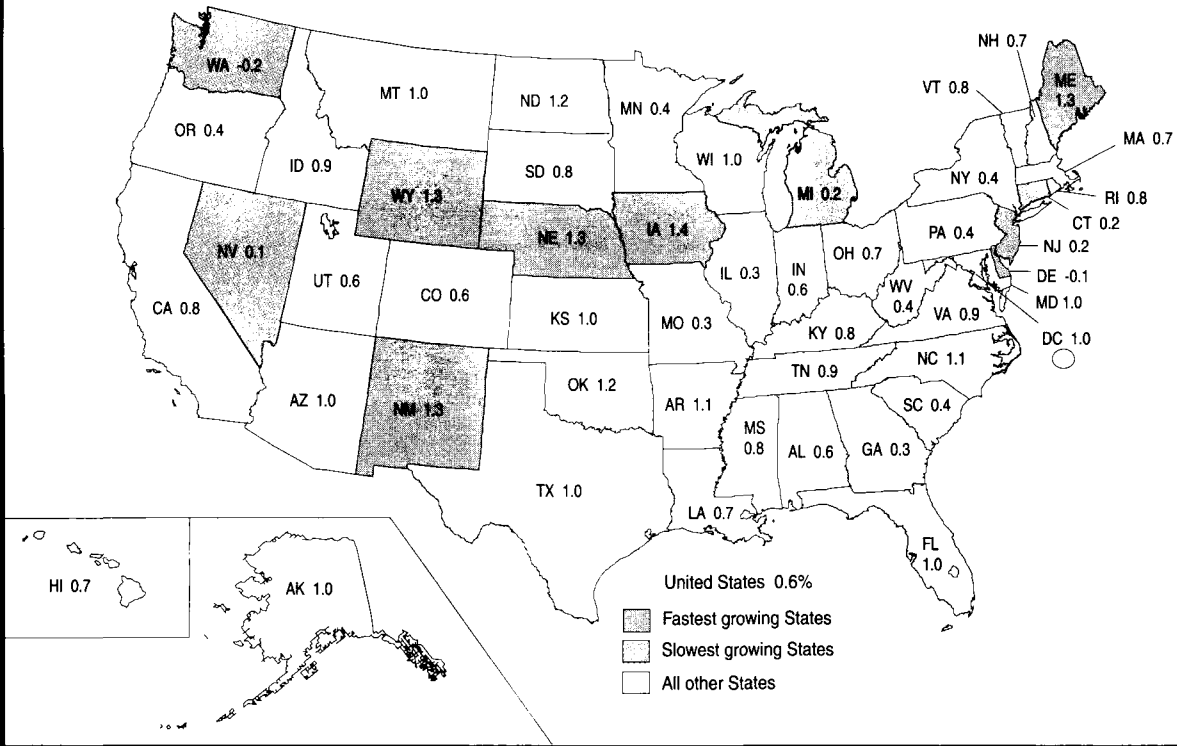


# SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 2000



PERSONAL INCOME: PERCENT CHANGE, 2001:II-2001:III



## Appendix A

### Additional Information About the NIPA Estimates

#### Statistical Conventions

Changes in current-dollar GDP measure changes in the market value of goods and services produced in the economy in a particular period. For many purposes, it is necessary to decompose these changes into quantity and price components. To compute the quantity indexes, changes in the quantities of individual goods and services are weighted by their prices. (Quantity changes for GDP are often referred to as changes in “real GDP.”) For the price indexes, changes in the prices for individual goods and services are weighted by quantities produced. (In practice, the current-dollar value and price indexes for most GDP components are determined largely using data from Federal Government surveys, and the real values of these components are calculated by deflation at the most detailed level for which all the required data are available.)

The annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from 2 adjacent years. For example, the annual percent change in real GDP in 1997–98 uses prices for 1997 and 1998 as weights, and the 1997–98 annual percent change in the GDP price index uses quantities for 1997 and 1998 as weights. Because the Fisher formula allows for the effects of changes in relative prices and in the composition of output over time, the resulting quantity or price changes are not affected by the substitution bias that is associated with changes in quantities and prices calculated using a fixed-weighted formula.<sup>1</sup> These annual changes are “chained” (multiplied) together to form time series of quantity and price; the percent changes that are calculated from these time series are not affected by the choice of reference period.

The quarterly changes in quantities and prices are calculated with weights from two adjacent quarters. As part of an annual or comprehensive revision, the quarterly indexes through the most recent complete year are adjusted to ensure that the average of the quarterly indexes conforms to the corresponding annual index.

In addition, BEA prepares measures of real GDP and its components in a dollar-denominated form, designated “chained (1996) dollar estimates.” These estimates are computed by multiplying the 1996 current-dollar value of GDP, or of a GDP component, by the corresponding quantity index number. For example, if a current-dollar GDP component equaled \$100 in 1996 and if real output for this component increased by 10 percent in 1997, then the “chained (1996) dollar” value of this com-

ponent in 1997 would be \$110 ( $\$100 \times 1.10$ ). Note that percentage changes in the chained (1996) dollar estimates and the percentage changes calculated from the quantity indexes are identical, except for small differences due to rounding.

Because of the formula used for calculating real GDP, the chained (1996) dollar estimates for detailed GDP components do not add to the chained-dollar value of GDP or to any intermediate aggregates. A “residual” line is shown as the difference between GDP and the sum of the most detailed components shown in each table. The residual generally is small close to the base period but tends to become larger as one moves further from it. Accurate measures of component contributions to the percentage changes in real GDP and its major components are shown in NIPA tables 8.2–8.6.

BEA also publishes the “implicit price deflator” (IPD), which is calculated as the ratio of current-dollar value to the corresponding chained-dollar value, multiplied by 100; the values of the IPD and of the corresponding “chain-type” price index are very close.

For quarters and months, the estimates are presented at annual rates, which show the value that would be registered if the rate of activity measured for a quarter or a month were maintained for a full year. Annual rates are used so that time periods of different lengths—for example, quarters and years—may be compared easily. These annual rates are determined simply by multiplying the estimated rate of activity by 4 (for quarterly data) or by 12 (for monthly data).

*Percent changes* in the estimates are also expressed at annual rates. Calculating these *changes* requires a variant of the compound interest formula:

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

where  $r$  is the percent change at an annual rate;  $x_t$  is the level of activity in the later period;  $x_o$  is the level of activity in the earlier period;  $m$  is the periodicity of the data (for example, 1 for annual data, 4 for quarterly, or 12 for monthly); and  $n$  is the number of periods between the earlier and later periods (that is,  $t - o$ ).

Quarterly and monthly NIPA estimates are seasonally adjusted, if necessary. Seasonal adjustment removes from the time series the average impact of variations that normally occur at about the same time and in about the same magnitude each year—for example, weather, holidays, and tax payment dates. After seasonal adjustment, cyclical and other short-term changes in the economy stand out more clearly.

1. In addition, because the changes in quantities and prices calculated using these weights are symmetric, the product of a quantity index and the corresponding price index is generally equal to the current-dollar index.

## Reconciliation Tables

**Table 1. Reconciliation of Changes in BEA-Derived Compensation Per Hour with BLS Average Hourly Earnings**  
[Percent change from preceding period]

	2000	2001	Seasonally adjusted at annual rates					
			2000		2001			
			III	IV	I	II	III	IV
<b>BEA-derived compensation per hour of all persons in the nonfarm business sector (less housing) <sup>1</sup></b> .....	<b>6.5</b>	<b>5.8</b>	<b>7.4</b>	<b>8.9</b>	<b>4.9</b>	<b>4.7</b>	<b>3.7</b>	<b>2.3</b>
<i>Less:</i> Contribution of supplements to wages and salaries per hour.....	-0.2	-0.2	-0.3	-0.3	-0.4	-0.2	0.0	0.1
<i>Plus:</i> Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions.....	-0.2	-0.2	-0.2	-0.6	-0.3	-0.1	0.3	0.0
<i>Less:</i> Contribution of wages and salaries per hour of persons in government enterprises, unpaid family workers, and self-employed.....	0.0	-0.1	0.3	-0.5	-0.1	0.1	-0.1	0.1
<b>Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector</b> .....	<b>6.7</b>	<b>5.9</b>	<b>7.1</b>	<b>9.2</b>	<b>5.2</b>	<b>4.7</b>	<b>3.9</b>	<b>2.1</b>
<i>Less:</i> Contribution of wages and salaries per hour of nonproduction workers in manufacturing.....	0.0	-0.1	0.8	1.0	0.4	0.6	0.4	0.2
<i>Less:</i> Other differences <sup>2</sup> .....	2.9	1.7	2.7	3.2	0.8	-0.2	-0.5	-1.8
<b>Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls</b> .....	<b>3.8</b>	<b>4.2</b>	<b>3.7</b>	<b>5.0</b>	<b>4.0</b>	<b>4.3</b>	<b>4.1</b>	<b>3.8</b>
<b>Addendum:</b> BLS estimates of compensation per hour in the nonfarm business sector <sup>3</sup> .....	6.5	5.8	7.4	8.9	4.9	4.7	3.7	2.3

1. Includes BLS data on compensation and hours of nonfarm proprietors and hours worked of unpaid family workers.

2. Includes BEA use of non-BLS data and differences in detailed weighting. Annual estimates also include differences in BEA and BLS benchmark procedures; quarterly estimates also include differences in seasonal adjustment procedures.

3. These estimates differ from the BEA-derived estimates (first line) because the BLS estimates include compensation and hours of tenant-occupied housing.

BLS Bureau of Labor Statistics.

**Table 2. Relation of Net Exports of Goods and Services and Net Receipts of Income in the NIPA's to Balance on Goods, Services, and Income in the ITA's**  
[Billions of dollars]

	Line	2000	2001	Seasonally adjusted at annual rates					
				2000		2001			
				III	IV	I	II	III	IV
<b>Exports of goods, services, and income receipts, ITA's</b> .....	<b>1</b>	<b>1,418.6</b>	<b>1,298.4</b>	<b>1,444.9</b>	<b>1,450.5</b>	<b>1,416.6</b>	<b>1,342.9</b>	<b>1,249.3</b>	<b>1,184.8</b>
<i>Less:</i> Gold, ITA's.....	2	6.0	4.9	4.3	6.5	6.7	7.6	2.4	2.9
Statistical differences <sup>1</sup> .....	3	0.0	-13.9	0.0	0.0	-5.0	-13.9	-18.4	-18.5
Other items.....	4	1.2	1.0	1.5	0.9	1.2	1.1	1.0	0.8
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments.....	5	6.2	6.5	6.5	6.5	8.4	6.4	5.8	5.5
Adjustment for U.S. territories and Puerto Rico.....	6	48.3	49.7	49.6	50.8	51.2	49.2	49.0	49.4
Services furnished without payment by financial intermediaries except life insurance carriers.....	7	21.2	22.9	22.5	22.8	23.0	23.0	22.7	22.9
<b>Equals: Exports of goods and services and income receipts, NIPA's</b> .....	<b>8</b>	<b>1,487.1</b>	<b>1,385.5</b>	<b>1,517.8</b>	<b>1,523.1</b>	<b>1,496.3</b>	<b>1,426.5</b>	<b>1,341.9</b>	<b>1,277.4</b>
<b>Imports of goods, services, and income payments, ITA's</b> .....	<b>9</b>	<b>1,809.1</b>	<b>1,665.3</b>	<b>1,853.8</b>	<b>1,849.1</b>	<b>1,817.8</b>	<b>1,726.1</b>	<b>1,592.8</b>	<b>1,524.6</b>
<i>Less:</i> Gold, ITA's.....	10	5.9	4.3	4.2	6.7	6.1	6.5	2.2	2.5
Statistical differences <sup>1</sup> .....	11	0.0	5.8	0.0	0.0	3.8	-0.1	8.9	10.3
Other items.....	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Plus:</i> Gold, NIPA's.....	13	-3.3	-2.9	-3.2	-3.0	-3.0	-3.1	-3.0	-2.5
Adjustment for grossing of parent/affiliate interest payments.....	14	6.2	6.5	6.5	6.5	8.4	6.4	5.8	5.5
Adjustment for U.S. territories and Puerto Rico.....	15	35.8	38.8	41.1	40.9	34.3	39.7	40.2	41.2
Imputed interest paid to rest of world.....	16	21.2	22.9	22.5	22.8	23.0	23.0	22.7	22.9
<b>Equals: Imports of goods and services and income payments, NIPA's</b> .....	<b>17</b>	<b>1,863.1</b>	<b>1,720.6</b>	<b>1,916.5</b>	<b>1,909.5</b>	<b>1,870.6</b>	<b>1,785.6</b>	<b>1,647.4</b>	<b>1,578.9</b>
<b>Balance on goods, services, and income, ITA's (1-9)</b> .....	<b>18</b>	<b>-390.5</b>	<b>-366.9</b>	<b>-408.9</b>	<b>-398.6</b>	<b>-401.2</b>	<b>-383.2</b>	<b>-343.5</b>	<b>-339.8</b>
<i>Less:</i> Gold (2-10+13).....	19	-3.2	-2.3	-3.1	-3.2	-2.4	-2.0	-2.8	-2.1
Statistical differences (3-11) <sup>1</sup> .....	20	0.0	-19.7	0.0	0.0	-8.8	-13.8	-27.3	-28.8
Other items (4-12).....	21	1.2	1.0	1.5	0.9	1.2	1.1	1.0	0.8
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15).....	22	12.5	10.9	8.5	9.9	16.9	9.5	8.8	8.2
<b>Equals: Net exports of goods and services and net receipts of income, NIPA's (8-17)</b> .....	<b>23</b>	<b>-376.0</b>	<b>-335.1</b>	<b>-398.7</b>	<b>-386.4</b>	<b>-374.3</b>	<b>-359.1</b>	<b>-305.5</b>	<b>-301.5</b>

1. Consists of statistical revisions in the NIPAs that have not yet been incorporated into the ITA's (2001:IV) and statistical revisions in the ITA's that have not yet been incorporated into the NIPAs (2001:I-2001:IV).

ITA's International transactions accounts  
NIPA's National income and product accounts

## Appendix B

### Suggested Reading

The Bureau of Economic Analysis (BEA) has published a wealth of information about the methodologies that are used to prepare its national, industry, international, and regional accounts. In addition, most of this information is available on BEA's Web site at <[www.bea.gov](http://www.bea.gov)>. Look under "Methodologies"; for articles from the SURVEY OF CURRENT BUSINESS, look under "Publications."

#### National accounts

The national accounts encompass the detailed estimates in the national income and product accounts (including gross domestic product) and the estimates of wealth and related estimates.

**National income and product accounts (NIPA's).** This series of papers documents the conceptual framework of the NIPA's and the methodologies that have been used to prepare the estimates.

*An Introduction to National Economic Accounting* (1985) [also in the March 1985 SURVEY]

*Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends* (1985) [An updated version (March 2002) is available on BEA's Web site.]

*Foreign Transactions* (1987)

*GNP: An Overview of Source Data and Estimating Methods* (1987)

*Government Transactions* (1988)

*Personal Consumption Expenditures* (1990)

The methodologies described in these papers have been updated and improved, typically as part of the comprehensive and annual revisions of the NIPA's. For more information, see the following.

*National Income and Product Accounts of the United States, 1929-97* (2001) provides the definitions of the major NIPA aggregates and components, discusses the measures of real output and prices, explains how production is classified and how the NIPA's are presented, describes the statistical conventions that are used, and lists the principal source data and methods that are used to prepare the estimates of gross domestic product (GDP). [Go to <[www.bea.gov/bea/an/nipaguid.htm](http://www.bea.gov/bea/an/nipaguid.htm)>.]

Information about the sources and methods that are used to prepare the national estimates of personal income, which are the basis for the State estimates, is in *State Personal Income, 1929-97* (1999).

In addition, see the following articles in the SURVEY.

"Updated Summary NIPA Methodologies" (October 2001) briefly describes the principal source data and methods used to prepare the current-dollar and real estimates of GDP.

"Annual Revision of the National Income and Product Accounts" (August 2001).

"BEA's Chain Indexes, Time Series, and Measures of Long-Term Economic Growth" (May 1997) is the most recent in a series of articles that describe the conceptual basis for the chain-type measures of real output and prices that are used in the NIPA's.

"Reliability of GDP and Related NIPA Estimates" (January 2002) evaluates the principal NIPA estimates by examining the record of revisions to them.

**Wealth and related estimates.** *Fixed Reproducible Tangible Wealth in the United States, 1925-94* (1999) discusses the concepts and statistical considerations that underlie the estimates and their derivation.

"Fixed Assets and Consumer Durable Goods for 1925-98" (April 2000) describes the definitional and statistical improvements that were incorporated in the comprehensive revision of the estimates.

#### Industry accounts

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

**Gross product by industry.** "Improved Estimates of Gross Product by Industry for 1947-98" (June 2000) describes the most recent comprehensive revision of these estimates.

#### Mission Statement and Strategic Plan

The mission statement of the Bureau of Economic Analysis and the latest update to its strategic plan for improving the accuracy, reliability, and relevance of the national, industry, regional, and international accounts are available on BEA's Web site at <[www.bea.gov](http://www.bea.gov)>. See also "BEA's Preliminary Strategic Plan for 2001-2005" in the December 2001 issue of the SURVEY OF CURRENT BUSINESS.



“Gross Domestic Product by Industry for 1998–2000” (November 2001) describes the most recent annual revision of these estimates.

**Input-output accounts.** “Benchmark Input-Output Accounts for the U.S. Economy, 1992” (November 1997) describes the preparation of the 1992 accounts and the concepts and methods that underlie the accounts.

“Annual Input-Output Accounts of the U.S. Economy” presents annual tables that update the 1992 benchmark accounts

For 1996 (January 2000)

For 1997 (January 2001)

For 1998 (December 2001)

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

“U.S. Transportation Satellite Accounts”

For 1992 (April 1998)

For 1996 (May 2000)

“U.S. Travel and Tourism Satellite Accounts”

For 1992 (July 1998)

For 1996 and 1997 (July 2000)

### International accounts

The international accounts encompass the international transactions accounts, direct investment, and international transactions in services.

**International transactions accounts (ITA's).** *The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures* (1990) describes the methodologies used to prepare the estimates in the ITA's and the international investment position of the United States. These methodologies are usually updated and improved as part of the annual revisions of the ITA's.

“U.S. International Transactions, Revised Estimates” is a series of articles about the annual ITA revisions and the improvements in methodology; the latest article is published in the July 2001 SURVEY.

**Direct investment.** *International Direct Investment: Studies by the Bureau of Economic Analysis* (1999) is a collection of previously published articles on U.S. direct investment abroad and foreign direct investment in the United States. It also includes the following information.

The “Methodology for U.S. Direct Investment Abroad,” which is also available in *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results* (1998)

“A Guide to BEA Statistics on U.S. Multinational Companies,” which is also available in the March 1995 SURVEY

“A Guide to BEA Statistics on Foreign Direct Investment in the United States,” which is also available in the February 1990 SURVEY

In addition, the updated methodology for foreign direct investment in the United States is available in *Foreign Direct Investment in the United States: Final Results From the 1997 Benchmark Survey* (2001)

**International services.** *U.S. International Transactions in Private Services: A Guide to the Surveys Conducted by the Bureau of Economic Analysis* (1998) describes 11 surveys. It includes classifications, definitions, release schedules, the methods used to prepare the estimates, and samples of the survey forms.

### Regional accounts

The regional accounts include estimates of personal income and gross state product.

**Personal income.** Estimates of personal income are prepared for States and for local areas.

“Comprehensive Revision of State Personal Income for 1969–99” (June 2000) summarizes the changes in the methodology that is used to prepare the estimates. The detailed methodology is available on the CD-ROM *State Personal Income, 1929–2000*.

“Comprehensive Revision of Local Area Personal Income for 1969–98” (July 2000) summarizes the changes in the methodology that is used to prepare the estimates for counties and metropolitan areas. The detailed methodology is available on the CD-ROM *Regional Economic Information System, 1969–99*.

**Gross state product.** “Comprehensive Revision of Gross State Product by Industry, 1977–94” (June 1997 SURVEY) summarizes the sources and the methods that are used to prepare the estimates. “Gross State Product by Industry, 1977–98” (October 2000) describes the most recent comprehensive revision of these estimates.




---

**Schedule of Upcoming BEA News Releases**

---

U.S. International Trade in Goods and Services, February 2002*	Apr. 17	8:30 a.m.
State Personal Income, 4th quarter 2001 and Per Capita Personal Income, 2001 (preliminary)	Apr. 23	9:00 a.m.
Gross Domestic Product, 1st quarter 2002 (advance)	Apr. 26	8:30 a.m.
Personal Income and Outlays, March 2002	Apr. 29	8:30 a.m.
Local Area Personal Income, 2000	May 6	9:00 a.m.
U.S. International Trade in Goods and Services, March 2002*	May 17	8:30 a.m.
Gross Domestic Product, 1st quarter 2002 (preliminary) and Corporate Profits, 1st quarter 2002 (preliminary)	May 24	8:30 a.m.
Personal Income and Outlays, April 2002	May 28	8:30 a.m.
Foreign Investors' Spending to Acquire or Establish U.S. Businesses, 2001	June 5	10:00 a.m.
Gross State Product by Industry, 1998-2000	June 10	9:00 a.m.
U.S. International Trade in Goods and Services, April 2002*	June 20	8:30 a.m.
U.S. International Transactions, 1st quarter 2002	June 20	8:30 a.m.
Gross Domestic Product, 1st quarter 2002 (final) and Corporate Profits, 1st quarter 2002 (revised)	June 27	8:30 a.m.
Personal Income and Outlays, May 2002	June 28	8:30 a.m.
International Investment Position of the United States, 2001	June 28	10:00 a.m.
U.S. International Trade in Goods and Services, May 2002*	July 19	8:30 a.m.
State Personal Income, 1st quarter 2002	July 24	9:00 a.m.
Gross Domestic Product, 2nd quarter 2002 (advance)	July 31	8:30 a.m.

\* Joint release by the Bureau of the Census and the Bureau of Economic Analysis (BEA)  
 For more information, call BEA at 202-606-9900, or go to our Web site at [www.bea.gov](http://www.bea.gov)