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# SURVEY OF CURRENT BUSINESS

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and Year 2002

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# SURVEY OF CURRENT BUSINESS

April 2003

Volume 83 • Number 4

## 1 **Business Situation: Final Estimates for the Fourth Quarter of 2002**

Real GDP increased 1.4 percent in the fourth quarter of 2002, according to the “final” estimate, the same increase as shown in the “preliminary” estimate issued last month. Corporate profits increased \$25.1 billion (3.2 percent at a quarterly rate) in the fourth quarter. The Federal Government current deficit increased \$37.2 billion, to \$247.7 billion, and the state and local government current deficit decreased \$4.1 billion, to \$50.6 billion.

## 10 **Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade, 2002:IV**

Four tables present the latest quarterly and monthly estimates of real inventories and sales for manufacturing and trade and of real inventories by stage of fabrication for manufacturing.

## 13 **Income and Outlays of Households and of Nonprofit Institutions Serving Households**

As part of the upcoming comprehensive revision of the NIPA's, BEA plans to introduce two new annual tables. The first table shows income and outlays of households separately from those of nonprofit institutions serving households. The second table reconciles the new estimates for nonprofit institutions serving households with the Internal Revenue Service estimates for nonprofit institutions. Preliminary estimates for 1992–2001 prepared by BEA indicate that the decline in the personal saving rate from 1992 to 1998 was entirely attributable to a decline in household saving, but the decline from 1998 to 2001 was attributable to declines in both household saving and saving by nonprofit institutions serving households.

## 18 **U.S. International Transactions, Fourth Quarter and Year 2002**

In the fourth quarter of 2002, the U.S. current-account deficit increased \$10.6 billion, to \$136.9 billion. Most of the increase was accounted for by an increase in the deficit on goods. In the financial account, net recorded financial inflows decreased \$25.5 billion, to \$144.1 billion, reflecting a shift in transactions for U.S.-owned assets abroad from an outflow to an inflow and an increase in inflows for foreign-owned assets in the United States.

In the year 2002, the U.S. current-account deficit increased \$110.0 billion, to \$503.4 billion. Most of the increase was accounted for by an increase in the deficit on goods and a decrease in the surplus on services. In the financial account, net recorded financial inflows increased \$92.4 billion, to \$474.2 billion, as outflows for U.S.-owned assets abroad decreased more than inflows for foreign-owned assets in the United States.

## D-1 BEA Current and Historical Data

Inside back cover: BEA Web Site and BEA Contacts

Back cover: Schedule of Upcoming News Releases

### LOOKING AHEAD

**Annual Revision of Local Area Personal Income.** On May 6, 2003, BEA will release the results of the annual revision of local area personal income for 1999–2001. An article that presents the new estimates for 2001 and the revised estimates for 1999 and 2000 of personal income for counties, metropolitan areas, and BEA economic areas will be published in the May SURVEY.

**Accelerated Estimates of GDP by Industry.** An article scheduled for the May SURVEY will present accelerated current-dollar and real estimates of GDP by industry for 2002. These estimates, which are prepared using an abbreviated methodology, will be provided for broad industry groups on a Standard Industrial Classification basis.

**State Government and Local Government Receipts and Expenditures.** An article that provides separate estimates of the finances of state governments and of local governments for 1959–2001 on a NIPA basis will be published in a forthcoming issue of the SURVEY. The article will describe the state and local government estimates and how they are measured, and it will summarize broad trends in the estimates.

# Business Situation

## Final Estimates for the Fourth Quarter of 2002

THE picture of the economy shown in the final estimates of the national income and product accounts (NIPA's) for the fourth quarter of 2002 is virtually the same as in the preliminary estimates released last month. Revisions to the components of GDP were offsetting and generally small (see the section "Revisions").

According to both the final and the preliminary estimates, real gross domestic product (GDP) increased 1.4 percent in the fourth quarter (table 1 and chart 1).<sup>1</sup> (Over the past 20 years, the average revision to GDP growth, without regard to the sign, from the preliminary estimate to the final estimate was 0.3 percentage point.) In the third quarter, real GDP had increased 4.0 percent.

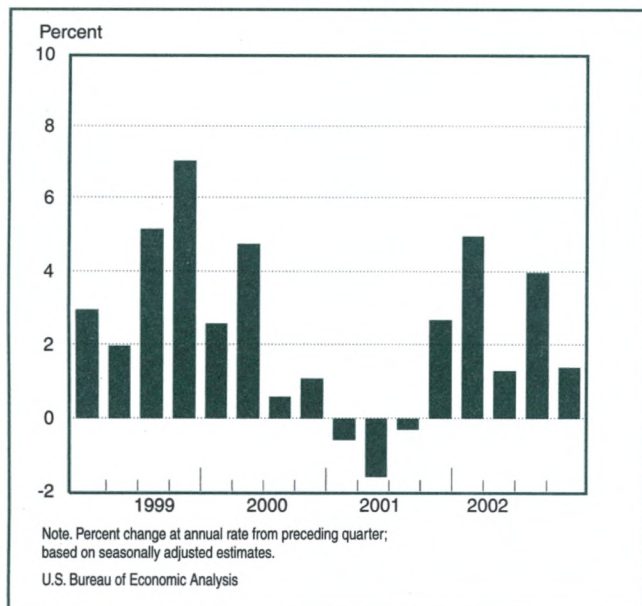
The slowdown in real GDP growth from the third quarter to the fourth was mainly accounted for by consumer spending and exports.<sup>2</sup>

- Consumer spending contributed 1.19 percentage points to fourth-quarter growth after contributing

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

Daniel Larkins and Raymen G. Labella prepared this article.

Chart 1. Real Gross Domestic Product



more than twice as much to third-quarter growth (table 2). Auto and truck purchases decreased after surging in the third quarter in response to aggressive sales-incentive programs that included generous rebates and zero-rate financing. In contrast to the downturn in purchases of durable goods, purchases of nondurable goods accelerated, and purchases of services increased about as much as in the third quarter.

- Exports turned down and subtracted from growth in the fourth quarter after adding to it in the third. (Imports accelerated and subtracted more from growth in the fourth quarter than in the third.)
- Inventory investment also contributed to the slowdown in GDP growth, as inventory stocks grew

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

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				Percent change from preceding quarter			
	2002	2002				2002			
	IV	I	II	III	IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>9,518.2</b>	<b>114.4</b>	<b>29.2</b>	<b>93.2</b>	<b>32.6</b>	<b>5.0</b>	<b>1.3</b>	<b>4.0</b>	<b>1.4</b>
Less: Exports of goods and services	1,061.6	8.8	34.9	12.2	-16.1	3.5	14.3	4.6	-5.8
Plus: Imports of goods and services	1,593.8	29.9	75.8	12.8	28.1	8.5	22.2	3.3	7.4
<b>Equals: Gross domestic purchases</b>	<b>10,005.5</b>	<b>132.9</b>	<b>62.6</b>	<b>93.9</b>	<b>70.8</b>	<b>5.6</b>	<b>2.6</b>	<b>3.9</b>	<b>2.9</b>
Less: Change in private inventories	25.8	69.5	33.8	13.9	7.0	.....	.....	.....	.....
<b>Equals: Final sales to domestic purchasers</b> .....	<b>9,970.1</b>	<b>72.1</b>	<b>31.6</b>	<b>80.1</b>	<b>64.0</b>	<b>3.0</b>	<b>1.3</b>	<b>3.3</b>	<b>2.6</b>
Personal consumption expenditures .....	6,637.9	49.8	28.6	67.5	28.0	3.1	1.8	4.2	1.7
Durable goods .....	1,010.6	-16.1	4.8	51.7	-21.8	-6.3	2.0	22.8	-8.2
Nondurable goods .....	1,950.0	36.4	-0.5	4.9	24.2	7.9	-0.1	1.0	5.1
Services .....	3,707.0	25.6	24.0	20.8	20.0	2.9	2.7	2.3	2.2
Private fixed investment .....	1,588.5	-2.0	-3.8	-1.0	16.9	-0.5	-1.0	-0.3	4.4
Nonresidential .....	1,185.3	-18.0	-7.3	-2.4	6.6	-5.8	-2.4	-0.8	2.3
Structures .....	212.6	-9.5	-11.5	-13.5	-5.6	-14.2	-17.6	-21.4	-9.9
Equipment and software .....	992.1	-6.6	7.7	15.8	14.9	-2.7	3.3	6.7	6.2
Residential .....	395.9	12.6	2.5	1.0	8.8	14.2	2.7	1.1	9.4
Government consumption expenditures and gross investment .....	1,735.0	22.8	6.0	12.3	19.4	5.6	1.4	2.9	4.6
Federal .....	631.4	10.6	10.9	6.4	16.3	7.4	7.5	4.3	11.0
National defense .....	413.2	10.5	7.3	6.7	10.7	11.6	7.8	6.9	11.0
Nondefense .....	218.3	0.2	3.6	-0.2	5.6	0.4	6.9	-0.3	11.1
State and local .....	1,104.0	12.2	-4.6	5.9	3.4	4.6	-1.7	2.2	1.2
<b>Addendum: Final sales of domestic product</b> .....	<b>9,483.1</b>	<b>54.5</b>	<b>-1.5</b>	<b>79.3</b>	<b>25.9</b>	<b>2.4</b>	<b>-0.1</b>	<b>3.4</b>	<b>1.1</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.)

more slowly than in the third quarter. Inventory investment contributed about half as much to GDP growth in the fourth quarter as in the third.<sup>3</sup>

The dampening effects of these components on

GDP growth were partly offset by a step-up in Federal Government spending and by an upturn in private fixed investment.

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

	2002			
	I	II	III	IV
<b>Percent change at annual rate:</b>				
Gross domestic product .....	5.00	1.30	4.00	1.40
<b>Percentage points at annual rates:</b>				
Personal consumption expenditures .....	2.22	1.22	2.93	1.19
Durable goods .....	-0.55	0.16	1.74	-0.72
Nondurable goods .....	1.57	-0.02	0.22	1.01
Services .....	1.20	1.08	0.97	0.90
Gross private domestic investment .....	2.53	1.16	0.55	0.93
Fixed investment .....	-0.07	-0.15	-0.03	0.65
Nonresidential .....	-0.66	-0.27	-0.08	0.24
Structures .....	-0.44	-0.53	-0.62	-0.25
Equipment and software .....	-0.22	0.26	0.53	0.49
Residential .....	0.60	0.12	0.05	0.41
Change in private inventories .....	2.60	1.31	0.58	0.28
Net exports of goods and services .....	-0.75	-1.40	-0.01	-1.59
Exports .....	0.33	1.29	0.45	-0.59
Goods .....	-0.23	0.99	0.28	-0.82
Services .....	0.56	0.30	0.17	0.23
Imports .....	-1.08	-2.69	-0.47	-1.00
Goods .....	-0.40	-2.74	-0.40	-0.71
Services .....	-0.68	0.05	-0.07	-0.30
Government consumption expenditures and gross investment .....	1.04	0.27	0.56	0.85
Federal .....	0.47	0.47	0.29	0.70
National defense .....	0.46	0.32	0.29	0.46
Nondefense .....	0.01	0.16	-0.01	0.25
State and local .....	0.56	-0.21	0.27	0.15

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.

- Federal Government spending increased more than twice as much as in the third quarter; it added 0.70 percentage point to fourth-quarter growth after adding 0.29 percentage point to third-quarter growth. Nondefense spending turned up, and defense spending accelerated. In contrast, spending by state and local governments slowed.

- Private fixed investment increased in the fourth quarter after declining for 2 years. Investment in nonresidential structures continued to be a source of weakness, but it was more than counterbalanced by investment in nonresidential equipment and software, which increased for the third quarter in a row, and by residential investment, which increased for the fourth quarter in a row.

The price index for gross domestic purchases increased 1.8 percent, 0.2 percentage point higher than the preliminary estimate. In the third quarter, the price index had increased 1.2 percent. Food and energy prices accounted for half of the step-up from the third quarter to the fourth.

3. In the NIPA's, the *change* in private inventories (inventory investment) affects the *level* of GDP; the "*change in the change*" in private inventories affects the *change* (or growth) in GDP.

## Revisions

The most notable of the small, offsetting revisions to the components of GDP were a downward revision to exports of services and an upward revision to consumer purchases of services (table 3). The downward revision subtracted 0.12 percentage point from real GDP growth; the upward revision added the same amount.

The revision to exports mainly reflected the incorporation (on a "best-change" basis) of revised third-quarter data and newly available fourth-quarter data on services from BEA's international transactions accounts.<sup>4</sup>

The revision to consumer purchases mainly reflected the incorporation of newly available data for November on electricity and gas usage and unit-values from the Energy Information Administration.

The upward revision to the price index for gross domestic purchases primarily reflected a revision to the implicit price for financial services; it reflected the incorporation of newly available "call report" data from the Federal Deposit Insurance Corporation.

The final NIPA estimates for the fourth quarter also include revised third-quarter estimates of wages and salaries, personal taxes, and contributions for social insurance.

- Wages and salaries were revised down, reflecting the incorporation of the most recently available tabulations of private wages and salaries from the state unemployment insurance program by the Bureau of Labor Statistics.

4. The relationship between estimates in the international transactions accounts and corresponding estimates in the NIPA's is shown in Appendix A, table 2, on page D-74.

Incorporating the source data on a best-change basis provides accurate measures of the *change* in the estimates for all periods, but it results in *levels* of estimates that are not fully consistent with the source data. In general, BEA incorporates source data on a best-change basis in order to preserve accurate estimates of growth and consistent time series. (See also the box "Incorporating Source Data on the Basis of Best Change," Eugene P. Seskin and David F. Sullivan, "Annual Revision of the National Income and Product Accounts," SURVEY OF CURRENT BUSINESS 80 (August 2000): 16.)

- Both personal taxes and contributions for social insurance were revised down, reflecting the revision to wages and salaries.

As a result of these revisions, real disposable personal income is now estimated to have increased 1.8 percent in the third quarter (revised down from 3.1 percent) and 2.4 percent in the fourth quarter (revised down from 2.7 percent).

**Table 3. Revisions to Change in Real Gross Domestic Product and Prices, Fourth Quarter 2002**  
[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> .....	1.4	1.4	0	-1.3
Less: Exports .....	-4.4	-5.8	-1.4	-3.9
Goods .....	-11.1	-11.5	-0.4	-0.8
Services .....	12.3	8.0	-4.3	-3.0
Plus: Imports .....	7.2	7.4	0.2	0.7
Goods .....	6.1	6.2	0.1	0.4
Services .....	12.4	13.0	0.6	0.3
<b>Equals: Gross domestic purchases</b> .....	<b>2.8</b>	<b>2.9</b>	<b>0.1</b>	<b>2.7</b>
Less: Change in private inventories .....				1.1
<b>Equals: Final sales to domestic purchasers</b> .....	<b>2.5</b>	<b>2.6</b>	<b>0.1</b>	<b>1.8</b>
Personal consumption expenditures .....	1.5	1.7	0.2	3.8
Durable goods .....	-8.5	-8.2	0.3	0.9
Nondurable goods .....	5.1	5.1	0	0.3
Services .....	1.9	2.2	0.3	2.7
Private fixed investment .....	4.5	4.4	-0.1	-0.7
Nonresidential .....	2.5	2.3	-0.2	-0.8
Structures .....	-9.8	-9.9	-0.1	0
Equipment and software .....	6.6	6.2	-0.4	-0.7
Residential .....	9.4	9.4	0	0
Government consumption expenditures and gross investment .....	4.9	4.6	-0.3	-1.3
Federal .....	11.2	11.0	-0.2	-0.2
National defense .....	11.4	11.0	-0.4	-0.3
Nondefense .....	10.8	11.1	0.3	0.1
State and local .....	1.6	1.2	-0.4	-1.1
<b>Addendum:</b>				
Final sales of domestic product .....	1.2	1.1	-0.1	-2.2
Gross domestic purchases price index .....	1.6	1.8	0.2	
GDP price index .....	1.6	1.8	0.2	

NOTE: The final estimates for the fourth quarter of 2002 incorporate the following revised or additional major source data that were not available when the preliminary estimates were prepared.

Personal consumption expenditures: Revised retail sales for December, bank services data for the quarter, and electricity and natural gas usage.

Nonresidential fixed investment: Revised construction put-in-place for November and December.

Residential fixed investment: Revised construction put-in-place for November and December.

Change in private inventories: Revised manufacturers' and trade inventories for December.

Exports and imports of goods and services: Revised international transactions accounts data on services for the third quarter and new data on services for the fourth.

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

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

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

## Gross National Product

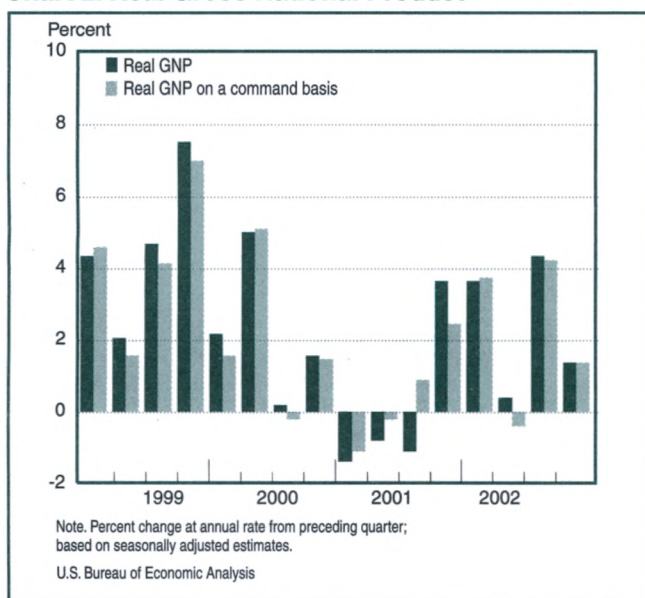
Real gross national product (GNP) increased 1.4 percent in the fourth quarter, the same as real GDP; a decline in receipts from the rest of the world was offset by a decline in payments to the rest of the world (table 4).<sup>5</sup> The decreases in both receipts and payments were more than accounted for by receipts and payments of interest income.

“Command-basis” GNP also increased 1.4 percent (chart 2). This variant of GNP measures the change in the purchasing power in world markets of the goods and services produced by the U.S. economy—in other words, the change in the quantity of goods and services that could be purchased by the United States as a result of its current production.

Changes in command-basis GNP reflect changes in the prices of traded goods and services as summarized by movements in the “terms of trade”—the ratio of export prices to import prices. In the fourth quarter, the

5. 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.

**Chart 2. Real Gross National Product**



terms of trade were unchanged.<sup>6</sup>

The national saving rate, which is measured as gross saving as a percentage of GNP, held at 14.6 percent, the same as the revised estimate for the third quarter. The rate had peaked at 18.5 percent in the third quarter of 2000.

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

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

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

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

[Seasonally adjusted at annual rates]

	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter							
	2002	2002				2002			
	IV	I	II	III	IV	I	II	III	IV
<b>Gross domestic product</b> .....	9,518.2	114.4	29.2	93.2	32.6	5.0	1.3	4.0	1.4
Plus: Income receipts from the rest of the world.....	257.5	-4.6	9.0	9.5	-3.8	-7.2	15.7	15.9	-5.7
Less: Income payments to the rest of the world.....	264.2	26.1	29.0	1.3	-5.3	58.7	58.2	1.9	-7.6
<b>Equals: Gross national product</b> ....	<b>9,512.1</b>	<b>84.0</b>	<b>9.2</b>	<b>101.2</b>	<b>34.2</b>	<b>3.7</b>	<b>0.4</b>	<b>4.4</b>	<b>1.4</b>
Less: Exports of goods and services and income receipts from the rest of the world.....	1,314.4	3.3	43.9	22.3	-19.8	1.1	14.6	7.0	-5.8
Plus: Command-basis exports of goods and services and income receipts from the rest of the world <sup>1</sup>	1,345.4	6.3	24.4	20.0	-20.2	1.9	7.6	6.1	-5.8
<b>Equals: Command-basis gross national product</b> .....	<b>9,543.1</b>	<b>86.9</b>	<b>-10.3</b>	<b>99.0</b>	<b>33.8</b>	<b>3.8</b>	<b>-0.4</b>	<b>4.3</b>	<b>1.4</b>
	Index number								
<b>Addendum:</b>									
Terms of trade <sup>2</sup> .....	102.4	0.2	-1.6	-0.2	0.0	0.8	-6.0	-0.8	0.0

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

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

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



## Corporate Profits

Profits from current production increased \$25.1 billion (3.2 percent at a quarterly rate) in the fourth quarter after decreasing in the first three quarters of 2002 (table 5).<sup>7</sup> The after-tax measure of current-production profits also increased in the fourth quarter after decreasing earlier in the year.

Profits of domestic nonfinancial corporations increased \$26.8 billion (6.0 percent); unit costs decreased, while prices and output increased.<sup>8</sup> The increase in prices followed four consecutive declines. Profits of domestic financial corporations increased slightly.

Profits from the rest of the world decreased \$2.0 billion.<sup>9</sup> Both receipts and payments posted modest increases, but the increase in payments was larger.

Cash flow from current production, a profits-related measure of internally generated funds available for investment, increased \$14.0 billion, a little more

than it had decreased in the third quarter.<sup>10</sup> The ratio of cash flow to nonresidential fixed investment, an indicator of the extent to which the current level of investment could be financed by internally generated funds, increased to 86.7 percent from 86.0 percent. (During the expansion of the 1990s, the ratio averaged 82.2 percent.)

**Domestic industry profits.** The current-production measure of profits is not available at detailed industry levels, because industry detail for the capital consumption adjustment does not exist. Consequently, industry profits are best measured by profits with inventory valuation adjustment.

For nonfinancial industries, the largest increase in this measure of profits was posted by wholesale trade (chart 3). Retail trade profits, in contrast, decreased.

Manufacturing profits increased about as much as in the third quarter. The largest increases were posted

7. 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) as corporate profits with inventory valuation and capital consumption adjustments.

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

8. "Output" here is the gross product of nonfinancial corporations. It measures the contribution, or value added, of these businesses to the Nation's output, and it is measured as the sum of incomes generated by these businesses.

9. 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.

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

**Table 5. Corporate Profits**  
(Quarterly estimates, seasonally adjusted)

	Billions of dollars (annual rate)						Percent change from preceding period <sup>1</sup>			
	Level		Change from preceding period				2001	2002	2002	
	2002	2002	2001	2002	2002				III	IV
		IV			III	IV				
<b>Profits from current production</b> .....	<b>787.4</b>	<b>796.1</b>	<b>-56.5</b>	<b>55.8</b>	<b>-14.0</b>	<b>25.1</b>	<b>-7.2</b>	<b>7.6</b>	<b>-1.8</b>	<b>3.2</b>
Domestic industries.....	668.1	682.0	-63.9	87.2	-15.0	27.1	-9.9	15.0	-2.2	4.1
Financial.....	209.7	207.6	-9.5	36.2	-3.4	0.3	-5.2	20.9	-1.6	0.1
Nonfinancial.....	458.4	474.4	-54.4	51.0	-11.7	26.8	-11.8	12.5	-2.5	6.0
Rest of the world.....	119.3	114.1	7.5	-31.5	1.0	-2.0	5.2	-20.9	0.9	-1.8
Receipts (inflows).....	177.0	187.3	-31.4	4.6	12.5	1.4	-15.4	2.7	7.2	0.8
Payments (outflows).....	57.7	73.3	-38.9	36.1	11.4	3.6	-64.2	166.6	19.6	5.0
IVA.....	-6.9	-8.5	20.0	-11.9	-9.4	6.6				
CCAAdj.....	129.1	109.7	35.7	72.6	-15.2	-7.9				
Profits before tax.....	665.2	694.9	-112.1	-5.0	10.6	26.4	-14.3	-0.7	1.6	3.9
Profits tax liability.....	213.3	222.4	-60.1	14.0	1.0	7.7	-23.2	7.0	0.5	3.6
Profits after tax.....	451.9	472.5	-52.0	-19.0	9.5	18.7	-10.0	-4.0	2.1	4.1
<b>Profits from current production less tax liability</b> .....	<b>574.1</b>	<b>573.7</b>	<b>3.6</b>	<b>41.8</b>	<b>-15.0</b>	<b>17.4</b>	<b>0.7</b>	<b>7.9</b>	<b>-2.6</b>	<b>3.1</b>
Cash flow from current production .....	967.3	968.7	38.1	55.5	-12.0	14.0	4.4	6.1	-1.2	1.5
<b>Domestic industry profits:</b>										
Corporate profits of domestic industries with IVA.....	539.0	572.3	-99.6	14.6	0.2	35.0	-16.0	2.8	0.0	6.5
Financial.....	217.3	216.5	-10.4	26.7	-2.4	0.4	-5.2	14.0	-1.1	0.2
Nonfinancial.....	321.7	355.8	-89.3	-12.0	2.6	34.6	-21.1	-3.6	0.8	10.8
Manufacturing.....	92.6	108.9	-76.4	9.2	8.6	8.4	-47.8	11.0	9.3	8.4
Transportation and public utilities.....	16.7	21.5	-8.9	-11.0	-3.9	8.3	-24.5	-39.7	-22.9	63.2
Wholesale trade.....	47.3	58.9	-17.3	2.5	-0.3	14.4	-28.0	5.7	-0.7	32.4
Retail trade.....	81.2	75.1	5.7	2.1	-3.5	-7.4	7.8	2.6	-4.0	-9.0
Other.....	83.9	91.5	7.8	-14.9	1.7	10.9	8.6	-15.0	2.2	13.5
<b>Unit price, costs, and profits of nonfinancial corporations:</b>										
Unit price.....	1.036	1.037	0.012	-0.005	-0.001	0.002				
Unit labor cost.....	0.680	0.679	0.007	-0.015	-0.001	0.000				
Unit nonlabor cost.....	0.269	0.270	0.017	0.002	0.002	-0.001				
Unit profits from current production.....	0.086	0.088	-0.011	0.007	-0.003	0.004				

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

CCAAdj Capital consumption adjustment

by petroleum refiners and by manufacturers of fabricated metal products. The largest decreases were posted by manufacturers of industrial machinery and equipment and by manufacturers of motor vehicles; both industries continued to record losses in the fourth quarter. For industrial machinery, the loss was the 6<sup>th</sup> in a row; for motor vehicles, the 11<sup>th</sup>.

Profits in the transportation and public utility group turned up sharply. Transportation registered positive profits after four consecutive losses. In communications, which is included in this industry group, losses continued for the 12<sup>th</sup> consecutive quarter, but they were not as severe as in the third quarter. Profits of utilities increased after decreasing.

Profits of "other" nonfinancial corporations increased much more than in the third quarter. Producers of crude oil and of services were mainly responsible for the step-up.

For financial industries, increases in the profits of commercial banks and of property and casualty insurance companies were largely offset by lower earnings of Federal Reserve banks.

**Profits before and after tax.** The fourth-quarter increase in profits before tax (PBT) was similar to the increase in profits from current production, as changes in the inventory valuation and capital consumption adjustments were offsetting.<sup>11</sup> (Earlier in the year, the capital consumption adjustment had been bigger—

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

that is, more negative—and had not been offset by the inventory valuation adjustment.<sup>12</sup>)

Profits after tax (PBT less profits tax liability) increased 4.1 percent in the fourth quarter, about twice as much as in the third quarter and more than at any time since the end of 1999.

**The year 2002.** For the year as a whole, profits from current production rebounded \$55.8 billion (7.6 percent), to \$787.4 billion; in 2001, they had decreased about that amount.<sup>13</sup> Profits of domestic corporations more than accounted for the upturn. Profits of domestic nonfinancial corporations increased \$51.0 billion after decreasing \$54.4 billion, as unit profits and output turned up. Profits of domestic financial corporations increased \$36.2 billion after decreasing \$9.5 billion.

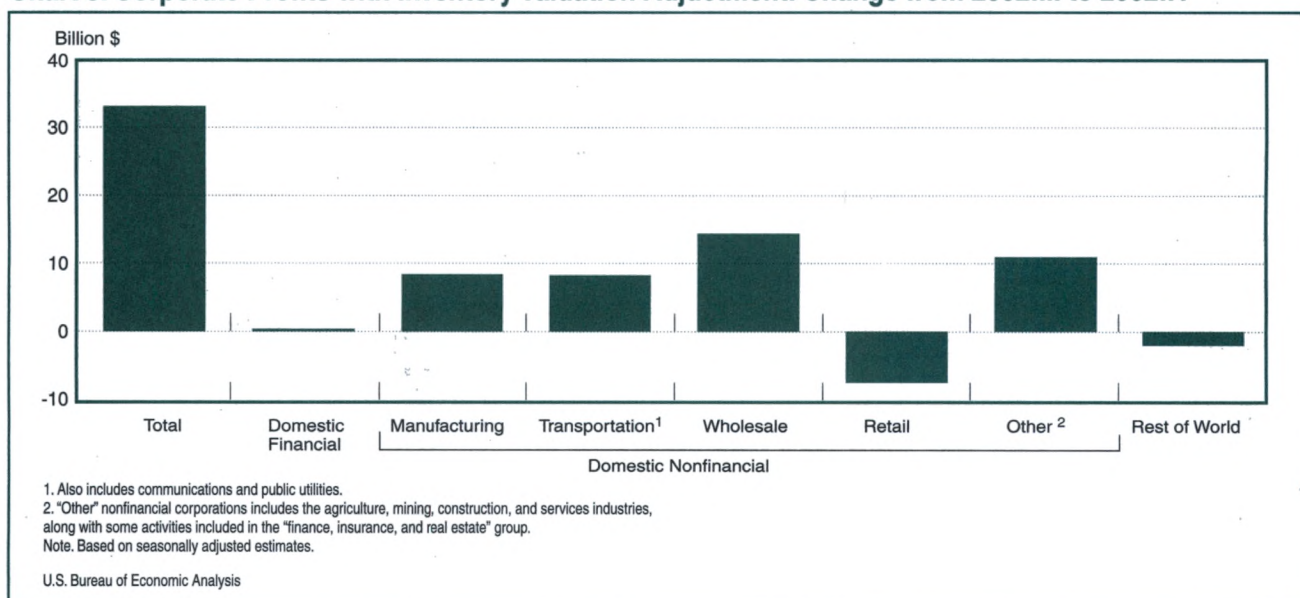
Profits from the rest of the world turned down, as payments by domestic affiliates to foreign parents turned up sharply.

Domestic profits with inventory valuation adjustment increased \$14.6 billion after decreasing \$99.6 billion. Nonfinancial profits decreased much less than in 2001, and financial profits turned up. The improvement in nonfinancial profits was accounted for by manufacturing and, to a lesser extent, by wholesale trade.

12. Since the fourth quarter of 2001, changes in the capital consumption adjustment have been dominated by the effect of tax law changes that allow accelerated depreciation for certain investments. See the box "Effects of the Job Creation and Worker Assistance Act of 2002," "Business Situation," SURVEY 82 (June 2002): 14.

13. These changes are calculated from *annual* levels for 2001 and 2002. Current-production profits in the fourth quarter of 2002 were \$15.3 billion (1.9 percent) less than in the fourth quarter of 2001.

**Chart 3. Corporate Profits with Inventory Valuation Adjustment: Change from 2002:III to 2002:IV**



In contrast to the increase in current-production profits, PBT decreased a little in 2002. The difference between the two measures of profits was more than accounted for by the capital consumption adjustment. The divergent movements in current-production prof-

its and PBT carried through to after-tax profits: PBT less tax liability decreased 4.0 percent in 2002 after decreasing more than twice as much in 2001; current-production profits less tax liability increased 7.9 percent after a much smaller increase.

## Government Sector

The combined current deficit of the Federal Government and of state and local governments increased \$33.1 billion, to \$298.3 billion, in the fourth quarter after increasing \$24.5 billion in the third (table 6).<sup>14</sup> The fourth-quarter increase was more than accounted for by the Federal current deficit, which increased more in the fourth quarter than in the third. The state and local current deficit decreased in the fourth quarter after increasing in the third.

### Federal

The Federal Government current deficit increased \$37.2 billion in the fourth quarter after increasing \$14.9 billion in the third. Current expenditures turned up more than current receipts.

**Current receipts.** Federal current receipts increased \$5.6 billion in the fourth quarter after decreasing \$19.6 billion in the third. The upturn reflected a smaller decrease in personal tax and nontax receipts in the fourth quarter than in the third and accelerations in corporate profits accruals and in contributions for social insurance. In contrast, indirect business tax and nontax accruals turned down.

Personal tax and nontax receipts decreased \$6.0 billion after decreasing \$25.3 billion. The smaller decrease in the fourth quarter than in the third was mostly accounted for by personal income taxes. Within personal income taxes, nonwithheld income taxes decreased \$3.6 billion after decreasing \$13.7 billion, and withheld income taxes decreased \$2.3 billion after decreasing \$11.1 billion.

Corporate profits tax accruals increased \$6.4 billion after increasing \$0.9 billion. The acceleration reflected the pickup in domestic corporate profits before tax.

Contributions for social insurance increased \$6.1 billion after increasing \$2.6 billion. The acceleration was more than accounted for by contributions for social security (old-age, survivors, disability, and health

**Table 6. Government Sector Current Receipts and Expenditures**

(Billions of dollars, seasonally adjusted at annual rates)

	Level	Change from preceding quarter				
	2002	2002				
	IV	I	II	III	IV	
Current receipts .....	2,887.3	-120.4	11.0	-7.3	17.9	
Current expenditures .....	3,185.6	72.4	50.1	17.2	51.0	
Current surplus or deficit(-).....	-298.3	-192.7	-39.1	-24.5	-33.1	
Social insurance funds.....	49.9	-12.4	-14.3	-1.6	1.9	
Other.....	-348.2	-180.4	-24.8	-22.9	-35.0	
<b>Federal Government</b>						
Current receipts .....	1,869.7	-107.6	-1.0	-19.6	5.6	
Personal tax and nontax receipts.....	825.3	-150.7	-18.2	-25.3	-6.0	
Corporate profits tax accruals.....	187.5	27.6	9.7	0.9	6.4	
Indirect business tax and nontax accruals.....	111.5	1.1	1.8	2.2	-0.9	
Contributions for social insurance.....	745.4	14.5	5.6	2.6	6.1	
Current expenditures .....	2,117.4	59.5	48.8	-4.7	42.8	
Consumption expenditures .....	608.9	22.7	14.7	8.8	19.1	
National defense.....	403.2	16.1	10.4	6.4	14.3	
Nondefense.....	205.8	6.7	4.4	2.3	4.9	
Transfer payments (net) .....	948.5	46.0	10.7	6.5	14.4	
To persons.....	934.0	38.5	22.9	7.4	9.6	
To the rest of the world.....	14.5	7.5	-12.2	-0.9	4.8	
Grants-in-aid to State and local governments.....	315.8	2.9	17.3	-4.6	10.8	
Net interest paid.....	202.1	-13.1	6.4	-9.1	-3.7	
Subsidies less current surplus of government enterprises.....	42.1	1.1	-0.3	-6.4	2.2	
Subsidies.....	46.3	1.8	0.6	-0.5	1.3	
Of which: Agricultural subsidies.....	22.0	1.0	0.1	-0.8	1.2	
Less: Current surplus of government enterprises.....	4.2	0.7	1.0	5.7	-0.8	
Less: Wage accruals less disbursements.....	0.0	0.0	0.0	0.0	0.0	
Current surplus or deficit (-).....	-247.7	-167.1	-49.8	-14.9	-37.2	
Social insurance funds.....	50.0	-12.3	-14.4	-1.6	1.9	
Other.....	-297.7	-154.8	-35.4	-13.3	-39.1	
<b>State and local governments</b>						
Current receipts .....	1,333.4	-9.9	29.2	7.8	23.1	
Personal tax and nontax receipts.....	271.4	-22.3	3.3	2.4	3.7	
Corporate profits tax accruals.....	34.9	4.3	1.5	0.2	1.2	
Indirect business tax and nontax accruals.....	701.8	5.3	7.1	9.6	7.3	
Contributions for social insurance.....	9.5	0.1	0.1	0.0	0.1	
Federal grants-in-aid.....	315.8	2.9	17.3	-4.6	10.8	
Current expenditures .....	1,384.0	15.8	18.5	17.4	19.0	
Consumption expenditures .....	1,050.1	9.5	12.9	9.0	10.5	
Transfer payments to persons.....	349.5	8.0	7.3	8.0	10.8	
Net interest paid.....	-1.9	-0.1	-0.1	0.0	0.1	
Less: Dividends received by government.....	0.5	0.0	0.1	0.0	0.0	
Subsidies less current surplus of government enterprises.....	-13.2	-1.5	-1.6	0.4	-2.4	
Subsidies.....	-0.4	-1.5	-0.9	1.2	-2.1	
Less: Current surplus of government enterprises.....	12.8	0.0	0.7	0.8	0.3	
Less: Wage accruals less disbursements.....	0.0	0.0	0.0	0.0	0.0	
Current surplus or deficit (-).....	-50.6	-25.6	10.7	-9.6	4.1	
Social insurance funds.....	-0.1	0.0	0.1	0.0	0.0	
Other.....	-50.5	-25.6	10.7	-9.7	4.1	
<b>Addendum:</b>						
Net lending or net borrowing (-) <sup>1</sup> .....	-398.5	-200.0	-35.7	-20.9	-36.5	
Federal.....	-271.7	-172.7	-53.7	-10.5	-38.2	
State and local.....	-126.8	-27.3	18.0	-10.4	1.7	

14. The combined current surplus or deficit of the Federal Government and state and local governments is the NIPA measure of net saving by government. Net saving equals gross saving less consumption of fixed capital. These estimates are shown in NIPA table 5.1.

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.

insurance trust funds), which increased \$6.1 billion after increasing \$2.9 billion, reflecting an acceleration in wage and salary disbursements.

Indirect business tax and nontax accruals decreased \$0.9 billion after increasing \$2.2 billion. The downturn was more than accounted for by a downturn in custom duties, which decreased \$1.8 billion after increasing \$3.0 billion. In contrast, nontaxes turned up, increasing \$0.3 billion after decreasing \$0.7 billion.

**Current expenditures.** Current expenditures increased \$42.8 billion in the fourth quarter after decreasing \$4.7 billion in the third. The upturn was accounted for by upturns in grants-in-aid to state and local governments and in "subsidies less current surplus of government enterprises" and accelerations in consumption expenditures and in transfer payments. In addition, net interest paid decreased less than in the third quarter.

Grants-in-aid to state and local governments increased \$10.8 billion after decreasing \$4.6 billion. Grants for state Medicaid programs, for education, for labor training and services, and for housing and community services all turned up.

"Subsidies less current surplus of government enterprises" turned up, increasing \$2.2 billion after decreasing \$6.4 billion. The upturn was mostly accounted for by a downturn in "current surplus of government enterprises." The current surplus of the Postal Service turned down, decreasing \$0.8 billion after increasing \$4.9 billion; the third-quarter surplus had been boosted by the postal rate increase for all classes of mail that went into effect on June 30, 2002.

Consumption expenditures increased \$19.1 billion after increasing \$8.8 billion. The acceleration was mostly accounted for by an acceleration in defense consumption expenditures. Within defense consumption expenditures, services increased \$16.0 billion after increasing \$4.7 billion. Within services, "other services" (which includes expenditures for research and development, transportation of materials, travel of persons, and for other services) increased \$17.3 billion after a \$3.5 billion increase; in contrast, compensation of employees turned down, decreasing \$1.9 billion after a \$0.9 billion increase. Durable goods turned down, decreasing \$1.1 billion after a \$1.4 billion increase; spending on parts for aircraft, for ships, for electronics, and for other durable goods turned down, and spending on parts for missiles decelerated.

Nondefense consumption expenditures increased \$4.9 billion after an increase of \$2.3 billion. The acceleration was mostly accounted for by services. Within services, compensation of employees increased \$3.4 billion after increasing \$1.9 billion. The acceleration was the result of increased employment at the Trans-

portation Security Administration: In the third quarter, 16,200 employees were hired, and in the fourth quarter, 35,800 more employees were hired.

"Transfer payments (net)" increased \$14.4 billion after increasing \$6.5 billion. Transfer payments to the rest of the world turned up, increasing \$4.8 billion after decreasing \$0.9 billion. Transfer payments to persons accelerated, increasing \$9.6 billion after increasing \$7.4 billion. The acceleration was accounted for by accelerations in Medicare, food stamps, and social security (old-age, survivors, and disability insurance). The acceleration in food stamps was partly due to a 1.4-percent cost-of-living adjustment that took effect in October.

Net interest paid decreased \$3.7 billion after a decrease of \$9.1 billion. Gross interest paid decreased \$0.9 billion after decreasing \$7.8 billion, primarily reflecting an upturn in interest paid to persons and business.

### State and local

The state and local government current deficit decreased \$4.1 billion in the fourth quarter after increasing \$9.6 billion in the third. Current receipts accelerated more than current expenditures.

**Current receipts.** State and local government current receipts increased \$23.1 billion after increasing \$7.8 billion. The acceleration was more than accounted for by the upturn in Federal grants-in-aid.

Personal tax and nontax receipts increased \$3.7 billion after increasing \$2.4 billion. The acceleration was mostly accounted for by personal income taxes, which increased \$2.8 billion after increasing \$1.5 billion.

Corporate profits tax accruals accelerated, increasing \$1.2 billion after increasing \$0.2 billion.

Indirect business tax and nontax accruals decelerated, increasing \$7.3 billion after increasing \$9.6 billion. The deceleration was more than accounted for by sales taxes, which increased \$1.4 billion after increasing \$6.6 billion. Within sales taxes, the deceleration was accounted for by slowdowns in general sales taxes and tobacco taxes.

**Current expenditures.** Current expenditures increased \$19.0 billion after increasing \$17.4 billion. Transfer payments to persons and consumption expenditures accelerated, while "subsidies less current surplus of government enterprises" turned down.

Transfer payments to persons increased \$10.8 billion after an increase of \$8.0 billion. The acceleration was mostly accounted for by a pickup in Medicaid payments.

Consumption expenditures increased \$10.5 billion after increasing \$9.0 billion. The acceleration was mostly accounted for by nondurable goods, which

increased \$3.7 billion after increasing \$2.4 billion. Within nondurable goods, petroleum products accelerated.

"Subsidies less current surplus of government enterprises" decreased \$2.4 billion after increasing \$0.4 billion. This downturn was more than accounted for by subsidies, which decreased \$2.1 billion after increasing \$1.2 billion, reflecting California electricity subsidies. (The NIPA's treat the special purchases of electricity made by California, net of receipts from commercial and residential users, as a subsidy payment.) In the fourth quarter, subsidies turned negative as California recovered subsidies paid in earlier periods.

### 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.<sup>15</sup>

Net borrowing increased \$36.5 billion in the fourth quarter after increasing \$20.9 billion in the third. Federal net borrowing increased \$38.2 billion as a result of an increase in the current deficit. State and local net borrowing decreased \$1.7 billion, mainly as a result of the decrease in the current deficit.

Government gross investment increased \$0.5 billion after increasing \$3.5 billion. The deceleration was mostly accounted for by state and local government gross investment, which increased \$0.4 billion after increasing \$2.7 billion. Federal Government gross investment also decelerated, increasing \$0.1 billion after increasing \$0.8 billion.

### The government sector in 2002

The combined fiscal position of the Federal Government and of state and local governments shifted from a surplus of \$40.7 billion in 2001 to a deficit of \$251.4 billion in 2002. The shift was mostly accounted for by a shift in the Federal fiscal position.

The Federal fiscal position decreased \$271.9 billion in 2002, from a current surplus of \$72.0 billion to a current deficit of \$199.9 billion. Receipts decreased and expenditures increased.

Federal current receipts decreased \$132.8 billion, to \$1,875.6 billion. Personal tax and nontax receipts decreased \$163.9 billion. In contrast, contributions for social insurance increased \$21.2 billion, corporate profit tax accruals increased \$9.6 billion, and indirect business taxes increased \$0.3 billion.

Federal current expenditures increased \$139.1 billion, to \$2,075.5 billion. "Transfer payments (net)" increased \$89.5 billion, consumption expenditures increased \$58.1 billion, and grants-in-aid to state and local governments increased \$28.3 billion. In contrast, net interest paid decreased \$30.3 billion, and "subsidies less current surplus of government enterprises" decreased \$6.6 billion.

The state and local government current deficit increased \$20.2 billion, to \$51.5 billion, in 2002. Current expenditures increased more than current receipts.

State and local current receipts increased \$43.6 billion, to \$1,304.9 billion. Federal grants-in-aid increased \$28.3 billion, indirect business taxes and nontax accruals increased \$25.4 billion, corporate profits tax accruals increased \$4.4 billion, and contributions for social insurance increased \$0.2 billion. In contrast, personal tax and nontax receipts decreased \$14.6 billion.

State and local current expenditures increased \$63.8 billion, to \$1,356.4 billion. Consumption expenditures increased \$40.8 billion, and transfer payments to persons increased \$31.2 billion. In contrast, "subsidies less current surplus of government enterprises" decreased \$8.1 billion, and net interest paid decreased \$0.1 billion.

Total gross investment of the Federal Government and state and local governments increased \$16.0 billion, to \$351.9 billion.

Federal gross investment increased \$7.5 billion, to \$107.2 billion. Defense equipment and software increased \$5.7 billion, and nondefense structures increased \$1.9 billion.

State and local gross investment increased \$8.5 billion, to \$244.7 billion. Structures increased \$10.6 billion, while equipment and software decreased \$2.1 billion.

**Net lending or net borrowing.** Net borrowing increased \$305.0 billion, to \$351.9 billion, in 2002. Most of the increase was accounted for by a shift in the Federal Government fiscal position from net lending of \$58.9 billion in 2001 to net borrowing of \$224.5 billion in 2002. State and local government net borrowing increased \$21.6 billion, to \$127.4 billion.

15. Net lending or net borrowing estimates are shown in NIPA tables 3.1-3.3.

## Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade, 2002: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

Estimates for 1967:I to 1997:IV on the basis of the Standard Industrial Classification system and estimates beginning with 1997:IV on the basis of the North American Industry Classification System are available

as downloadable files on BEA's Web site at <[www.bea.gov](http://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 from BEA: On diskette as part of the NIPA monthly update (product number NDS-0171) and as separate monthly printouts (product number NLS-0166). To order, call the BEA Order Desk at 1-800-704-0415 (outside the United States, call 202-606-9666).

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

	2002		2002					2003
	III	IV	Aug.	Sep.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Manufacturing and trade industries</b> .....	<b>1,145.8</b>	<b>1,151.4</b>	<b>1,142.9</b>	<b>1,145.8</b>	<b>1,144.4</b>	<b>1,148.3</b>	<b>1,151.4</b>	<b>1,152.5</b>
<b>Manufacturing industries</b> .....	<b>447.5</b>	<b>448.2</b>	<b>447.5</b>	<b>447.5</b>	<b>447.3</b>	<b>446.3</b>	<b>448.2</b>	<b>447.3</b>
Durable goods industries.....	273.9	275.3	274.9	273.9	273.6	272.9	275.3	274.7
Wood product manufacturing.....	8.6	8.5	8.6	8.6	8.6	8.6	8.5	8.5
Nonmetallic mineral product manufacturing.....	9.0	9.1	9.1	9.0	9.1	9.1	9.1	9.1
Primary metal manufacturing.....	20.6	20.9	20.6	20.6	20.6	20.8	20.9	21.0
Fabricated metal product manufacturing.....	30.7	30.7	30.6	30.7	30.7	30.7	30.7	30.5
Machinery manufacturing.....	36.4	36.4	36.6	36.4	36.2	36.1	36.4	36.2
Computer and electronic product manufacturing.....	61.8	61.8	62.2	61.8	61.9	62.3	61.8	61.3
Electrical equipment, appliance, and component manufacturing.....	13.6	13.2	13.7	13.6	13.4	13.3	13.2	13.2
Transportation equipment manufacturing.....	65.4	66.6	65.8	65.4	65.4	64.4	66.6	66.6
Furniture and related product manufacturing.....	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.7
Miscellaneous manufacturing.....	18.2	18.4	18.1	18.2	18.2	18.1	18.4	18.5
Nondurable goods industries.....	173.3	172.7	172.5	173.3	173.5	173.1	172.7	172.5
Food manufacturing.....	37.3	37.1	37.3	37.3	37.3	37.4	37.1	37.1
Beverage and tobacco product manufacturing.....	12.1	11.9	11.9	12.1	12.0	11.8	11.9	11.8
Textile mills.....	5.8	5.7	5.8	5.8	5.7	5.6	5.7	5.7
Textile product mills.....	4.8	4.8	4.8	4.8	4.8	4.7	4.8	4.8
Apparel manufacturing.....	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.2
Leather and allied product manufacturing.....	1.4	1.5	1.4	1.4	1.5	1.5	1.5	1.5
Paper manufacturing.....	16.1	16.1	16.0	16.1	16.1	16.1	16.1	16.2
Printing and related support activities.....	5.9	6.1	6.0	5.9	6.1	6.1	6.1	6.1
Petroleum and coal product manufacturing.....	12.0	12.2	11.9	12.0	12.0	11.8	12.2	12.2
Chemical manufacturing.....	51.8	51.3	51.9	51.8	51.8	52.0	51.3	50.9
Plastics and rubber product manufacturing.....	17.7	17.6	17.1	17.7	17.7	17.7	17.6	17.6
<b>Merchant wholesale industries</b> .....	<b>303.5</b>	<b>304.5</b>	<b>303.1</b>	<b>303.5</b>	<b>301.4</b>	<b>301.9</b>	<b>304.5</b>	<b>303.5</b>
Durable goods industries.....	183.1	183.6	183.0	183.1	182.6	183.0	183.6	182.9
Nondurable goods industries.....	119.4	120.0	119.1	119.4	118.0	118.0	120.0	119.6
<b>Retail trade industries</b> .....	<b>394.1</b>	<b>397.9</b>	<b>391.6</b>	<b>394.1</b>	<b>394.9</b>	<b>399.2</b>	<b>397.9</b>	<b>400.7</b>
Motor vehicle and parts dealers.....	127.5	129.4	126.9	127.5	129.8	132.9	129.4	132.4
Furniture and home furnishings, electronics, and appliance stores.....	32.5	32.6	32.0	32.5	32.6	32.6	32.6	32.7
Building materials, garden equipment and supply stores.....	39.3	40.0	38.7	39.3	39.8	39.6	40.0	39.8
Food and beverage stores.....	30.5	30.4	30.2	30.5	29.8	30.1	30.4	30.3
Clothing and accessory stores.....	31.0	31.4	30.7	31.0	30.6	30.9	31.4	32.0
General merchandise stores.....	61.7	63.4	61.6	61.7	61.7	62.6	63.4	63.2
Other retail stores.....	72.0	71.0	71.8	72.0	71.1	71.2	71.0	71.0

<sup>p</sup> Preliminary.

<sup>r</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. 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]

	2002		2002					2003
	III	IV	Aug.	Sep.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Manufacturing and trade industries</b> .....	<b>864.9</b>	<b>866.5</b>	<b>867.4</b>	<b>859.0</b>	<b>861.4</b>	<b>867.3</b>	<b>870.7</b>	<b>874.4</b>
<b>Manufacturing industries</b> .....	<b>328.7</b>	<b>327.6</b>	<b>328.4</b>	<b>326.2</b>	<b>329.0</b>	<b>327.3</b>	<b>326.4</b>	<b>330.0</b>
Durable goods industries.....	189.4	186.1	188.8	187.1	189.0	186.4	182.8	188.3
Wood product manufacturing.....	7.4	7.6	7.4	7.3	7.5	7.7	7.7	7.5
Nonmetallic mineral product manufacturing.....	7.9	7.9	8.0	7.9	7.8	7.8	7.9	8.1
Primary metal manufacturing.....	12.1	11.9	12.1	12.0	12.0	11.8	11.8	12.1
Fabricated metal product manufacturing.....	20.4	20.1	20.4	20.3	20.3	20.1	20.0	19.9
Machinery manufacturing.....	21.8	21.3	21.8	21.5	21.5	21.4	20.9	21.2
Computer and electronic product manufacturing.....	42.3	41.8	42.3	41.8	42.1	42.0	41.3	43.6
Electrical equipment, appliance, and component manufacturing.....	9.0	9.0	8.9	8.9	9.0	9.1	9.0	9.0
Transportation equipment manufacturing.....	53.6	51.1	52.9	52.7	53.5	51.3	48.7	51.8
Furniture and related product manufacturing.....	5.2	5.1	5.2	5.1	5.1	5.1	5.3	5.2
Miscellaneous manufacturing.....	9.6	10.0	9.6	9.4	9.9	10.0	10.1	10.1
Nondurable goods industries.....	139.0	141.0	139.3	138.7	139.7	140.4	142.8	141.3
Food manufacturing.....	37.5	39.0	37.9	37.3	39.1	39.0	38.9	38.4
Beverage and tobacco product manufacturing.....	6.5	6.2	6.5	6.4	6.4	6.2	6.1	6.1
Textile mills.....	3.8	3.7	3.8	3.7	3.8	3.8	3.6	3.8
Textile product mills.....	3.0	3.0	2.9	3.0	3.0	3.0	3.0	3.0
Apparel manufacturing.....	4.7	4.7	4.6	4.6	4.5	4.8	4.7	4.7
Leather and allied product manufacturing.....	0.7	0.6	0.7	0.7	0.7	0.7	0.6	0.7
Paper manufacturing.....	12.6	12.4	12.8	12.5	12.5	12.2	12.5	12.6
Printing and related support activities.....	7.6	7.7	7.7	7.7	7.7	7.6	7.7	7.6
Petroleum and coal product manufacturing.....	15.9	16.1	16.0	15.4	14.8	15.7	17.8	16.4
Chemical manufacturing.....	32.7	33.3	32.3	33.5	33.3	33.2	33.4	33.7
Plastics and rubber product manufacturing.....	14.5	14.7	14.5	14.4	14.6	14.7	14.9	14.8
<b>Merchant wholesale industries</b> .....	<b>245.0</b>	<b>246.3</b>	<b>246.0</b>	<b>244.0</b>	<b>242.8</b>	<b>248.1</b>	<b>248.0</b>	<b>246.5</b>
Durable goods industries.....	132.7	131.3	132.9	132.4	130.9	132.0	130.9	131.8
Nondurable goods industries.....	112.1	114.4	112.8	111.4	111.5	115.5	116.2	114.1
<b>Retail trade industries</b> .....	<b>299.7</b>	<b>301.0</b>	<b>301.6</b>	<b>297.0</b>	<b>297.7</b>	<b>300.0</b>	<b>305.4</b>	<b>305.9</b>
Motor vehicle and parts dealers.....	77.6	75.6	79.4	74.9	73.5	74.5	78.9	76.9
Furniture and home furnishings, electronics, and appliance stores.....	29.6	30.6	29.5	30.1	30.3	30.7	30.8	30.8
Building materials, garden equipment and supply stores.....	28.2	28.4	28.1	28.3	28.3	28.6	28.2	29.0
Food and beverage stores.....	36.2	36.4	36.2	36.2	36.3	36.7	36.2	37.1
Clothing and accessory stores.....	16.6	17.3	16.7	16.3	17.3	17.1	17.4	17.6
General merchandise stores.....	43.4	44.0	43.5	43.4	44.0	43.8	44.1	44.5
Other retail stores.....	72.1	73.3	72.1	72.2	72.6	73.1	74.3	74.4

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

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

	2002		2002					2003
	III	IV	Aug.	Sep.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Manufacturing and trade industries</b> .....	<b>1.33</b>	<b>1.33</b>	<b>1.32</b>	<b>1.33</b>	<b>1.33</b>	<b>1.32</b>	<b>1.32</b>	<b>1.32</b>
<b>Manufacturing industries</b> .....	<b>1.36</b>	<b>1.37</b>	<b>1.36</b>	<b>1.37</b>	<b>1.36</b>	<b>1.36</b>	<b>1.37</b>	<b>1.36</b>
Durable goods industries.....	1.45	1.48	1.46	1.46	1.45	1.46	1.51	1.46
Wood product manufacturing.....	1.16	1.11	1.16	1.18	1.14	1.11	1.11	1.13
Nonmetallic mineral product manufacturing.....	1.14	1.16	1.14	1.14	1.16	1.16	1.15	1.13
Primary metal manufacturing.....	1.70	1.76	1.70	1.71	1.71	1.77	1.77	1.74
Fabricated metal product manufacturing.....	1.51	1.52	1.50	1.51	1.51	1.53	1.53	1.53
Machinery manufacturing.....	1.67	1.71	1.68	1.69	1.69	1.69	1.74	1.71
Computer and electronic product manufacturing.....	1.46	1.48	1.47	1.48	1.47	1.49	1.50	1.41
Electrical equipment, appliance, and component manufacturing.....	1.51	1.46	1.53	1.52	1.49	1.47	1.47	1.48
Transportation equipment manufacturing.....	1.22	1.30	1.24	1.24	1.22	1.26	1.37	1.29
Furniture and related product manufacturing.....	1.28	1.29	1.28	1.31	1.29	1.31	1.26	1.28
Miscellaneous manufacturing.....	1.90	1.84	1.88	1.93	1.84	1.81	1.82	1.82
Nondurable goods industries.....	1.25	1.23	1.24	1.25	1.24	1.23	1.21	1.22
Food manufacturing.....	0.99	0.95	0.98	1.00	0.96	0.96	0.96	0.97
Beverage and tobacco product manufacturing.....	1.87	1.90	1.82	1.90	1.88	1.90	1.94	1.93
Textile mills.....	1.50	1.53	1.55	1.56	1.52	1.47	1.59	1.50
Textile product mills.....	1.62	1.58	1.62	1.62	1.59	1.56	1.58	1.61
Apparel manufacturing.....	1.73	1.73	1.74	1.75	1.79	1.68	1.72	1.73
Leather and allied product manufacturing.....	2.05	2.31	2.04	2.03	2.22	2.21	2.53	2.25
Paper manufacturing.....	1.28	1.30	1.25	1.28	1.29	1.33	1.29	1.29
Printing and related support activities.....	0.78	0.80	0.79	0.77	0.79	0.80	0.80	0.80
Petroleum and coal product manufacturing.....	0.76	0.76	0.74	0.78	0.81	0.75	0.68	0.74
Chemical manufacturing.....	1.58	1.54	1.61	1.54	1.55	1.57	1.54	1.51
Plastics and rubber product manufacturing.....	1.22	1.19	1.18	1.23	1.21	1.20	1.18	1.19
<b>Merchant wholesale industries</b> .....	<b>1.24</b>	<b>1.24</b>	<b>1.23</b>	<b>1.24</b>	<b>1.24</b>	<b>1.22</b>	<b>1.23</b>	<b>1.23</b>
Durable goods industries.....	1.38	1.40	1.38	1.38	1.40	1.39	1.40	1.39
Nondurable goods industries.....	1.07	1.05	1.06	1.07	1.06	1.02	1.03	1.05
<b>Retail trade industries</b> .....	<b>1.32</b>	<b>1.32</b>	<b>1.30</b>	<b>1.33</b>	<b>1.33</b>	<b>1.33</b>	<b>1.30</b>	<b>1.31</b>
Motor vehicle and parts dealers.....	1.64	1.71	1.60	1.70	1.77	1.78	1.64	1.72
Furniture and home furnishings, electronics, and appliance stores.....	1.10	1.07	1.08	1.08	1.08	1.06	1.06	1.06
Building materials, garden equipment and supply stores.....	1.40	1.41	1.38	1.39	1.41	1.38	1.42	1.37
Food and beverage stores.....	0.84	0.84	0.83	0.84	0.82	0.82	0.84	0.82
Clothing and accessory stores.....	1.86	1.82	1.84	1.91	1.77	1.80	1.80	1.82
General merchandise stores.....	1.42	1.44	1.42	1.42	1.40	1.43	1.44	1.42
Other retail stores.....	1.00	0.97	1.00	1.00	0.98	0.97	0.96	0.95

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

	2002		2002					2003
	III	IV	Aug.	Sep.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Materials and supplies</b>								
<b>Manufacturing industries</b> .....	<b>154.6</b>	<b>152.8</b>	<b>155.2</b>	<b>154.6</b>	<b>154.7</b>	<b>154.0</b>	<b>152.8</b>	<b>153.2</b>
Durable goods industries.....	93.7	92.4	94.4	93.7	93.7	92.8	92.4	92.0
Wood product manufacturing .....	3.6	3.5	3.6	3.6	3.6	3.5	3.5	3.5
Nonmetallic mineral product manufacturing .....	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Primary metal manufacturing .....	6.8	6.9	6.8	6.8	6.9	6.8	6.9	6.9
Fabricated metal product manufacturing .....	11.8	11.7	11.7	11.8	11.8	11.8	11.7	11.6
Machinery manufacturing.....	13.6	13.5	13.9	13.6	13.6	13.4	13.5	13.3
Computer and electronic product manufacturing ...	23.5	23.2	23.8	23.5	23.7	23.6	23.2	22.9
Electrical equipment, appliance, and component manufacturing.....	5.1	5.0	5.2	5.1	5.1	5.1	5.0	5.1
Transportation equipment manufacturing .....	16.2	15.8	16.2	16.2	16.1	15.8	15.8	15.8
Furniture and related product manufacturing .....	3.1	3.1	3.2	3.1	3.1	3.1	3.1	3.1
Miscellaneous manufacturing.....	6.5	6.4	6.5	6.5	6.4	6.3	6.4	6.3
Nondurable goods industries.....	60.9	60.3	60.8	60.9	61.0	61.1	60.3	61.1
Food manufacturing .....	11.2	11.1	11.4	11.2	11.1	11.1	11.1	11.1
Beverage and tobacco product manufacturing .....	6.3	6.3	6.3	6.3	6.4	6.5	6.3	6.1
Textile mills .....	2.0	1.9	1.9	2.0	1.9	1.9	1.9	1.9
Textile product mills .....	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Apparel manufacturing .....	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.1
Leather and allied product manufacturing .....	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4
Paper manufacturing .....	8.0	8.1	7.9	8.0	8.1	8.0	8.1	8.1
Printing and related support activities .....	1.9	1.9	1.9	1.9	1.9	2.0	1.9	1.9
Petroleum and coal product manufacturing .....	3.0	3.0	3.0	3.0	3.0	3.1	3.0	3.4
Chemical manufacturing.....	17.0	16.8	17.1	17.0	17.0	17.1	16.8	17.2
Plastics and rubber product manufacturing.....	7.3	7.2	7.2	7.3	7.3	7.3	7.2	7.2
<b>Work-in-process</b>								
<b>Manufacturing industries</b> .....	<b>128.0</b>	<b>129.1</b>	<b>128.6</b>	<b>128.0</b>	<b>127.3</b>	<b>126.9</b>	<b>129.1</b>	<b>129.1</b>
Durable goods industries.....	98.8	100.6	99.3	98.8	98.3	98.0	100.6	100.7
Wood product manufacturing .....	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Nonmetallic mineral product manufacturing .....	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Primary metal manufacturing .....	6.9	6.9	6.9	6.9	6.9	7.0	6.9	7.1
Fabricated metal product manufacturing .....	9.2	9.2	9.1	9.2	9.1	9.2	9.2	9.1
Machinery manufacturing.....	10.8	10.7	10.9	10.8	10.5	10.6	10.7	10.6
Computer and electronic product manufacturing ...	21.5	21.7	21.2	21.5	21.3	21.6	21.7	21.6
Electrical equipment, appliance, and component manufacturing.....	4.3	4.3	4.3	4.3	4.2	4.2	4.3	4.3
Transportation equipment manufacturing .....	34.4	35.8	35.0	34.4	34.4	33.8	35.8	35.8
Furniture and related product manufacturing .....	1.2	1.1	1.2	1.2	1.2	1.2	1.1	1.2
Miscellaneous manufacturing.....	4.1	4.2	4.1	4.1	4.1	4.1	4.2	4.4
Nondurable goods industries.....	29.2	28.5	29.2	29.2	29.0	28.9	28.5	28.4
Food manufacturing .....	5.5	5.6	5.5	5.5	5.6	5.6	5.6	5.6
Beverage and tobacco product manufacturing .....	1.6	1.6	1.5	1.6	1.5	1.5	1.6	1.6
Textile mills .....	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.1
Textile product mills .....	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Apparel manufacturing .....	1.5	1.6	1.7	1.5	1.5	1.5	1.6	1.6
Leather and allied product manufacturing .....	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1
Paper manufacturing .....	1.5	1.5	1.6	1.5	1.5	1.5	1.5	1.4
Printing and related support activities .....	1.1	1.1	1.2	1.1	1.2	1.2	1.1	1.1
Petroleum and coal product manufacturing .....	3.3	3.4	3.3	3.3	3.3	3.2	3.4	3.4
Chemical manufacturing.....	10.1	9.2	9.8	10.1	9.7	9.8	9.2	9.2
Plastics and rubber product manufacturing.....	2.2	2.2	2.2	2.2	2.3	2.2	2.2	2.2
<b>Finished goods</b>								
<b>Manufacturing industries</b> .....	<b>164.6</b>	<b>165.9</b>	<b>163.5</b>	<b>164.6</b>	<b>165.0</b>	<b>165.1</b>	<b>165.9</b>	<b>164.7</b>
Durable goods industries.....	81.4	82.1	81.2	81.4	81.7	82.0	82.1	81.9
Wood product manufacturing .....	3.2	3.2	3.2	3.2	3.2	3.3	3.2	3.2
Nonmetallic mineral product manufacturing .....	4.6	4.7	4.6	4.6	4.6	4.6	4.7	4.7
Primary metal manufacturing .....	6.8	7.0	6.9	6.8	6.8	7.0	7.0	7.0
Fabricated metal product manufacturing .....	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8
Machinery manufacturing.....	12.0	12.3	11.9	12.0	12.1	12.1	12.3	12.3
Computer and electronic product manufacturing ...	16.8	16.8	17.1	16.8	16.8	16.9	16.8	16.6
Electrical equipment, appliance, and component manufacturing.....	4.1	3.9	4.1	4.1	4.1	4.0	3.9	3.9
Transportation equipment manufacturing .....	15.9	15.9	15.6	15.9	16.0	15.9	15.9	16.0
Furniture and related product manufacturing .....	2.3	2.4	2.2	2.3	2.3	2.3	2.4	2.4
Miscellaneous manufacturing.....	7.6	7.8	7.5	7.6	7.6	7.7	7.8	7.8
Nondurable goods industries.....	83.1	83.7	82.3	83.1	83.3	83.0	83.7	82.8
Food manufacturing .....	20.5	20.3	20.3	20.5	20.5	20.6	20.3	20.3
Beverage and tobacco product manufacturing .....	4.2	4.0	4.2	4.2	4.0	3.8	4.0	4.1
Textile mills .....	2.7	2.7	2.7	2.7	2.7	2.6	2.7	2.7
Textile product mills .....	2.3	2.4	2.3	2.3	2.3	2.3	2.4	2.4
Apparel manufacturing .....	4.5	4.4	4.2	4.5	4.4	4.4	4.4	4.5
Leather and allied product manufacturing .....	0.9	1.0	0.9	0.9	0.9	0.9	1.0	1.0
Paper manufacturing .....	6.6	6.6	6.5	6.6	6.6	6.6	6.6	6.6
Printing and related support activities .....	2.9	3.1	2.9	2.9	2.9	2.9	3.1	3.1
Petroleum and coal product manufacturing .....	5.7	5.8	5.5	5.7	5.7	5.5	5.8	5.5
Chemical manufacturing.....	24.7	25.3	24.9	24.7	25.0	25.0	25.3	24.5
Plastics and rubber product manufacturing.....	8.1	8.2	7.7	8.1	8.1	8.2	8.2	8.2

<sup>p</sup> Preliminary.

<sup>r</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. 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.



## Income and Outlays of Households and of Nonprofit Institutions Serving Households

By Charles Ian Mead, Clinton P. McCully, and Marshall B. Reinsdorf

**I**N the national income and product accounts (NIPA's), the personal sector comprises households and nonprofit institutions serving households (NPISH's). Since households and NPISH's are likely to differ in their circumstances and behavior, separate estimates of their income and outlays are of interest to many users of the NIPA's. As part of the comprehensive revision of the NIPA's scheduled for late 2003, BEA plans to introduce two new annual tables—one that provides separate estimates of the income and outlays of the household component and of the NPISH component of the personal sector and another that reconciles the new estimates for NPISH's to estimates in the Internal Revenue Service's (IRS) *SOI Bulletin*. The other NIPA tables will continue to show estimates for the personal sector, which consolidates households and NPISH's. This article provides background information on the new tables and presents some preliminary estimates.

The new estimates will help to distinguish the saving behavior of households and NPISH's in analyses of personal saving. They can also be used to answer questions about the importance of the nonprofit sector in the U.S. economy or in the provision of particular kinds of services, such as health care and recreation. The estimates of transactions between the household sector and the nonprofit institution sector can help to answer questions about the sources of revenue for NPISH's, including charitable giving, and about the NPISH's use of this revenue. Finally, the *System of National Accounts 1993*, which specifies international guidelines for preparing national accounts, places households and NPISH's in separate sectors.<sup>1</sup> The separate estimates for the household and NPISH

sectors will therefore aid in comparisons of the United States with other countries.

### Definition of NPISH's

An important criterion for classifying an organization as an NPISH is tax-exempt status, but many kinds of tax-exempt organizations do not qualify for treatment as an NPISH in the NIPA's. Some nonprofit institutions—such as chambers of commerce, trade associations, and homeowners' associations—are considered to serve businesses rather than households. These nonprofit institutions serving business are included in the business sector in the NIPA's. Some other nonprofit institutions that sell goods and services in the same way as for-profit businesses are also classified in the business sector. For example, tax-exempt cooperatives, credit unions, mutual financial institutions, and tax-exempt manufacturers—such as university presses—are treated as businesses.

The nonprofit institutions that are recognized as NPISH's provide services in one of the following five categories:

1. Religious and welfare, including social services, grant-making foundations, political organizations, museums and libraries, and some civic and fraternal organizations;
2. Medical care;
3. Education and research;
4. Recreation, including cultural, athletic, and some civic and fraternal organizations; and
5. Personal business, including labor unions, legal aid, and professional associations.

Almost all public charities are included in the first three categories, but a few are in the last two categories.

*The authors are indebted to Helen Stone Tice, an economist whose work while she was at BEA provided much of the conceptual groundwork for the research presented in this paper.*

1. See Commission of the European Communities, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, and the World Bank, *System of National Accounts 1993* (Brussels/Luxembourg, New York, Paris, and Washington, DC, 1993).

**Table 1. NAICS Industries with Nonprofit Activity in Personal Consumption Expenditures, 1997**

1997 NAICS code	Description	Percent of private industry output that comes from NPISH's
513	Broadcasting and telecommunications .....	0.4
514	Information and data processing services .....	1.9
541	Professional, scientific and technical services .....	1.9
611	Education services .....	83.1
621	Ambulatory health care services .....	11.1
622	Hospitals .....	85.0
623	Nursing and residential care facilities .....	38.0
624	Social assistance .....	64.4
711	Performing arts, spectator sports, and related industries .....	8.8
712	Museums, historical sites, and similar institutions .....	89.0
713	Amusement, gambling, and recreation industries .....	11.1
721	Accommodations .....	0.5
813	Religious, grant-making, civic, professional, and similar organizations <sup>1</sup> .....	89.9

1. Excludes business associations, which are nonprofit institutions serving business.  
NAICS North American Industry Classification System  
NPISH Nonprofit institutions serving households

Table 1 shows the industries in the North American Industrial Classification System (NAICS) that contain NPISH's. NPISH's account for more than half of the output in the following industries: Education; hospitals; social assistance; museums, historical sites, and similar institutions; and religious, grant-making, civic, professional, and similar organizations.

### Measurement of output and income of NPISH's

Most of the output of NPISH's is considered to be purchased by persons, and the personal consumption expenditures (PCE) component of gross domestic product (GDP) includes the value of this output. The output of NPISH's is valued at its cost of production, an approach that distinguishes the treatment of NPISH's from the treatment of businesses in the NIPA's. Business output that is sold to customers is valued at the amount that they pay.

For businesses, sales generally exceed operating expenses, which include compensation of employees, purchases of intermediate inputs, indirect business taxes, and consumption of fixed capital (depreciation). For NPISH's, on the other hand, the relationship between sales and expenses is often the reverse: receipts from sales of program services are usually not expected to cover operating expenses. Instead, most nonprofit institutions rely on contributions, government grants, or dividend and interest income to cover at least a portion of their operating expenses. Because revenues from sales of services may be far below the cost of producing the services, sales are not a good measure of the value of NPISH output. However, the expenses that NPISH's incur to produce their output are a meaningful measure of the value of this output.<sup>2</sup>

The treatment of the income that helps NPISH's to fund the gap between their expenses and their sales depends on its source and nature. Transfers that NPISH's

2. See Paula Cullen Young, "Nonprofit Institutions in an Input-Output Framework," *Voluntas* 4 (February 1993): 465–485.

receive from households—or make to them—are excluded from personal income because they are intra-sector transfers in the consolidated accounts of households and NPISH's. On the other hand, transfers that NPISH's receive from business and government are included in personal income, as is the property income that NPISH's receive as rental income, dividends, and interest.<sup>3</sup>

The primary data sources used for the NIPA's do not provide separate measures of the property income of NPISH's and the property income of households. In the NIPA's, personal income from dividends, interest, and tenants' rents are calculated as residuals on the basis of accounting identities. Personal dividend income is measured as dividends paid by domestic corporations, plus dividends paid by foreign corporations to U.S. residents, less dividends received by domestic corporations from U.S. and foreign businesses and by foreign residents from U.S. businesses, less dividends received by government. Personal interest income is measured as interest paid by domestic business, government, persons, and the rest of the world less interest received by domestic business, government, and the rest of the world. Personal rental income received from tenant-occupied housing is measured by subtracting an estimate of the amount received by business and government from an estimate of total rental income from tenant-occupied structures.<sup>4</sup> Our estimates of the share of personal income attributable to NPISH's must therefore depend on additional sources, such as data from the *SOI Bulletin*.

### Data sources

The primary sources of data used to estimate the expenditures of nonprofit institutions included in PCE are the Census Bureau's quinquennial economic census and annual economic surveys that collect information on the expenses of NPISH's.<sup>5</sup> In addition, a few kinds of NPISH's—such as labor organizations, political organizations, religious organizations, and educational organizations other than technical and trade schools—are not covered in Census Bureau surveys. Estimates of their expenses come from alternative data

3. Note that capital gains are not part of the income concept that the NIPA's measure. See Maria G. Perozek and Marshall B. Reinsdorf, "Alternative Measures of Personal Saving," *SURVEY OF CURRENT BUSINESS* 82 (April 2002): 13–24.

4. For additional information, see "Updated Summary Methodologies," *SURVEY* 82 (October 2002): 20–38. See also U.S. Bureau of Economic Analysis, *State Personal Income, 1929–97* (Washington, DC: U.S. Government Printing Office, May 1999).

5. For a description of how these data are used to create the estimates, see U.S. Bureau of Economic Analysis, *Personal Consumption Expenditures, Methodology* paper no. 6 (Washington, DC: U.S. Government Printing Office, June 1990), and "Updated Summary Methodologies," 20–38. The Census Bureau occasionally uses data from administrative sources, including the IRS, to fill in missing information about NPISH's.

sources, such as the National Center for Education Statistics, the National Council of Churches, and the Bureau of Labor Statistics. Estimates of transfer payments by households and nonprofit institutions to the rest of the world (which are not part of PCE but are part of personal outlays) are from the international transactions accounts.

Additional data sets that help to complete the new estimates of the NPISH sector and to improve their accuracy have also recently become available. The National Center for Charitable Statistics at the Urban Institute has produced data sets based on the information that tax-exempt institutions file with the IRS. These data sets include information on the type of service that the nonprofit institution performs, which is important for identifying the tax-exempt institutions that belong in the NPISH sector. Further, the American Association of Fundraising Council Trust for Philanthropy produces estimates of transfers and bequests from households to nonprofit institutions based on surveys and tax data. Finally, at least two surveys of charitable contributions to religious organizations have been primarily sponsored by the Lilly Endowment, Inc., and conducted by the Independent Sector—one in 1992 and a second in 1998.

**Preliminary estimates of income and outlays**

On average, from 1992 to 2001, over 50 percent of the expenditures of nonprofit institutions were for the provision of medical care, about 25 percent were for religious and welfare activities, and almost 15 percent were for the provision of education (chart 1). These shares vary only slightly over the years.

Table 2 provides preliminary estimates of the income and outlays of NPISH's and households from 1992 to 2001. These estimates do not reflect additional data that will be available in the upcoming comprehensive revision of the NIPAs. For comparison, the first panel of table 1 (lines 1–16) reproduces the income and outlays of the personal sector published in NIPA table 2.1. Corresponding items for the household portion of the personal sector appear in the second panel (lines 17–37), and estimates for NPISH's appear in the third panel.

Receipts from sales of program services (line 45) generally cover more than three-fourths of the expenses of nonprofit institutions (line 49), but this ratio declined slightly in 1998–2001. Medical care providers whose fees cover much of their costs are an important reason for the high expense-coverage ratio.

In table 2, the sum of household income (line 17) and the receipts of NPISH's (line 38) is larger than personal income (line 1) because one item in household income—transfers from NPISH's—and two items in

the receipts of NPISH's—transfers from households and sales by NPISH's of program services—are removed when households and NPISH's are consolidated into a single sector.<sup>6</sup> The sum of household saving and NPISH saving does, however, equal personal saving. The transfers between households and NPISH's have no effect on the combined saving of these two sectors, because they count both as income and as outlays. The sales to households by NPISH's have no effect on the combined saving of these sectors, because they add the same amount to NPISH saving as they subtract from household saving.<sup>7</sup>

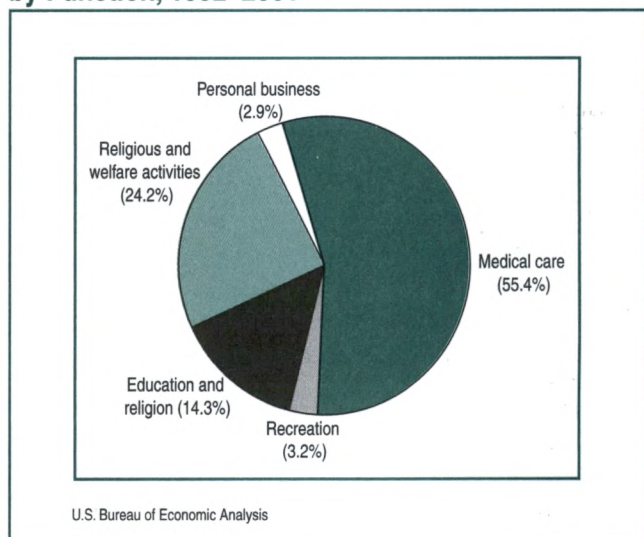
The preliminary estimates in table 2 suggest that households alone are responsible for the decline in personal saving from 1992 to 1998 but that NPISH's play an important role in the decline thereafter. From 1998 to 2001, NPISH saving dropped by more than \$15 billion as the gap between the expenses and the sales of nonprofit institutions grew from \$125.4 billion to \$166.9 billion.<sup>8</sup> The use of capital gains to help fund

6. The household portion of personal income consists of transfers from government or business, wages and salaries, benefits, proprietors' income, rental income, interest, and dividends. Pension plan reserves and life insurance reserves are considered to be owned by persons.

7. Sales to business and government by NPISH's are excluded from their receipts and subtracted from their expenses in table 2 because these sales are not included in PCE.

8. Under the assumption of no change in investment in tangible assets, table F.100a in the Federal Reserve Board's flow of funds accounts also implies an abrupt drop in saving by nonprofit institutions. It shows that net investment in financial assets less liabilities by nonprofit institutions fell from \$48–\$86 billion in 1994–96 to less than \$10 billion in 1997–99. Unlike the NPISH sector in the NIPAs, the nonprofit sector covered by table F.100a includes nonprofit institutions serving business and excludes religious institutions.

**Chart 1. Average Shares of Expenditures of Nonprofit Institutions Serving Households by Function, 1992–2001**





total less than 1 percent of PCE, are shown in the business sector or in the government sector rather than in the NPISH sector, but they are part of the total output produced within institutions classified as NPISH's. In addition, NPISH's gross transfers to households generally account for 0.3 to 0.4 percent of PCE.

### Comparison with IRS estimates

Table 3 compares receipts and expenses of tax-exempt organizations published by the Statistics of Income Division of the IRS in various issues of the *SOI Bulletin* with BEA's preliminary estimates of the receipts and outlays of NPISH's.<sup>9</sup> Despite the differences in data sources and the estimation of portions of NPISH income as residuals, the unexplained discrepancies between the SOI estimates and the NIPA estimates are relatively small. After adjustment for differences in accounting concepts and in scope of coverage, the unexplained discrepancies between BEA's estimates of NPISH income and comparable figures based on SOI data range from -3 percent to 5 percent of BEA's estimates. For outlays, the unexplained discrepancies range from 3 percent to 9 percent of BEA's estimates.

The top half of table 3 shows a set of adjustments that accounts for conceptual differences between the SOI estimates of the receipts of nonprofit institutions and BEA's estimates. The residual discrepancy that remains after these adjustments (line 14) is attributable to statistical causes, such as differences in samples or in responses provided to the IRS and the Census Bureau.<sup>10</sup> The bottom half of the table shows a similar set of adjustments to the expenditures of nonprofit institutions and the unexplained discrepancy that remains after those adjustments (line 28). The largest downward adjustments to the SOI estimates are for hospitals and schools that are treated as part of government in the NIPAs and for "out-of-scope activity," such as activities of nonprofit institutions serving business, activities treated as businesses, and sales by NPISH's to business or government. The largest upward adjustment to the *SOI Bulletin* estimates is for omitted religious organizations; it generally raised these estimates by about 4 percent.

### Conclusion

The introduction of two new tables that provide infor-

mation on NPISH's is planned for the 2003 comprehensive revision of the NIPAs. The first table will show expenditures, income, and saving separately for NPISH's and households, which together make up the personal sector in the current NIPA tables. The second table will reconcile BEA's estimates of the expenditures and receipts of NPISH's with IRS statistics on tax-exempt organizations from the *SOI Bulletin*. The estimates in these tables will update the estimates presented in tables 2 and 3 to incorporate the additional and revised source data that will be used in the comprehensive revision of the NIPAs.

Preliminary estimates for 1992-2001 suggest two distinct phases in the decline in the personal saving rate, which expresses personal saving as a percent of disposable personal income. The decline in the personal saving rate from 8.7 percent in 1992 to 4.7 percent in 1998 was entirely due to the saving behavior of households; saving by NPISH's was stable. In contrast, from 1998 to 2001, declines in saving by NPISH's contributed to the further decline in the personal saving rate to a postwar annual low of 2.3 percent in 2001.

**Table 3. Preliminary Comparison of Receipts and Expenses of Nonprofit Institutions Serving Households, 1992-98**

[Billions of dollars]

Line	1992	1993	1994	1995	1996	1997	1998
1 Receipts of nonprofit institutions recorded by the IRS and reported in the <i>SOI Bulletin</i> <sup>1</sup> .....	682.1	728.1	764.5	849.1	919.5	987.3	997.1
2 Less: Portion of nonprofit receipts recorded by the IRS not included in receipts of NPISH's .....	265.6	258.0	279.1	324.6	360.9	410.0	369.4
3 Adjustment for different accounting concepts <sup>2</sup> .....	18.3	22.2	20.1	36.8	60.0	80.8	60.7
4 Adjustment for different accounting periods .....	8.3	4.3	4.9	1.7	10.1	9.8	7.8
5 Nonresident institutions .....	10.8	10.3	12.6	12.6	11.4	11.4	9.9
6 Government hospitals and schools <sup>3</sup> .....	85.4	82.1	88.6	91.3	89.6	99.4	107.3
7 Out-of-scope activity <sup>4</sup> .....	115.8	113.9	123.2	154.2	158.8	175.5	143.6
8 Transfer payments from other nonprofit institutions <sup>5</sup> .....	27.0	25.2	29.7	28.0	31.0	33.1	40.1
9 Plus: Portion of NPISH receipts not included in IRS nonprofit receipts .....	27.5	28.4	31.4	31.6	33.6	32.4	34.3
10 Religious organizations <sup>3</sup> .....	25.4	26.1	28.9	28.9	30.9	29.5	31.2
11 Other organizations .....	2.1	2.3	2.5	2.7	2.7	2.9	3.1
12 Equals: IRS-derived nonprofit receipts .....	444.0	498.5	516.8	556.1	592.2	609.7	662.0
13 BEA-derived nonprofit receipts .....	458.7	485.2	507.8	532.3	565.0	602.0	637.9
14 Nonprofit receipts gap .....	-14.7	13.3	9.0	23.8	27.2	7.7	24.1
15 IRS nonprofit expenditures (reported) <sup>1</sup> .....	633.6	673.6	700.8	764.2	811.3	862.0	882.7
16 Less: Portion of IRS nonprofit expenditures (reported) not included in nonprofit outlays .....	222.8	220.3	244.3	268.1	282.1	306.2	288.6
17 Adjustment for different accounting periods .....	7.3	4.0	4.4	1.6	6.8	2.8	8.6
18 Nonresident institutions .....	9.9	10.0	12.2	11.5	10.6	10.6	9.3
19 Government hospitals and schools <sup>3</sup> .....	64.7	72.4	78.2	83.8	79.6	84.4	96.1
20 Out-of-scope activity <sup>4</sup> .....	113.9	108.7	119.8	143.2	154.1	175.3	134.5
21 Transfer payments from other nonprofit institutions <sup>5</sup> .....	27.0	25.2	29.7	28.0	31.0	33.1	40.1
22 Plus: Portion of nonprofit outlays not included in IRS nonprofit expenditures (reported) .....	31.2	32.5	35.8	36.7	38.9	36.7	38.7
23 Adjustment for different accounting concepts <sup>6</sup> .....	3.9	4.0	4.3	4.7	4.4	3.4	3.2
24 Religious organizations <sup>3</sup> .....	25.6	26.6	29.5	29.8	32.3	31.0	32.9
25 Other organizations .....	1.7	1.9	2.0	2.2	2.2	2.3	2.6
26 Equals: IRS-derived nonprofit outlays .....	442.0	485.9	492.3	532.8	568.1	592.5	632.8
27 BEA-derived nonprofit outlays .....	429.3	451.5	473.5	497.4	521.8	543.1	578.8
28 Nonprofit outlay gap .....	12.7	34.3	18.8	35.4	46.3	49.4	54.0

1. The figure for 1996 includes an adjustment that has been made to account for the lack of SOI statistics for some classes of tax-exempt institutions for this year.

2. Reflects removal of the gains from the sales of assets.

3. Reflects adjustment for partial coverage in one of the data sources.

4. Includes activities of nonprofit institutions serving business, activities of NPISH's treated as businesses, and secondary sales to business and government.

5. Includes grants and allocations made by nonprofit institutions and private foundations that indirectly support households through the support of other nonprofit institutions, along with their payments to affiliates.

6. Reflects addition of capital consumption adjustments.  
NPISH Nonprofit institutions serving households

9. For related comparisons of adjusted gross income from the *SOI Bulletin* and personal income from the NIPAs, see Thae S. Park, "Comparison of BEA Estimates of Personal Income and IRS Estimates of Adjusted Gross Income," *SURVEY* 82 (November 2002): 13-20.

10. Some statistical differences may arise from the adjustments for the coverage of hospitals, religious organizations, and schools. Whereas most of adjustment items in table 3 are calculated from SOI microdata, the adjustments for these industries are calculated as the difference between the BEA and the SOI industry estimates.

# U.S. International Transactions Accounts, Fourth Quarter and Year 2002

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 to \$136.9 billion (preliminary) in the fourth quarter of 2002 from \$126.3 billion (revised) in the third quarter (table A).<sup>1</sup> An increase in the deficit on goods accounted for most of the increase, though a decrease in the surplus on services and an increase in net outflows for unilateral current transfers also contributed.

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 \$144.1 billion in the fourth quarter, down from \$169.6 billion in the third. Financial inflows for foreign-owned assets in the United States increased, while transactions for U.S.-

owned assets abroad shifted to an outflow from an inflow.

The statistical discrepancy—errors and omissions in recorded transactions—was a negative \$7.4 billion in the fourth quarter, compared with a negative \$43.4 billion in the third.

The following are highlights for the fourth quarter of 2002:

- Goods exports fell while good imports increased, leading to a moderate increase in the goods deficit after little change in the third quarter.
- Income receipts fell less than income payments, leading to a moderately smaller deficit on income.
- Transactions in foreign securities shifted to net U.S. purchases from net sales. Inflows into U.S. securities other than U.S. Treasury securities were somewhat higher than in the third quarter.
- U.S. claims reported by U.S. banks were reduced further, but the reduction was not as large as in the third quarter. U.S. liabilities reported by U.S. banks were up sharply, reflecting strong needs for liquidity.

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.

**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 -)	2001	2002 <sup>a</sup>	Change: 2001-2002	2001				2002				Change: 2002 III-IV
					I	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	
<b>Current account</b>													
1	Exports of goods and services and income receipts (1).....	1,281,793	1,216,504	-65,289	349,040	331,612	309,477	291,667	291,005	304,923	312,392	308,183	-4,209
2	Goods, balance of payments basis (3).....	718,762	682,586	-36,176	193,284	184,846	173,274	167,358	164,372	172,150	175,372	170,692	-4,680
3	Services (4).....	279,260	289,278	10,018	72,720	71,920	69,051	65,572	68,587	72,101	73,545	75,048	1,503
4	Income receipts (12).....	283,771	244,640	-39,131	83,036	74,846	67,152	58,737	58,046	60,672	63,475	62,443	-1,032
5	Imports of goods and services and income payments (18).....	-1,625,701	-1,663,908	-38,207	-445,154	-418,930	-388,448	-373,174	-387,616	-419,693	-425,656	-430,949	-5,293
6	Goods, balance of payments basis (20).....	-1,145,927	-1,166,939	-21,012	-306,316	-292,565	-279,025	-268,021	-270,975	-294,795	-298,225	-302,944	-4,719
7	Services (21).....	-210,385	-240,467	-30,082	-56,848	-57,525	-43,078	-52,937	-57,613	-58,902	-60,949	-63,009	-2,060
8	Income payments (29).....	-269,389	-256,502	12,887	-81,990	-68,840	-66,345	-52,216	-59,028	-65,996	-66,482	-64,996	1,486
9	Unilateral current transfers, net (35).....	-49,463	-56,023	-6,560	-11,608	-11,916	-12,360	-13,579	-15,931	-12,927	-13,073	-14,088	-1,015
<b>Capital account</b>													
10	Capital account transactions, net (39).....	826	708	-118	208	207	206	205	208	200	156	144	-12
<b>Financial account</b>													
11	U.S.-owned assets abroad, net (increase/financial outflow (-)) (40)	-370,962	-156,169	214,793	-215,815	-80,036	24,978	-100,088	-26,184	-131,345	40,271	-38,915	-79,186
12	U.S. official reserve assets, net (41).....	-4,911	-3,681	1,230	190	-1,343	-3,559	-199	390	-1,843	-1,416	-812	604
13	U.S. Government assets, other than official reserve assets, net (46).....	-486	379	865	77	-783	77	143	133	42	-27	231	258
14	U.S. private assets, net (50).....	-365,565	-152,867	212,698	-216,082	-77,910	28,460	-100,032	-26,707	-129,544	41,714	-38,334	-80,048
15	Foreign-owned assets in the United States, net (increase/financial inflow (+)) (55).....	752,806	630,364	-122,442	302,510	181,610	17,889	250,797	113,600	204,411	129,320	183,030	53,710
16	Foreign official assets in the United States, net (56).....	5,224	96,630	91,406	4,087	-20,831	16,882	5,086	7,641	47,252	9,534	32,203	22,669
17	Other foreign assets in the United States, net (63).....	747,582	533,734	-213,848	298,423	202,441	1,007	245,711	105,959	157,159	119,786	150,827	31,041
18	Statistical discrepancy (sum of above items with sign reversed) (70).....	10,701	28,524	17,823	20,819	-2,547	48,258	-55,828	24,918	54,431	-43,410	-7,405	36,005
<b>Memoranda:</b>													
19	Balance on current account (76).....	-393,371	-503,427	-110,056	-107,722	-99,234	-91,331	-95,086	-112,542	-127,697	-126,337	-136,854	-10,517
20	Net financial flows (40 and 55).....	381,844	474,195	92,351	86,695	101,574	42,867	150,709	87,416	73,066	169,591	144,115	-25,476

<sup>a</sup>Revised.

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

The dollar was unchanged against major currencies in the fourth quarter 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 depreciated 2 percent against the euro and appreciated 3 percent against the yen. The U.S. Federal Reserve Board, concerned about the lack of expansion in the economy, lowered the target federal funds rate 50 basis points. The European Central Bank, also concerned about weak growth prospects, lowered its minimum financing rate 50 basis points.

**Current Account**

**Goods and services**

The deficit on goods and services increased to \$120.2 billion in the fourth quarter from \$110.3 billion in the third. The deficit on goods increased \$9.4 billion, and the surplus on services decreased \$0.6 billion.

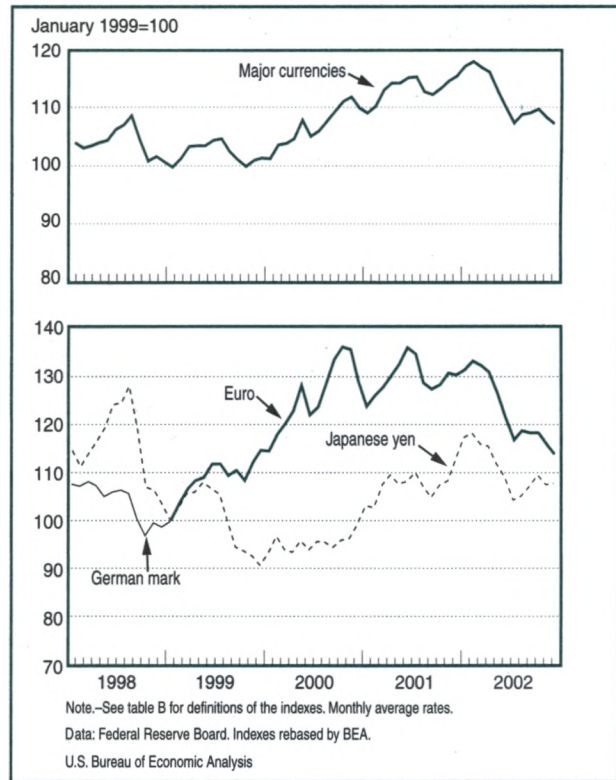
**Goods**

The deficit on goods increased to \$132.3 billion in the fourth quarter from \$122.9 billion in the third, as exports decreased and imports increased (table A).

**Exports.** Goods exports decreased \$4.7 billion, or 3 percent, in the fourth quarter; real exports increased 3 percent, and export prices were unchanged.<sup>2</sup> Most of the decrease was in capital goods, which decreased \$4.1

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

**Chart 1. Nominal Indexes of Foreign Currency Price of the U.S. Dollar**



billion; civilian aircraft and parts accounted for \$2.1 billion of the decrease, and semiconductors accounted for \$1.5 billion. Automotive products decreased \$1.3 billion; exports to Canada fell, following three quarters of growth. Partly offsetting these decreases, nonagricultural industrial supplies and materials increased \$0.5 billion, mainly in petroleum and in chemicals.

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

	2001				2002				2002											
	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.		
Nominal: <sup>1</sup>																				
Broad <sup>2</sup>	110.4	112.3	110.5	109.0	109.9	110.6	112.1	112.8	112.1	111.8	110.5	109.3	107.9	109.1	110.0	110.8	109.7	109.2		
Major currencies <sup>3</sup>	114.8	117.7	113.3	108.7	108.7	115.7	117.5	118.3	117.2	116.4	113.2	110.3	107.6	109.1	109.4	110.0	108.5	107.5		
Other important trading partners <sup>4</sup>	106.0	106.8	108.0	109.9	112.0	105.4	106.4	107.0	106.9	107.2	107.9	108.8	108.7	109.7	111.2	112.5	111.8	111.8		
Real: <sup>1</sup>																				
Broad <sup>2</sup>	111.7	113.4	111.9	110.2	110.6	111.7	113.1	113.6	113.4	113.3	111.8	110.6	109.1	110.4	111.2	111.9	110.4	109.6		
Major currencies <sup>3</sup>	118.3	121.3	116.9	112.2	112.1	118.9	120.9	122.0	120.9	120.2	116.7	113.7	111.0	112.6	113.0	113.6	112.0	110.7		
Other important trading partners <sup>4</sup>	104.1	104.3	106.0	107.8	108.8	103.3	104.1	104.2	104.7	105.3	106.0	106.8	106.7	107.7	108.9	109.8	108.5	108.1		
Selected currencies: (nominal) <sup>5</sup>																				
Canada	104.0	105.0	102.3	102.9	103.3	103.9	105.3	105.1	104.5	104.1	102.0	100.8	101.7	103.3	103.7	103.9	103.4	102.6		
European currencies:																				
Euro area <sup>6</sup>	129.6	132.2	126.1	117.8	115.9	130.1	131.2	133.1	132.2	130.8	126.4	121.2	116.7	118.5	118.2	118.1	115.8	113.7		
United Kingdom	114.4	115.7	112.8	106.5	105.4	114.5	115.2	116.0	115.9	114.3	113.0	111.2	106.0	107.4	106.0	105.9	106.4	104.0		
Switzerland	118.9	121.3	115.1	107.4	105.8	119.6	120.6	122.5	120.8	119.4	114.7	111.1	106.2	108.1	107.8	107.8	105.8	103.9		
Japan	109.3	116.9	111.9	105.3	108.1	112.6	117.1	118.0	115.7	115.4	111.6	108.8	104.1	105.0	106.9	109.4	107.3	107.6		
Mexico	91.2	90.0	93.6	97.7	100.5	90.4	90.5	89.9	89.5	90.5	93.9	96.4	96.6	97.1	99.4	99.7	100.7	101.0		
Brazil	168.7	157.6	165.6	207.3	242.9	156.3	157.4	160.3	155.1	153.6	163.7	179.5	194.5	205.6	221.9	251.1	237.6	239.9		

<sup>1</sup> Revised.  
<sup>2</sup> 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.  
<sup>3</sup> 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.  
<sup>4</sup> 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.  
<sup>5</sup> 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.  
<sup>6</sup> Data: Federal Reserve Board. Monthly and quarterly average rates. Indexes prepared by BEA.  
<sup>7</sup> The euro area includes Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain.

Agricultural products increased \$0.5 billion as a result of higher shipments of soybeans, wheat, and cotton.

**Imports.** Goods imports increased \$4.7 billion, or 2 percent, in the fourth quarter; real imports and import prices both increased 1 percent. Consumer goods increased \$1.9 billion, spurred in part by continued strength in U.S. consumer spending. Nonpetroleum industrial supplies and materials increased \$1.1 billion: Iron and steel products, chemicals, and building materials all increased. Foods, feeds, and beverages increased \$0.4 billion. Capital goods changed little overall; within capital goods, most categories decreased, especially semiconductors and electric generating equipment, but civilian aircraft increased \$1.2 billion. Petroleum and petroleum products increased \$1.9 billion. The average number of barrels imported daily increased to 12.59 million from 11.88 million. The increase was more than accounted for by deliveries from Western Europe, Canada, and Saudi Arabia, which rose 22 percent, 14 percent, and 15 percent, respectively. In contrast, deliveries from Venezuela, where the petroleum industry was shut down by a 64-day strike that began December 2<sup>nd</sup>, decreased 16 percent. The average price per barrel increased slightly to \$25.73 from \$25.52.

**Balances by area.** The goods deficit increased \$9.4 billion in the fourth quarter, to a record high of \$132.3

billion, after an increase of \$0.2 billion in the third quarter.<sup>3</sup> The deficit with Japan increased \$3.9 billion, reflecting higher imports, mostly of passenger cars, and lower exports, mostly of civilian aircraft. The deficit with Western Europe increased \$2.8 billion; an increase in imports, largely passenger cars and pharmaceutical products, outpaced an increase in exports, largely agricultural products. The deficit with Canada increased \$1.1 billion, reflecting higher imports of energy products and lower exports of passenger cars. The deficits with Latin America, with Asia, excluding Japan, and with OPEC changed relatively little.

### Services

The surplus on services decreased to \$12.0 billion in the fourth quarter from \$12.6 billion in the third (table A).

Travel receipts increased to \$18.6 billion from \$17.4

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.)

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

Several major improvements to the quality and the presentation of the estimates will be introduced in the annual revision of the international transactions accounts to be released in June 2003. First, results from the U.S. Treasury Department's 2001 Benchmark Survey of U.S. Portfolio Investment Abroad will be incorporated into the international transactions accounts for 1998–2002. The results will also be incorporated into the international investment position accounts. Second, results from BEA's 1999 Benchmark Survey of U.S. Direct Investment Abroad will be incorporated into the international transactions accounts and into the investment position accounts for 1999–2002. Third, a new methodology for estimating insurance services will be introduced. These services are currently measured as premiums minus claims. The new estimates will be equal to premiums minus "expected" claims; "expected" claims will be based on the relationship between claims and premiums, averaged over many years. The new estimates will eliminate the sharp swings in estimates of insurance services that now occur whenever insurance claims are outside of normal bounds.

In addition, the presentation of tables 5 through 9 will be substantially revised, and several new tables will be

introduced. Data in table 5, which pertain to BEA's direct investment surveys, will be presented on a North American Industry Classification System basis for both U.S. direct investment abroad and foreign direct investment in the United States; historical data will be presented for 1999–2002. Several changes in data items and geography will be introduced for tables 6–9, largely as a result of improvements in the coverage of the Treasury International Capital Reporting System (TIC), which generates data that BEA uses in estimating securities transactions and bank and nonbank claims and liabilities. Table 6 will contain a new and expanded presentation of securities transactions data; historical data will be presented in the new format for 1998–2002. Data now in table 7, on transactions of securities brokers, will be reclassified to tables 8 and 9, where they will be listed with other similar transactions. The new presentations for tables 7 through 9 will begin with estimates for the first quarter of 2003; historical data will be presented in the new format, but not in full detail, for 1998–2002. Finally, new tables reconciling BEA's estimates of securities, bank, and nonbank transactions to TIC source data will be presented. An article discussing these changes will be published in the July 2003 issue of the SURVEY OF CURRENT BUSINESS.



billion, and travel payments increased to \$15.7 billion from \$14.6 billion. These increases were the largest in the past several quarters, but the levels of receipts and payments still remain below the quarterly levels that preceded the terrorist attacks of September 11<sup>th</sup>.

Passenger fare receipts increased to \$4.6 billion from \$4.5 billion, and passenger fare payments increased to \$5.6 billion from \$5.3 billion.

“Other” transportation receipts increased to \$7.4 billion from \$7.2 billion, and “other” transportation payments increased to \$10.2 billion from \$9.7 billion. Freight services for both receipts and payments accounted for much of the increase and reflected higher freight rates. A work stoppage at West Coast ocean ports in the last 2 days of September and the first 8 days of October had little impact on overall receipts and payments for the fourth quarter.

Receipts of “other” private services increased to \$30.3 billion from \$30.2 billion. Payments of “other” private services increased to \$20.7 billion from \$20.2 billion. Small increases occurred in the affiliated component and in the insurance component of unaffiliated services.

Transfers under U.S. military agency sales contracts increased to \$3.0 billion from \$2.9 billion. Direct defense expenditures abroad increased to \$5.2 billion from \$5.0 billion, reflecting the early stages of troop buildup and deployment for the war with Iraq.

## Income

The deficit on income decreased to \$2.6 billion in the fourth quarter from \$3.0 billion in the third (table A).

Receipts of income on U.S. direct investment abroad increased \$1.1 billion, to \$34.8 billion. Earnings increased \$1.1 billion; manufacturing accounted for all of the increase, which was especially strong in chemicals and in industrial machinery in Europe and in transportation in Canada. Petroleum earnings and “other” earnings were nearly unchanged.

Payments of income on foreign direct investment in the United States increased \$1.1 billion, to \$16.3 billion. Earnings increased \$1.5 billion, and interest payments decreased \$0.4 billion. Earnings in “other” industries increased \$2.1 billion, largely in Japanese-owned and European-owned banks (mostly as a result of a reversal of losses) and in insurance. Earnings in petroleum increased \$0.3 billion. In contrast, earnings in manufacturing decreased \$1.0 billion, largely in chemicals and in “other manufacturing.”

Receipts of “other” private income decreased \$2.3 billion, to \$26.0 billion. Nearly half of the decrease was in dividends earned on U.S. holdings of foreign stocks,

which fell as a result of a decline in average holdings, and in interest earned on U.S. holdings of bonds, which fell as a result of a decline in yields. Interest earned on bank and nonbank claims decreased, mostly reflecting an average decline of 30 basis points in interest rates.

Payments of “other” private income decreased \$2.2 billion, to \$28.9 billion. More than half of the decrease was in dividends paid on foreign holdings of U.S. stocks and in interest paid on foreign holdings of U.S. bonds. Interest paid on bank and nonbank claims decreased, mostly reflecting an average decline of 30 basis points in interest rates.

Receipts of income on U.S. Government assets increased \$0.2 billion, to \$1.0 billion. Payments of income on U.S. Government liabilities decreased \$0.5 billion, to \$17.6 billion; the decrease was more than accounted for by declines in interest rates.

## Unilateral current transfers

Net outflows for unilateral current transfers increased to \$14.1 billion in the fourth quarter from \$13.1 billion in the third (table A). U.S. Government grants increased, though 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; instead, these funds were disbursed in the first quarter of 2003.

### Revisions to the Estimates for the Third Quarter of 2002

The international transactions accounts estimates for the third quarter of 2002 have been revised from the preliminary estimates that were published in the January 2003 SURVEY OF CURRENT BUSINESS. In addition, the estimates have been revised to ensure that the seasonally adjusted estimates sum to the same annual totals as the unadjusted estimates.

The current-account deficit for the third quarter was revised to \$126.3 billion from \$127.0 billion. The goods deficit was revised to \$122.9 billion from \$123.2 billion; the services surplus was revised to \$12.6 billion from \$12.3 billion; the deficit on income was virtually unchanged at \$3.0 billion; and unilateral current transfers were revised to net outflows of \$13.1 billion from net outflows of \$13.2 billion. Revisions to the estimates for the first and second quarters were small. Net recorded financial inflows were revised to \$169.6 billion from \$172.4 billion.

## Capital Account

Capital account transactions were net inflows of \$0.1 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 \$144.1 billion in the fourth quarter, down from \$169.6 billion in the third. Financial inflows for foreign-owned assets in the United States increased, while transactions for U.S.-owned assets abroad shifted to an outflow from an inflow.

### U.S.-owned assets abroad

Net U.S.-owned assets abroad increased \$38.9 billion in the fourth quarter, in contrast to a decrease of \$40.3 billion in the third. Inflows to U.S. banks slowed, and U.S. transactions in foreign securities shifted to net U.S. purchases from net sales.

**U.S. official reserve assets.** U.S. official reserve assets increased \$0.8 billion in the fourth quarter, following an increase of \$1.4 billion in the third (table C). The fourth-quarter increase largely reflected an increase in the U.S. reserve position in the International Monetary Fund.

**Claims on foreigners reported by banks and by nonbanks.** U.S. claims on foreigners reported by U.S. banks decreased \$11.0 billion in the fourth quarter, following a decrease of \$53.8 billion in the third.

Banks' own claims denominated in dollars increased \$0.4 billion, in contrast to a \$46.4 billion decrease. In the fourth quarter, foreign-owned banks in the United States extended sizable amounts of credit to their parent banks and other banks abroad, particularly in Switzerland. However, U.S.-owned banks increased lending to foreign offices only a moderate amount, and U.S. securities brokers cut back lending to borrowers in Asia and in Caribbean financial centers by a sizable amount. Claims denominated in foreign currencies were reduced.

Banks' domestic customers' claims changed little, as increases in negotiable and transferable instruments and in foreign commercial paper in the United States were nearly offset by decreases in dollar deposits and in collections. Claims reported by U.S. nonbanking concerns increased \$7.6 billion, following an increase of \$4.2 billion.

**Foreign securities.** Net U.S. purchases of foreign securities were \$8.7 billion in the fourth quarter, a shift from net sales of \$18.5 billion in the third. Net U.S. purchases of foreign stocks were \$12.9 billion, following net sales of \$12.8 billion. Most of the shift occurred in Western Europe, where transactions shifted to net purchases of \$8.5 billion from net sales of \$5.8 billion; European stock prices increased 6 percent during the fourth quarter, mostly on positive earnings reports from U.S. and European corporations. Net U.S. sales of foreign bonds slowed to \$4.2 billion from \$5.8 billion.

**Direct investment.** Net financial outflows for U.S. direct investment abroad were \$33.0 billion in the fourth quarter, up from \$26.4 billion in the third. Re-invested earnings and net equity capital outflows both increased. Net intercompany debt flows changed little.

### Foreign-owned assets in the United States

Net foreign-owned assets in the United States increased \$183.0 billion in the fourth quarter, compared with an increase of \$129.3 billion in the third. Inflows to U.S. banks, net foreign purchases of U.S. securities other than U.S. Treasury securities, and inflows for foreign official assets were all larger than in the third quarter.

**Foreign official assets.** Foreign official assets in the United States increased \$32.2 billion in the fourth quarter, following an increase of \$9.5 billion in the third (table C). Assets of industrial countries increased \$19.1 billion, and assets of developing countries increased \$13.1 billion, principally of China, Korea, and Mexico.

**Liabilities reported by banks and by nonbanks.** U.S. liabilities to foreigners reported by U.S. banks, excluding U.S. Treasury securities, increased \$54.6 billion

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

[Millions of dollars]

	2001	2002 <sup>a</sup>	Change: 2001- 2002	2001				2002				Change: 2002 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)	5,224	96,630	91,406	4,087	-20,831	16,882	5,086	7,641	47,252	9,534	32,203	22,669	
Industrial countries <sup>1</sup>	-1,616	50,099	51,715	-7,273	-10,007	7,199	8,465	5,222	21,693	4,130	19,054	14,924	
Members of OPEC <sup>2</sup>	-1,725	-8,132	-6,407	673	-1,699	-4,081	3,382	-8,532	838	-1,289	851	2,140	
Other countries	8,565	54,663	46,098	10,687	-9,125	13,764	-6,761	10,951	24,721	6,693	12,298	5,605	
Changes in U.S. official reserve assets, net (increase -) (table 1, line 41)	-4,911	-3,681	1,230	190	-1,343	-3,559	-199	390	-1,843	-1,416	-812	604	

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

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

2. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning January 1993 and Gabon beginning January 1995.

in the fourth quarter, following an increase of \$18.8 billion in the third.

Banks' own liabilities denominated in dollars increased \$61.3 billion, following an increase of \$16.0 billion. In the fourth quarter, inflows were large to U.S.-owned banks, where sizable inflows from abroad supplemented deposit growth from domestic sources, partly to fund purchases of U.S. Government securities. Inflows to foreign-owned banks were also large, as U.S. branches borrowed heavily, partly to fund liquidity needs of parent banks and other banks abroad. U.S. securities brokers reduced their liabilities, especially through sizable reductions in repurchase agreements.

Banks' custody liabilities denominated in dollars decreased \$3.3 billion, following an increase of \$12.2 billion. Liabilities reported by U.S. nonbanking concerns changed little, following a decrease of \$3.8 billion.

**U.S. Treasury securities.** Net foreign purchasers of U.S. Treasury securities dropped to \$12.7 billion in the fourth quarter from \$52.9 billion in the third. The drop resulted from a shift of \$27.8 billion from large net purchases to net sales by Japanese investors and a decrease of \$14.3 billion in net purchases by British investors. The United Kingdom and Japan had been the source of most of the surge in net purchases in the third quarter.

**Other U.S. securities.** Net foreign purchases of U.S. securities other than U.S. Treasury securities were \$62.6 billion in the fourth quarter, up from \$46.5 billion in the third.

Net foreign purchases of U.S. corporate and other bonds were \$50.6 billion in the fourth quarter, up from \$39.1 billion. Net foreign purchases of U.S. corporate bonds were \$39.8 billion, up from \$17.1 billion; \$11.8 billion was in new issues sold abroad by U.S. corporations, which were up from \$1.6 billion. After reaching record highs early in October, corporate bond spreads over U.S. Treasury bonds narrowed considerably; investment-grade spreads decreased 40 basis points, and noninvestment-grade spreads decreased 150 basis points. Net purchases of agency bonds were \$10.8 billion, down from \$21.9 billion.

Net foreign purchases of U.S. stocks were \$12.0 billion in the fourth quarter, up from \$7.4 billion in the third. U.S. markets rallied sharply in October and November from a 4-year low in the third quarter. The S&P index increased 8 percent in the fourth quarter after an 18-percent decline in the third; the DJIA gained 10 percent after an 18-percent decline; and the NASDAQ gained 14 percent after a 20-percent decline.

**U.S. currency flows.** Net U.S. currency shipments to foreigners were \$7.2 billion in the fourth quarter, up from \$2.6 billion in the third, as shipments to several

areas were higher.

**Direct investment.** Net financial inflows for foreign direct investment in the United States were \$13.5 billion in the fourth quarter, up from \$2.9 billion in the third. A large decrease in net outflows for intercompany debt and a small increase in reinvested earnings more than offset a decrease in net inflows for equity capital. The large decrease in intercompany debt outflows, as well as the decrease in equity capital inflows, reflected a large debt-capitalization transaction in the third quarter.

## The Year 2002

The U.S. current-account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—increased to \$503.4 billion in 2002 from \$393.4 billion in 2001. More than two-thirds of the increase was accounted for by an increase in the deficit on goods and a decrease in the surplus on services. The balance on income shifted to a deficit, and net outflows for unilateral current transfers increased (table D, chart 2).

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 \$474.2 billion in 2002, up from \$381.8 billion in 2001. 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 positive \$28.5 billion in 2002, compared with a positive \$10.7 billion in 2001.

**Chart 2. U.S. Current-Account Balance and Its Components**

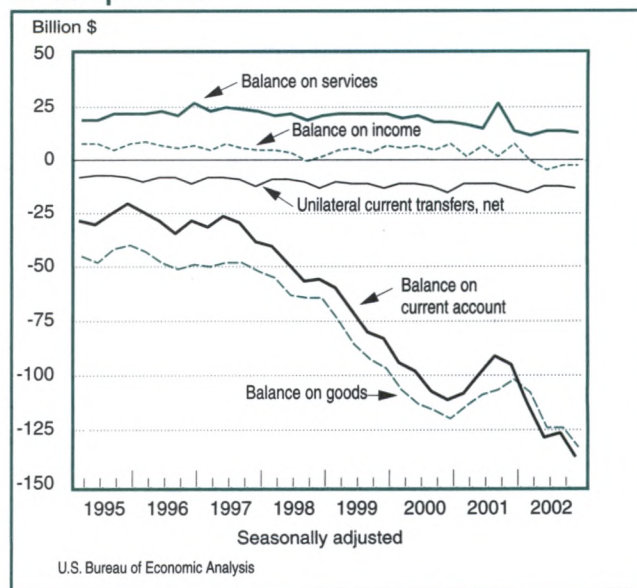


Table D. Selected Balances on U.S. International Transactions

[Millions of dollars, quarters seasonally adjusted]

(Credits +; debits -)	2000	2001	2002 <sup>r</sup>	2002			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
Balance on goods .....	-452,423	-427,165	-484,353	-106,603	-122,645	-122,853	-132,252
Balance on services .....	73,742	68,875	48,811	10,974	13,199	12,596	12,039
Balance on income .....	21,782	14,382	-11,862	-982	-5,324	-3,007	-2,553
Investment income, net .....	27,651	20,539	-5,424	636	-3,675	-1,462	-927
Direct investment, net .....	88,862	102,595	77,947	22,023	18,749	18,626	18,548
Other private, net .....	17,916	-4,952	-13,776	-3,685	-4,457	-2,756	-2,878
U.S. Government, net .....	-79,127	-77,104	-69,595	-17,702	-17,967	-17,332	-16,597
Compensation of employees, net .....	-5,869	-6,157	-6,438	-1,618	-1,649	-1,545	-1,626
Unilateral current transfers, net .....	-53,442	-49,463	-56,023	-15,931	-12,927	-13,073	-14,088
Balance on current account .....	-410,341	-393,371	-503,427	-112,542	-127,697	-126,337	-136,854

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

The following are highlights for 2002:

- The deficit on goods increased as exports fell for the second consecutive year, reflecting little pickup in economic activity abroad, and as imports increased, reflecting a strengthening in U.S. economic activity.
- The services surplus fell sharply. The services surplus had been boosted in 2001 by the recording of large nonrecurring losses recovered from foreign reinsurance companies.
- The balance on income shifted to a deficit, largely as direct investment income payments were sharply higher, reflecting a strengthening in U.S. economic activity and a pickup in corporate profits.
- Financial outflows for U.S.-owned assets abroad were substantially lower. Lending by U.S. banks was sharply curtailed, and transactions in foreign securities shifted from sizable net U.S. purchases to net U.S. sales, as stock prices abroad fell.
- Financial inflows for foreign-owned assets in the United States were also lower. Net financial inflows for foreign direct investment in the United States and net foreign purchases of U.S. securities were sharply lower. Partly offsetting was a step-up in foreign official assets in the United States.

### U.S. dollar in exchange markets

The U.S. dollar depreciated 1 percent in 2002 on a nominal, trade-weighted yearly average basis against the group of seven currencies that are widely traded in international markets, following a 6-percent appreciation in 2001 (table B, chart 1). The dollar depreciated 5 percent against the euro and appreciated 3 percent against the yen.

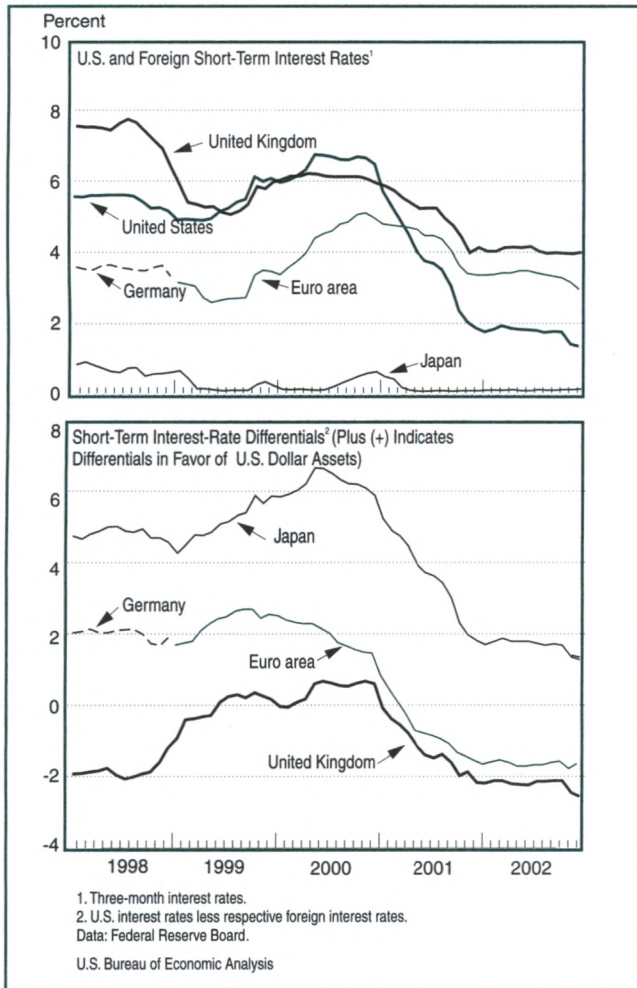
The dollar appreciated 3 percent to a 16-year high in the first quarter. Economic reports released during the quarter indicated that U.S. economic activity was recovering more strongly than in the previous quarter. Economic reports also suggested that euro-area economies might be improving. Neither the U.S. Federal Reserve Board nor the European Central Bank changed interest-rate targets during the quarter.

In the second quarter, the dollar depreciated 4 percent, as U.S. economic activity expanded more moderately than in the previous two quarters. U.S. stock prices, which had rebounded from the previous October, turned down decisively in the second quarter, declining 15 percent. By the end of the quarter, the dollar depreciated to a 28-month low against the euro. The euro benefitted from interest-rate differentials in favor of owning euro-denominated assets. The dollar also depreciated against the Japanese yen; Japanese monetary authorities attempted to limit the yen's rise by selling yen in foreign exchange markets on seven separate occasions. The dollar appreciated against the currencies of several Latin American countries that were experiencing substantial economic and financial difficulties.

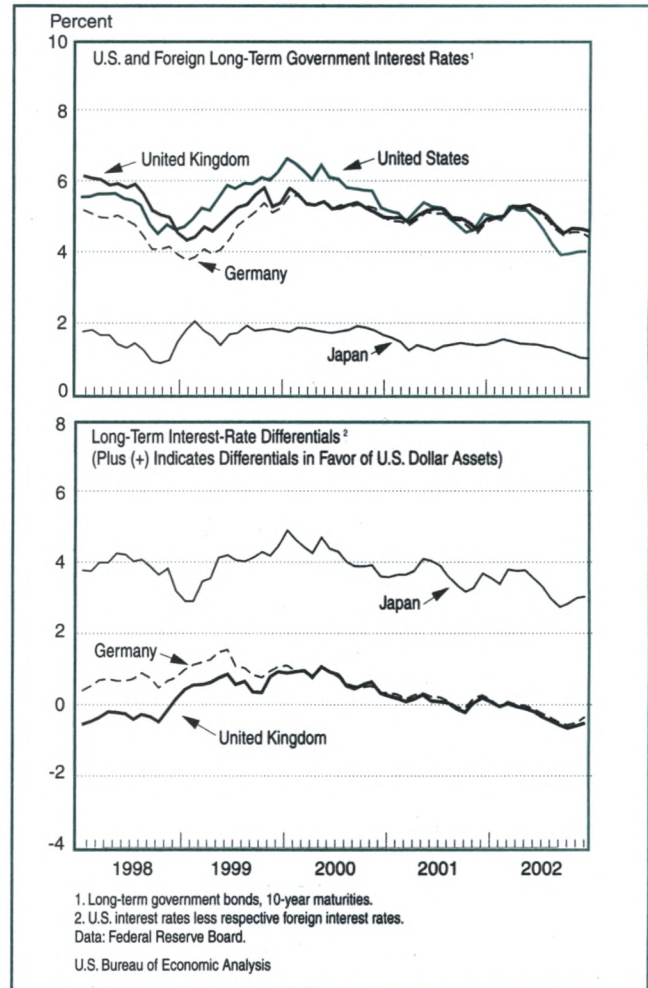
The dollar depreciated another 4 percent in the third quarter, as U.S. economic data on employment, manufacturing, and consumer confidence released during the quarter provided mixed indications of the strength of U.S. economic activity. Uncertain U.S. economic prospects and weakness in the global economic recovery were factors underlying an additional decline of 18 percent in U.S. stock prices. Yields on U.S. Treasury securities fell, as losses in equity markets and in noninvestment-grade corporate bond markets worldwide prompted some investors to reallocate funds into lower risk assets. European equity markets fared even worse than their U.S. counterpart, declining 24 percent. However, interest-rate differentials continued to favor euro-area assets (charts 3, 4, and 5). Countries in Latin America continued to encounter economic and financial difficulties, and the dollar appreciated against those countries' currencies, particularly the Brazilian real.

The dollar was unchanged in the fourth quarter. U.S. and European stock markets rebounded in October and November, following 6-month declines of 33 percent and 39 percent, respectively, but turned down again in December. By December, risk premiums of investment- and noninvestment-grade bonds over Treas-

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



**Chart 4. Long-Term Interest Rates**



sure securities fell to the same levels as in July, after peaking in October. The U.S. Federal Reserve Board, concerned about the weakness of the U.S. economy, lowered the target federal funds rate 50 basis points in early November. The European Central Bank, also concerned about the lack of economic growth, lowered its minimum refinancing rate 50 basis points in early December. Interest rates in Europe remained higher than those in the United States.

**Current Account**

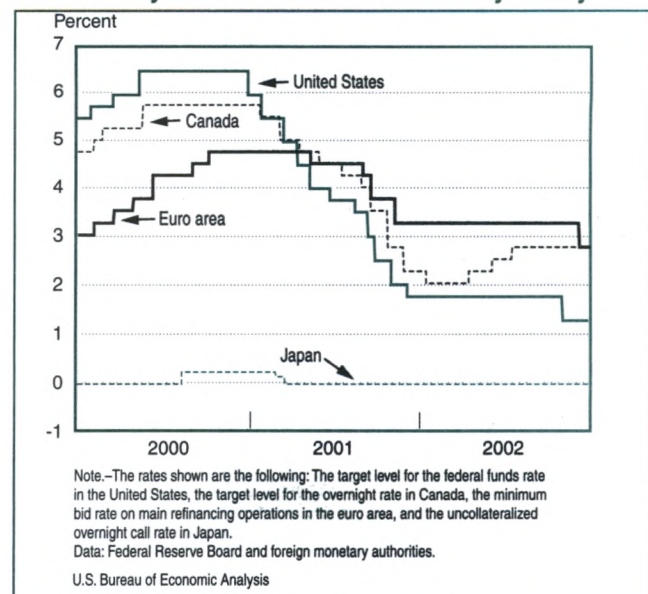
**Goods and services**

The deficit on goods and services increased to \$435.5 billion in 2002 from \$358.3 billion in 2001. The deficit on goods increased, and the surplus on services decreased (table D).

**Goods**

The deficit on goods increased to \$484.4 billion in 2002 from \$427.2 billion in 2001. Goods exports decreased for the second year, while goods imports turned up after a decline.

**Chart 5. Key Interest Rates for Monetary Policy**



Goods exports decreased \$36.2 billion, or 5 percent, in 2002, after decreasing \$53.2 billion, or 7 percent, in 2001. The decrease in 2002 was concentrated in capital goods (tables E and F).

Goods imports increased \$21.0 billion, or 2 percent, in 2002 after decreasing \$78.5 billion, or 6 percent, in 2001. Petroleum imports were unchanged after a decrease of \$16.6 billion. Nonpetroleum imports increased \$21.0 billion, or 2 percent, after a decrease of \$61.9 billion, or 6 percent. Increases in consumer goods and automotive vehicles, engines, and parts were partly offset by decreases in capital goods and nonpetroleum industrial supplies and materials.

U.S. exports in 2002 continued to be restrained by limited expansion abroad. Except in Canada, where there was a strong recovery, expansion in real GDP in many countries in Western Europe and Japan was no stronger than in 2001, though some European countries grew faster in the second half of the year than in the first half (chart 6). Growth in countries in Latin America also failed to increase. There was a sizable pickup in the growth of newly industrialized countries in Asia. The cumulative effect of dollar appreciation in recent years, despite depreciation in much of 2002, also may have restrained U.S. exports.

U.S. imports increased, reflecting a pickup in U.S. real GDP growth to 2.4 percent in 2002 from 0.3 percent in 2001; growth was 3.8 percent in 2000. The cumulative effect of dollar appreciation also may have increased U.S. imports in 2002.

Domestic prices of most U.S. exports decreased slightly in 2002, following a small decrease in 2001. Prices of computers decreased more than in 2001. Prices of the civilian aircraft component of capital goods increased, but less than in 2001 (table G). When

converted into foreign currencies, prices of U.S. exports decreased by a larger amount, because appreciation of foreign currencies augmented declines in domestic prices (table H).

Dollar prices of most nonpetroleum imports decreased, led by a decrease in computer prices, while prices of petroleum and petroleum products increased (table G).

**Exports.** Goods exports decreased \$36.2 billion, or 5 percent, to \$682.6 billion in 2002, following a decrease of \$53.2 billion, or 7 percent, in 2001. The 2-year decline brought exports 12 percent below the record level in 2000. Real exports decreased 5 percent, and export prices were unchanged. In value, capital goods accounted for more than 85 percent of the de-

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

[Balance of payments basis]

	Current dollars			Chained (1996) dollars		
	2000	2001	2002 <sup>r</sup>	2000 <sup>r</sup>	2001 <sup>r</sup>	2002 <sup>r</sup>
<b>Exports</b> .....	<b>12.9</b>	<b>-6.9</b>	<b>-5.0</b>	<b>11.6</b>	<b>-6.3</b>	<b>-4.6</b>
Agricultural products .....	6.3	4.0	-0.8	8.2	3.2	-2.4
Nonagricultural products .....	13.4	-7.7	-5.4	11.8	-7.0	-4.7
Foods, feeds, and beverages .....	4.1	3.2	0.3	5.9	2.8	-2.1
Industrial supplies and materials .....	16.9	-7.2	-2.0	10.0	-4.4	-0.5
Capital goods, except automotive .....	14.7	-9.9	-9.7	15.3	-9.9	-8.9
Automotive vehicles, parts, and engines .....	6.8	-6.1	4.0	5.9	-6.4	3.4
Consumer goods (nonfood), except automotive .....	10.4	-1.2	-4.5	10.0	-0.8	-3.9
Exports, n.e.c. ....	7.9	-4.3	-4.6	6.0	-3.9	-4.6
<b>Imports</b> .....	<b>18.9</b>	<b>-6.4</b>	<b>1.8</b>	<b>13.5</b>	<b>-3.6</b>	<b>3.6</b>
Petroleum and products .....	77.3	-13.8	0.0	5.9	3.5	-2.7
Nonpetroleum products .....	14.8	-5.6	2.0	14.1	-4.3	4.2
Foods, feeds, and beverages .....	5.4	1.4	6.6	7.1	4.6	5.5
Industrial supplies and materials .....	34.8	-8.6	-2.4	5.7	-1.2	0.6
Capital goods, except automotive .....	17.3	-14.1	-4.7	20.1	-11.7	-1.7
Automotive vehicles, parts, and engines .....	9.4	-3.1	7.5	8.7	-3.0	7.1
Consumer goods (nonfood), except automotive .....	16.5	0.9	8.2	17.5	1.7	9.3
Imports, n.e.c., and U.S. goods returned .....	12.8	-1.0	2.3	11.4	-0.6	3.2

<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**

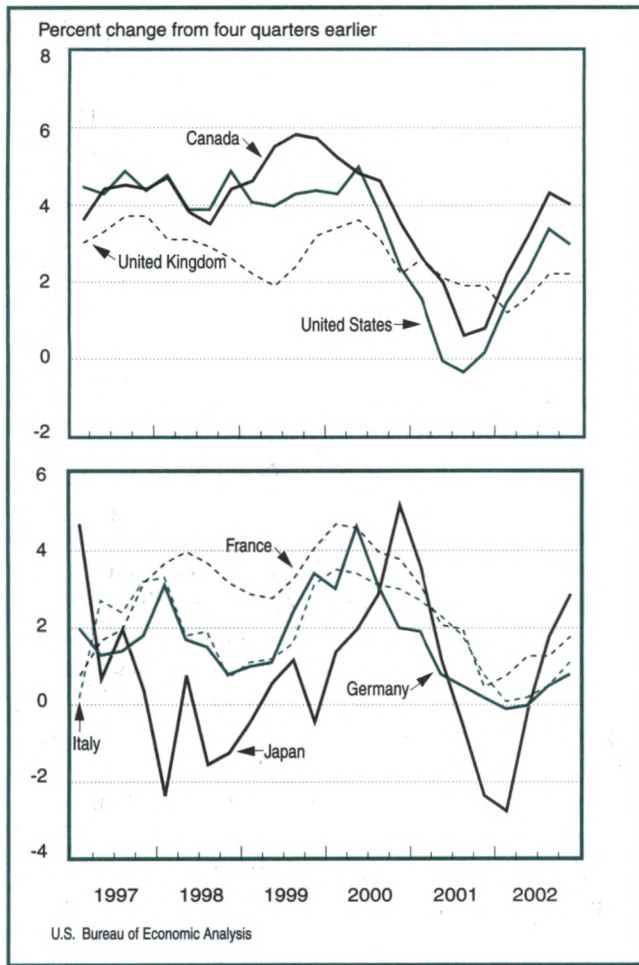
[Balance of payments basis, millions of dollars, quarters seasonally adjusted]

	Current Dollars							Chained (1996) Dollars						
	2000	2001	2002 <sup>p</sup>	2002				2000 <sup>r</sup>	2001 <sup>r</sup>	2002 <sup>p</sup>	2002			
				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>771,994</b>	<b>718,762</b>	<b>682,586</b>	<b>164,372</b>	<b>172,150</b>	<b>175,372</b>	<b>170,692</b>	<b>820,566</b>	<b>769,089</b>	<b>733,911</b>	<b>178,471</b>	<b>185,707</b>	<b>187,564</b>	<b>182,169</b>
Agricultural products .....	52,801	54,889	54,447	13,766	13,506	13,342	13,833	68,307	70,521	68,804	18,066	17,540	16,431	16,767
Nonagricultural products .....	719,193	663,873	628,139	150,606	158,644	162,030	156,859	751,650	699,081	665,886	160,732	168,412	171,279	165,463
Foods, feeds, and beverages .....	47,872	49,408	49,541	12,421	12,142	12,364	12,614	60,583	62,294	60,998	15,843	15,331	14,861	14,963
Industrial supplies and materials .....	172,650	160,200	157,001	36,820	39,740	39,934	40,507	174,822	167,151	166,267	40,284	42,322	41,641	42,020
Capital goods, except automotive .....	357,000	321,723	290,649	70,917	73,348	75,250	71,134	394,568	355,686	323,939	78,797	81,679	83,984	79,479
Automotive vehicles, parts, and engines .....	80,356	75,435	78,435	18,435	20,085	20,593	19,322	78,475	73,433	75,947	17,898	19,481	19,935	18,633
Consumer goods (nonfood), except automotive .....	89,376	88,330	84,391	20,520	21,023	21,456	21,392	88,645	87,917	84,454	20,541	21,086	21,456	21,371
Exports, n.e.c. ....	24,740	23,666	22,569	5,259	5,812	5,775	5,723	25,302	24,305	23,197	5,472	5,998	5,899	5,828
<b>Imports</b> .....	<b>1,224,417</b>	<b>1,145,927</b>	<b>1,166,939</b>	<b>270,975</b>	<b>294,795</b>	<b>298,225</b>	<b>302,944</b>	<b>1,293,416</b>	<b>1,246,514</b>	<b>1,291,059</b>	<b>307,228</b>	<b>325,381</b>	<b>327,001</b>	<b>331,449</b>
Petroleum and products .....	120,185	103,588	103,570	19,192	27,056	27,709	29,613	86,219	89,209	86,823	20,592	22,177	21,397	22,657
Nonpetroleum products .....	1,104,232	1,042,339	1,063,369	251,783	267,739	270,516	273,331	1,205,086	1,152,864	1,200,764	285,792	302,188	304,979	307,805
Foods, feeds, and beverages .....	45,978	46,642	49,716	11,845	12,321	12,558	12,992	49,423	51,699	54,528	13,279	13,614	13,725	13,910
Industrial supplies and materials .....	302,104	276,115	269,476	57,800	68,462	70,112	73,102	262,316	259,227	260,847	62,554	65,577	65,403	67,313
Capital goods, except automotive .....	347,023	297,992	283,889	69,294	72,059	71,922	71,244	452,266	399,524	392,677	95,315	99,392	98,606	99,364
Automotive vehicles, parts, and engines .....	195,876	189,781	203,923	47,578	51,849	52,472	52,024	192,510	186,703	200,012	46,783	50,932	51,443	50,854
Consumer goods (nonfood), except automotive .....	282,008	284,486	307,859	71,443	76,886	78,837	80,693	293,870	298,896	326,831	75,681	81,707	83,691	85,752
Imports, n.e.c., and U.S. goods returned .....	51,428	50,911	52,076	13,015	13,218	12,954	12,889	51,156	50,850	52,498	13,186	13,352	13,045	12,915

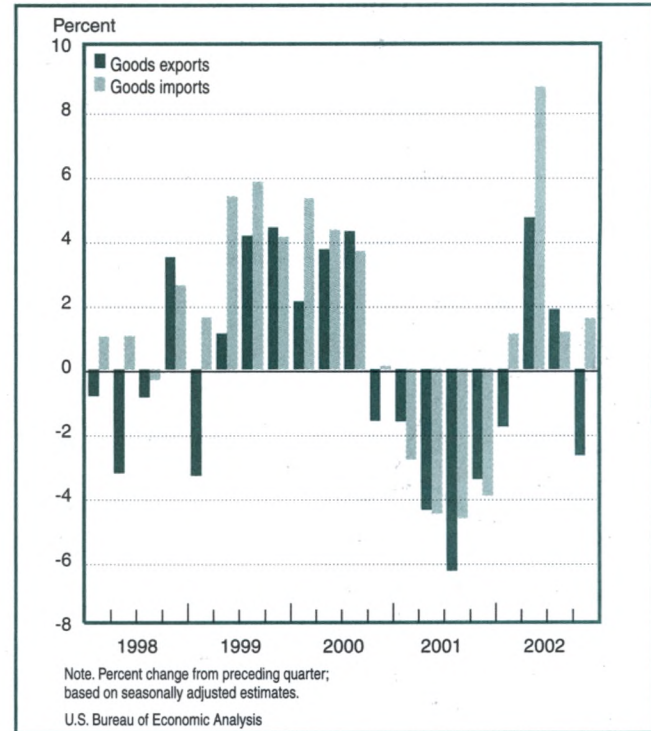
<sup>r</sup> Revised.  
<sup>p</sup> Preliminary.  
 n.e.c. Not elsewhere classified.

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

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



**Chart 7. U.S. Trade in Goods**



crease (charts 7 and 8). Exports to Western Europe were down \$17.8 billion; to Latin America, down \$10.6 billion; to Japan, down \$6.2 billion; and to Canada, down \$2.4 billion.

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

[Based on index numbers (1996=100)]

	2000 <sup>r</sup>	2001 <sup>r</sup>	2002 <sup>p</sup>
<b>Exports</b> .....	<b>1.2</b>	<b>-0.7</b>	<b>-0.4</b>
Agricultural products.....	-1.8	0.8	1.7
Nonagricultural products.....	1.4	-0.8	-0.6
Foods, feeds, and beverages.....	-1.6	0.3	2.5
Industrial supplies and materials.....	6.4	-3.0	-1.5
Capital goods, except automotive.....	-0.5	-0.1	-0.8
Computers, peripherals, and parts.....	-4.8	-3.1	-4.9
Civilian aircraft, engines, and parts.....	4.1	5.5	2.7
Other capital goods.....	-0.6	-0.4	-0.9
Automotive vehicles, parts, and engines.....	0.9	0.3	0.6
Consumer goods (nonfood), except automotive.....	0.4	-0.3	-0.6
Exports, n.e.c.....	1.9	-0.5	0.0
<b>Imports</b> .....	<b>4.8</b>	<b>-2.9</b>	<b>-1.7</b>
Petroleum and products.....	67.5	-16.7	2.3
Nonpetroleum products.....	0.5	-1.3	-2.0
Foods, feeds, and beverages.....	-1.6	-3.0	1.0
Industrial supplies and materials.....	27.7	-7.6	-3.0
Capital goods, except automotive.....	-2.4	-2.9	-3.0
Computers, peripherals, and parts.....	-5.9	-9.0	-7.5
Civilian aircraft, engines, and parts.....	3.0	3.7	2.0
Other capital goods.....	-1.6	-1.3	-2.0
Automotive vehicles, parts, and engines.....	0.7	0.0	0.3
Consumer goods (nonfood), except automotive.....	-0.8	-0.8	-1.1
Imports, n.e.c., and U.S. goods returned.....	1.3	-0.4	-0.9

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

Capital goods decreased \$31.1 billion, or 10 percent, following a decrease of \$35.3 billion, or 10 percent. High-technology products decreased \$17.5 billion, following a decrease of \$26.4 billion. The 2-year decline brought capital goods exports to the lowest level since 1996. In 2002, computers, peripherals, and parts decreased \$9.0 billion—largely to Western Europe, Canada, and Japan; telecommunications equipment decreased \$5.7 billion—largely to Western Europe, Latin America, and Canada; and semiconductors decreased \$2.8 billion—largely to Western Europe, Canada, and Mexico. Exports of these products to the newly industrialized countries in Asia changed little. Other industrial, agricultural, and service machinery and electric generating equipment and parts both de-

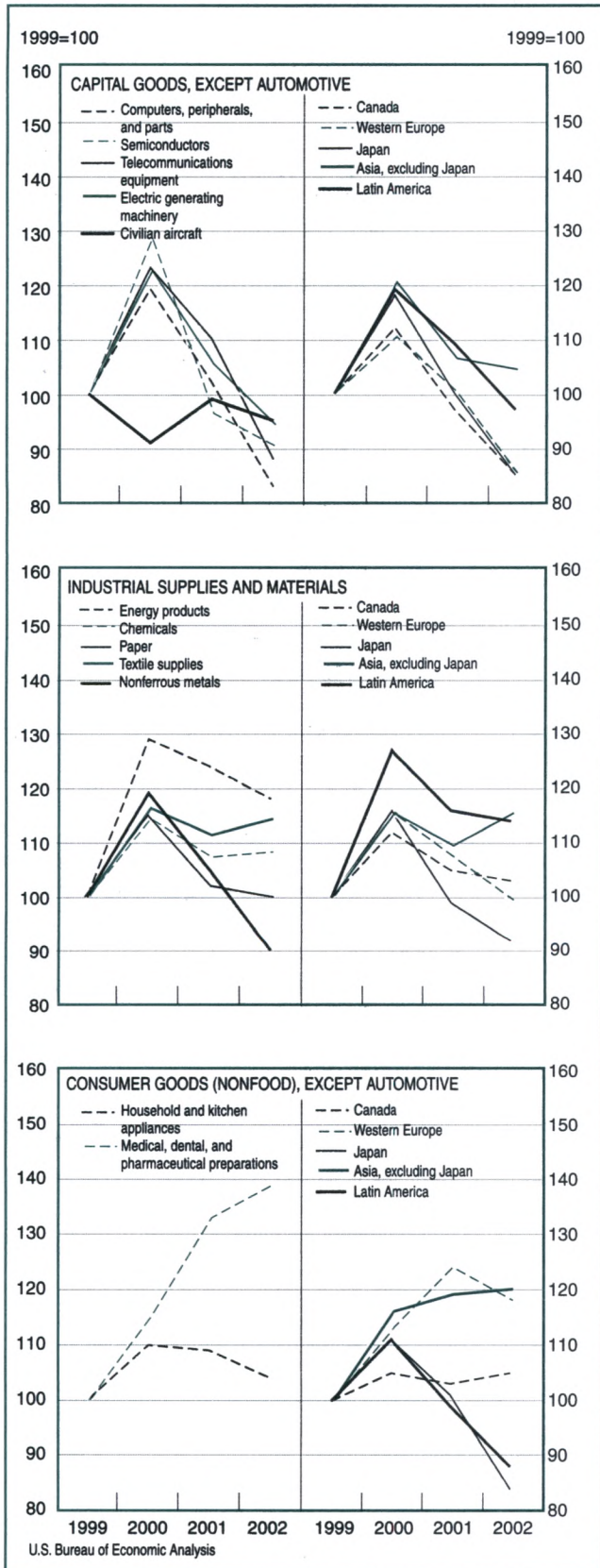
**Table H. Percent Change in Foreign Currency Cost of U.S. Exports of Goods**

[Based on index numbers (1996=100)]

	2000 <sup>r</sup>	2001 <sup>r</sup>	2002 <sup>p</sup>
<b>Exports</b> .....	<b>5.8</b>	<b>5.2</b>	<b>-1.7</b>
Agricultural products.....	2.7	6.8	0.3
Nonagricultural products.....	6.0	5.1	-1.9
Foods, feeds, and beverages.....	2.9	6.3	1.2
Industrial supplies and materials.....	11.2	2.8	-2.7
Capital goods, except automotive.....	4.0	5.9	-2.1
Computers, peripherals, and parts.....	-0.5	2.8	-6.1
Civilian aircraft, engines, and parts.....	8.9	11.8	1.4
Other capital goods.....	3.9	5.6	-2.1
Automotive vehicles, parts, and engines.....	5.5	6.3	-0.7
Consumer goods (nonfood), except automotive.....	5.0	5.7	-1.9
Exports, n.e.c.....	6.6	5.5	-1.3

<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, the United Kingdom, and from January 2001, Greece.

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



creased, but by smaller amounts than in 2001. Civilian aircraft, engines, and parts decreased \$2.1 billion (table I).

Consumer goods decreased \$3.9 billion, or 4 percent, following a decrease of \$1.0 billion, or 1 percent. Exports to Latin America, Japan, and Western Europe declined. Durable goods—largely artwork, antiques, stamps, and collectibles to Western Europe—accounted for nearly three-fourths of the decrease. Among nondurable goods, household and kitchen appliances—largely to Mexico, Japan, and developing countries in Asia—decreased \$0.8 billion, and medical, dental, and pharmaceutical products increased \$0.8 billion. Unmanufactured consumer goods increased \$0.4 billion; the increase was accounted for by gem diamonds and other gem stones to Israel and India.

Nonagricultural industrial supplies and materials decreased \$2.7 billion, or 2 percent, following a decrease of \$13.4 billion, or 8 percent. Much of the decrease was in metals and nonmetallic products, of which more than half was in nonmonetary gold to Switzerland. Energy products, paper and paper base products, and building materials all decreased. Chemicals increased a small amount (table J).

Automotive vehicles, engines, and parts increased \$3.0 billion, or 4 percent, following a decrease of \$4.9 billion, or 6 percent. Complete cars, trucks, and buses, mainly to Canada, accounted for most of the increase.

Agricultural exports decreased \$0.4 billion, or 1 percent, following an increase of \$2.1 billion, or 4 percent. Increases in corn, wheat, and soybeans were more than offset by a large decrease in meat products.

**Imports.** Goods imports increased \$21.0 billion, or 2 percent, to \$1,166.9 billion in 2002, following a decrease of \$78.5 billion, or 6 percent in 2001. Real imports increased 4 percent, and import prices decreased 2 percent. In value, increases in consumer goods and autos were partly offset by decreases in capital goods and in nonpetroleum industrial supplies and materials (charts 7 and 9). Imports from Asia increased \$23.5 billion; from Latin America, \$6.0 billion; and from Western Europe, \$5.2 billion. In contrast, imports from Canada decreased \$5.6 billion and from Japan decreased \$5.0 billion.

Consumer goods increased \$23.4 billion, or 8 percent, following an increase of \$2.5 billion, or 1 percent, when import growth was severely limited by the U.S. recession. Durable goods increased \$12.4 billion; 60 percent of the increase was in household and kitchen appliances, three-fourths of which came from China. Nondurable goods increased \$9.4 billion; three-fourths of the increase was accounted for by medical,



dental, and pharmaceutical preparations, most of which came from Ireland (pharmaceutical preparations), Germany, and the United Kingdom.

Automotive vehicles, engines, and parts increased \$14.1 billion, or 7 percent, following a decrease of \$6.1 billion, or 3 percent. Cars and parts from Germany and Japan and parts from Mexico accounted for most of the increase. Total U.S. auto sales fell 2 percent in 2002; all of the decline was accounted for by sales of domestic autos. Sales of domestic autos and trucks fell

3.3 percent, even after aggressive financing deals offered by domestic automakers, while sales of foreign autos and trucks rose 6.3 percent.

Capital goods decreased \$14.1 billion, or 5 percent, following a decrease of \$49.0 billion, or 14 percent. Civilian aircraft, engines, and parts decreased \$5.6 billion, the first decrease in 7 years; imports from France, Germany, the United Kingdom, and Canada all decreased. Semiconductors decreased \$4.4 billion, largely from Asian countries, following a decrease of \$17.9 bil-

**Table I. U.S. Trade in Capital Goods, except Automotive**

[Balance of payments basis, millions of dollars]

	1997	1998	1999	2000	2001	2002 <sup>p</sup>
<b>Exports</b> .....	<b>295,874</b>	<b>299,868</b>	<b>311,250</b>	<b>357,000</b>	<b>321,723</b>	<b>290,649</b>
Computers, peripherals, and parts.....	49,361	45,247	46,724	55,542	47,555	38,571
Semiconductors.....	38,861	37,650	46,962	60,077	45,065	42,254
Telecommunications equipment.....	23,340	23,869	25,367	31,268	27,874	22,217
Scientific, hospital, and medical equipment and parts.....	16,173	15,827	16,748	19,309	20,062	19,341
Industrial, agricultural, and service industry machinery.....	46,347	43,573	44,695	53,143	46,060	42,871
Machine tools, metalworking equipment, and control instruments.....	18,275	18,615	19,349	23,837	19,985	18,373
Oil drilling, mining, and construction machinery.....	15,965	15,943	11,965	12,598	14,057	12,911
Industrial engines, pumps, and compressors.....	12,614	11,727	10,993	11,602	11,992	11,563
Electric generating machinery, electric apparatus, and parts.....	27,977	27,301	29,353	35,766	30,887	27,576
Civilian aircraft, engines, and parts.....	41,359	53,547	52,921	48,091	52,619	50,508
Other capital goods, n.e.c.....	5,602	6,369	6,173	5,767	5,567	4,464
<b>Imports</b> .....	<b>253,398</b>	<b>269,451</b>	<b>295,718</b>	<b>347,023</b>	<b>297,992</b>	<b>283,889</b>
Computers, peripherals, and parts.....	70,177	72,475	81,456	89,762	74,001	75,256
Semiconductors.....	36,880	33,416	37,628	48,353	30,422	26,043
Telecommunications equipment.....	13,822	15,723	21,553	32,688	24,632	23,178
Scientific, hospital, and medical equipment and parts.....	8,958	10,513	12,150	14,941	15,212	16,033
Industrial, agricultural, and service industry machinery.....	41,814	44,711	46,849	51,636	47,478	47,979
Machine tools, metalworking equipment, and control instruments.....	14,973	16,173	15,588	18,192	16,422	14,871
Oil drilling, mining, and construction machinery.....	6,382	8,007	6,984	7,167	6,902	6,573
Industrial engines, pumps, and compressors.....	6,541	7,338	7,715	9,453	9,780	9,089
Electric generating machinery, electric apparatus, and parts.....	27,920	29,074	32,816	39,716	34,789	32,919
Civilian aircraft, engines, and parts.....	16,598	21,814	23,773	26,376	31,358	25,746
Other capital goods, n.e.c.....	9,333	10,207	9,206	8,739	6,996	6,202

<sup>p</sup> Preliminary.

n.e.c. Not elsewhere classified.

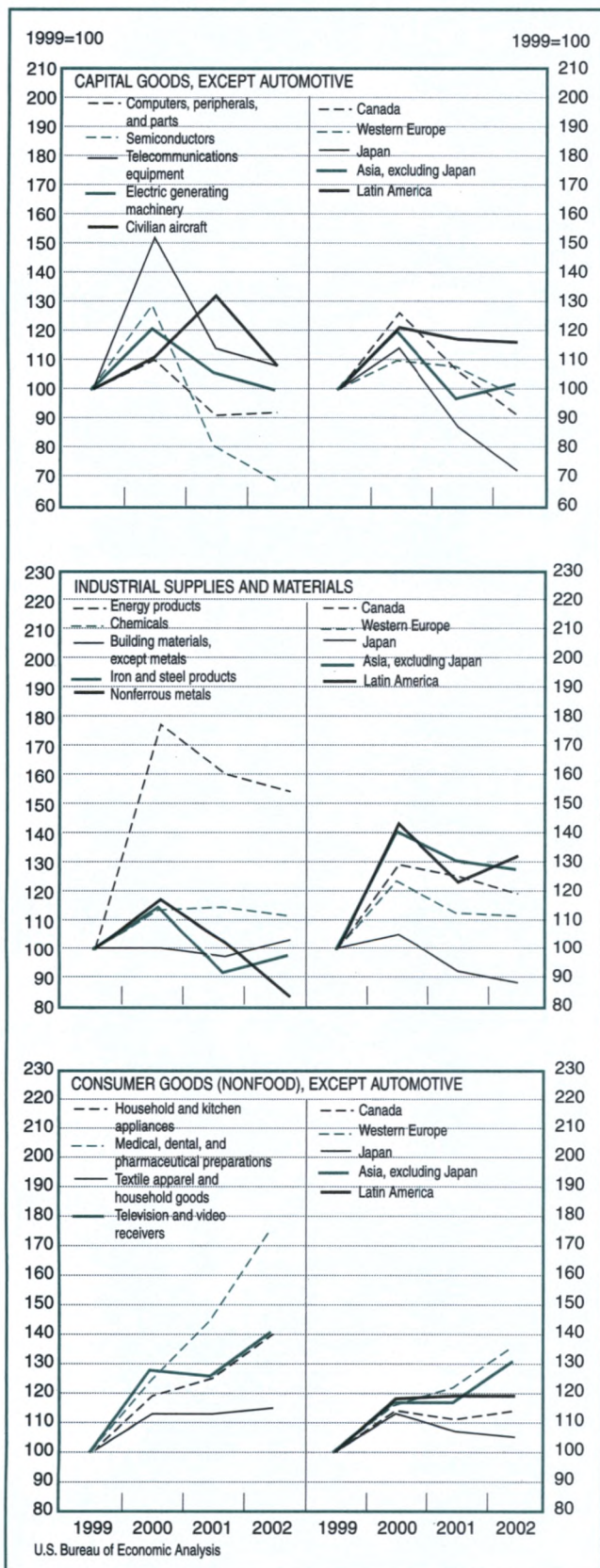
**Table J. U.S. Trade in Nonagricultural Industrial Supplies and Materials**

[Balance of payments basis, millions of dollars]

	1997	1998	1999	2000	2001	2002 <sup>p</sup>
<b>Exports</b> .....	<b>147,730</b>	<b>138,528</b>	<b>140,314</b>	<b>163,889</b>	<b>150,476</b>	<b>147,760</b>
Energy products.....	16,566	13,335	12,883	16,636	15,922	15,149
Chemicals, excluding medicinals.....	46,829	44,944	45,927	52,242	49,326	49,830
Paper and paper base stocks.....	12,785	12,151	12,174	14,001	12,386	12,218
Textile supplies and related materials.....	10,700	8,918	9,807	11,367	10,866	11,145
Building materials, except metals.....	9,482	7,977	8,157	8,755	7,770	7,613
Other nonmetals.....	16,705	18,043	18,895	21,628	19,599	19,550
Metals and nonmetallic products.....	34,663	33,160	32,471	39,260	34,607	32,255
Steelmaking materials and iron and steel products.....	8,186	7,328	7,156	8,560	7,966	7,845
Nonferrous metals.....	15,026	14,235	13,526	16,047	14,219	12,173
Other metals and nonmetallic products.....	11,451	11,597	11,789	14,653	12,422	12,237
<b>Imports</b> .....	<b>211,000</b>	<b>196,853</b>	<b>218,545</b>	<b>296,497</b>	<b>270,803</b>	<b>264,219</b>
Energy products.....	80,158	59,119	78,140	138,397	124,876	120,191
Chemicals, excluding medicinals.....	29,124	29,183	29,601	33,762	34,048	33,072
Paper and paper base stocks.....	10,675	11,222	11,582	13,685	12,240	11,473
Textile supplies and related materials.....	10,097	10,338	10,305	11,256	10,314	10,866
Building materials, except metals.....	16,822	17,909	21,813	21,788	21,261	22,495
Other nonmetals.....	14,177	14,650	15,799	17,848	17,253	18,448
Metals and nonmetallic products.....	49,947	54,432	51,305	59,761	50,811	47,674
Steelmaking materials and iron and steel products.....	21,163	24,456	20,917	24,006	18,944	20,165
Nonferrous metals.....	22,035	22,837	22,795	26,685	23,246	18,824
Other metals and nonmetallic products.....	6,749	7,139	7,593	9,070	8,621	8,685
<b>Memorandum:</b>						
Nonpetroleum industrial supplies and materials imports.....	145,535	152,145	156,311	181,919	172,527	165,906

<sup>p</sup> Preliminary.

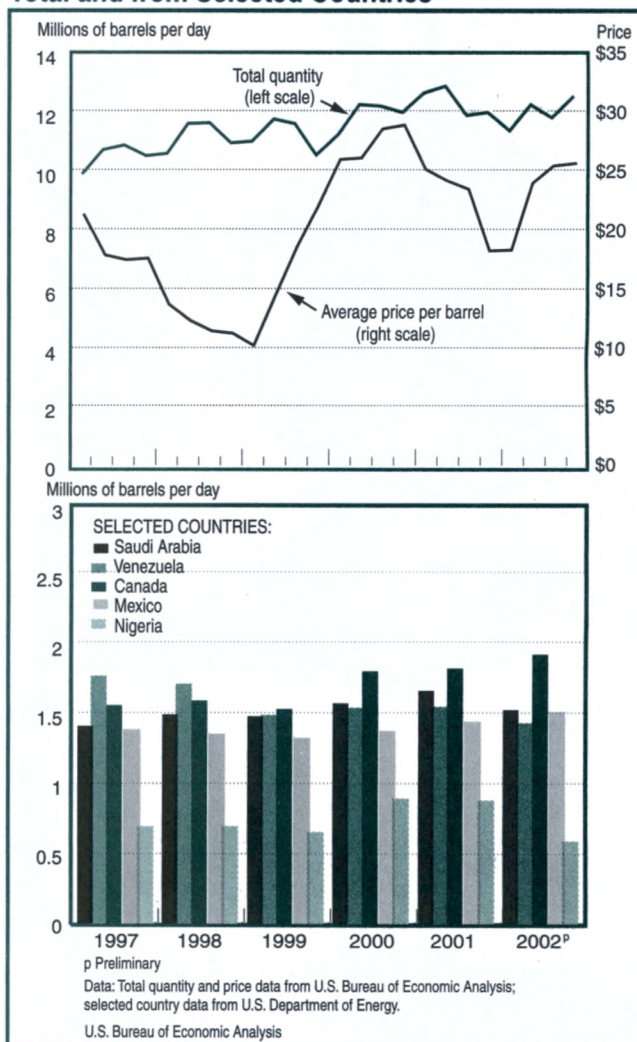
**Chart 9. Growth in Imports by Selected Commodity Categories and Areas**



lion. Telecommunications equipment decreased \$1.5 billion, following a decrease of \$8.1 billion; decreases from Canada and Japan were sizable, but they were partly offset by increases from China and Sweden. Computers, peripherals, and parts increased \$1.3 billion after a \$15.8 billion decrease. Deliveries from Japan, Canada, Mexico, and Western Europe all continued to decline, while deliveries from China were up 42 percent, or \$4.4 billion; China now accounts for 20 percent of all personal computer shipments to the United States (table I).

Nonpetroleum industrial supplies and materials decreased \$6.6 billion, or 4 percent, following a decrease of \$9.4 billion, or 5 percent. Nonferrous metals, including nonmonetary gold, accounted for most of the decrease. Chemicals and paper and paper base stocks also decreased. Iron and steel products increased 6 percent after a 20-percent drop. Imports from Western

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





The deficit with Latin America increased \$16.6 billion, as a result of stronger imports and lower exports. Exports declined substantially for the second consecutive year, mostly in capital goods and consumer goods. Imports of petroleum and of autos increased.

The deficit with Japan increased \$1.2 billion. Export declines, largely of capital goods and consumer goods, were larger than import declines, largely of capital goods.

The deficit with Canada decreased \$3.2 billion. Exports of capital goods fell, but imports of nonpetroleum industrial supplies and capital goods fell even more.

### Services

The surplus on services decreased to \$48.8 billion in 2002 from \$68.9 billion in 2001. The surplus in 2002 was well below the peak of \$90.4 billion in 1997 (table L, chart 11). A substantial amount of the deterioration from 2001 to 2002 was attributable to the recording of large nonrecurring losses recovered from foreign reinsurers at the time of the September 11<sup>th</sup> attacks, which lowered net payments and boosted the surplus in 2001. In 2002, losses recovered returned to more normal levels, and insurance premiums increased strongly as prices on property and casualty policies were increased; both factors boosted insurance payments.

The September 11<sup>th</sup> attacks continued to have residual effects on the travel and passenger fares accounts, as travel to and from the United States remained below

pre-September 11<sup>th</sup> levels. Travel receipts decreased \$2.8 billion, to \$70.3 billion, in 2002, following a decrease of \$9.1 billion in 2001. Slow economic growth abroad also discouraged travel, despite substantial appreciation of major foreign currencies from late March to the end of the year. In 2002, the number of visitors declined 6 percent, following a decline of 14 percent in 2001. Passenger fare receipts reflected these same factors, declining \$0.6 billion after falling \$2.8 billion.

Travel payments decreased \$0.8 billion, to \$59.3 billion, in 2002, following a decrease of \$4.7 billion in

Chart 11. Annual Services Data, 1990–2002

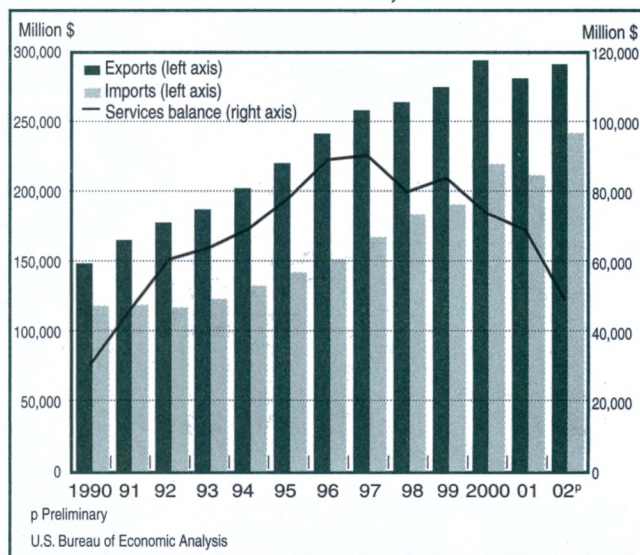


Table L. Services

[Millions of dollars, quarters seasonally adjusted]

	2000	2001	2002 <sup>p</sup>	2002			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Exports</b> .....	<b>292,245</b>	<b>279,260</b>	<b>289,278</b>	<b>68,587</b>	<b>72,101</b>	<b>73,545</b>	<b>75,048</b>
Travel.....	82,267	73,119	70,320	17,039	17,202	17,438	18,641
Passenger fares.....	20,760	18,007	17,443	4,170	4,171	4,502	4,600
Other transportation.....	30,137	28,306	28,377	6,810	6,992	7,183	7,392
Royalties and license fees.....	39,607	38,668	42,959	9,922	11,077	11,138	10,823
Other private services.....	104,707	108,109	117,340	27,461	29,373	30,161	30,347
Affiliated services.....	32,580	36,243	39,837	8,647	10,118	10,659	10,415
Unaffiliated services.....	72,127	71,866	77,503	18,814	19,255	19,502	19,932
Education.....	10,348	11,493	12,670	3,034	3,104	3,241	3,291
Financial.....	16,307	15,209	14,877	3,769	3,824	3,668	3,616
Insurance.....	2,050	18	1,120	91	128	352	549
Telecommunications.....	4,756	4,796	5,556	1,277	1,351	1,426	1,502
Business, professional, and technical.....	24,373	25,720	27,521	6,817	6,940	6,862	6,902
Other.....	14,293	14,630	15,759	3,826	3,908	3,952	4,072
Military transactions <sup>1</sup> .....	13,981	12,220	12,044	2,990	3,087	2,923	3,044
U.S. Government receipts.....	786	831	795	195	199	200	201
<b>Imports</b> .....	<b>218,503</b>	<b>210,385</b>	<b>240,467</b>	<b>57,613</b>	<b>58,902</b>	<b>60,949</b>	<b>63,009</b>
Travel.....	64,788	60,117	59,303	14,538	14,405	14,631	15,729
Passenger fares.....	24,306	22,418	20,993	5,087	5,002	5,276	5,628
Other transportation.....	41,598	38,823	38,555	8,871	9,752	9,731	10,201
Royalties and license fees.....	16,115	16,359	19,899	4,761	4,948	5,352	4,840
Other private services.....	55,253	54,588	79,379	19,127	19,304	20,220	20,732
Affiliated services.....	25,971	28,410	29,780	7,534	6,988	7,538	7,723
Unaffiliated services.....	29,282	26,178	49,599	11,593	12,316	12,682	13,009
Education.....	2,052	2,378	2,667	631	654	679	703
Financial.....	4,472	4,016	3,607	974	1,012	816	805
Insurance.....	8,175	4,906	27,496	6,177	6,738	7,178	7,402
Telecommunications.....	5,473	4,298	3,990	950	978	1,017	1,045
Business, professional, and technical.....	8,636	10,040	11,232	2,714	2,783	2,838	2,897
Other.....	473	540	607	147	150	153	156
Direct defense expenditures <sup>2</sup> .....	13,560	15,198	19,418	4,488	4,766	5,014	5,150
U.S. Government payments.....	2,883	2,882	2,920	741	725	725	729

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

<sup>1</sup> Consists of goods and services transferred under U.S. military agency sales contracts, which cannot be

separately identified.

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

2001. U.S. travel overseas was slow to recover after September 11<sup>th</sup> despite a strengthening in U.S. economic growth; dollar depreciation from late March to the end of the year also discouraged travel abroad. In 2002, the number of U.S. travelers to overseas destinations was down 7 percent, following a decline of 6 percent in 2001. Passenger fare payments reflected these same factors, declining \$1.4 billion after falling \$1.9 billion.

“Other” private services receipts increased \$9.2 billion, to \$117.3 billion, in 2002, up from a \$3.4 billion increase in 2001. Among unaffiliated services, most major categories increased; the largest increases were in business, professional, and technical services, in education, and in insurance. Insurance receipts reflected higher premiums on property and casualty insurance that followed the attacks of September 11<sup>th</sup>. Financial services receipts decreased for the second consecutive year, reflecting reduced foreign activity in U.S. financial markets.

“Other” private services payments increased \$24.8 billion, to \$79.4 billion, in 2002, following a decrease of \$0.7 billion in 2001. The increase in 2002 was mostly attributable to the insurance payments, which are recorded as the net of premiums paid and losses recovered. Losses recovered are recorded on an accrual basis at the time an insured event occurs. The recording of sizable losses recovered from foreign reinsurers as a result of the September 11<sup>th</sup> attacks greatly reduced net payments in 2001. In 2002, losses recovered returned to more typical levels, and premiums paid rose sharply, reflecting steep price increases on property and casualty policies. Business, technical, and professional services payments continued to rise. Financial services payments decreased for the second consecutive year, reflecting reduced U.S. activity in foreign financial markets.

“Other” transportation receipts were nearly unchanged at \$28.4 billion in 2002, following a decrease

of \$1.8 billion in 2001.

Freight receipts increased \$0.4 billion, or 3 percent, following a decrease of \$1.1 billion, as an increase in air freight more than offset a decrease in ocean freight. Air freight increased \$0.4 billion, mostly from higher freight rates, and ocean freight decreased \$0.3 billion. Tanker rates remained near record lows for most of the year, U.S. tramp vessel revenues fell, and liner vessel revenues were unchanged; all reflected reduced export volume.

Port services receipts decreased \$0.3 billion as a result of a decline in air port services. Ocean port services were unchanged.

“Other” transportation payments decreased \$0.3 billion in 2002, following a \$2.8 billion decrease in 2001.

Port services payments decreased \$0.5 billion, following a decrease of \$1.1 billion. Reflecting the drop in international air travel following the attacks of September 11<sup>th</sup>, most passenger carriers operated on reduced flight schedules, resulting in lower expenses overseas. In addition, jet fuel prices decreased 8 percent because of reduced demand.

Freight payments increased \$0.2 billion, following a decrease of \$1.7 billion. Air freight increased \$0.9 billion, reflecting a 15-percent increase in import volume. More than half of the increase resulted from higher air imports from Asia, largely due to a West Coast ocean port strike in the last 2 days of September and the first 8 days of October. Ocean freight decreased \$0.8 billion; revenues from tanker vessels decreased, more than offsetting an increase in revenues from liner vessels. Import volume on liners was strong in the last half of the year.

Transfers under U.S. agency military sales contracts fell slightly to \$12.0 billion in 2002 from \$12.2 billion in 2001; at this level, transfers were well below the recent peak of \$17.4 billion in 1998. Direct defense ex-

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

[Millions of dollars, quarters seasonally adjusted]

(Credits +; debits -)	2000	2001	2002 <sup>P</sup>	2002			
				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.....	149,677	125,996	128,068	28,629	30,908	33,730	34,800
Distributed earnings.....	44,497	42,253	41,904	9,468	11,052	12,477	8,905
Reinvested earnings.....	101,213	79,668	81,650	18,038	18,795	20,096	24,722
Interest, net.....	3,966	4,076	4,514	1,123	1,061	1,157	1,173
Income payments on foreign direct investment in the United States.....	-60,815	-23,401	-50,121	-6,606	-12,159	-15,104	-16,252
Distributed earnings.....	-34,230	-20,405	-17,341	-6,451	-5,015	-2,497	-3,384
Reinvested earnings.....	-6,519	19,697	-10,213	5,198	-1,321	-6,727	-7,359
Interest, net.....	-20,066	-22,694	-22,565	-5,353	-5,823	-5,880	-5,509
<b>Capital</b>							
U.S. direct investment abroad (increase/financial outflow (-)).....	-178,294	-127,840	-123,528	-29,546	-34,521	-26,418	-33,047
Equity capital.....	-66,089	-49,840	-27,335	-9,507	-3,441	-5,934	-8,453
Reinvested earnings.....	-101,213	-79,668	-81,650	-18,038	-18,795	-20,096	-24,722
Intercompany debt.....	-10,993	1,668	-14,546	-2,001	-12,285	-388	128
Foreign direct investment in the United States (increase/financial inflow (+)).....	307,747	130,796	30,114	16,327	-2,600	2,891	13,493
Equity capital.....	245,943	107,721	57,618	10,964	13,975	21,930	10,749
Reinvested earnings.....	6,519	-19,697	10,213	-5,198	1,321	6,727	7,359
Intercompany debt.....	55,285	42,771	-37,716	10,561	-17,896	-25,766	-4,615

penditures abroad increased to \$19.4 billion in 2002 from \$15.2 billion in 2001. During the last half of the year, expenditures reflected the gradual buildup and deployment of troops prior to the war with Iraq in 2003. Most of the increased expenditures were for purchases of equipment and supplies and for transportation of troops and materiel.

**Income**

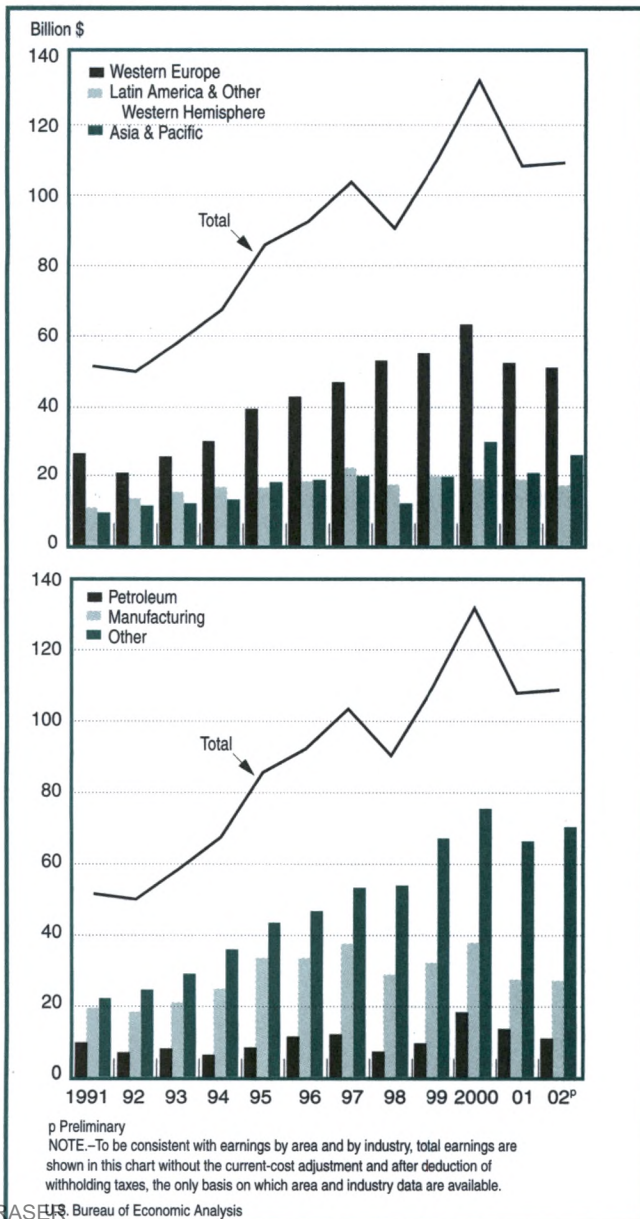
The balance on income shifted to a deficit of \$11.9 billion in 2002 from a surplus of \$14.4 billion in 2001 (table D). Income receipts fell more than income payments.

Receipts of income on U.S. direct investment abroad increased \$2.1 billion, to \$128.1 billion, in 2002 (table M, chart 12). Limited economic expansion in indus-

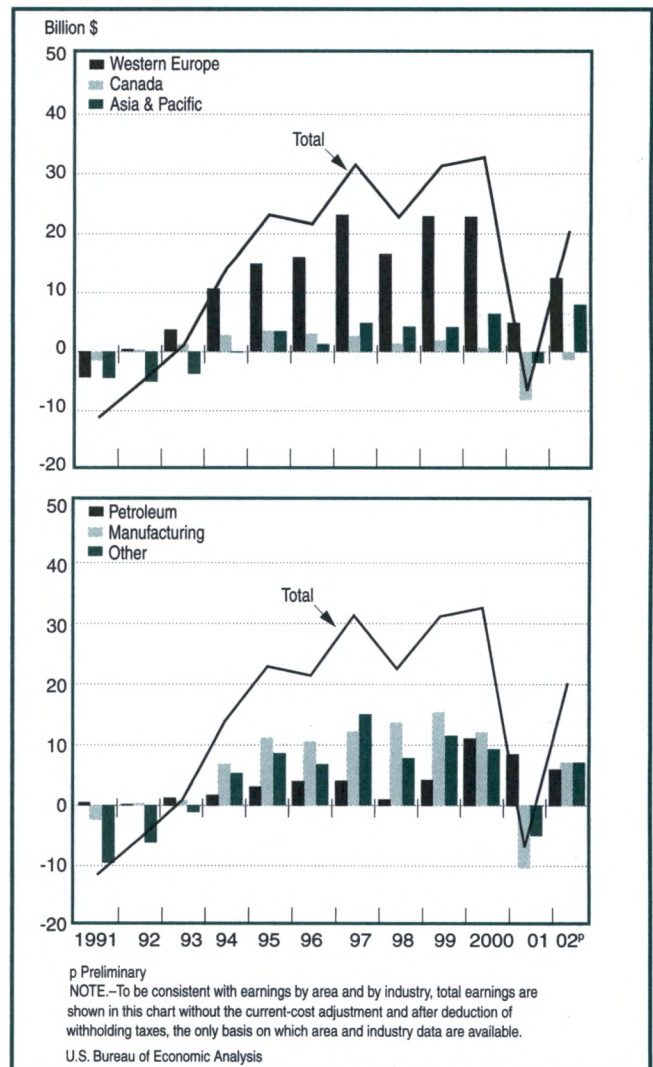
trial countries abroad generated only a small increase in earnings in 2002. Earnings had fallen sharply in 2001 when growth in industrial countries slowed sharply. Appreciation of some key foreign currencies against the dollar during much of 2002 contributed to some of the increase in earnings in 2002. Depreciation of foreign currencies against the dollar in 2001 contributed to some of the decline in earnings in 2001. In 2002, earnings in "other" industries increased \$4.0 billion, largely in telecommunications, mining, and wholesale trade. Earnings in petroleum decreased \$2.6 billion, largely in Europe and Canada. Earnings in manufacturing decreased \$0.4 billion; the decrease was more than accounted for by declines in electronics, largely from Asia and Pacific, and in transportation equipment from Canada.

Payments of income on foreign direct investment in the United States increased \$26.7 billion, to \$50.1 billion, in 2002 (table M, chart 13). Earnings of U.S. affiliates recovered strongly from the poor results of 2001, as U.S. GDP grew 2.4 percent in 2002 after growth of

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



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



only 0.3 percent in 2001. By industry, the largest increases were in manufacturing, which shifted \$17.3 billion to profits of \$7.1 billion. Within "other" industries, earnings increased to \$5.0 billion from \$2.9 billion; all industries except depository institutions increased. In contrast, petroleum earnings fell \$2.5 billion. By area, increases in payments of income were largest for affiliates with parents in Japan (tires, wholesale trade, machinery, and depository institutions), Canada (smaller losses in machinery), and Europe.

Receipts of income on "other" private investment

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

	2000	2001	2002 <sup>p</sup>
<b>Receipts</b> .....	<b>197.1</b>	<b>151.8</b>	<b>110.8</b>
Dividends .....	35.9	25.4	26.2
Interest on bonds .....	42.6	39.9	37.9
Interest on bank claims .....	57.1	42.3	23.6
Interest on other claims <sup>1</sup> .....	61.5	44.2	23.1
<b>Payments</b> .....	<b>179.2</b>	<b>156.8</b>	<b>124.5</b>
Dividends .....	19.6	20.7	22.6
Interest on bonds .....	51.9	56.1	61.0
Interest on bank liabilities .....	65.1	42.0	20.1
Interest on other liabilities <sup>1</sup> .....	42.6	38.0	20.8

<sup>p</sup> Preliminary.  
1. Primarily income of financial concerns other than banks.  
NOTE: Excludes direct investment income receipts and payments.

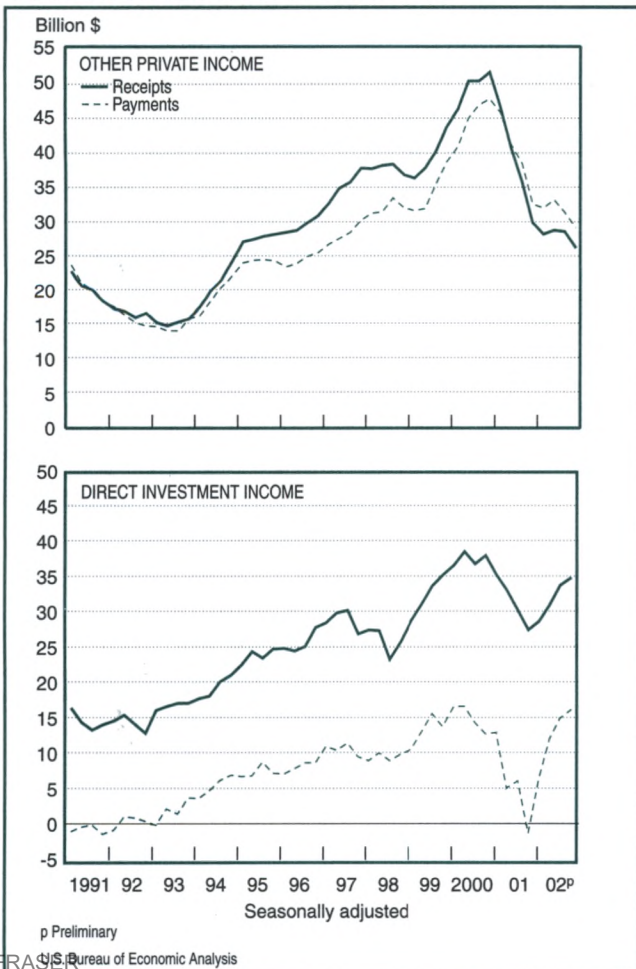
decreased to \$110.8 billion in 2002 from \$151.8 billion in 2001 and were considerably below receipts of \$197.1 billion in 2000 (table N, chart 14). The largest decrease in 2002 was in interest earned on banks' and nonbanks' claims, which decreased \$39.8 billion. The average interest rate on banks' and nonbanks' claims was 200 basis points lower than in 2001. Dividends earned on stocks increased slightly, and interest earned on bonds decreased slightly.

Payments of income on "other" private investment decreased to \$124.5 billion in 2002 from \$156.8 billion in 2001 and \$179.2 billion in 2000 (table N, chart 14). Declines in interest paid on banks' and nonbanks' liabilities more than accounted for the decrease in 2002 and were attributable to declines in interest rates. Interest paid on bonds increased, reflecting an increase in foreign holdings. Dividends paid increased, reflecting an increase in yields that was only partly offset by a decrease in foreign holdings.

For the second consecutive year, "other" private payments exceeded "other" private receipts. In 2002, the margin was \$13.8 billion; in 2001, it was \$5.0 billion.

U.S. Government income payments decreased to \$72.9 billion in 2002 from \$80.7 billion in 2001 and \$83.0 billion in 2000 (table O). In 2002, a decline in yields more than accounted for the decrease; yields on long-term Treasury securities were 100 basis points lower on average.

**Chart 14. Private Investment Income**



**Unilateral current transfers**

Net unilateral current transfers were outflows of \$56.0 billion in 2002, \$6.6 billion more than in 2001. U.S. Government grants accounted for most of the increase, 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 of 2001 were not appropriated and disbursed until the first quarter of 2002 (table O). Similar disbursements scheduled for the fourth quarter of 2002 were delayed until the first quarter of 2003. Private remittances and other transfers also increased, mainly because of an increase in institutional remittances and net taxes paid to foreigners.

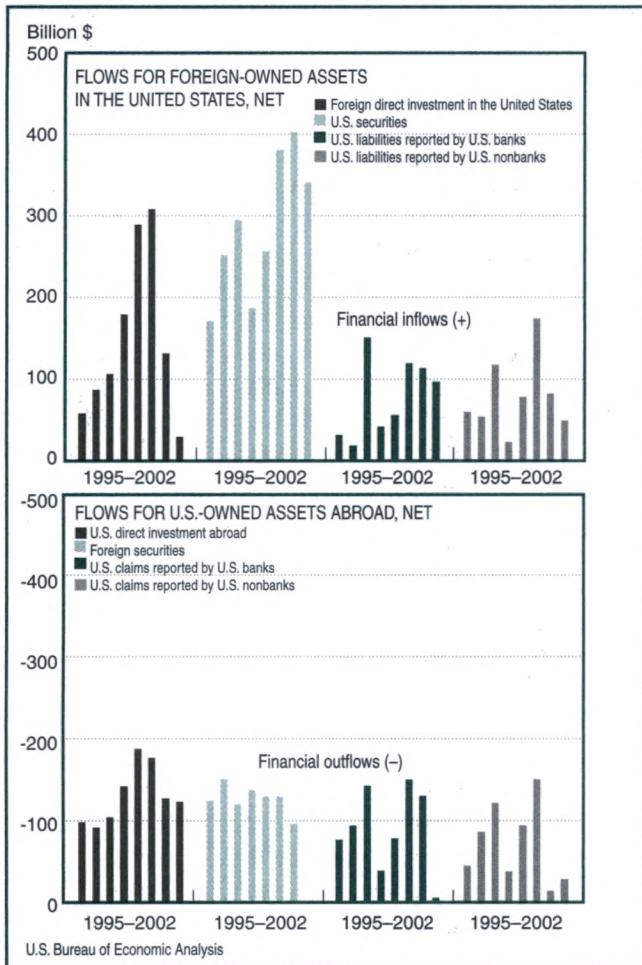
**Capital Account**

Capital account transactions were net inflows of \$0.7 billion in 2002, down from net inflows of \$0.8 billion in 2001.

**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 \$474.2 billion in 2002, up from \$381.8 billion in 2001. Financial outflows for U.S.-owned assets abroad de-

**Chart 15. Financial Flows, 1995–2002**



creased more than financial inflows for foreign-owned assets in the United States (chart 15).

**U.S.-owned assets abroad**

Net U.S.-owned assets abroad increased \$156.2 billion in 2002, compared with an increase of \$371.0 billion in

2001. Net outflows from U.S. banks were greatly reduced, and U.S. transactions in foreign securities shifted from sizable net purchases to net sales.

**U.S. official reserve assets.** U.S. official reserve assets increased \$3.7 billion in 2002, following an increase of \$4.9 billion in 2001 (table C). The increase in 2002 included a \$2.6 billion increase in the U.S. reserve position in the International Monetary Fund (IMF). Sizable dollar credits that were extended by the IMF to Brazil, Turkey, and Uruguay were only partly offset by repayments of dollar credits to the IMF by Russia.

**U.S. claims reported by banks and nonbanks.** U.S. claims on foreigners reported by U.S. banks increased \$3.1 billion in 2002, following an increase of \$128.7 billion in 2001 (tables P and Q).

Banks' own claims denominated in dollars increased \$7.6 billion in 2002, following increases of \$119.4 billion in 2001 and \$111.5 billion in 2000. The marked slowdown in lending in 2002 reflected a widespread decline in demand for bank credit and sharp dropoff in new syndicated loans due to a further decline in merger and acquisition activity. Syndicated loan activity had been especially strong in late 1999 and in 2000 at the peak of the merger and acquisition boom before declining in 2001 and 2002.

U.S.-owned banks' claims decreased \$18.3 billion in 2002, following an increase of \$39.0 billion in 2001. U.S. banks tightened lending standards and sought little additional international loan exposure over much of the year—partly as a result of concerns about questionable corporate accounting practices, sizable loan defaults, and an uncertain global economic outlook. Foreign-owned banks' claims increased \$16.8 billion, down from an increase of \$51.4 billion. Most lending was to provide funds to parent banks abroad. Claims on foreigners by U.S. securities brokers increased \$9.1 billion, down from an increase of \$29.0 billion, as fall-

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

[Millions of dollars]

(Credits +; debits -)	2000	2001	2002 <sup>P</sup>	2002			
				I	II	III <sup>r</sup>	IV <sup>P</sup>
U.S. Government grants.....	-16,821	-11,628	-16,914	-6,273	-3,312	-3,118	-4,211
U.S. Government forgiveness of foreign debt.....	-29	-25	-192	-5	-15	-82	-90
U.S. Government credits and other long-term assets.....	-5,182	-4,431	-5,213	-853	-565	-1,375	-2,420
For debt rescheduling.....	-1,687	-693	-2,634	-253	-88	-250	-2,043
Other disbursements.....	-3,495	-3,738	-2,579	-600	-477	-1,124	-378
Repayments of U.S. Government credits and other long-term assets.....	4,265	3,873	5,696	994	566	1,452	2,684
From debt rescheduling.....	741	474	2,185	136	24	201	1,824
From debt forgiveness.....	20	12	159	3	9	81	66
Other repayments.....	3,504	3,386	3,352	855	533	1,170	794
U.S. Government foreign currency holdings and short-term assets, net.....	-24	72	-104	-8	41	-104	-33
From debt rescheduling.....	303	106	220	31	36	22	131
From debt forgiveness.....	(*)	4	.....	.....	.....	.....	.....
Other.....	-328	-38	-324	-39	5	-126	-164
U.S. Government receipts of income.....	3,846	3,561	3,343	899	607	905	932
From debt rescheduling.....	643	113	229	86	28	27	88
From debt forgiveness.....	9	9	33	2	6	1	24
Other receipts.....	3,193	3,439	3,080	810	573	877	820
U.S. Government payments of income.....	-82,973	-80,665	-72,938	-18,514	-18,631	-18,168	-17,625

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



ing asset prices and increased volatility in most financial markets slowed foreign purchases of securities and related lending by U.S. securities brokers.

Banks' domestic customers' claims increased \$1.5 billion in 2002, following a decrease of \$14.0 billion. The increase was more than accounted for by a \$22.5 billion increase in foreign commercial paper issued in the United States, as foreigners sought short-term funds. Claims on foreigners reported by nonbanking concerns increased \$28.5 billion, following an increase of \$14.4 billion; deposits abroad increased more than twice as much in 2002 as in 2001 (table P).

**Foreign securities.** Net U.S. transactions in foreign securities shifted to net sales of \$2.2 billion in 2002 from net purchases of \$94.7 billion in 2001. The sizable swing was mostly attributable to a decline in net purchases of foreign stocks to \$18.6 billion from \$106.8 billion. Net U.S. sales of foreign bonds were \$20.8 billion, up from \$12.1 billion (table P).

In merger-related transactions, stock swaps ac-

counted for nearly half of the annual decline in net U.S. purchases; stock swaps fell to \$3.2 billion in 2002 from \$44.7 billion in 2001. Stock swaps in both years were considerably lower than the \$80.4 billion in 2000 and the peak of \$115.8 billion in 1999. Foreign acquisitions of U.S. firms accomplished by stock swaps are recorded in the accounts as increases in foreign direct investment in the United States and as increases in U.S. portfolio holdings of foreign securities.

In nonmerger-related transactions, net U.S. purchases of stocks fell to \$15.4 billion from \$62.1 billion. Growth in key European countries, especially Germany, was limited despite stimulus provided by the European Central Bank, and growth in Japan remained weak. In addition, European stock prices were down an additional 31 percent after a decline of 18 percent in 2001, and Japanese stock prices fell 19 percent after a decline of 20 percent (chart 16).

By area, net purchases of outstanding stocks from Western Europe were \$12.6 billion, down from \$51.5

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

[Billions of dollars]

Claims (increase/financial outflow (-)); liabilities (increase/financial inflow (+))	2000	2001	2002 <sup>P</sup>	2002			
				I	II	III <sup>r</sup>	IV <sup>P</sup>
<b>Private financial flows, net</b> .....	<b>373.1</b>	<b>382.0</b>	<b>380.9</b>	<b>79.3</b>	<b>27.6</b>	<b>161.5</b>	<b>112.5</b>
Bank-reported capital, net <sup>1</sup> .....	-31.7	-18.0	91.5	-10.3	-36.4	72.6	65.7
U.S. claims.....	-148.7	-128.7	-3.1	0.7	-68.7	53.8	11.0
U.S. liabilities <sup>1</sup> .....	117.0	110.7	94.6	-11.1	32.2	18.8	54.6
Securities, net.....	250.7	305.3	340.0	65.9	89.6	117.9	66.6
Net U.S. purchases of foreign securities.....	-127.5	-94.7	2.2	2.0	-9.7	18.5	-8.7
Stocks.....	-103.6	-106.8	-18.6	1.5	-19.9	12.8	-12.9
Bonds.....	-23.9	12.1	20.8	0.6	10.2	5.8	4.2
Net foreign purchases of U.S. securities.....	378.2	400.0	337.8	63.8	99.3	99.4	75.3
U.S. Treasury securities.....	-77.0	-7.7	53.2	-7.3	-5.1	52.9	12.7
Other than U.S. Treasury securities.....	455.2	407.7	284.6	71.1	104.4	46.5	62.6
Stocks.....	192.4	119.5	55.8	25.0	11.4	7.4	12.0
Bonds.....	262.8	288.2	228.8	46.1	93.0	39.1	50.6
U.S. currency flows, net.....	1.1	23.8	21.5	4.5	7.2	2.6	7.2
Direct investment, net.....	129.5	3.0	-93.4	-13.2	-37.1	-23.5	-19.6
U.S. direct investment abroad.....	-178.3	-127.8	-123.5	-29.5	-34.5	-26.4	-33.0
Foreign direct investment in the United States.....	307.7	130.8	30.1	16.3	-2.6	2.9	13.5
Nonbank-reported capital, net.....	23.4	68.0	21.2	32.4	4.4	-8.0	-7.5
U.S. claims.....	-150.8	-14.4	-28.5	0.1	-16.7	-4.2	-7.6
U.S. liabilities.....	174.3	82.4	49.7	32.3	21.1	-3.8	0.1

<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]

	2000	2001	2002 <sup>P</sup>	2002			
				I	II	III <sup>r</sup>	IV <sup>P</sup>
<b>Claims on foreigners reported by U.S. banks (increase/financial outflow (-)).....</b>	<b>-148.7</b>	<b>-128.7</b>	<b>-3.1</b>	<b>0.7</b>	<b>-68.7</b>	<b>53.8</b>	<b>11.0</b>
Banks' claims for own accounts, payable in dollars:							
Own foreign offices.....	-100.5	-82.8	-22.5	-5.3	-39.2	59.8	-37.8
Unaffiliated banks.....	1.9	-9.5	19.6	5.7	2.7	-2.1	13.4
Public borrowers and other foreigners.....	-13.0	-27.2	-4.7	-5.5	-11.9	-11.3	24.0
Banks' claims for domestic customers' accounts, payable in dollars.....	-40.9	7.3	0.6	9.4	-13.7	5.2	-0.4
Claims payable in foreign currencies.....	3.7	-16.6	3.9	-3.6	-6.6	2.2	11.9
<b>Liabilities to foreigners reported by U.S. banks (excluding U.S. Treasury securities) (increase/financial inflow (+)) <sup>1</sup>.....</b>	<b>117.0</b>	<b>110.7</b>	<b>94.6</b>	<b>-11.1</b>	<b>32.2</b>	<b>18.8</b>	<b>54.6</b>
Banks' liabilities for own accounts, payable in dollars:							
Own foreign offices.....	85.8	66.6	59.9	-11.4	15.3	-7.8	63.7
Unaffiliated banks.....	17.0	-13.2	-1.6	5.3	-9.5	-4.7	7.3
Other private foreigners and international financial institutions.....	13.9	23.0	27.1	-2.3	10.8	28.4	-9.8
Banks' custody liabilities, payable in dollars.....	7.0	14.0	11.2	-4.2	6.5	12.2	-3.3
Liabilities payable in foreign currencies.....	-6.8	20.2	-2.1	1.5	9.1	-9.4	-3.3

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

1. Excludes liabilities to foreign official agencies.

billion; net purchases from Asia and Latin America were \$5.9 billion, down from \$28.2 billion; and net purchases from Japan were \$1.0 billion, down from \$19.9 billion. Trading activity (that is, gross purchases plus gross sales) in foreign stocks decreased 11 percent in 2002, following a decrease of 21 percent in 2001.

For bonds, new issues in the United States decreased to \$20.8 billion from \$39.5 billion. Strong issuances of U.S. bonds left little demand for issuances of foreign bonds, and those borrowers with less than investment-grade credit ratings encountered higher interest rates (chart 17). New sovereign issues from Latin America dropped to \$6.0 billion from \$14.7 billion. Latin American financial markets and economies were under considerable political and economic pressure during 2002, as evidenced by debt default in Argentina, election turmoil in Brazil, and the oil industry strike in Venezuela. New issues from Canada were substantially lower than in 2001. New issues from Western Europe were slightly above those in 2001, but were available only to the highest rated borrowers. Transactions in outstanding bonds reflected a decline in net sales to \$6.3 billion from \$18.2 billion. Trading activity in foreign bonds increased 27 percent in 2002, following an increase of 12 percent in 2001.

**Direct investment.** Financial outflows on U.S. direct investment abroad decreased to \$123.5 billion in 2002 from \$127.8 billion in 2001 (table M). Equity capital outflows fell, intercompany debt shifted to net outflows, and reinvested earnings increased.

Net equity capital outflows were \$27.3 billion, down

from \$49.8 billion. Net outflows were \$66.1 billion in 2000 and had peaked at \$79.2 billion in 1999. The decline partly reflected the sizable further reduction of large-scale mergers and acquisitions that were especially prevalent in 1999-2000. In 2002, the few large-scale mergers were in food, electronics manufacturing, and mining. The largest decreases in net equity capital outflows were in depository institutions, which had included an unusually large acquisition in Mexico in 2001, and in finance. The largest decreases in outflows in finance were to Europe and to the Caribbean.

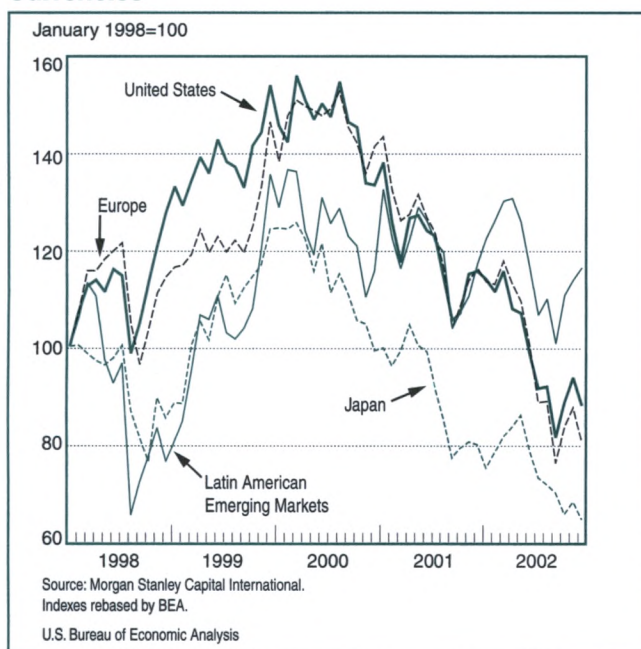
Intercompany debt shifted \$16.2 billion to net outflows of \$14.5 billion. Most of the shift was attributable to finance affiliates, particularly in Europe and Canada.

Reinvested earnings increased \$2.0 billion, to \$81.7 billion.

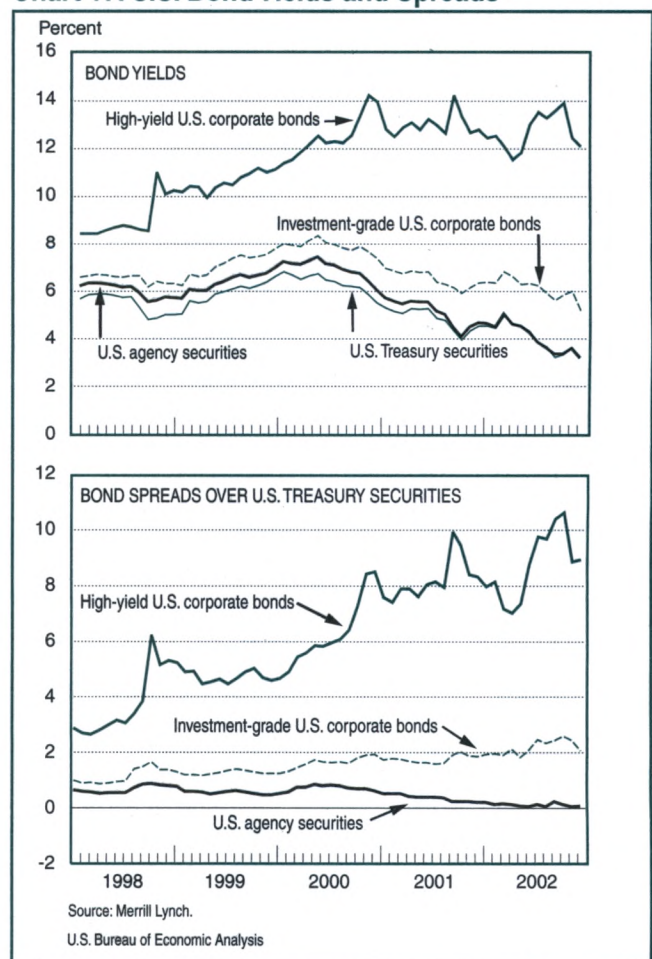
### Foreign-owned assets in the United States

Net foreign-owned assets in the United States increased \$630.4 billion in 2002, compared with an increase of \$752.8 billion in 2001. Net foreign purchases of U.S. securities other than U.S. Treasury securities

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



**Chart 17. U.S. Bond Yields and Spreads**



and net inflows for foreign direct investment in the United States were substantially lower. Foreign official assets increased substantially.

**Foreign official assets.** Foreign official assets in the United States increased \$96.6 billion in 2002, following an increase of \$5.2 billion in 2001 (table C). The inflow was the largest since 1996, when the dollar began its recovery from lows reached in 1995. In 2002, assets of industrial countries increased \$50.1 billion; over half of the increase was attributable to Japan and partly reflected currency market interventions in the second quarter to limit appreciation of the yen. Assets of developing countries increased \$46.5 billion, as China, Taiwan, Korea, and Russia all increased their holdings of foreign exchange reserves and dollar assets.

**U.S. liabilities reported by banks and by non-banks.** U.S. liabilities reported by U.S. banks, excluding U.S. Treasury securities, increased \$94.6 billion in 2002, following increases of \$110.7 billion in 2001 and \$117.0 billion in 2000 (tables P and Q).

Banks' own liabilities denominated in dollars increased \$85.5 billion in 2002, following an increase of \$76.5 billion in 2001. Much of the increase in 2002 was in liabilities of foreign-owned banks, which increased \$61.0 billion after an increase of \$11.8 billion; the increase was concentrated in the first and fourth quarters. In contrast, liabilities of U.S.-owned banks decreased \$18.5 billion, following an increase of \$44.0 billion; the decrease reflected the downturn in international lending, the decline in U.S. commercial and industrial lending, and the rise in U.S. domestic deposits. Liabilities of U.S. securities brokers to private foreigners in Western Europe and the Caribbean (largely mutual funds) increased \$42.9 billion, up from an increase of \$20.7 billion, largely in the form of repurchase agreements.

U.S. banks' custody liabilities increased \$11.2 billion, mostly to the Caribbean and Western Europe, following an increase of \$14.0 billion. U.S. liabilities reported by U.S. nonbanking concerns increased \$49.7 billion, following an increase of \$82.4 billion (table P).

**U.S. Treasury securities.** Foreigners shifted to net purchases of \$53.2 billion of U.S. Treasury securities in 2002, following 3 years of net sales. Net sales were \$7.7 billion in 2001 (table P). Most net purchases occurred in the second half of the year, especially in the third quarter, when U.S. equity prices fell sharply and aversion to risk increased significantly. In this environment, investors sought the liquidity and relative safety of high-quality securities, despite sharp reductions in their yields (chart 18).

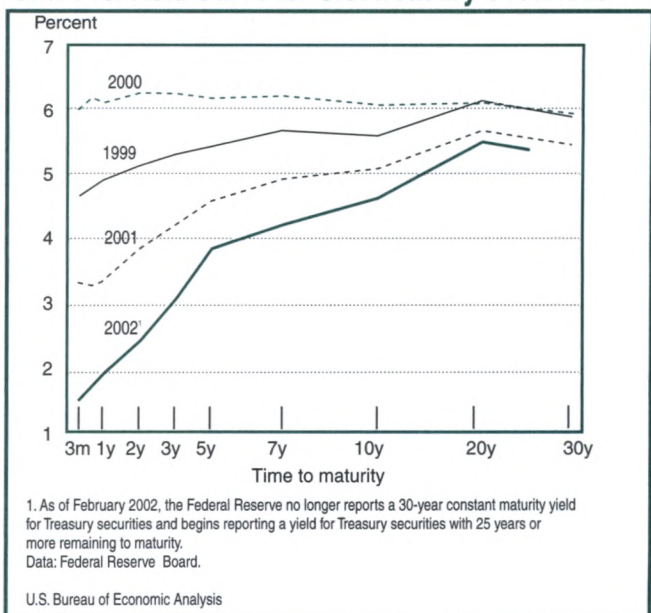
**Other U.S. securities.** Net foreign purchases of U.S. securities other than U.S. Treasury securities were \$284.6 billion in 2002, down from a near-record

\$407.7 billion in 2001. Net foreign purchases of stocks fell sharply; net foreign purchases of bonds also fell (table P).

Net foreign purchases of U.S. stocks were \$55.8 billion in 2002, less than half the \$119.5 billion in 2001. U.S. stock prices fell sharply in 2002, marking the third consecutive year of sizable declines. The S&P 500 index declined 23 percent, its largest annual decline since 1974; the DJIA declined 17 percent, its largest annual decline since 1977; and the NASDAQ declined 32 percent, its second largest annual decline. Uncertainties over the pace of U.S. economic recovery, concerns over corporate governance and accounting irregularities, and toward yearend, concerns over the possibility of war with Iraq all contributed to changes in prices and in net foreign purchases. Net purchases from Western Europe fell to \$31.6 billion from \$86.7 billion, accounting for most of the decline. An increase in net purchases from Japan was partly offsetting. Trading activity in U.S. stocks (that is, gross purchases plus gross sales) increased 5 percent in 2002, following a decrease of 15 percent in 2001.

Net foreign purchases of U.S. bonds were \$228.8 billion in 2002, down from a record \$288.2 billion in 2001. Although interest-rate differentials in favor of U.S. over foreign bonds narrowed, U.S. bonds remained attractive and continued to provide better liquidity and higher returns than foreign bonds. U.S. dollar bonds yielded a total return of 10.3 percent, compared with 9.3 percent on euro-area bonds, 9.6 percent on British sterling bonds, and 3.6 percent on Japanese yen bonds. Some foreign investors probably sought the relative safety of U.S. bonds, which kept net

**Chart 18. Yield Curve for U.S. Treasury Securities**



bond purchases from falling further. Net purchases from Western Europe decreased to \$104.7 billion from \$181.0 billion, accounting for much of the decline. Partly offsetting, net purchases from Japan nearly doubled to \$35.8 billion from \$18.5 billion. Trading activity in U.S. bonds increased 35 percent in 2002, following an increase of 71 percent in 2001.

New U.S. bond issues sold abroad were \$105.4 billion in 2002, down slightly from a record \$112.1 billion in 2001 (table R). Highly rated U.S. agency issuers, such as Fannie Mae and Freddie Mac, sold \$47.6 billion of new debt to foreign investors, down only slightly from a record \$49.0 billion in 2001. U.S. corporations sold \$57.8 billion of new debt to foreigners, down from \$63.1 billion in 2001 but well below the record \$84.8 billion in 1997. Straight fixed-rate dollar issues continued to dominate the market. Foreign currency-denominated issues increased, reflecting an increase in euro-denominated issues.

**U.S. currency flows.** Net U.S. shipments of currency to foreigners were \$21.5 billion in 2002, compared with \$23.8 billion in 2001. The introduction of the euro resulted in little increase in the demand for dollars. Dollar demand from Argentina and Russia, traditionally heavy users of dollars, was moderate, reflecting relative calm in Russia and weak economic conditions in Argentina.

**Direct investment.** Net financial inflows for foreign direct investment in the United States were \$30.1 billion in 2002, down substantially from \$130.8 billion in 2001 (table M). Net equity capital inflows decreased, and intercompany debt shifted to net outflows; in contrast, there was a shift to positive reinvested earnings.

Net equity capital inflows were \$57.6 billion, down from \$107.7 billion, leaving equity capital inflows well

below the peak of \$245.9 billion in 2000. The decline over the past 2 years reflected the worldwide reduction in merger and acquisition activity. The value of announced mergers in 2002 was the lowest since 1994. In addition, potential buyers in 2002 had concerns about the future earnings prospects of acquisition targets in the United States and the accuracy of financial reporting. Among countries that are historically major sources of foreign direct investment in the United States—including France, Germany, the Netherlands, Canada, the United Kingdom, and Japan—weak economic conditions in many also contributed to the slowdown in equity inflows. In 2002, the largest reduc-

### 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 diskettes. For more information, call BEA's 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)

	2000	2001	2002 <sup>p</sup>	2002			
				I	II	III	IV <sup>p</sup>
<b>Total</b> .....	<b>109,201</b>	<b>112,121</b>	<b>105,435</b>	<b>35,352</b>	<b>35,999</b>	<b>12,657</b>	<b>21,427</b>
<b>By issuer:</b>							
Industrial corporations.....	17,999	19,485	8,404	2,134	3,922	681	1,667
Banking corporations <sup>1</sup> .....	6,153	4,255	10,007	2,198	3,258	217	4,334
Nonbank financial corporations <sup>2</sup> .....	33,961	37,011	38,552	16,599	15,495	735	5,723
U.S. federally sponsored agencies.....	44,236	49,008	47,649	14,197	12,794	11,024	9,634
All other borrowers.....	6,852	2,362	823	224	530	.....	69
<b>By instrument:</b>							
Straight fixed-rate bonds.....	92,866	103,432	97,244	33,920	31,320	12,477	19,527
Floating-rate notes.....	14,698	8,542	8,191	1,432	4,679	180	1,900
Zero-coupon bonds.....	49	.....	.....	.....	.....	.....	.....
Bonds convertible into stock.....	1,389	147	.....	.....	.....	.....	.....
Other debt instruments.....	199	.....	.....	.....	.....	.....	.....
<b>By currency:</b>							
U.S. dollars.....	62,048	68,425	61,195	21,789	17,206	7,487	14,713
Foreign currencies.....	47,153	43,696	44,240	13,563	18,793	5,170	6,714
Japanese yen.....	11,130	5,113	4,370	1,098	2,016	.....	1,256
Swiss franc.....	2,099	1,478	1,865	848	380	.....	637
British pound.....	6,508	5,434	3,594	854	2,506	234	.....
Euro.....	26,422	30,889	34,046	10,586	13,834	4,936	4,690
Canadian dollar.....	148	.....	.....	.....	.....	.....	.....
Other currencies.....	846	782	365	177	57	.....	131

<sup>p</sup> Preliminary.

1. Includes banks and bank holding companies.

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

tions in equity inflows were from Europe and Canada; there had been exceptionally large acquisitions from these areas in 2001. By industry, reductions in finance and in depository institutions more than accounted for the decrease.

Intercompany debt flows shifted \$80.5 billion to an

outflow of \$37.7 billion. Both payables and receivables shifted to outflows.

Reinvested earnings shifted from a negative \$19.7 billion to a positive \$10.2 billion, as a result of an increase in total earnings.

Tables 1–10 follow.

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

[Millions of dollars]

(Credits +; debits -)	1988	1989	1990	1991	1992	1993	1994	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>r</sup>	2002 <sup>p</sup>
<b>Exports of goods and services and income receipts:</b>															
Goods, balance of payments basis .....	13,777	13,189	13,141	18,105	20,666	18,319	16,297	17,405	19,224	23,696	22,933	18,315	17,625	19,502	18,103
Transfers under U.S. military agency sales contracts .....	1,430	1,309	2,687	3,809	4,454	3,675	2,936	4,471	5,638	4,039	5,179	4,046	3,546	1,831	1,609
Royalties and license fees <sup>1</sup> .....	77	71	94	149	161	220	357	394	253	312	263	298	374	349	348
Other private services <sup>1</sup> .....	1,516	1,541	1,423	1,898	2,546	2,210	2,080	2,187	3,018	3,103	4,612	5,435	3,517	3,724	4,486
U.S. Government miscellaneous services .....	18	16	20	16	22	13	14	17	11	8	8	14	13	13	8
Income receipts on U.S.-owned assets abroad:															
Direct investment receipts .....	1,875	1,835	2,854	3,293	3,224	2,745	2,701	3,966	4,220	4,073	2,682	3,485	5,184	4,268	3,931
Other private receipts .....	1,941	2,435	2,326	1,441	1,202	1,045	1,470	1,456	1,371	1,697	1,846	1,952	2,152	1,392	998
U.S. Government receipts .....	215	154	261	217	187	141	122	192	268	263	238	266	448	330	317
<b>Imports of goods and services and income payments:</b>															
Goods, balance of payments basis .....	-23,016	-30,720	-38,399	-33,430	-33,718	-32,648	-31,674	-34,265	-42,676	-43,996	-33,673	-41,953	-66,996	-59,753	-53,337
Direct defense expenditures .....	-377	-614	-1,419	-784	-883	-455	-360	-335	-545	-944	-1,754	-1,815	-1,568	-1,647	-3,741
Royalties and license fees <sup>1</sup> .....	-6	-1	(*)	-1	-1	-37	-7	-2	-38	-5	-8	-8	-17	-39	-18
Other private services <sup>1</sup> .....	-259	-245	-306	-461	-388	-340	-405	-456	-628	-585	-860	-872	-686	-588	-606
U.S. Government miscellaneous services .....	-96	-104	-96	-87	-47	-26	-39	-34	-31	-29	-28	-46	-46	-45	-28
Income payments on foreign-owned assets in the United States:															
Direct investment payments .....	164	-50	-98	-93	182	-82	-49	-34	-136	-448	-111	-22	-170	-500	-121
Other private payments .....	-2,175	-2,798	-2,892	-2,669	-2,302	-2,176	-1,964	-2,679	-2,566	-2,800	-2,622	-2,828	-3,782	-2,493	-1,570
U.S. Government payments .....	-2,141	-2,758	-3,241	-2,764	-2,524	-2,160	-1,747	-1,995	-2,365	-3,356	-3,112	-2,819	-3,235	-2,741	-1,772
U.S. Government grants .....	-97	-94	3,368	27,453	1,018	-197	-204	-195	-152	-55	-54	-108	-115	-81	-169
U.S. Government pensions and other current transfers .....	-20	5	-25	-305	-32	-27	-28	-25	-93	-57	-40	-26	-23	-20	-20
U.S.-owned assets abroad, net (increase/capital outflow (-)) .....	-782	-1,875	1,847	-577	-12,162	-513	-3,107	143	-7,078	-8,974	-12,558	2,952	3,281	892	-1,892
U.S. Government assets, other than official reserve assets, net .....	-59	135	-253	-788	-529	19	-422	-901	-458	12	-10	-317	-217	-610	-3
U.S. credits and other long-term assets .....	-396	-212	-647	-246	-277	-85	-234	-925	-912	-412	-166	-504	-566	-1,095	-304
Repayments on U.S. credits and other long-term assets .....	344	343	481	397	279	224	177	215	290	420	154	210	366	490	339
U.S. foreign currency holdings and U.S. short-term assets, net .....	-7	4	-87	-939	-531	-120	-365	-191	164	4	2	-23	-17	-5	-38
U.S. private assets, net .....	-723	-2,010	2,100	211	-11,633	-532	-2,685	1,044	-6,620	-8,986	-12,548	3,269	3,498	1,502	-1,889
Direct investment .....	1,133	535	-1,277	-2,706	-1,465	-1,597	-3,575	-2,379	-2,884	-2,411	-4,323	1,358	-5,980	-2,915	-1,587
Foreign securities .....	-365	96	-2,815	-17	337	-679	-2,077	-675	-2,882	-3,997	-677	97	1,515	2,080	1,107
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	41	100	13	-224	-44	-306	-146	-25	-478	-336	369	-534	566	430	65
U.S. claims reported by U.S. banks, not included elsewhere .....	-1,532	-2,741	6,179	3,158	-10,461	2,050	3,113	4,123	-376	-2,242	-7,917	2,348	7,397	1,907	-1,474
Foreign-owned assets in the United States, net (increase/capital inflow(+)) .....	-728	15,282	3,320	-4,416	14,529	-8,904	1,400	4,544	18,133	17,353	-12,162	10,039	30,095	-1,756	-2,021
Of which: foreign official .....	-2,885	10,724	1,555	-5,235	5,626	-3,850	-1,464	4,061	14,105	12,700	-11,420	1,510	12,000	-1,725	-8,132
U.S. Treasury securities .....	1,688	7,815	-244	-5,902	4,323	-6,302	-1,668	1,293	16,125	8,965	-13,870	3,501	10,101	-930	-4,550
Other U.S. securities .....	-2,591	3,170	-2,676	1,989	4,186	3,322	-820	1,276	3	3,657	3,393	2,104	13,718	3,810	1,198
Other U.S. Government liabilities .....	177	437	505	151	569	730	1,797	617	-982	-348	-2,260	-1,248	-734	-307	18
U.S. liabilities reported by U.S. banks, not included elsewhere .....	-1,146	1,836	5,686	-164	4,793	-5,665	1,677	1,059	1,813	4,094	2,296	5,540	4,473	-3,975	-791
Direct investment in the United States .....	1,629	1,503	-662	81	167	-812	251	-140	623	177	-1,291	315	2,237	-26	794
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	-485	521	711	-571	491	-177	163	439	551	808	-430	-173	300	-328	1,310
All other transactions with OPEC and transfers of funds between foreign areas, net .....	8,684	3,422	15,135	-10,794	3,866	19,197	12,207	5,245	4,172	6,705	29,221	3,695	10,403	37,362	35,495
<b>Memorandum:</b>															
Balance on goods .....	-9,239	-17,531	-25,258	-15,325	-13,052	-14,329	-15,377	-16,860	-23,452	-20,300	-10,740	-23,638	-49,371	-40,251	-35,234

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

\* 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.









Table 2. U.S. Trade in Goods—Continued
[Millions of dollars]

Table with columns for Line, 2001, 2002 P, and sub-columns for Not seasonally adjusted (2001, 2002) and Seasonally adjusted (2001, 2002). Rows include categories like Trade in goods, Exports of goods, and various industrial and consumer goods.

See footnotes on page 60.











**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.)	2001	2002 <sup>P</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 2002
				2001				2002				
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>1</sup>	
A1	<b>Claims, total (table 1, line 53)</b> .....	<b>-14,358</b>	<b>-28,489</b>	<b>-51,759</b>	<b>9,670</b>	<b>-9,479</b>	<b>37,210</b>	<b>65</b>	<b>-16,693</b>	<b>-4,226</b>	<b>-7,635</b>	<b>873,276</b>
2	Financial claims.....	-19,624	-32,037	-55,437	12,273	-11,475	35,015	-1,354	-18,088	-4,960	-7,635	845,189
3	<i>Denominated in U.S. dollars</i> .....	-25,564	-25,754	-43,179	11,988	-19,380	25,007	1,651	-23,194	3,424	-7,635	738,810
4	<i>Denominated in foreign currencies</i> .....	5,940	-6,283	-12,258	285	7,905	10,008	-3,005	5,106	-8,384	.....	106,379
5	By type: Deposits <sup>2</sup> .....	-19,118	-40,316	-34,818	24,021	-27,796	19,475	7,224	-8,162	-25,718	-13,660	658,901
6	Financial intermediaries' accounts.....	3,038	8,082	-16,538	-12,079	13,878	17,777	-9,314	-10,305	21,676	6,025	171,702
7	Other claims <sup>2,3</sup> .....	-3,544	197	-4,081	331	2,443	-2,237	736	379	-918	.....	14,586
8	By area: Industrial countries <sup>4</sup> .....	-34,693	-30,732	-61,004	-4,973	-3,478	34,762	-29,729	6,159	-7,162	.....	503,324
9	<i>Of which: United Kingdom</i> .....	-22,042	-22,444	-46,843	-7,603	6,844	25,560	-18,870	6,209	-9,783	.....	296,249
10	Canada.....	2,392	-1,568	3,494	222	-3,160	1,836	1,108	2,060	-4,736	.....	10,437
11	Caribbean banking centers <sup>5</sup> .....	19,950	-10,778	8,958	17,174	-7,267	1,085	28,348	-24,870	2,107	-16,363	324,958
12	Other.....	-4,881	9,473	-3,391	72	-730	-832	27	623	95	8,728	16,907
13	Commercial claims.....	5,266	3,548	3,678	-2,603	1,996	2,195	1,419	1,395	734	.....	28,088
14	<i>Denominated in U.S. dollars</i> .....	3,943	4,463	3,132	-2,681	1,628	1,864	2,775	1,565	123	.....	24,783
15	<i>Denominated in foreign currencies</i> .....	1,323	-915	546	78	368	331	-1,356	-170	611	.....	3,305
16	By type: Trade receivables.....	5,518	3,899	4,146	-2,149	1,779	1,742	1,951	1,202	746	.....	23,513
17	Advance payments and other claims.....	-252	-351	-468	-454	217	453	-532	193	-12	.....	4,575
18	By area: Industrial countries <sup>4</sup> .....	3,071	1,967	2,360	-1,532	1,256	987	1,159	764	44	.....	18,081
19	Members of OPEC <sup>6</sup> .....	440	-6	163	-117	175	219	136	-182	40	.....	1,360
20	Other.....	1,755	1,587	1,155	-954	565	989	124	813	650	.....	8,647
B1	<b>Liabilities, total (table 1, line 68)</b> .....	<b>82,353</b>	<b>49,736</b>	<b>111,644</b>	<b>-5,307</b>	<b>-25,154</b>	<b>1,170</b>	<b>32,345</b>	<b>21,056</b>	<b>-3,804</b>	<b>139</b>	<b>829,852</b>
2	Financial liabilities.....	74,316	40,269	105,966	-5,886	-28,697	2,933	27,260	17,043	-4,173	139	802,365
3	<i>Denominated in U.S. dollars</i> .....	72,603	30,508	90,382	6,960	-23,877	-862	21,516	6,548	2,305	139	743,543
4	<i>Denominated in foreign currencies</i> .....	1,713	9,761	15,584	-12,846	-4,820	3,795	5,744	10,495	-6,478	.....	58,822
5	By type: Financial intermediaries' accounts.....	-13,324	-11,076	14,099	6,731	-22,994	-11,160	15,078	-687	-23,773	-1,694	224,194
6	Other liabilities.....	87,640	51,345	91,867	-12,617	-5,703	14,093	12,182	17,730	19,600	1,833	578,171
7	By area: Industrial countries <sup>4</sup> .....	49,120	7,174	92,203	-13,977	-21,829	-7,277	26,142	4,207	-23,175	.....	541,100
8	<i>Of which: United Kingdom</i> .....	18,326	12,466	77,624	-11,987	-21,238	-26,073	11,166	8,167	-6,867	.....	321,683
9	Caribbean banking centers <sup>5</sup> .....	28,282	29,452	16,655	7,927	-4,531	8,231	1,787	11,642	18,598	-2,575	238,111
10	Other.....	-3,086	3,643	-2,892	164	-2,337	1,979	-669	1,194	404	2,714	23,154
11	Commercial liabilities.....	8,037	9,467	5,678	579	3,543	-1,763	5,085	4,013	369	.....	27,487
12	<i>Denominated in U.S. dollars</i> .....	9,347	9,662	5,956	1,060	3,492	-1,161	4,809	4,174	679	.....	26,194
13	<i>Denominated in foreign currencies</i> .....	-1,310	-195	-278	-481	51	-602	276	-161	-310	.....	1,293
14	By type: Trade payables.....	-2,473	2,177	-1,812	732	-1,473	80	3,103	-679	-247	.....	13,712
15	Advance receipts and other liabilities.....	10,510	7,290	7,490	-153	5,016	-1,843	1,982	4,692	616	.....	13,775
16	By area: Industrial countries <sup>4</sup> .....	8,289	6,588	5,121	538	2,661	-31	3,210	4,094	-716	.....	15,303
17	Members of OPEC <sup>6</sup> .....	-327	1,219	563	-334	-18	-538	642	-35	612	.....	4,474
18	Other.....	75	1,660	-6	375	900	-1,194	1,233	-46	473	.....	7,710

See footnotes on page 60.

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.)	2001	2002 <sup>p</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 2002
				2001				2002				
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>	
1	<b>Total (table 1, line 54)</b>	<b>-128,705</b>	<b>-3,072</b>	<b>-113,914</b>	<b>-685</b>	<b>69,576</b>	<b>-83,682</b>	<b>727</b>	<b>-68,655</b>	<b>53,815</b>	<b>11,041</b>	<b>1,438,874</b>
2	By type:											
2	Banks' own claims	-142,744	-1,544	-105,573	-21,087	40,345	-56,429	-9,895	-55,450	53,213	10,588	1,141,679
3	Payable in dollars	-119,395	-7,611	-85,054	-15,565	29,207	-47,983	-5,149	-48,429	46,385	-418	1,065,061
	By borrower:											
	Claims on:											
4	own foreign offices	-82,779	-22,457	-44,336	-20,620	24,171	-41,994	-5,328	-39,197	59,839	-37,771	771,822
5	unaffiliated foreign banks	-9,459	19,582	-10,766	10,194	-845	-8,042	5,667	2,683	-2,122	13,354	80,920
6	foreign public borrowers <sup>1</sup>	-11,389	737	-11,494	-3,075	6,418	-3,238	-6,284	4,520	-10,047	12,548	48,749
7	other private foreigners	-15,768	-5,473	-18,458	-2,064	-537	5,291	796	-16,435	-1,285	11,451	163,570
	By type of reporting institution: <sup>2</sup>											
	U.S.-owned banks' claims on:											
8	own foreign offices	-32,435	4,629	-3,375	-3,222	-24,564	-1,274	7,489	-11,288	12,347	-3,919	210,706
9	unaffiliated foreign banks	-16,620	10,743	-12,351	7,274	-2,669	-8,874	2,316	2,802	-389	6,014	27,397
10	other foreigners	10,024	2,903	16,756	857	-16,341	8,752	-5,254	5,310	11,131	-8,284	27,794
	Foreign-owned banks' claims on:											
11	own foreign offices	-50,344	-27,086	-40,961	-17,398	48,735	-40,720	-12,817	-27,909	47,492	-33,852	561,116
12	unaffiliated foreign banks	9,053	6,118	665	3,662	2,948	1,778	3,489	-2,492	2,369	2,752	37,925
13	other foreigners	-10,104	4,174	-21,513	-2,332	14,534	-793	-540	2,205	-7,750	10,259	73,782
	Brokers' and dealers' claims on:											
14	unaffiliated foreign banks	-1,892	2,721	920	-742	-1,124	-946	-138	2,373	-4,102	4,588	15,598
15	other foreigners	-27,077	-11,813	-25,195	-3,664	7,688	-5,906	306	-19,430	-14,713	22,024	110,743
16	Payable in foreign currencies	-23,349	6,067	-20,519	-5,522	11,138	-8,446	-4,746	-7,021	6,828	11,006	76,618
17	Banks' domestic customers' claims	14,039	-1,528	-8,341	20,402	29,231	-27,253	10,622	-13,205	602	453	297,195
18	Payable in dollars	7,256	596	-11,647	20,440	28,971	-30,508	9,445	-13,654	5,229	-424	277,597
19	Deposits	7,803	20,810	-10,974	17,667	22,119	-21,009	4,912	1,281	7,674	6,943	79,512
20	Foreign commercial paper <sup>3</sup>	19,207	-22,523	11,253	3,380	5,146	-572	746	-9,461	-7,608	-6,200	136,574
21	Other negotiable and readily transferable instruments <sup>4</sup>	-16,665	-5,910	-11,289	2,276	-4,707	-2,945	2,641	-6,432	5,091	-7,210	55,221
22	Outstanding collections and other	-3,089	8,219	-637	-2,883	6,413	-5,982	1,146	958	72	6,043	6,290
23	Payable in foreign currencies	6,783	-2,124	3,306	-38	260	3,255	1,177	449	-4,627	877	19,598
	By area:											
24	Industrial countries <sup>5</sup>	-84,748	-35,280	-103,719	-15,780	75,376	-40,625	-26,629	-35,668	26,884	133	887,678
25	Western Europe	-63,296	-20,110	-89,855	-18,107	69,952	-25,286	-26,682	-29,587	34,863	1,296	729,657
26	Of which: United Kingdom	-31,419	-3,159	-30,154	-2,311	2,040	-994	10,247	-17,199	-4,672	8,465	337,616
27	Canada	-18,901	-4,484	-6,137	-6,018	2,504	-9,250	-2,419	-5,597	912	2,620	86,778
28	Japan	-5,119	-6,673	-7,861	4,890	2,042	-4,190	2,294	-73	-8,072	-2,822	55,084
29	Other	2,568	-2,013	134	3,455	878	-1,899	178	-411	-819	-961	16,159
30	Caribbean banking centers <sup>6</sup>	-42,409	20,345	-7,858	14,736	-3,233	-46,054	30,187	-25,541	27,798	-12,099	410,680
31	Other areas	-1,548	11,863	-2,337	359	-2,567	2,997	-2,831	-7,446	-967	23,007	140,516
32	Of which: Members of OPEC, included below <sup>7</sup>	1,907	-1,474	286	464	512	645	-2,370	-859	863	892	15,874
33	Latin America	7,529	12,635	2,847	2,003	-2,631	5,310	-493	-607	5,541	8,194	73,620
34	Asia	-8,644	-918	-5,664	-239	-215	-2,526	-1,412	-7,223	-8,453	16,170	58,310
35	Africa	214	19	39	-73	261	-13	58	-96	56	1	1,422
36	Other <sup>8</sup>	-647	127	441	-1,332	18	226	-984	480	1,989	-1,358	7,164
	<b>Memoranda:</b>											
1	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above)	-25,429	-7,763	-12,840	-18,786	31,183	-24,986	-2,996	-12,874	22,103	-13,996	314,314
	By borrower:											
	Claims on:											
2	own foreign offices	-27,619	-27,239	-15,552	-22,009	32,557	-22,615	-8,982	-15,142	21,154	-24,269	262,026
3	unaffiliated foreign banks	-2,837	12,957	330	1,156	-943	-3,380	4,732	355	-685	8,555	27,079
4	foreign public borrowers	1,414	1,234	353	468	138	455	-191	529	599	297	3,052
5	all other foreigners	3,613	5,285	2,029	1,599	-569	554	1,445	1,384	1,035	1,421	22,157
	By bank ownership: <sup>2</sup>											
6	U.S.-owned IBF's	-27,817	11,296	2,737	-12,668	-7,042	-10,844	19,824	-6,723	-1,490	-315	72,921
7	Foreign-owned IBF's	2,388	-19,059	-15,577	-6,118	38,225	-14,142	-22,820	-6,151	23,593	-13,681	241,393
8	Banks' dollar acceptances payable by foreigners	1,660	141	1,255	-61	586	-120	449	-214	3	-97	2,450
9	Resale agreements <sup>9</sup> (in lines 1 through 15 above)		-18,286		4,390	17,849	-25,505	22,432	-35,000	-7,497	1,779	158,101

See footnotes on page 60.









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

Line	(Credits +; debits -) <sup>1</sup>	Eastern Europe						Canada	
		2001	2002 <sup>P</sup>	2002				2001	2002 <sup>P</sup>
				I	II	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>14,285</b>	<b>14,089</b>	<b>3,541</b>	<b>3,477</b>	<b>3,699</b>	<b>3,372</b>	<b>209,676</b>	<b>203,093</b>
2	Exports of goods and services .....	11,102	10,833	2,656	2,728	2,724	2,725	187,757	184,929
3	Goods, balance of payments basis <sup>2</sup> .....	6,804	6,369	1,519	1,641	1,579	1,630	163,309	160,879
4	Services <sup>3</sup> .....	4,298	4,464	1,137	1,087	1,145	1,095	24,448	24,050
5	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	483	432	111	147	95	79	99	90
6	Travel .....	1,238	1,177	245	309	335	288	6,484	6,192
7	Passenger fares .....	58	57	16	13	13	15	1,668	1,543
8	Other transportation .....	271	244	56	58	63	67	2,212	2,346
9	Royalties and license fees <sup>5</sup> .....	316	406	92	99	102	113	2,256	2,638
10	Other private services <sup>5</sup> .....	1,875	2,107	609	450	526	522	11,657	11,155
11	U.S. Government miscellaneous services .....	57	41	8	11	11	11	72	86
12	Income receipts .....	3,183	3,256	885	749	975	647	21,919	18,164
13	Income receipts on U.S.-owned assets abroad .....	3,163	3,236	880	744	970	642	21,841	18,081
14	Direct investment receipts .....	1,259	1,444	367	367	461	249	11,773	9,791
15	Other private receipts .....	1,613	1,466	375	368	365	358	10,068	8,290
16	U.S. Government receipts .....	291	326	138	9	144	35	.....	.....
17	Compensation of employees .....	20	20	5	5	5	5	78	83
18	<b>Imports of goods and services and income payments</b> .....	<b>-19,886</b>	<b>-20,353</b>	<b>-3,573</b>	<b>-5,185</b>	<b>-5,652</b>	<b>-5,943</b>	<b>-235,442</b>	<b>-236,903</b>
19	Imports of goods and services .....	-16,953	-17,441	-3,029	-4,505	-4,805	-5,102	-237,166	-232,421
20	Goods, balance of payments basis <sup>2</sup> .....	-14,342	-14,869	-2,561	-3,804	-3,941	-4,563	-218,735	-213,151
21	Services <sup>3</sup> .....	-2,611	-2,572	-468	-701	-864	-539	-18,431	-19,270
22	Direct defense expenditures .....	-152	-191	-41	-52	-48	-50	-77	-74
23	Travel .....	-1,164	-1,128	-161	-323	-463	-181	-6,477	-6,516
24	Passenger fares .....	-382	-352	-56	-111	-114	-71	-684	-582
25	Other transportation .....	-245	-242	-51	-57	-66	-68	-3,298	-3,704
26	Royalties and license fees <sup>5</sup> .....	-76	-64	-26	-12	-12	-14	-1,195	-1,375
27	Other private services <sup>5</sup> .....	-532	-538	-118	-132	-147	-141	-6,479	-6,842
28	U.S. Government miscellaneous services .....	-60	-57	-15	-14	-14	-14	-221	-177
29	Income payments .....	-2,933	-2,912	-544	-680	-847	-841	1,724	-4,482
30	Income payments on foreign-owned assets in the United States .....	-2,851	-2,823	-519	-660	-829	-815	2,100	-4,087
31	Direct investment payments .....	-267	-857	-65	-171	-308	-313	7,737	788
32	Other private payments .....	-828	-482	-117	-127	-129	-109	-3,974	-3,717
33	U.S. Government payments .....	-1,756	-1,484	-337	-362	-392	-393	-1,663	-1,158
34	Compensation of employees .....	-82	-89	-25	-20	-18	-26	-376	-395
35	<b>Unilateral current transfers, net</b> .....	<b>-3,432</b>	<b>-3,888</b>	<b>-880</b>	<b>-987</b>	<b>-1,031</b>	<b>-990</b>	<b>-744</b>	<b>-807</b>
36	U.S. Government grants <sup>4</sup> .....	-1,493	-1,885	-362	-512	-505	-506	.....	.....
37	U.S. Government pensions and other transfers .....	-59	-52	-13	-14	-14	-11	-528	-550
38	Private remittances and other transfers <sup>6</sup> .....	-1,880	-1,951	-505	-461	-512	-473	-216	-257
<b>Capital and financial account</b>									
<b>Capital account</b>									
39	<b>Capital account transactions, net</b> .....	<b>25</b>	<b>23</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>118</b>	<b>141</b>
<b>Financial account</b>									
40	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b> .....	<b>-180</b>	<b>-5</b>	<b>134</b>	<b>595</b>	<b>-616</b>	<b>-118</b>	<b>-32,180</b>	<b>-18,486</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 .....	140	102	45	-21	15	63	.....	.....
47	U.S. credits and other long-term assets .....	-89	-291	-6	-40	-237	-8	.....	.....
48	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	229	393	51	19	252	71	.....	.....
49	U.S. foreign currency holdings and U.S. short-term assets, net .....	.....	.....	.....	.....	.....	.....	.....	.....
50	U.S. private assets, net .....	-320	-107	89	616	-631	-181	-32,180	-18,486
51	Direct investment .....	-1,629	-1,145	224	-692	-343	-334	-14,440	-17,328
52	Foreign securities .....	1,601	1,128	465	358	-548	853	-1,886	4,692
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	140	70	35	82	.....	.....	3,047	-1,366
54	U.S. claims reported by U.S. banks, not included elsewhere .....	-432	-160	-635	868	307	-700	-18,901	-4,484
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b> .....	<b>11,331</b>	<b>20,721</b>	<b>1,324</b>	<b>12,285</b>	<b>7,040</b>	<b>72</b>	<b>10,941</b>	<b>2,204</b>
56	Foreign official assets in the United States, net .....	(18)	(18)	(18)	(18)	(18)	(18)	-285	-2,334
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> .....	27	197	31	61	62	43	2	27
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)	11,226	4,538
64	Direct investment .....	6,756	7,548	285	4,985	2,128	150	4,628	-5,533
65	U.S. Treasury securities .....	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
66	U.S. securities other than U.S. Treasury securities .....	-1,227	-2,297	-178	-393	-596	-1,130	12,224	8,505
67	U.S. currency .....	.....	.....	.....	.....	.....	.....	.....	.....
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	-147	-3	123	206	-332	.....	2,858	4,512
69	U.S. liabilities reported by U.S. banks, not included elsewhere .....	18 5,922	18 15,276	18 1,063	18 7,426	18 5,778	18 1,009	(17)	(17)
70	<b>Statistical discrepancy (sum of above items with sign reversed)</b> .....	<b>-2,143</b>	<b>-10,587</b>	<b>-552</b>	<b>-10,191</b>	<b>-3,446</b>	<b>3,602</b>	<b>47,631</b>	<b>50,758</b>
<b>Memoranda:</b>									
71	Balance on goods (lines 3 and 20) .....	-7,538	-8,500	-1,042	-2,163	-2,362	-2,933	-55,426	-52,272
72	Balance on services (lines 4 and 21) .....	1,687	1,892	669	386	281	556	6,017	4,780
73	Balance on goods and services (lines 2 and 19) .....	-5,851	-6,608	-373	-1,777	-2,081	-2,377	-49,409	-47,492
74	Balance on income (lines 12 and 29) .....	250	344	341	69	128	-194	23,643	13,682
75	Unilateral current transfers, net (line 35) .....	-3,432	-3,888	-880	-987	-1,031	-990	-744	-807
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup> .....	-9,033	-10,152	-912	-2,695	-2,984	-3,561	-26,510	-34,617

See footnotes on page 60.



Table 10. U.S. International  
(Millions)

Line	(Credits +; debits -) <sup>1</sup>	Australia					
		2001	2002 <sup>P</sup>	2002			
				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>20,419</b>	<b>23,462</b>	<b>5,295</b>	<b>5,739</b>	<b>6,290</b>	<b>6,138</b>
2	Exports of goods and services .....	15,506	17,944	3,984	4,491	4,740	4,729
3	Goods, balance of payments basis <sup>2</sup> .....	10,597	12,760	2,830	3,228	3,369	3,333
4	Services <sup>3</sup> .....	4,909	5,184	1,154	1,263	1,371	1,396
5	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	195	220	42	68	55	55
6	Travel .....	1,424	1,367	293	341	356	377
7	Passenger fares .....	375	360	94	75	92	99
8	Other transportation .....	263	279	59	70	74	76
9	Royalties and license fees <sup>5</sup> .....	722	837	182	199	235	221
10	Other private services <sup>5</sup> .....	1,922	2,110	482	507	556	565
11	U.S. Government miscellaneous services .....	8	11	2	3	3	3
12	Income receipts .....	4,913	5,518	1,311	1,248	1,550	1,409
13	Income receipts on U.S.-owned assets abroad .....	4,909	5,514	1,310	1,247	1,549	1,408
14	Direct investment receipts .....	1,690	2,667	579	530	635	723
15	Other private receipts .....	3,219	2,847	731	717	714	685
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>-10,398</b>	<b>-11,774</b>	<b>-2,369</b>	<b>-2,976</b>	<b>-3,306</b>	<b>-3,123</b>
19	Imports of goods and services .....	-10,103	-10,170	-2,254	-2,423	-2,876	-2,617
20	Goods, balance of payments basis <sup>2</sup> .....	-6,463	-6,455	-1,386	-1,670	-1,756	-1,643
21	Services <sup>3</sup> .....	-3,640	-3,715	-868	-753	-1,120	-974
22	Direct defense expenditures .....	-112	-122	-24	-29	-34	-35
23	Travel .....	-1,542	-1,523	-353	-287	-541	-342
24	Passenger fares .....	-754	-735	-199	-124	-185	-227
25	Other transportation .....	-216	-217	-57	-54	-56	-50
26	Royalties and license fees <sup>5</sup> .....	-82	-106	-20	-24	-25	-37
27	Other private services <sup>5</sup> .....	-902	-973	-206	-225	-269	-273
28	U.S. Government miscellaneous services .....	-32	-39	-9	-10	-10	-10
29	Income payments .....	-295	-1,604	-115	-553	-430	-506
30	Income payments on foreign-owned assets in the United States .....	-274	-1,582	-109	-548	-425	-500
31	Direct investment payments .....	918	-604	104	-323	-157	-228
32	Other private payments .....	-692	-540	-116	-123	-150	-151
33	U.S. Government payments .....	-500	-438	-97	-102	-118	-121
34	Compensation of employees .....	-21	-22	-6	-5	-5	-6
35	<b>Unilateral current transfers, net</b> .....	<b>-338</b>	<b>-328</b>	<b>-77</b>	<b>-78</b>	<b>-83</b>	<b>-90</b>
36	U.S. Government grants <sup>4</sup> .....						
37	U.S. Government pensions and other transfers .....	-47	-50	-13	-13	-13	-11
38	Private remittances and other transfers <sup>8</sup> .....	-291	-278	-64	-65	-70	-79
<b>Capital and financial account</b>							
<b>Capital account</b>							
39	<b>Capital account transactions, net</b> .....	<b>4</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Financial account</b>							
40	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b> .....	<b>-1,346</b>	<b>-856</b>	<b>-2,330</b>	<b>-2,125</b>	<b>2,845</b>	<b>754</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 .....						
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 .....						
50	U.S. private assets, net .....	-1,346	-856	-2,330	-2,125	2,845	754
51	Direct investment .....	424	-2,040	-2,473	-264	834	-137
52	Foreign securities .....	-3,296	436	-202	-395	906	127
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-1,323	-624	-827	-527	730	
54	U.S. claims reported by U.S. banks, not included elsewhere .....	2,849	1,372	1,172	-939	375	764
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b> .....	<b>-797</b>	<b>16,515</b>	<b>5,481</b>	<b>3,944</b>	<b>5,537</b>	<b>1,553</b>
56	Foreign official assets in the United States, net .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
57	U.S. Government securities .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
58	U.S. Treasury securities <sup>9</sup> .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
59	Other <sup>10</sup> .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
60	Other U.S. Government liabilities <sup>11</sup> .....	92	53	35	4	16	-2
61	U.S. liabilities reported by U.S. banks, not included elsewhere .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
62	Other foreign official assets <sup>12</sup> .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
63	Other foreign assets in the United States, net .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
64	Direct investment .....	3,649	3,111	760	2,180	907	-736
65	U.S. Treasury securities .....	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
66	U.S. securities other than U.S. Treasury securities .....	-2,154	7,693	2,152	888	4,133	520
67	U.S. currency .....						
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	653	-231	122	631	-984	
69	U.S. liabilities reported by U.S. banks, not included elsewhere .....	<sup>18</sup> -3,037	<sup>18</sup> 5,889	<sup>18</sup> 2,412	<sup>18</sup> 241	<sup>18</sup> 1,465	<sup>18</sup> 1,771
70	<b>Statistical discrepancy (sum of above items with sign reversed)</b> .....	<b>-7,544</b>	<b>-27,023</b>	<b>-6,001</b>	<b>-4,505</b>	<b>-11,284</b>	<b>-5,233</b>
<b>Memoranda:</b>							
71	Balance on goods (lines 3 and 20) .....	4,134	6,305	1,444	1,558	1,613	1,690
72	Balance on services (lines 4 and 21) .....	1,269	1,469	286	510	251	422
73	Balance on goods and services (lines 2 and 19) .....	5,403	7,774	1,730	2,068	1,864	2,112
74	Balance on income (lines 12 and 29) .....	4,618	3,914	1,196	695	1,120	903
75	Unilateral current transfers, net (line 35) .....	-338	-328	-77	-78	-83	-90
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup> .....	9,683	11,360	2,849	2,685	2,901	2,925

See footnotes on page 60.

## Transactions, by Area—Continued

of dollars]

Other countries in Asia and Africa						International organizations and unallocated <sup>16</sup>						Line
2001	2002 <sup>P</sup>	2002				2001	2002 <sup>P</sup>	2002				
		I	II	III <sup>r</sup>	IV <sup>P</sup>			I	II	III <sup>r</sup>	IV <sup>P</sup>	
235,495	238,727	56,348	59,915	62,166	60,298	33,146	33,353	8,305	8,272	8,379	8,397	1
207,985	208,705	49,517	52,561	54,356	52,271	5,843	5,870	1,404	1,462	1,467	1,537	2
151,780	150,968	34,863	38,881	38,810	38,414	.....	.....	.....	.....	.....	.....	3
56,205	57,737	14,654	13,680	15,546	13,857	5,843	5,870	1,404	1,462	1,467	1,537	4
6,552	6,912	1,904	1,686	1,608	1,714	.....	.....	.....	.....	.....	.....	5
11,846	11,204	2,211	2,994	3,611	2,388	.....	.....	.....	.....	.....	.....	6
1,626	1,542	355	409	454	324	.....	.....	.....	.....	.....	.....	7
9,506	9,529	2,243	2,366	2,549	2,371	529	483	119	121	117	126	8
4,854	5,192	1,199	1,294	1,315	1,384	2,047	2,270	513	570	574	613	9
21,516	23,100	6,678	4,867	5,944	5,611	3,267	3,117	772	771	776	798	10
305	258	64	64	65	65	.....	.....	.....	.....	.....	.....	11
27,510	30,022	6,831	7,354	7,810	8,027	27,303	27,483	6,901	6,810	6,912	6,860	12
27,426	29,934	6,809	7,332	7,788	8,005	25,407	25,529	6,416	6,322	6,422	6,369	13
17,156	20,770	4,528	5,085	5,462	5,695	15,309	15,843	3,951	3,881	3,957	4,054	14
9,081	7,956	1,965	2,041	2,044	1,906	9,468	9,210	2,356	2,333	2,333	2,188	15
1,189	1,208	316	206	282	404	630	476	109	108	132	127	16
84	88	22	22	22	22	1,896	1,954	485	488	490	491	17
-413,178	-433,106	-93,837	-106,304	-117,463	-115,502	-14,987	-15,443	-4,154	-3,918	-3,674	-3,697	18
-379,180	-403,507	-86,183	-98,718	-110,074	-108,532	-2,794	-3,364	-1,109	-871	-681	-703	19
-339,262	-359,541	-76,164	-87,939	-98,731	-96,707	.....	.....	.....	.....	.....	.....	20
-39,918	-43,966	-10,019	-10,779	-11,343	-11,825	-2,794	-3,364	-1,109	-871	-681	-703	21
-4,511	-8,087	-1,793	-1,939	-2,124	-2,231	.....	.....	.....	.....	.....	.....	22
-10,474	-10,251	-2,534	-2,620	-2,560	-2,537	.....	.....	.....	.....	.....	.....	23
-4,891	-4,697	-1,123	-1,066	-1,167	-1,341	.....	.....	.....	.....	.....	.....	24
-12,216	-12,569	-2,717	-3,071	-3,324	-3,457	-1,556	-1,302	-273	-334	-342	-353	25
-263	-281	-58	-69	-72	-82	-819	-1,728	-752	-464	-253	-259	26
-6,771	-7,289	-1,592	-1,817	-1,900	-1,980	-416	-333	-83	-73	-86	-91	27
-792	-792	-202	-197	-196	-197	-3	-1	-1	.....	.....	.....	28
-33,998	-29,599	-7,654	-7,586	-7,389	-6,970	-12,193	-12,079	-3,045	-3,047	-2,993	-2,994	29
-33,258	-28,797	-7,418	-7,418	-7,243	-6,720	-12,193	-12,079	-3,045	-3,047	-2,993	-2,994	30
192	-288	-142	-23	-144	21	-7,436	-7,382	-1,906	-1,820	-1,780	-1,876	31
-10,218	-6,845	-1,703	-1,803	-1,745	-1,594	-3,187	-3,247	-769	-850	-852	-776	32
-23,232	-21,664	-5,571	-5,592	-5,354	-5,147	-1,570	-1,450	-370	-377	-361	-342	33
-740	-802	-238	-168	-146	-250	.....	.....	.....	.....	.....	.....	34
-18,424	-24,027	-8,369	-4,758	-4,966	-5,934	-7,949	-7,328	-1,810	-1,710	-1,592	-2,216	35
-6,459	-11,491	-5,015	-1,904	-1,691	-2,881	-802	-770	-169	-249	-232	-120	36
-539	-530	-128	-131	-131	-140	-2,070	-1,453	-413	-130	-58	-852	37
-11,426	-12,006	-3,226	-2,723	-3,144	-2,913	-5,077	-5,105	-1,228	-1,331	-1,302	-1,244	38
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	39
117	11	31	18	-36	-2	.....	.....	.....	.....	.....	.....	39
-19,163	-4,869	-8,254	-7,237	-6,180	16,802	-18,022	-8,079	-3,812	-4,170	-3,154	3,057	40
.....	.....	.....	.....	.....	.....	-4,230	-3,107	543	-1,714	-1,268	-668	41
.....	.....	.....	.....	.....	.....	-630	-475	-109	-107	-132	-127	43
.....	.....	.....	.....	.....	.....	-3,600	-2,632	652	-1,607	-1,136	-541	44
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	45
157	625	88	146	158	233	-1,292	-1,078	-304	-262	-251	-261	46
-2,019	-3,050	-444	-157	-422	-2,027	-1,292	-1,078	-304	-262	-251	-261	47
2,049	3,706	535	290	614	2,267	.....	.....	.....	.....	.....	.....	48
127	-31	-3	13	-34	-7	.....	.....	.....	.....	.....	.....	49
-19,320	-5,494	-8,342	-7,383	-6,338	16,569	-12,500	-3,894	-4,051	-2,194	-1,635	3,986	50
-12,027	-12,676	-5,210	-1,577	-2,860	-3,029	-13,679	-14,793	-3,539	-3,693	-3,718	-3,843	51
3,513	11,479	-385	1,577	5,478	4,809	1,017	1,113	403	110	356	244	52
-2,013	896	-874	1,106	664	2	8,728	.....	.....	.....	.....	8,728	53
-8,793	-5,193	-1,873	-8,489	-9,620	14,789	160	1,058	-915	1,389	1,727	-1,143	54
53,044	104,410	21,864	29,927	25,590	27,029	33,947	37,599	3,016	14,749	3,485	16,349	55
<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	19	18	13	.....	5	.....	56
<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	.....	.....	.....	.....	.....	.....	57
<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	.....	.....	.....	.....	.....	.....	58
<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	.....	.....	.....	.....	.....	.....	59
-552	72	-701	176	422	175	19	18	13	.....	5	.....	60
<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	.....	.....	.....	.....	.....	.....	61
<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	.....	.....	.....	.....	.....	.....	62
<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	33,928	37,581	3,003	14,749	3,480	16,349	63
-1,307	364	-497	176	888	-203	6,361	6,492	1,587	1,605	1,632	1,668	64
<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	<sup>(18)</sup>	65
44,727	33,929	9,518	7,911	9,931	6,569	-103	-219	63	-257	-338	313	66
.....	.....	.....	.....	.....	.....	23,783	21,513	4,525	7,183	2,556	7,249	67
-598	4,381	268	2,405	1,708	.....	73	2,736	30	-9	1	2,714	68
<sup>18</sup> 10,774	<sup>18</sup> 65,664	<sup>18</sup> 13,276	<sup>18</sup> 19,259	<sup>18</sup> 12,641	<sup>18</sup> 20,488	<sup>18</sup> 3,814	<sup>18</sup> 7,059	<sup>18</sup> -3,202	<sup>18</sup> 6,227	<sup>18</sup> -371	<sup>18</sup> 4,405	69
162,109	118,854	32,217	28,439	40,889	17,309	-26,135	-40,102	-1,545	-13,223	-3,444	-21,890	70
-187,482	-208,573	-41,301	-49,058	-59,921	-58,293	.....	.....	.....	.....	.....	.....	71
16,287	13,771	4,635	2,901	4,203	2,032	3,049	2,506	295	591	786	834	72
-171,195	-194,802	-36,666	-46,157	-55,718	-56,261	3,049	2,506	295	591	786	834	73
-6,488	423	-823	-232	421	1,057	15,110	15,404	3,856	3,763	3,919	3,866	74
-18,424	-24,027	-8,369	-4,758	-4,966	-5,934	-7,949	-7,328	-1,810	-1,710	-1,592	-2,216	75
-196,107	-218,406	-45,858	-51,147	-60,263	-61,138	10,210	10,582	2,341	2,644	3,113	2,484	76





# 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.

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

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## 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 27, 2003, and include the "final" estimates for the fourth quarter of 2002. Also included are revised estimates of wages and salaries and affected income-side series for the third quarter of 2002.

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 posted immediately upon official release, and the "Selected NIPA Tables" are available later that day, on BEA's Web site <www.bea.gov>.

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

### S. Summary Tables

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

[Percent]

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
<b>Gross domestic product..</b>	<b>.3</b>	<b>2.4</b>	<b>2.7</b>	<b>5.0</b>	<b>1.3</b>	<b>4.0</b>	<b>1.4</b>
<b>Personal consumption expenditures.....</b>	<b>2.5</b>	<b>3.1</b>	<b>6.0</b>	<b>3.1</b>	<b>1.8</b>	<b>4.2</b>	<b>1.7</b>
Durable goods.....	6.0	7.3	33.6	-6.3	2.0	22.8	-8.2
Nondurable goods.....	2.0	3.2	3.6	7.9	-1	1.0	5.1
Services.....	2.0	2.2	2.1	2.9	2.7	2.3	2.2
<b>Gross private domestic investment.....</b>	<b>-10.7</b>	<b>1.0</b>	<b>-17.3</b>	<b>18.2</b>	<b>7.9</b>	<b>3.6</b>	<b>6.3</b>
Fixed investment.....	-3.8	-3.1	-8.9	-5	-1.0	-3	4.4
Nonresidential.....	-5.2	-5.7	-10.9	-5.8	-2.4	-8	2.3
Structures.....	-1.7	-16.4	-30.1	-14.2	-17.6	-21.4	-9.9
Equipment and software.....	-6.4	-1.7	-2.5	-2.7	3.3	6.7	6.2
Residential.....	.3	3.9	-3.5	14.2	2.7	1.1	9.4
Change in private inventories.....							
<b>Net exports of goods and services.....</b>	<b>-5.4</b>	<b>-1.6</b>	<b>-9.6</b>	<b>3.5</b>	<b>14.3</b>	<b>4.6</b>	<b>-5.8</b>
Exports.....	-5.9	-3.6	-7.9	-3.4	15.9	4.1	-11.5
Services.....	-4.0	3.2	-13.8	21.7	10.7	5.9	8.0
Imports.....	-2.9	3.7	-5.3	8.5	22.2	3.3	7.4
Goods.....	-3.3	3.9	-3.3	3.7	27.9	3.4	6.2
Services.....	-5	2.1	-16.5	35.7	-2.1	3.1	13.0
<b>Government consumption expenditures and gross investment.....</b>	<b>3.7</b>	<b>4.4</b>	<b>10.5</b>	<b>5.6</b>	<b>1.4</b>	<b>2.9</b>	<b>4.6</b>
Federal.....	4.8	7.5	13.5	7.4	7.5	4.3	11.0
National defense.....	5.0	9.3	14.3	11.6	7.8	6.9	11.0
Nondefense.....	4.5	4.3	12.1	.4	6.9	-3	11.1
State and local.....	3.1	2.8	8.9	4.6	-1.7	2.2	1.2
<b>Addenda:</b>							
Final sales of domestic product.....	1.5	1.8	4.2	2.4	-1	3.4	1.1
Gross domestic purchases..	.4	3.0	2.9	5.6	2.6	3.9	2.9
Final sales to domestic purchasers.....	1.6	2.4	4.3	3.0	1.3	3.3	2.6
Gross national product.....	.2	2.1	3.7	3.7	.4	4.4	1.4
Disposable personal income	1.8	4.3	-7.6	14.5	3.9	1.8	2.4

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

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

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
<b>Percent change at annual rate:</b>							
<b>Gross domestic product.....</b>	<b>.3</b>	<b>2.4</b>	<b>2.7</b>	<b>5.0</b>	<b>1.3</b>	<b>4.0</b>	<b>1.4</b>
<b>Percent change at annual rate:</b>							
<b>Personal consumption expenditures.....</b>	<b>1.67</b>	<b>2.15</b>	<b>4.05</b>	<b>2.22</b>	<b>1.22</b>	<b>2.93</b>	<b>1.19</b>
Durable goods.....	.48	.59	2.45	-.55	.16	1.74	-.72
Nondurable goods.....	.39	.64	.73	1.57	-.02	.22	1.01
Services.....	.80	.92	.87	1.20	1.08	.97	.90
<b>Gross private domestic investment.....</b>	<b>-1.90</b>	<b>.15</b>	<b>-2.88</b>	<b>2.53</b>	<b>1.16</b>	<b>.55</b>	<b>.93</b>
Fixed investment.....	-.65	-.50	-1.49	-.07	-.15	-.03	.65
Nonresidential.....	-.66	-.68	-1.33	-.66	-.27	-.08	.24
Structures.....	-.05	-.52	-1.12	-.44	-.53	-.62	-.25
Equipment and software.....	-.61	-.15	-.21	-.22	.26	.53	.49
Residential.....	.01	.18	-.16	.60	.12	.05	.41
Change in private inventories.....	-1.24	.65	-1.39	2.60	1.31	.58	.28
<b>Net exports of goods and services.....</b>	<b>-1.18</b>	<b>-.67</b>	<b>-.28</b>	<b>-.75</b>	<b>-1.40</b>	<b>-.01</b>	<b>-1.59</b>
Exports.....	-.59	-.17	-.99	.33	1.29	.45	-.59
Services.....	-.47	-.26	-.56	-.23	.99	.28	-.82
Imports.....	-.13	.09	-.42	.56	.30	.17	.23
Goods.....	.42	-.50	.70	-1.08	-2.69	-.47	-1.00
Services.....	.40	-.43	.37	-.40	-2.74	-.40	-.71
State and local.....	.01	-.07	.33	-.68	.05	-.07	-.30
<b>Government consumption expenditures and gross investment.....</b>	<b>.65</b>	<b>.81</b>	<b>1.85</b>	<b>1.04</b>	<b>.27</b>	<b>.56</b>	<b>.85</b>
Federal.....	.29	.47	.80	.47	.47	.29	.70
National defense.....	.19	.37	.54	.46	.32	.29	.46
Nondefense.....	.10	.10	.26	.01	.16	-.01	.25
State and local.....	.36	.34	1.05	.56	-.21	.27	.15

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

## 1. National Product and Income

Table 1.1. Gross Domestic Product

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>10,082.2</b>	<b>10,446.2</b>	<b>10,152.9</b>	<b>10,313.1</b>	<b>10,376.9</b>	<b>10,506.2</b>	<b>10,588.8</b>
<b>Personal consumption expenditures</b> .....	<b>6,987.0</b>	<b>7,303.7</b>	<b>7,099.9</b>	<b>7,174.2</b>	<b>7,254.7</b>	<b>7,360.7</b>	<b>7,425.4</b>
Durable goods.....	835.9	871.9	882.6	859.0	856.9	897.8	873.9
Nondurable goods.....	2,041.3	2,115.0	2,044.4	2,085.1	2,108.2	2,116.9	2,150.0
Services.....	4,109.9	4,316.8	4,172.9	4,230.1	4,289.5	4,346.0	4,401.5
<b>Gross private domestic investment</b> .....	<b>1,586.0</b>	<b>1,593.2</b>	<b>1,500.7</b>	<b>1,559.4</b>	<b>1,588.0</b>	<b>1,597.3</b>	<b>1,628.1</b>
Fixed investment.....	1,646.3	1,589.3	1,597.2	1,589.4	1,584.6	1,579.7	1,603.6
Nonresidential.....	1,201.6	1,117.4	1,149.8	1,126.8	1,115.8	1,109.8	1,117.1
Structures.....	324.5	269.3	302.3	288.3	275.2	259.4	254.2
Equipment and software.....	877.1	848.1	847.4	838.5	840.7	850.4	863.0
Residential.....	444.8	471.9	447.4	462.6	468.7	469.9	486.5
Change in private inventories.....	-60.3	3.9	-96.5	-29.9	3.4	17.6	24.5
<b>Net exports of goods and services</b> .....	<b>-348.9</b>	<b>-423.6</b>	<b>-344.5</b>	<b>-360.1</b>	<b>-425.6</b>	<b>-432.9</b>	<b>-476.0</b>
Exports.....	1,034.1	1,014.9	971.1	977.5	1,018.1	1,038.6	1,025.4
Goods.....	733.5	703.6	687.7	679.8	709.4	722.6	702.6
Services.....	300.6	311.3	283.4	297.7	308.8	316.0	322.8
Imports.....	1,383.0	1,438.5	1,315.6	1,337.5	1,443.7	1,471.5	1,501.4
Goods.....	1,167.2	1,192.1	1,098.3	1,102.3	1,202.9	1,220.9	1,242.5
Services.....	215.8	246.4	217.3	235.2	240.8	250.6	258.9
<b>Government consumption expenditures and gross investment</b> .....	<b>1,858.0</b>	<b>1,972.9</b>	<b>1,896.8</b>	<b>1,939.5</b>	<b>1,959.8</b>	<b>1,981.1</b>	<b>2,011.3</b>
Federal.....	628.1	693.7	646.9	672.0	688.2	697.7	716.9
National defense.....	399.9	447.4	412.8	431.7	442.1	451.2	464.7
Nondefense.....	228.2	246.3	234.1	240.3	246.1	246.5	252.2
State and local.....	1,229.9	1,279.2	1,249.8	1,267.5	1,271.6	1,283.3	1,294.4

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]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>9,214.5</b>	<b>9,439.9</b>	<b>9,248.8</b>	<b>9,363.2</b>	<b>9,392.4</b>	<b>9,485.6</b>	<b>9,518.2</b>
<b>Personal consumption expenditures</b> .....	<b>6,377.2</b>	<b>6,576.0</b>	<b>6,464.0</b>	<b>6,513.8</b>	<b>6,542.4</b>	<b>6,609.9</b>	<b>6,637.9</b>
Durable goods.....	931.9	999.9	992.0	975.9	980.7	1,032.4	1,010.6
Nondurable goods.....	1,869.8	1,929.5	1,885.0	1,921.4	1,920.9	1,925.8	1,950.0
Services.....	3,594.9	3,675.6	3,616.6	3,642.2	3,666.2	3,687.0	3,707.0
<b>Gross private domestic investment</b> .....	<b>1,574.6</b>	<b>1,589.6</b>	<b>1,490.3</b>	<b>1,554.0</b>	<b>1,583.9</b>	<b>1,598.0</b>	<b>1,622.4</b>
Fixed investment.....	1,627.4	1,577.3	1,578.4	1,576.4	1,572.6	1,571.6	1,588.5
Nonresidential.....	1,255.1	1,183.4	1,206.4	1,188.4	1,181.1	1,178.7	1,185.3
Structures.....	270.9	226.4	252.7	243.2	231.7	218.2	212.6
Equipment and software.....	988.2	971.1	960.3	953.7	961.4	977.2	992.1
Residential.....	373.5	388.2	371.0	383.6	386.1	387.1	395.9
Change in private inventories.....	-61.4	5.2	-98.4	-28.9	4.9	18.8	25.8
<b>Net exports of goods and services</b> .....	<b>-415.9</b>	<b>-488.5</b>	<b>-425.3</b>	<b>-446.6</b>	<b>-487.4</b>	<b>-488.0</b>	<b>-532.2</b>
Exports.....	1,076.1	1,058.8	1,021.8	1,030.6	1,065.5	1,077.7	1,061.6
Goods.....	785.2	756.9	744.6	738.1	765.8	773.5	750.3
Services.....	292.0	301.5	278.2	292.2	299.7	304.0	310.0
Imports.....	1,492.0	1,547.4	1,447.2	1,477.1	1,552.9	1,565.7	1,593.8
Goods.....	1,270.5	1,320.1	1,238.7	1,250.0	1,329.2	1,340.3	1,360.8
Services.....	222.4	227.2	208.9	225.5	224.3	226.0	233.0
<b>Government consumption expenditures and gross investment</b> .....	<b>1,640.4</b>	<b>1,712.8</b>	<b>1,674.5</b>	<b>1,697.3</b>	<b>1,703.3</b>	<b>1,715.6</b>	<b>1,735.0</b>
Federal.....	570.6	613.3	587.2	597.8	608.7	615.1	631.4
National defense.....	366.0	400.0	378.0	388.5	395.8	402.5	413.2
Nondefense.....	204.4	213.3	209.1	209.3	212.9	212.7	218.3
State and local.....	1,069.4	1,099.7	1,087.1	1,099.3	1,094.7	1,100.6	1,104.0
Residual.....	22.6	19.9	20.2	20.2	25.1	12.1	22.2

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

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
<b>Gross domestic product</b>	<b>10,082.2</b>	<b>10,446.2</b>	<b>10,152.9</b>	<b>10,313.1</b>	<b>10,376.9</b>	<b>10,506.2</b>	<b>10,588.8</b>
Plus: Income receipts from the rest of the world.....	316.9	278.0	269.0	264.7	276.0	287.3	284.2
Less: Income payments to the rest of the world.....	295.0	287.6	233.7	262.8	296.1	298.2	293.4
<b>Equals: Gross national product</b>	<b>10,104.1</b>	<b>10,436.7</b>	<b>10,188.1</b>	<b>10,314.9</b>	<b>10,356.8</b>	<b>10,495.3</b>	<b>10,579.7</b>
Less: Consumption of fixed capital.....	1,329.3	1,393.5	1,338.6	1,363.5	1,389.8	1,405.3	1,415.4
Private.....	1,106.8	1,163.9	1,114.4	1,136.9	1,161.2	1,174.8	1,182.7
Capital consumption allowances.....	1,168.4	1,320.0	1,331.9	1,324.0	1,322.0	1,317.9	1,315.9
Less: Capital consumption adjustment.....	61.6	156.1	217.5	187.0	160.8	143.1	133.3
Government.....	222.4	229.6	224.2	226.5	228.6	230.5	232.7
General government.....	187.7	195.0	190.4	192.5	194.1	195.7	197.6
Government enterprises.....	34.8	34.6	33.8	34.0	34.4	34.8	35.1
<b>Equals: Net national product</b>	<b>8,774.8</b>	<b>9,043.2</b>	<b>8,849.5</b>	<b>8,951.5</b>	<b>8,967.0</b>	<b>9,090.0</b>	<b>9,164.3</b>
Less: Indirect business tax and nontax liability	774.8	800.4	779.9	786.2	795.1	806.9	813.3
Business transfer payments.....	42.5	44.1	42.8	43.8	43.9	44.4	44.3
Statistical discrepancy.....	-117.3	-116.7	-132.6	-110.0	-165.0	-82.1	-109.6
Plus: Subsidies less current surplus of government enterprises.....	47.3	32.5	37.5	37.0	35.1	29.1	29.0
<b>Equals: National income</b>	<b>8,122.0</b>	<b>8,347.9</b>	<b>8,196.8</b>	<b>8,268.5</b>	<b>8,328.0</b>	<b>8,349.9</b>	<b>8,445.3</b>
Less: Corporate profits with inventory valuation and capital consumption adjustments.....	731.6	787.4	811.4	797.6	785.0	771.0	796.1
Net interest.....	649.8	684.2	653.9	672.8	678.1	687.6	698.3
Contributions for social insurance.....	726.1	747.5	725.8	740.4	746.1	748.8	754.9
Wage accruals less disbursements.....	.0	.0	.0	.0	.0	.0	.0
Plus: Personal interest income.....	1,091.3	1,078.5	1,072.9	1,069.9	1,082.3	1,080.7	1,080.9
Personal dividend income.....	409.2	433.8	417.3	423.7	430.3	437.3	443.8
Government transfer payments to persons.....	1,137.0	1,252.9	1,171.0	1,217.4	1,247.7	1,263.1	1,283.5
Business transfer payments to persons.....	33.4	35.1	34.0	34.6	34.9	35.3	35.6
<b>Equals: Personal income</b>	<b>8,685.3</b>	<b>8,929.1</b>	<b>8,700.9</b>	<b>8,803.4</b>	<b>8,914.0</b>	<b>8,958.9</b>	<b>9,039.9</b>
<b>Addenda:</b>							
Gross domestic income.....	10,199.4	10,562.9	10,285.5	10,423.1	10,541.8	10,588.3	10,698.4
Gross national income.....	10,221.4	10,553.3	10,320.7	10,424.9	10,521.8	10,577.4	10,689.2
Net domestic product.....	8,752.9	9,052.8	8,814.3	8,949.6	8,967.0	9,101.0	9,173.4

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

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
<b>Gross domestic product</b>	<b>9,214.5</b>	<b>9,439.9</b>	<b>9,248.8</b>	<b>9,363.2</b>	<b>9,392.4</b>	<b>9,485.6</b>	<b>9,518.2</b>
Plus: Income receipts from the rest of the world.....	292.0	253.3	247.4	242.8	251.8	261.3	257.5
Less: Income payments to the rest of the world.....	269.2	260.3	213.1	239.2	268.2	269.5	264.2
<b>Equals: Gross national product</b>	<b>9,237.3</b>	<b>9,433.5</b>	<b>9,283.5</b>	<b>9,367.5</b>	<b>9,376.7</b>	<b>9,477.9</b>	<b>9,512.1</b>
Less: Consumption of fixed capital.....	1,320.8	1,399.9	1,333.5	1,357.9	1,390.9	1,417.0	1,433.7
Private.....	1,110.7	1,184.5	1,122.2	1,144.8	1,176.2	1,200.9	1,216.0
Government.....	210.9	216.6	212.1	214.0	215.8	217.5	219.1
General government.....	179.2	185.4	181.5	183.2	184.7	186.1	187.5
Government enterprises.....	31.7	31.2	30.6	30.9	31.1	31.3	31.6
<b>Equals: Net national product</b>	<b>7,928.1</b>	<b>8,049.7</b>	<b>7,961.1</b>	<b>8,022.0</b>	<b>8,001.6</b>	<b>8,078.2</b>	<b>8,097.2</b>
<b>Addenda:</b>							
Gross domestic income <sup>1</sup> .....	9,321.7	9,545.3	9,369.5	9,463.1	9,541.7	9,559.7	9,616.7
Gross national income <sup>2</sup> .....	9,344.5	9,539.0	9,404.2	9,467.4	9,526.0	9,552.1	9,610.5
Net domestic product.....	7,905.4	8,055.8	7,926.7	8,017.7	8,017.0	8,085.5	8,103.0

1. Gross domestic income deflated by the implicit price deflator for gross domestic product.  
 2. Gross national income deflated by the implicit price deflator for gross national product.  
 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>9,237.3</b>	<b>9,433.5</b>	<b>9,283.5</b>	<b>9,367.5</b>	<b>9,376.7</b>	<b>9,477.9</b>	<b>9,512.1</b>
Less: Exports of goods and services and income receipts from the rest of the world.....	1,366.5	1,307.1	1,264.7	1,268.0	1,311.9	1,334.2	1,314.4
Plus: Command-basis exports of goods and services and income receipts from the rest of the world <sup>1</sup> .....	1,410.0	1,344.4	1,314.9	1,321.2	1,345.6	1,365.6	1,345.4
<b>Equals: Command-basis gross national product</b>	<b>9,280.9</b>	<b>9,470.8</b>	<b>9,333.7</b>	<b>9,420.6</b>	<b>9,410.3</b>	<b>9,509.3</b>	<b>9,543.1</b>
<b>Addendum:</b>							
Terms of trade <sup>2</sup> .....	103.2	102.8	104.0	104.2	102.6	102.4	102.4

1. Exports of goods and services and income receipts deflated by the implicit price deflator for imports of goods and services and income payments.  
 2. Ratio of the implicit price deflator for exports of goods and services and income receipts to the corresponding implicit price deflator for imports divided by 100.  
 NOTE: Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.  
 Percent changes from preceding period for gross national product are shown in table 8.1.  
 Chain-type quantity indexes for the series in this table are shown in table 7.3.

Table 1.14. National Income by Type of Income

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
<b>National income</b> .....	<b>8,122.0</b>	<b>8,347.9</b>	<b>8,196.8</b>	<b>8,268.5</b>	<b>8,328.0</b>	<b>8,349.9</b>	<b>8,445.3</b>
<b>Compensation of employees</b> .....	<b>5,874.9</b>	<b>5,977.4</b>	<b>5,860.9</b>	<b>5,908.4</b>	<b>5,963.9</b>	<b>5,988.4</b>	<b>6,048.8</b>
Wage and salary accruals .....	4,950.6	5,003.7	4,931.4	4,957.8	4,997.3	5,007.4	5,052.4
Government .....	810.8	852.8	825.2	840.4	848.4	857.1	865.4
Other .....	4,139.8	4,150.9	4,106.2	4,117.4	4,148.9	4,150.3	4,187.0
Supplements to wages and salaries .....	924.3	973.7	929.4	950.7	966.6	981.0	996.4
Employer contributions for social insurance .....	353.9	363.0	353.2	359.9	362.5	363.5	366.2
Other labor income .....	570.4	610.6	576.3	590.8	604.1	617.5	630.2
<b>Proprietors' income with inventory valuation and capital consumption adjustments</b> .....	<b>727.9</b>	<b>756.5</b>	<b>731.3</b>	<b>748.4</b>	<b>747.5</b>	<b>758.7</b>	<b>771.6</b>
Farm .....	19.0	12.9	19.2	21.7	7.5	10.7	11.7
Proprietors' income with inventory valuation adjustment .....	26.7	21.6	27.1	30.0	16.1	19.6	20.8
Capital consumption adjustment .....	-7.7	-8.7	-7.8	-8.2	-8.7	-8.9	-9.1
Nonfarm .....	708.8	743.7	712.1	726.7	740.0	748.0	759.9
Proprietors' income with inventory valuation adjustment .....	621.6	630.1	594.1	612.5	626.9	635.0	646.1
Capital consumption adjustment .....	86.3	114.5	114.3	114.4	114.2	114.6	114.7
<b>Rental income of persons with capital consumption adjustment</b> .....	<b>137.9</b>	<b>142.4</b>	<b>139.3</b>	<b>141.3</b>	<b>153.5</b>	<b>144.1</b>	<b>130.6</b>
Rental income of persons .....	204.4	212.0	206.9	209.1	221.9	214.5	202.6
Capital consumption adjustment .....	-66.5	-69.6	-67.6	-67.8	-68.4	-70.3	-72.1
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>731.6</b>	<b>787.4</b>	<b>811.4</b>	<b>797.6</b>	<b>785.0</b>	<b>771.0</b>	<b>796.1</b>
Corporate profits with inventory valuation adjustment .....	675.1	658.3	626.3	641.3	652.2	653.4	686.4
Profits before tax .....	670.2	665.2	599.1	639.4	657.9	668.5	694.9
Profits tax liability .....	199.3	213.3	170.6	202.4	213.7	214.7	222.4
Profits after tax .....	470.9	451.9	428.5	437.0	444.3	453.8	472.5
Dividends .....	409.6	434.3	417.7	424.2	430.8	437.7	444.3
Undistributed profits .....	61.2	17.6	10.8	12.8	13.5	16.1	28.2
Inventory valuation adjustment .....	5.0	-6.9	27.2	1.9	-5.7	-15.1	-8.5
Capital consumption adjustment .....	56.5	129.1	185.1	156.3	132.8	117.6	109.7
<b>Net interest</b> .....	<b>649.8</b>	<b>684.2</b>	<b>653.9</b>	<b>672.8</b>	<b>678.1</b>	<b>687.6</b>	<b>698.3</b>
<b>Addenda:</b>							
Corporate profits after tax with inventory valuation and capital consumption adjustments .....	532.3	574.1	640.8	595.2	571.3	556.3	573.7
Net cash flow with inventory valuation and capital consumption adjustments .....	911.8	967.3	1,015.6	979.3	966.7	954.7	968.7
Undistributed profits with inventory valuation and capital consumption adjustments .....	122.7	139.9	223.0	171.0	140.5	118.6	129.4
Consumption of fixed capital .....	789.1	827.5	792.6	808.3	826.1	836.1	839.3
Less: Inventory valuation adjustment .....	5.0	-6.9	27.2	1.9	-5.7	-15.1	-8.5
<b>Equals: Net cash flow</b> .....	<b>906.8</b>	<b>974.2</b>	<b>988.4</b>	<b>977.4</b>	<b>972.4</b>	<b>969.8</b>	<b>977.2</b>

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

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
Billions of dollars							
<b>Gross product of corporate business</b> .....	<b>6,117.5</b>	<b>6,329.8</b>	<b>6,153.4</b>	<b>6,249.2</b>	<b>6,320.3</b>	<b>6,335.7</b>	<b>6,414.0</b>
Consumption of fixed capital ..	789.1	827.5	792.6	808.3	826.1	836.1	839.3
Net product .....	5,328.4	5,502.3	5,360.8	5,440.9	5,494.1	5,499.6	5,574.7
Indirect business tax and nontax liability plus business transfer payments less subsidies ..	565.7	592.6	576.7	582.1	588.8	598.0	601.2
Domestic income .....	4,762.7	4,909.8	4,784.1	4,858.9	4,905.3	4,901.6	4,973.4
Compensation of employees .....	3,945.6	3,986.6	3,921.6	3,941.7	3,979.5	3,991.2	4,033.8
Wage and salary accruals .....	3,378.6	3,388.0	3,351.4	3,360.6	3,386.5	3,387.3	3,417.5
Supplements to wages and salaries .....	567.0	598.6	570.2	581.1	593.1	603.9	616.3
Corporate profits with inventory valuation and capital consumption adjustments .....	580.9	668.1	646.7	665.6	669.9	654.9	682.0
Profits before tax .....	519.4	545.9	434.4	507.4	542.9	552.4	580.8
Profits tax liability .....	199.3	213.3	170.6	202.4	213.7	214.7	222.4
Profits after tax .....	320.1	332.6	263.8	305.0	329.2	337.7	358.4
Dividends .....	383.1	392.9	391.9	402.8	385.1	379.2	404.4
Undistributed profits .....	-63.0	-60.3	-128.1	-97.9	-56.0	-41.5	-46.0
Inventory valuation adjustment .....	5.0	-6.9	27.2	1.9	-5.7	-15.1	-8.5
Capital consumption adjustment .....	56.5	129.1	185.1	156.3	132.8	117.6	109.7
Net interest .....	236.3	255.1	215.8	251.6	255.8	255.4	257.6
<b>Gross product of financial corporate business</b> .....	<b>763.3</b>	<b>830.9</b>	<b>761.8</b>	<b>825.5</b>	<b>831.3</b>	<b>830.9</b>	<b>836.1</b>
<b>Gross product of nonfinancial corporate business</b> .....	<b>5,354.2</b>	<b>5,498.9</b>	<b>5,391.6</b>	<b>5,423.8</b>	<b>5,489.0</b>	<b>5,504.8</b>	<b>5,577.9</b>
Consumption of fixed capital ..	652.8	686.6	657.0	670.7	685.1	693.7	696.7
Net product .....	4,701.4	4,812.3	4,734.6	4,753.1	4,803.8	4,811.1	4,881.2
Indirect business tax and nontax liability plus business transfer payments less subsidies ..	523.7	549.1	534.3	539.3	545.6	554.2	557.2
Domestic income .....	4,177.7	4,263.3	4,200.3	4,213.9	4,258.2	4,256.9	4,324.0
Compensation of employees .....	3,573.5	3,610.8	3,551.8	3,570.1	3,604.4	3,615.0	3,653.7
Wage and salary accruals .....	3,056.4	3,064.9	3,031.8	3,040.2	3,063.5	3,064.3	3,091.6
Supplements to wages and salaries .....	517.1	545.9	520.0	529.9	540.8	550.7	562.1
Corporate profits with inventory valuation and capital consumption adjustments .....	407.4	458.4	449.0	452.4	459.3	447.6	474.4
Profits before tax .....	328.8	328.6	234.3	289.2	324.4	336.3	364.4
Profits tax liability .....	123.5	131.5	94.0	119.8	130.8	133.4	142.2
Profits after tax .....	205.3	197.0	140.3	169.5	193.6	202.9	222.1
Dividends .....	278.5	285.8	285.2	293.1	280.2	275.9	294.2
Undistributed profits .....	-73.2	-88.8	-144.9	-123.6	-86.6	-73.0	-72.1
Inventory valuation adjustment .....	5.0	-6.9	27.2	1.9	-5.7	-15.1	-8.5
Capital consumption adjustment .....	73.6	136.7	187.4	161.3	140.6	126.4	118.6
Net interest .....	196.8	194.1	199.5	191.4	194.6	194.3	195.9
Billions of chained (1996) dollars							
<b>Gross product of nonfinancial corporate business</b> .....	<b>5,141.8</b>	<b>5,307.5</b>	<b>5,189.3</b>	<b>5,231.3</b>	<b>5,298.7</b>	<b>5,320.7</b>	<b>5,379.4</b>
Consumption of fixed capital <sup>2</sup> ..	671.9	720.8	681.0	695.2	715.4	731.4	741.1
Net product <sup>3</sup> .....	4,469.9	4,586.7	4,508.4	4,536.0	4,583.3	4,589.4	4,638.3

1. Effective November 26, 2002, the estimates of chained-dollar gross product of nonfinancial corporate business beginning with 1999 have been revised to reflect the 2002 annual revision to the gross product price index for nonfinancial industries.

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

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



## 3. Government Current Receipts and Expenditures

**Table 3.1. Government Current Receipts and Expenditures**  
 (Billions of dollars)

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
				IV	I	II	III
<b>Current receipts</b> .....	<b>2,992.3</b>	<b>2,874.8</b>	<b>2,986.1</b>	<b>2,865.7</b>	<b>2,876.7</b>	<b>2,869.4</b>	<b>2,887.3</b>
Personal tax and nontax receipts.....	1,292.1	1,113.6	1,309.7	1,136.8	1,121.8	1,099.0	1,096.8
Corporate profits tax accruals.....	199.3	213.3	170.6	202.4	213.7	214.7	222.4
Indirect business tax and nontax accruals.....	774.8	800.4	779.9	786.2	795.1	806.9	813.3
Contributions for social insurance.....	726.1	747.5	725.8	740.4	746.1	748.8	754.9
<b>Current expenditures</b> .....	<b>2,951.6</b>	<b>3,126.2</b>	<b>2,994.9</b>	<b>3,067.3</b>	<b>3,117.4</b>	<b>3,134.6</b>	<b>3,185.6</b>
Consumption expenditures.....	1,522.2	1,621.0	1,551.8	1,584.0	1,611.6	1,629.4	1,659.0
Transfer payments (net).....	1,146.6	1,267.3	1,186.3	1,240.2	1,258.3	1,272.8	1,298.0
To persons.....	1,137.0	1,252.9	1,171.0	1,217.4	1,247.7	1,263.1	1,283.5
To the rest of the world (net).....	9.6	14.4	15.3	22.8	10.6	9.7	14.5
Net interest paid.....	236.0	205.8	219.9	206.6	212.8	203.8	200.1
Interest paid.....	341.1	314.1	326.1	312.7	319.5	312.2	311.8
To persons and business.....	260.4	241.0	250.2	238.7	244.9	239.4	241.2
To the rest of the world.....	80.7	73.0	75.9	74.0	74.7	72.8	70.7
Less: Interest received by government.....	105.1	108.2	106.2	106.2	106.7	108.4	111.7
Less: Dividends received by government.....	.4	.5	.4	.4	.5	.5	.5
Subsidies less current surplus of government enterprises.....	47.3	32.5	37.5	37.0	35.1	29.1	29.0
Subsidies.....	55.3	46.2	46.1	46.4	46.0	46.6	45.9
Less: Current surplus of government enterprises.....	8.0	13.7	8.6	9.4	11.0	17.5	17.0
Less: Wage accruals less disbursements.....	.0	.0	.0	.0	.0	.0	.0
<b>Current surplus or deficit (-), national income and product accounts</b> .....	<b>40.7</b>	<b>-251.4</b>	<b>-8.9</b>	<b>-201.6</b>	<b>-240.7</b>	<b>-265.2</b>	<b>-298.3</b>
Social insurance funds.....	93.2	52.9	76.3	63.9	49.6	48.0	49.9
Other.....	-52.5	-304.3	-85.1	-265.5	-290.3	-313.2	-348.2
<b>Addenda:</b>							
Net lending or net borrowing (-).....	-46.9	-351.9	-105.6	-305.6	-341.3	-362.1	-398.5
Current surplus or deficit (-), national income and product accounts.....	40.7	-251.4	-8.9	-201.6	-240.7	-265.2	-298.3
Plus: Consumption of fixed capital.....	222.4	229.6	224.2	226.5	228.6	230.5	232.7
Plus: Capital transfers received (net).....	35.4	32.9	34.7	35.8	29.7	35.7	30.3
Less: Gross investment.....	335.8	351.9	345.0	355.5	348.2	351.7	352.2
Less: Net purchases of nonproduced assets.....	9.6	11.0	10.6	10.8	10.6	11.4	11.0



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

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
				IV	I	II	III
<b>Current receipts</b> .....	<b>2,008.4</b>	<b>1,875.6</b>	<b>1,992.3</b>	<b>1,884.7</b>	<b>1,883.7</b>	<b>1,864.1</b>	<b>1,869.7</b>
Personal tax and nontax receipts .....	1,010.9	847.0	1,025.5	874.8	856.6	831.3	825.3
Income taxes .....	1,000.3	837.6	1,015.1	864.8	847.0	822.3	816.3
Nontaxes .....	10.6	9.4	10.4	10.0	9.6	9.1	9.0
Corporate profits tax accruals ..	170.2	179.8	142.9	170.5	180.2	181.1	187.5
Federal Reserve banks .....	27.1	22.2	24.3	22.7	23.2	22.2	20.6
Other .....	143.2	157.6	118.6	147.8	157.0	158.8	166.9
Indirect business tax and nontax accruals .....	110.3	110.6	107.3	108.4	110.2	112.4	111.5
Excise taxes .....	66.3	69.6	64.9	68.4	69.9	69.8	70.3
Customs duties .....	20.6	20.3	19.9	18.8	19.4	22.4	20.6
Nontaxes .....	23.4	20.7	22.5	21.2	20.9	20.2	20.5
Contributions for social insurance .....	716.9	738.1	716.6	731.1	736.7	739.3	745.4
<b>Current expenditures</b> .....	<b>1,936.4</b>	<b>2,075.5</b>	<b>1,971.0</b>	<b>2,030.5</b>	<b>2,079.3</b>	<b>2,074.6</b>	<b>2,117.4</b>
Consumption expenditures .....	528.4	586.5	543.6	566.3	581.0	589.8	608.9
Transfer payments (net) .....	842.2	931.7	870.9	916.9	927.6	934.1	948.5
To persons .....	832.6	917.4	855.6	894.1	917.0	924.4	934.0
To the rest of the world (net) ..	9.6	14.4	15.3	22.8	10.6	9.7	14.5
Grants-in-aid to State and local governments .....	277.4	305.7	289.4	292.3	309.6	305.0	315.8
Net interest paid .....	238.1	207.8	221.6	208.5	214.9	205.8	202.1
Interest paid .....	257.8	228.9	242.1	228.3	234.6	226.8	225.9
To persons and business .....	177.2	155.9	166.2	154.2	159.9	154.0	155.3
To the rest of the world .....	80.7	73.0	75.9	74.0	74.7	72.8	70.7
Less: Interest received by government .....	19.7	21.1	20.5	19.8	19.7	21.0	23.9
Subsidies less current surplus of government enterprises ..	50.3	43.7	45.5	46.6	46.3	39.9	42.1
Subsidies .....	47.5	45.4	43.1	44.9	45.5	45.0	46.3
Less: Current surplus of government enterprises .....	-2.8	1.7	-2.4	-1.7	-7	5.0	4.2
Less: Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
<b>Current surplus or deficit (-), national income and product accounts</b> ..	<b>72.0</b>	<b>-199.9</b>	<b>21.3</b>	<b>-145.8</b>	<b>-195.6</b>	<b>-210.5</b>	<b>-247.7</b>
Social insurance funds .....	93.3	53.0	76.4	64.1	49.7	48.1	50.0
Other .....	-21.3	-252.9	-55.1	-209.9	-245.3	-258.6	-297.7
<b>Addenda:</b>							
Net lending or net borrowing (-) .....	58.9	-224.5	3.3	-169.5	-223.2	-233.5	-271.7
Current surplus or deficit (-), national income and product accounts .....	72.0	-199.9	21.3	-145.8	-195.6	-210.5	-247.7
Plus: Consumption of fixed capital .....	98.7	101.9	99.7	100.6	101.3	102.2	103.6
Plus: Capital transfers received (net) .....	-12.9	-19.1	-14.3	-18.3	-21.8	-16.8	-19.5
Less: Gross investment ...	99.7	107.2	103.4	105.7	107.1	107.9	108.0
Less: Net purchases of nonproduced assets .....	-7	.2	.1	.2	-.1	.6	.1

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

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
				IV	I	II	III
<b>Current receipts</b> .....	<b>1,261.3</b>	<b>1,304.9</b>	<b>1,283.2</b>	<b>1,273.3</b>	<b>1,302.5</b>	<b>1,310.3</b>	<b>1,333.4</b>
Personal tax and nontax receipts .....	281.2	266.6	284.3	262.0	265.3	267.7	271.4
Income taxes .....	218.7	200.7	220.5	197.4	199.9	201.4	204.2
Nontaxes .....	41.9	45.1	43.1	43.9	44.7	45.5	46.4
Other .....	20.6	20.7	20.7	20.7	20.7	20.7	20.8
Corporate profits tax accruals ..	29.1	33.5	27.7	32.0	33.5	33.7	34.9
Indirect business tax and nontax accruals .....	664.4	689.8	672.5	677.8	684.9	694.5	701.8
Sales taxes .....	321.2	333.5	326.0	327.4	330.6	337.2	338.6
Property taxes .....	257.4	267.8	261.0	263.5	265.9	268.6	273.2
Other .....	85.8	88.5	85.6	86.9	88.3	88.7	90.0
Contributions for social insurance .....	9.2	9.4	9.2	9.3	9.4	9.4	9.5
Federal grants-in-aid .....	277.4	305.7	289.4	292.3	309.6	305.0	315.8
<b>Current expenditures</b> .....	<b>1,292.6</b>	<b>1,356.4</b>	<b>1,313.3</b>	<b>1,329.1</b>	<b>1,347.6</b>	<b>1,365.0</b>	<b>1,384.0</b>
Consumption expenditures .....	993.7	1,034.5	1,008.2	1,017.7	1,030.6	1,039.6	1,050.1
Transfer payments to persons ..	304.4	335.6	315.4	323.4	330.7	338.7	349.5
Net interest paid .....	-2.1	-2.0	-1.8	-1.9	-2.0	-2.0	-1.9
Interest paid .....	83.3	85.2	84.0	84.5	84.9	85.4	85.9
Less: Interest received by government .....	85.4	87.1	85.7	86.4	87.0	87.4	87.8
Less: Dividends received by government .....	.4	.5	.4	.4	.5	.5	.5
Subsidies less current surplus of government enterprises ..	-3.1	-11.2	-8.1	-9.6	-11.2	-10.8	-13.2
Subsidies .....	7.8	.8	2.9	1.4	.5	1.7	-.4
Less: Current surplus of government enterprises ..	10.9	12.0	11.0	11.0	11.7	12.5	12.8
Less: Wage accruals less disbursements .....	.0	.0	.0	.0	.0	.0	.0
<b>Current surplus or deficit (-), national income and product accounts</b> ..	<b>-31.3</b>	<b>-51.5</b>	<b>-30.2</b>	<b>-55.8</b>	<b>-45.1</b>	<b>-54.7</b>	<b>-50.6</b>
Social insurance funds .....	-1	-1	-2	-2	-1	-1	-1
Other .....	-31.2	-51.4	-30.0	-55.6	-44.9	-54.6	-50.5
<b>Addenda:</b>							
Net lending or net borrowing (-) .....	-105.8	-127.4	-108.8	-136.1	-118.1	-128.5	-126.8
Current surplus or deficit (-), national income and product accounts .....	-31.3	-51.5	-30.2	-55.8	-45.1	-54.7	-50.6
Plus: Consumption of fixed capital .....	123.7	127.7	124.5	125.9	127.3	128.3	129.1
Plus: Capital transfers received (net) .....	48.3	52.0	49.0	54.1	51.5	52.5	49.8
Less: Gross investment ...	236.2	244.7	241.7	249.7	241.1	243.8	244.2
Less: Net purchases of nonproduced assets .....	10.3	10.8	10.5	10.6	10.7	10.9	10.9



**Table 3.10. National Defense Consumption Expenditures and Gross Investment**

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment<sup>1</sup></b>	<b>399.9</b>	<b>447.4</b>	<b>412.8</b>	<b>431.7</b>	<b>442.1</b>	<b>451.2</b>	<b>464.7</b>
<b>Consumption expenditures</b>	<b>344.5</b>	<b>386.6</b>	<b>356.0</b>	<b>372.1</b>	<b>382.5</b>	<b>388.9</b>	<b>403.2</b>
<b>Durable goods<sup>2</sup></b>	<b>24.2</b>	<b>25.3</b>	<b>24.0</b>	<b>24.7</b>	<b>24.9</b>	<b>26.3</b>	<b>25.2</b>
Aircraft	11.2	11.3	11.4	11.1	11.3	11.6	11.4
Missiles	2.5	2.8	2.1	2.6	2.5	3.0	3.1
Ships	1.2	1.3	1.1	1.3	1.3	1.5	1.2
Vehicles	1.0	1.1	1.0	1.0	1.1	1.0	1.2
Electronics	3.0	3.1	3.1	3.1	3.2	3.3	2.8
Other durable goods	5.3	5.6	5.3	5.6	5.5	5.8	5.5
<b>Nondurable goods</b>	<b>10.5</b>	<b>11.5</b>	<b>11.3</b>	<b>10.9</b>	<b>11.7</b>	<b>12.0</b>	<b>11.4</b>
Petroleum products	4.0	4.2	3.6	3.8	4.3	4.7	4.0
Ammunition	2.1	2.5	2.1	2.4	2.6	2.7	2.4
Other nondurable goods	4.4	4.8	5.6	4.7	4.8	4.6	5.0
<b>Services</b>	<b>309.8</b>	<b>349.9</b>	<b>320.7</b>	<b>336.5</b>	<b>345.9</b>	<b>350.6</b>	<b>366.6</b>
Compensation of general government employees, except own-account investment <sup>3</sup>	143.7	154.4	143.9	152.7	155.0	155.8	153.9
Military	94.1	102.1	94.8	101.2	102.4	103.0	101.5
Civilian	49.6	52.3	49.1	51.4	52.5	52.8	52.4
Consumption of general government fixed capital <sup>4</sup>	63.5	64.2	63.6	63.8	64.0	64.3	64.9
Other services	102.5	131.3	113.2	120.0	127.0	130.5	147.7
Research and development	29.6	42.0	34.6	37.5	40.9	40.0	49.5
Installation support	25.5	28.5	27.0	27.2	27.1	29.6	30.2
Weapons support	12.2	18.3	14.0	16.0	17.2	19.2	20.7
Personnel support	28.0	35.5	30.2	32.2	34.2	36.6	39.0
Transportation of material	4.9	5.0	5.1	4.8	4.9	5.0	5.2
Travel of persons	4.2	4.0	4.3	4.0	4.0	4.0	4.1
Other	-2.0	-1.9	-1.9	-1.7	-1.3	-3.9	-9
<b>Gross investment</b>	<b>55.5</b>	<b>60.8</b>	<b>56.8</b>	<b>59.7</b>	<b>59.6</b>	<b>62.4</b>	<b>61.5</b>
<b>Structures</b>	<b>5.4</b>	<b>5.3</b>	<b>5.7</b>	<b>5.1</b>	<b>5.4</b>	<b>5.4</b>	<b>5.3</b>
<b>Equipment and software</b>	<b>50.0</b>	<b>55.5</b>	<b>51.1</b>	<b>54.6</b>	<b>54.2</b>	<b>57.0</b>	<b>56.3</b>
Aircraft	8.3	9.3	8.0	8.6	9.0	9.9	9.9
Missiles	3.3	3.1	3.0	3.6	3.1	2.6	3.1
Ships	7.2	8.7	7.3	8.1	8.5	8.9	9.0
Vehicles	1.8	2.6	2.0	2.1	2.8	3.0	2.7
Electronics and software	13.7	15.0	14.3	14.9	14.7	15.3	14.9
Other equipment	15.7	16.8	16.4	17.2	16.2	17.1	16.7
<b>Addendum:</b>							
Compensation of general government employees <sup>3</sup>	144.3	155.3	144.6	153.6	155.9	156.8	154.9

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

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

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment<sup>1</sup></b>	<b>366.0</b>	<b>400.0</b>	<b>378.0</b>	<b>388.5</b>	<b>395.8</b>	<b>402.5</b>	<b>413.2</b>
<b>Consumption expenditures</b>	<b>308.9</b>	<b>337.0</b>	<b>319.1</b>	<b>326.7</b>	<b>333.9</b>	<b>338.0</b>	<b>349.4</b>
<b>Durable goods<sup>2</sup></b>	<b>24.3</b>	<b>25.3</b>	<b>24.2</b>	<b>24.8</b>	<b>24.9</b>	<b>26.4</b>	<b>25.2</b>
Aircraft	11.2	11.3	11.5	11.1	11.2	11.6	11.3
Missiles	2.5	2.8	2.1	2.6	2.6	3.0	3.1
Ships	1.2	1.3	1.1	1.3	1.3	1.5	1.2
Vehicles	.8	.8	.8	.8	.8	.8	.9
Electronics	3.4	3.6	3.6	3.6	3.7	3.9	3.3
Other durable goods	5.2	5.6	5.3	5.6	5.5	5.8	5.5
<b>Nondurable goods</b>	<b>9.9</b>	<b>11.4</b>	<b>11.3</b>	<b>11.5</b>	<b>11.7</b>	<b>11.6</b>	<b>10.8</b>
Petroleum products	3.4	4.3	3.7	4.6	4.4	4.5	3.6
Ammunition	2.1	2.6	2.2	2.5	2.7	2.8	2.5
Other nondurable goods	4.2	4.5	5.3	4.4	4.5	4.3	4.6
<b>Services</b>	<b>275.1</b>	<b>300.6</b>	<b>284.0</b>	<b>290.7</b>	<b>297.6</b>	<b>300.5</b>	<b>313.4</b>
Compensation of general government employees, except own-account investment <sup>3</sup>	121.2	123.4	121.3	122.4	123.8	124.3	123.0
Military	80.7	83.7	81.4	83.0	84.0	84.5	83.3
Civilian	40.7	39.9	40.0	39.6	40.0	40.1	39.9
Consumption of general government fixed capital <sup>4</sup>	62.4	62.6	62.4	62.4	62.5	62.6	62.8
Other services	91.7	114.9	100.6	106.2	111.6	113.8	128.2
Research and development	26.9	37.5	31.2	33.7	36.7	35.6	43.9
Installation support	23.4	25.6	24.7	24.8	24.5	26.4	26.7
Weapons support	10.7	15.8	12.2	13.9	14.9	16.6	17.9
Personnel support	23.4	28.6	24.8	26.3	27.6	29.4	31.2
Transportation of material	4.6	4.6	4.7	4.5	4.5	4.5	4.7
Travel of persons	4.1	3.9	4.2	3.8	3.8	3.9	4.0
Other	-1.7	-1.6	-1.5	-1.4	-1.1	-3.2	-7
<b>Gross investment</b>	<b>57.3</b>	<b>63.3</b>	<b>59.0</b>	<b>62.2</b>	<b>62.2</b>	<b>65.0</b>	<b>63.9</b>
<b>Structures</b>	<b>4.6</b>	<b>4.4</b>	<b>4.7</b>	<b>4.2</b>	<b>4.5</b>	<b>4.4</b>	<b>4.3</b>
<b>Equipment and software</b>	<b>53.0</b>	<b>59.5</b>	<b>54.6</b>	<b>58.5</b>	<b>58.2</b>	<b>61.1</b>	<b>60.1</b>
Aircraft	9.6	11.2	9.6	10.4	10.8	11.9	11.7
Missiles	3.5	3.4	3.2	3.9	3.4	2.9	3.4
Ships	7.1	8.5	7.3	8.1	8.4	8.7	8.8
Vehicles	1.9	2.8	2.1	2.2	2.9	3.2	2.7
Electronics and software	15.3	17.1	16.1	16.9	16.7	17.5	17.2
Other equipment	15.5	16.5	16.1	17.0	15.9	16.8	16.4
Residual	-7	-1.3	-8	-1.3	-9	-1.5	-1.0
<b>Addendum:</b>							
Compensation of general government employees <sup>3</sup>	121.7	124.1	121.8	123.1	124.5	125.1	123.8

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, excluding the line in the addendum.  
 Chain-type indexes for the series in this table are shown in table 7.12.  
 See footnotes to table 3.10.

## 4. Foreign Transactions

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

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
				IV	I	II	III
<b>Receipts from the rest of the world</b> .....	<b>1,351.1</b>	<b>1,292.9</b>	<b>1,240.0</b>	<b>1,242.2</b>	<b>1,294.1</b>	<b>1,325.9</b>	<b>1,309.6</b>
Exports of goods and services .....	1,034.1	1,014.9	971.1	977.5	1,018.1	1,038.6	1,025.4
Goods <sup>1</sup> .....	733.5	703.6	687.7	679.8	709.4	722.6	702.6
Durable .....	522.4	493.0	481.8	477.2	499.3	509.5	486.0
Nondurable .....	211.2	210.6	205.8	202.6	210.0	213.1	216.5
Services <sup>1</sup> .....	300.6	311.3	283.4	297.7	308.8	316.0	322.8
Income receipts .....	316.9	278.0	269.0	264.7	276.0	287.3	284.2
<b>Payments to the rest of the world</b> .....	<b>1,351.1</b>	<b>1,292.9</b>	<b>1,240.0</b>	<b>1,242.2</b>	<b>1,294.1</b>	<b>1,325.9</b>	<b>1,309.6</b>
Imports of goods and services .....	1,383.0	1,438.5	1,315.6	1,337.5	1,443.7	1,471.5	1,501.4
Goods <sup>1</sup> .....	1,167.2	1,192.1	1,098.3	1,102.3	1,202.9	1,220.9	1,242.5
Durable .....	754.4	771.1	721.0	732.4	781.6	783.8	786.6
Nondurable .....	412.8	421.0	377.3	369.9	421.3	437.2	455.9
Services <sup>1</sup> .....	215.8	246.4	217.3	235.2	240.8	250.6	258.9
Income payments .....	295.0	287.6	233.7	262.8	296.1	298.2	293.4
Transfer payments (net) .....	49.8	55.7	54.6	63.5	51.5	51.8	55.9
From persons (net) .....	31.1	32.3	30.6	31.5	31.9	32.9	32.8
From government (net) .....	9.6	14.4	15.3	22.8	10.6	9.7	14.5
From business .....	9.1	9.0	8.8	9.2	9.0	9.2	8.7
Net foreign investment .....	-376.7	-488.9	-363.9	-421.7	-497.2	-495.6	-541.0

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

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

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
				IV	I	II	III
<b>Exports of goods and services</b> .....	<b>1,076.1</b>	<b>1,058.8</b>	<b>1,021.8</b>	<b>1,030.6</b>	<b>1,065.5</b>	<b>1,077.7</b>	<b>1,061.6</b>
Goods <sup>1</sup> .....	785.2	756.9	744.6	738.1	765.8	773.5	750.3
Durable .....	558.3	529.2	517.3	512.3	536.3	546.6	521.5
Nondurable .....	226.7	227.5	227.1	225.7	229.3	226.7	228.5
Services <sup>1</sup> .....	292.0	301.5	278.2	292.2	299.7	304.0	310.0
<b>Income receipts</b> .....	<b>292.0</b>	<b>253.3</b>	<b>247.4</b>	<b>242.8</b>	<b>251.8</b>	<b>261.3</b>	<b>257.5</b>
<b>Imports of goods and services</b> .....	<b>1,492.0</b>	<b>1,547.4</b>	<b>1,447.2</b>	<b>1,477.1</b>	<b>1,552.9</b>	<b>1,565.7</b>	<b>1,593.8</b>
Goods <sup>1</sup> .....	1,270.5	1,320.1	1,238.7	1,250.0	1,329.2	1,340.3	1,360.8
Durable .....	865.6	901.4	838.2	856.0	912.5	915.5	921.6
Nondurable .....	402.3	415.5	397.1	391.5	414.3	421.7	434.5
Services <sup>1</sup> .....	222.4	227.2	208.9	225.5	224.3	226.0	233.0
<b>Income payments</b> .....	<b>269.2</b>	<b>260.3</b>	<b>213.1</b>	<b>239.2</b>	<b>268.2</b>	<b>269.5</b>	<b>264.2</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.



## 5. Saving and Investment

Table 5.1. Gross Saving and Investment

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
<b>Gross saving</b> .....	<b>1,662.4</b>	<b>1,572.9</b>	<b>1,614.4</b>	<b>1,603.2</b>	<b>1,604.0</b>	<b>1,535.5</b>	<b>1,548.9</b>
<b>Gross private saving</b> .....	<b>1,399.3</b>	<b>1,594.8</b>	<b>1,399.0</b>	<b>1,578.3</b>	<b>1,616.1</b>	<b>1,570.2</b>	<b>1,614.5</b>
Personal saving.....	169.7	291.0	61.5	270.4	314.3	276.9	302.5
Undistributed corporate profits with inventory valuation and capital consumption adjustments	122.7	139.9	223.0	171.0	140.5	118.6	129.4
Undistributed profits.....	61.2	17.6	10.8	12.8	13.5	16.1	28.2
Inventory valuation adjustment.....	5.0	-6.9	27.2	1.9	-5.7	-15.1	-8.5
Capital consumption adjustment.....	56.5	129.1	185.1	156.3	132.8	117.6	109.7
Corporate consumption of fixed capital.....	789.1	827.5	792.6	808.3	826.1	836.1	839.3
Noncorporate consumption of fixed capital.....	317.7	336.4	321.9	328.6	335.1	338.7	343.3
Wage accruals less disbursements.....	.0	.0	.0	.0	.0	.0	.0
<b>Gross government saving</b> .....	<b>263.1</b>	<b>-21.9</b>	<b>215.3</b>	<b>24.9</b>	<b>-12.1</b>	<b>-34.7</b>	<b>-65.6</b>
Federal.....	170.7	-98.0	121.1	-45.2	-94.3	-108.3	-144.1
Consumption of fixed capital.....	98.7	101.9	99.7	100.6	101.3	102.2	103.6
Current surplus or deficit (-), national income and product accounts.....	72.0	-199.9	21.3	-145.8	-195.6	-210.5	-247.7
State and local.....	92.4	76.1	94.3	70.1	82.2	73.6	78.5
Consumption of fixed capital.....	123.7	127.7	124.5	125.9	127.3	128.3	129.1
Current surplus or deficit (-), national income and product accounts.....	-31.3	-51.5	-30.2	-55.8	-45.1	-54.7	-50.6
<b>Gross investment</b> .....	<b>1,545.1</b>	<b>1,456.2</b>	<b>1,481.8</b>	<b>1,493.2</b>	<b>1,439.0</b>	<b>1,453.4</b>	<b>1,439.3</b>
Gross private domestic investment.....	1,586.0	1,593.2	1,500.7	1,559.4	1,588.0	1,597.3	1,628.1
Gross government investment.....	335.8	351.9	345.0	355.5	348.2	351.7	352.2
Net foreign investment.....	-376.7	-488.9	-363.9	-421.7	-497.2	-495.6	-541.0
<b>Statistical discrepancy</b> .....	<b>-117.3</b>	<b>-116.7</b>	<b>-132.6</b>	<b>-110.0</b>	<b>-165.0</b>	<b>-82.1</b>	<b>-109.6</b>
<b>Addendum:</b>							
Gross saving as a percentage of gross national product.....	16.5	15.1	15.8	15.5	15.5	14.6	14.6

Table 5.4. Private Fixed Investment by Type

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
<b>Private fixed investment</b> .....	<b>1,646.3</b>	<b>1,589.3</b>	<b>1,597.2</b>	<b>1,589.4</b>	<b>1,584.6</b>	<b>1,579.7</b>	<b>1,603.6</b>
<b>Nonresidential</b> .....	<b>1,201.6</b>	<b>1,117.4</b>	<b>1,149.8</b>	<b>1,126.8</b>	<b>1,115.8</b>	<b>1,109.8</b>	<b>1,117.1</b>
<b>Structures</b> .....	<b>324.5</b>	<b>269.3</b>	<b>302.3</b>	<b>288.3</b>	<b>275.2</b>	<b>259.4</b>	<b>254.2</b>
Nonresidential buildings, including farm.....	216.3	179.2	200.4	192.4	182.3	171.1	170.9
Utilities.....	55.0	53.1	54.4	56.3	53.9	51.5	50.6
Mining exploration, shafts, and wells.....	42.7	30.6	40.4	32.3	31.7	31.0	27.3
Other structures.....	10.5	6.4	7.2	7.3	7.3	5.8	5.4
<b>Equipment and software</b> .....	<b>877.1</b>	<b>848.1</b>	<b>847.4</b>	<b>838.5</b>	<b>840.7</b>	<b>850.4</b>	<b>863.0</b>
Information processing equipment and software.....	404.3	399.7	385.5	388.7	397.1	406.9	406.3
Computers and peripheral equipment <sup>1</sup> .....	74.2	74.2	69.3	71.9	72.8	76.8	75.4
Software <sup>2</sup> .....	180.4	182.8	178.9	177.2	181.0	186.3	186.7
Other.....	149.8	142.7	137.3	139.6	143.3	143.8	144.2
Industrial equipment.....	159.0	152.2	149.8	153.4	150.5	153.3	151.5
Transportation equipment.....	165.8	148.9	168.3	154.1	145.2	141.7	154.5
Other.....	148.0	147.4	143.8	142.3	148.0	148.5	150.8
<b>Residential</b> .....	<b>444.8</b>	<b>471.9</b>	<b>447.4</b>	<b>462.6</b>	<b>468.7</b>	<b>469.9</b>	<b>486.5</b>
<b>Structures</b> .....	<b>435.4</b>	<b>462.4</b>	<b>438.0</b>	<b>453.0</b>	<b>459.2</b>	<b>460.4</b>	<b>476.9</b>
Single family.....	232.1	247.0	234.3	241.1	244.3	245.3	257.4
Multifamily.....	30.7	33.6	31.8	34.2	34.2	33.4	32.4
Other structures.....	172.7	181.8	171.9	177.7	180.7	181.7	187.1
<b>Equipment</b> .....	<b>9.3</b>	<b>9.6</b>	<b>9.4</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]

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
<b>Private fixed investment</b> .....	<b>1,627.4</b>	<b>1,577.3</b>	<b>1,578.4</b>	<b>1,576.4</b>	<b>1,572.6</b>	<b>1,571.6</b>	<b>1,588.5</b>
<b>Nonresidential</b> .....	<b>1,255.1</b>	<b>1,183.4</b>	<b>1,206.4</b>	<b>1,188.4</b>	<b>1,181.1</b>	<b>1,178.7</b>	<b>1,185.3</b>
<b>Structures</b> .....	<b>270.9</b>	<b>226.4</b>	<b>252.7</b>	<b>243.2</b>	<b>231.7</b>	<b>218.2</b>	<b>212.6</b>
Nonresidential buildings, including farm.....	178.7	145.6	163.5	157.1	148.2	139.1	137.8
Utilities.....	50.3	47.3	49.3	50.8	48.4	45.6	44.6
Mining exploration, shafts, and wells.....	34.0	29.2	34.8	30.2	30.3	29.9	26.5
Other structures.....	9.3	5.5	6.3	6.3	6.3	5.0	4.6
<b>Equipment and software</b> .....	<b>988.2</b>	<b>971.1</b>	<b>960.3</b>	<b>953.7</b>	<b>961.4</b>	<b>977.2</b>	<b>992.1</b>
Information processing equipment and software.....	548.5	563.1	531.8	540.4	557.0	575.2	579.7
Computers and peripheral equipment <sup>1</sup> .....	239.9	283.7	243.3	262.1	271.6	297.6	303.2
Software <sup>2</sup> .....	182.0	185.7	180.6	179.0	184.3	189.4	190.3
Other.....	163.9	158.2	151.2	154.1	158.5	159.7	160.7
Industrial equipment.....	153.8	146.9	144.7	148.3	145.6	147.9	145.9
Transportation equipment.....	163.6	147.0	165.4	151.5	143.4	141.7	151.4
Other.....	140.7	139.3	136.2	134.6	140.1	140.3	142.3
<b>Residential</b> .....	<b>373.5</b>	<b>388.2</b>	<b>371.0</b>	<b>383.6</b>	<b>386.1</b>	<b>387.1</b>	<b>395.9</b>
<b>Structures</b> .....	<b>364.0</b>	<b>378.5</b>	<b>361.5</b>	<b>373.9</b>	<b>376.4</b>	<b>377.4</b>	<b>386.1</b>
Single family.....	192.6	200.5	191.3	197.2	198.4	199.8	206.5
Multifamily.....	24.4	26.3	25.1	27.0	26.8	26.2	25.1
Other structures.....	146.9	151.6	145.1	149.6	151.0	151.3	154.4
<b>Equipment</b> .....	<b>9.5</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.....	-62.2	-99.2	-68.0	-81.1	-90.0	-111.6	-114.6

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]

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
				IV	I	II	III
<b>Change in private inventories</b> .....	<b>-60.3</b>	<b>3.9</b>	<b>-96.5</b>	<b>-29.9</b>	<b>3.4</b>	<b>17.6</b>	<b>24.5</b>
Farm .....	1.6	.5	3.0	5.3	.4	-2.3	-1.5
Construction, mining, and utilities .....	7.6	-9	4.7	1.6	-1.1	-2.5	-1.7
Manufacturing .....	-35.9	-11.3	-39.6	-31.1	-14.2	-2.7	2.8
Durable goods industries .....	-29.3	-11.3	-34.3	-25.4	-14.9	-10.2	5.4
Nondurable goods industries .....	-6.5	.0	-5.3	-5.8	.6	7.6	-2.6
Wholesale trade .....	-15.6	-3.7	-25.4	-19.5	-9.0	7.1	6.6
Durable goods industries .....	-19.7	-3.4	-26.6	-16.2	-7.4	6.1	3.7
Nondurable goods industries .....	4.0	-3	1.3	-3.3	-1.6	.9	2.9
Retail trade .....	-20.7	16.8	-41.5	13.8	22.2	15.6	15.7
Motor vehicle dealers .....	-15.5	10.4	-34.7	13.9	15.4	4.6	7.8
Food and beverage stores .....	.6	-1	1.3	-2.2	.1	1.7	-1
General merchandise stores .....	-.5	1.3	-3.3	-4.5	.0	2.6	7.1
Other retail stores .....	-5.3	5.3	-4.7	6.7	6.8	6.6	1.0
Other industries .....	2.7	2.5	2.3	.0	5.1	2.3	2.5
<b>Addenda:</b>							
Change in private inventories .....	-60.3	3.9	-96.5	-29.9	3.4	17.6	24.5
Durable goods industries .....	-65.0	1.1	-95.0	-20.3	-4.8	4.8	24.5
Nondurable goods industries .....	4.7	2.8	-1.5	-9.7	8.2	12.7	-1
Nonfarm industries .....	-61.9	3.4	-99.5	-35.3	3.0	19.8	26.0
Nonfarm change in book value <sup>1</sup> .....	-75.5	14.1	-133.4	-37.1	13.4	38.1	41.9
Nonfarm inventory valuation adjustment <sup>2</sup> .....	13.6	-10.7	33.9	1.8	-10.4	-18.2	-15.9
Wholesale trade .....	-15.6	-3.7	-25.4	-19.5	-9.0	7.1	6.6
Merchant wholesale trade .....	-12.6	-4.2	-21.9	-16.2	-8.4	3.9	4.0
Durable goods industries .....	-16.8	-3.9	-23.2	-14.2	-7.1	3.8	1.9
Nondurable goods industries .....	4.2	-3	1.3	-2.1	-1.3	.1	2.0
Nonmerchant wholesale trade .....	-3.1	.5	-3.5	-3.3	-6	3.2	2.7

1. This series is derived from the Census Bureau series "current cost inventories."

2. The inventory valuation adjustment (IVA) shown in this table differs from the IVA that adjusts business incomes. The IVA in this table reflects the mix of methods (such as first-in, first-out and last-in, first-out) underlying inventories derived primarily from Census Bureau statistics (see footnote 1). This mix differs from that underlying business income derived primarily from Internal Revenue Service statistics.

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

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

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
				IV	I	II	III
<b>Change in private inventories</b> .....	<b>-61.4</b>	<b>5.2</b>	<b>-98.4</b>	<b>-28.9</b>	<b>4.9</b>	<b>18.8</b>	<b>25.8</b>
Farm .....	2.0	1.1	3.6	6.4	.8	-2.2	-8
Construction, mining, and utilities .....	6.4	-7	4.3	1.6	-1.0	-2.3	-1.1
Manufacturing .....	-36.2	-11.5	-40.2	-31.9	-14.1	-2.6	2.8
Durable goods industries .....	-30.1	-11.4	-35.2	-25.9	-15.0	-10.3	5.5
Nondurable goods industries .....	-6.3	-.1	-5.1	-6.0	.8	7.4	-2.5
Wholesale trade .....	-16.5	-3.4	-26.8	-19.8	-8.7	7.9	7.0
Durable goods industries .....	-21.8	-3.6	-29.9	-17.0	-7.7	6.5	3.8
Nondurable goods industries .....	4.3	.0	1.9	-3.2	-1.3	1.6	3.1
Retail trade .....	-20.3	16.6	-40.6	13.8	22.0	15.5	15.2
Motor vehicle dealers .....	-15.5	10.5	-34.8	14.0	15.6	4.7	7.8
Food and beverage stores .....	.5	-1	1.1	-2.0	.1	1.6	-1
General merchandise stores .....	-.4	1.3	-3.2	-4.4	.0	2.6	6.8
Other retail stores .....	-5.2	5.2	-4.7	6.7	6.7	6.6	1.0
Other industries .....	2.6	2.5	2.3	.0	5.0	2.3	2.5
Residual .....	2.1	.5	1.3	.9	.9	.3	-2
<b>Addenda:</b>							
Change in private inventories .....	-61.4	5.2	-98.4	-28.9	4.9	18.8	25.8
Durable goods industries .....	-67.9	1.4	-99.3	-20.3	-4.4	5.0	25.1
Nondurable goods industries .....	4.8	3.8	-.8	-8.8	9.0	13.6	1.4
Nonfarm industries .....	-63.2	4.1	-101.5	-35.1	4.2	20.8	26.5
Wholesale trade .....	-16.5	-3.4	-26.8	-19.8	-8.7	7.9	7.0
Merchant wholesale trade .....	-13.3	-3.9	-23.3	-16.4	-8.2	4.6	4.2
Durable goods industries .....	-18.7	-4.1	-26.1	-14.8	-7.5	4.0	1.9
Nondurable goods industries .....	4.5	.0	1.9	-2.0	-.9	.8	2.3
Nonmerchant wholesale trade .....	-3.2	.5	-3.6	-3.4	-.6	3.2	2.7

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				
	2001	2002			
	IV	I	II	III	IV
<b>Private inventories</b> <sup>1</sup>	<b>1,430.1</b>	<b>1,429.4</b>	<b>1,438.1</b>	<b>1,446.9</b>	<b>1,462.9</b>
Farm.....	100.8	104.7	104.0	100.1	106.6
Construction, mining, and utilities.....	39.3	39.5	41.9	41.3	43.6
Manufacturing.....	451.9	447.0	445.7	447.9	449.1
Durable goods industries.....	282.0	275.8	273.2	270.2	271.1
Nondurable goods industries.....	170.0	171.2	172.5	177.7	178.0
Wholesale trade.....	337.3	334.5	335.1	341.2	342.4
Durable goods industries.....	198.5	194.5	193.6	195.1	196.0
Nondurable goods industries.....	138.8	140.0	141.6	146.1	146.4
Retail trade.....	388.9	392.4	396.0	402.3	406.3
Motor vehicle dealers.....	118.3	121.1	124.5	125.1	126.0
Food and beverage stores.....	33.5	33.1	32.9	33.4	33.5
General merchandise stores.....	63.9	62.6	62.7	63.3	65.4
Other retail stores.....	173.3	175.6	177.9	180.4	181.4
Other industries.....	111.9	111.4	113.4	114.1	115.1
<b>Addenda:</b>					
Private inventories.....	1,430.1	1,429.4	1,438.1	1,446.9	1,462.9
Durable goods industries.....	676.9	671.5	672.3	672.9	677.2
Nondurable goods industries.....	753.2	757.9	765.8	774.0	785.7
Nonfarm industries.....	1,329.4	1,324.7	1,334.1	1,346.8	1,356.4
Wholesale trade.....	337.3	334.5	335.1	341.2	342.4
Merchant wholesale trade.....	290.3	287.4	287.5	292.1	292.6
Durable goods industries.....	171.1	167.6	166.6	167.6	168.0
Nondurable goods industries.....	119.3	119.9	120.9	124.5	124.6
Nonmerchant wholesale trade.....	47.0	47.0	47.6	49.1	49.8
<b>Final sales of domestic business</b> <sup>2</sup> ....	<b>718.5</b>	<b>723.8</b>	<b>724.7</b>	<b>732.6</b>	<b>737.2</b>
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	<b>386.4</b>	<b>387.2</b>	<b>382.7</b>	<b>386.6</b>	<b>386.1</b>
<b>Ratios of private inventories to final sales of domestic business:</b>					
Private inventories to final sales.....	1.99	1.97	1.98	1.98	1.98
Nonfarm inventories to final sales.....	1.85	1.83	1.84	1.84	1.84
Nonfarm inventories to final sales of goods and structures.....	3.44	3.42	3.49	3.48	3.51

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				
	2001	2002			
	IV	I	II	III	IV
<b>Private inventories</b> <sup>1</sup>	<b>1,458.7</b>	<b>1,451.5</b>	<b>1,452.7</b>	<b>1,457.4</b>	<b>1,463.9</b>
Farm.....	106.0	107.6	107.8	107.2	107.1
Construction, mining, and utilities.....	40.0	40.4	40.2	39.6	39.3
Manufacturing.....	459.6	451.7	448.1	447.5	448.2
Durable goods industries.....	286.7	280.3	276.5	273.9	275.3
Nondurable goods industries.....	172.8	171.3	171.5	173.3	172.7
Wholesale trade.....	357.6	352.6	350.4	352.4	354.2
Durable goods industries.....	217.3	213.1	211.2	212.8	213.8
Nondurable goods industries.....	139.2	138.4	138.1	138.5	139.3
Retail trade.....	381.3	384.7	390.2	394.1	397.9
Motor vehicle dealers.....	118.9	122.4	126.3	127.5	129.4
Food and beverage stores.....	30.5	30.0	30.1	30.5	30.4
General merchandise stores.....	62.1	61.1	61.1	61.7	63.4
Other retail stores.....	169.4	171.1	172.8	174.4	174.7
Other industries.....	112.4	112.4	113.7	114.3	114.9
Residual.....	3.4	3.4	3.4	3.7	3.6
<b>Addenda:</b>					
Private inventories.....	1,458.7	1,451.5	1,452.7	1,457.4	1,463.9
Durable goods industries.....	701.6	696.5	695.4	696.6	702.9
Nondurable goods industries.....	754.5	752.3	754.6	758.0	758.3
Nonfarm industries.....	1,351.8	1,343.1	1,344.1	1,349.3	1,355.9
Wholesale trade.....	357.6	352.6	350.4	352.4	354.2
Merchant wholesale trade.....	308.5	304.4	302.3	303.5	304.5
Durable goods industries.....	187.7	184.0	182.1	183.1	183.6
Nondurable goods industries.....	119.9	119.4	119.2	119.4	120.0
Nonmerchant wholesale trade.....	49.2	48.3	48.2	49.0	49.6
<b>Final sales of domestic business</b> <sup>2</sup> ....	<b>661.4</b>	<b>665.3</b>	<b>664.6</b>	<b>670.6</b>	<b>672.0</b>
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	<b>371.6</b>	<b>373.3</b>	<b>369.2</b>	<b>373.3</b>	<b>372.0</b>
<b>Ratios of private inventories to final sales of domestic business:</b>					
Private inventories to final sales.....	2.21	2.18	2.19	2.17	2.18
Nonfarm inventories to final sales.....	2.04	2.02	2.02	2.01	2.02
Nonfarm inventories to final sales of goods and structures.....	3.64	3.60	3.64	3.61	3.64

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

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

NOTE: Estimates in this table are based on the North American Industry Classification System (NAICS). Chained (1996) dollar inventory series are calculated to ensure that the chained (1996) dollar change in inventories for 1996 equals the current-dollar change in inventories for 1996 and that the average of the 1995 and 1996 end-of-year chain-weighted and fixed-weighted inventories are equal. Chained (1996) dollar final sales are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines for inventories.



## 6. Income and Employment by Industry

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

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
<b>National income without capital consumption adjustment</b> .....	<b>8,053.5</b>	<b>8,182.7</b>	<b>7,972.8</b>	<b>8,073.8</b>	<b>8,158.0</b>	<b>8,196.8</b>	<b>8,302.0</b>
<b>Domestic industries</b> .....	<b>8,031.5</b>	<b>8,192.2</b>	<b>7,937.6</b>	<b>8,071.9</b>	<b>8,178.1</b>	<b>8,207.7</b>	<b>8,311.1</b>
<b>Private industries</b> .....	<b>6,969.4</b>	<b>7,076.2</b>	<b>6,857.4</b>	<b>6,970.6</b>	<b>7,067.0</b>	<b>7,086.4</b>	<b>7,180.9</b>
Agriculture, forestry, and fishing.....	111.1	109.5	110.6	116.8	102.8	108.0	110.3
Mining.....	69.5	58.9	60.8	58.2	57.5	57.5	62.4
Construction.....	438.9	443.0	435.0	439.3	440.6	442.5	449.7
Manufacturing.....	1,132.2	1,123.5	1,075.3	1,092.9	1,126.8	1,131.3	1,143.1
Durable goods.....	640.5	629.1	597.0	610.3	634.2	634.5	637.5
Nondurable goods.....	491.8	494.4	478.3	482.6	492.6	496.8	505.6
Transportation and public utilities.....	529.9	515.0	496.1	508.5	514.3	512.2	525.1
Transportation.....	236.6	236.6	226.0	231.0	233.8	237.7	243.7
Communications.....	148.4	137.0	137.1	139.8	135.9	134.7	137.5
Electric, gas, and sanitary services.....	144.9	141.5	132.9	137.6	144.6	139.8	143.9
Wholesale trade.....	458.4	467.1	452.7	457.4	463.9	464.9	482.3
Retail trade.....	686.1	704.3	686.1	695.2	705.5	707.7	708.6
Finance, insurance, and real estate.....	1,571.1	1,636.5	1,578.9	1,613.2	1,649.0	1,639.7	1,644.2
Services.....	1,972.0	2,018.4	1,961.8	1,989.1	2,006.6	2,022.6	2,055.3
<b>Government</b> .....	<b>1,062.1</b>	<b>1,116.0</b>	<b>1,080.2</b>	<b>1,101.4</b>	<b>1,111.1</b>	<b>1,121.3</b>	<b>1,130.2</b>
<b>Rest of the world</b> .....	<b>21.9</b>	<b>-9.6</b>	<b>35.2</b>	<b>1.9</b>	<b>-20.0</b>	<b>-10.9</b>	<b>-9.2</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]

	2001	2002	Seasonally adjusted at annual rates				
			2001		2002		
			IV	I	II	III	IV
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>731.6</b>	<b>787.4</b>	<b>811.4</b>	<b>797.6</b>	<b>785.0</b>	<b>771.0</b>	<b>796.1</b>
<b>Domestic industries</b> .....	<b>580.9</b>	<b>668.1</b>	<b>646.7</b>	<b>665.6</b>	<b>669.9</b>	<b>654.9</b>	<b>682.0</b>
Financial.....	173.5	209.7	197.8	213.2	210.7	207.3	207.6
Nonfinancial.....	407.4	458.4	449.0	452.4	459.3	447.6	474.4
<b>Rest of the world</b> .....	<b>150.8</b>	<b>119.3</b>	<b>164.7</b>	<b>132.0</b>	<b>115.1</b>	<b>116.1</b>	<b>114.1</b>
Receipts from the rest of the world.....	172.4	177.0	156.1	161.4	173.4	185.9	187.3
Less: Payments to the rest of the world.....	21.6	57.7	-8.5	29.4	58.3	69.7	73.3
<b>Corporate profits with inventory valuation adjustment</b> .....	<b>675.1</b>	<b>658.3</b>	<b>626.3</b>	<b>641.3</b>	<b>652.2</b>	<b>653.4</b>	<b>686.4</b>
<b>Domestic industries</b> .....	<b>524.4</b>	<b>539.0</b>	<b>461.6</b>	<b>509.3</b>	<b>537.1</b>	<b>537.3</b>	<b>572.3</b>
Financial.....	190.6	217.3	200.1	218.2	218.5	216.1	216.5
Federal Reserve banks.....	27.9	22.8	25.0	23.4	23.9	22.9	21.2
Other.....	162.8	194.5	175.2	194.8	194.6	193.2	195.2
Nonfinancial.....	333.7	321.7	261.5	291.1	318.6	321.2	355.8
Manufacturing.....	83.4	92.6	50.9	68.9	91.9	100.5	108.9
Durable goods.....	9.9	17.0	-14.9	2.5	17.8	22.8	24.6
Primary metal industries.....	-1.6	1.2	-2.2	.5	.3	1.3	2.6
Fabricated metal products.....	9.0	5.8	6.8	5.2	5.8	4.7	7.3
Industrial machinery and equipment.....	-6	-2.5	-7.5	-4.9	-2.9	-1	-2.2
Electronic and other electric equipment.....	-3.2	.7	-8.4	-6.2	-9	4.0	6.1
Motor vehicles and equipment.....	-9.4	-7.6	-13.3	-11.8	-4.4	-6.6	-7.7
Other.....	15.7	19.4	9.7	19.7	20.0	19.5	18.5
Nondurable goods.....	73.5	75.6	65.8	66.4	74.1	77.6	84.3
Food and kindred products.....	16.6	20.1	18.3	18.9	19.2	21.0	21.1
Chemicals and allied products.....	15.2	16.9	18.5	15.1	16.7	17.0	18.9
Petroleum and coal products.....	25.7	16.9	19.4	14.1	15.4	17.4	20.7
Other.....	16.0	21.8	9.5	18.3	22.8	22.3	23.7
Transportation and public utilities.....	27.7	16.7	6.5	15.0	17.1	13.2	21.5
Transportation.....	1.2	.3	-5.1	-5	-1.7	-3	3.6
Communications.....	-5.8	-11.7	-11.2	-9.3	-12.7	-13.1	-11.8
Electric, gas, and sanitary services.....	32.2	28.1	22.7	24.8	31.4	26.5	29.6
Wholesale trade.....	44.8	47.3	46.9	41.2	44.8	44.5	58.9
Retail trade.....	79.1	81.2	80.5	81.4	86.0	82.5	75.1
Other.....	98.8	83.9	76.7	84.6	78.9	80.6	91.5
<b>Rest of the world</b> .....	<b>150.8</b>	<b>119.3</b>	<b>164.7</b>	<b>132.0</b>	<b>115.1</b>	<b>116.1</b>	<b>114.1</b>

NOTE. Estimates in this table are based on the 1987 Standard Industrial Classification (SIC).





**Table 7.6. Chain-Type Quantity and Price Indexes for Private Fixed Investment by Type**  
[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2001		2002		
			IV	I	II	III	IV
Chain-type quantity indexes							
<b>Private fixed investment</b> .....	<b>134.20</b>	<b>130.06</b>	<b>130.16</b>	<b>129.99</b>	<b>129.68</b>	<b>129.60</b>	<b>130.99</b>
<b>Nonresidential</b> .....	<b>139.55</b>	<b>131.57</b>	<b>134.13</b>	<b>132.13</b>	<b>131.32</b>	<b>131.05</b>	<b>131.79</b>
<b>Structures</b> .....	<b>120.43</b>	<b>100.62</b>	<b>112.30</b>	<b>108.09</b>	<b>102.97</b>	<b>96.97</b>	<b>94.47</b>
Nonresidential buildings, including farm.....	110.52	90.04	101.14	97.17	91.65	86.07	85.27
Utilities.....	139.52	131.34	136.88	141.04	134.15	126.53	123.65
Mining exploration, shafts, and wells.....	161.41	138.63	164.84	143.20	143.55	141.96	125.83
Other structures.....	149.20	89.29	101.33	101.75	100.97	80.03	74.39
<b>Equipment and software</b> ....	<b>146.51</b>	<b>143.98</b>	<b>142.39</b>	<b>141.41</b>	<b>142.55</b>	<b>144.88</b>	<b>147.09</b>
Information processing equipment and software	190.92	196.02	185.12	188.13	193.91	200.24	201.81
Computers and peripheral equipment <sup>1</sup> .....	338.61	400.31	343.30	369.90	383.36	420.05	427.94
Software <sup>2</sup> .....	191.35	195.21	189.82	188.10	193.67	199.09	199.97
Other.....	135.16	130.48	124.66	127.03	130.74	131.65	132.51
Industrial equipment.....	112.69	107.67	106.02	108.69	106.71	108.38	106.89
Transportation equipment	117.80	105.81	119.08	109.04	103.23	102.02	108.97
Other.....	125.83	124.61	121.77	120.36	125.33	125.47	127.28
<b>Residential</b> .....	<b>119.22</b>	<b>123.92</b>	<b>118.44</b>	<b>122.44</b>	<b>123.25</b>	<b>123.59</b>	<b>126.39</b>
<b>Structures</b> .....	<b>119.12</b>	<b>123.84</b>	<b>118.30</b>	<b>122.35</b>	<b>123.17</b>	<b>123.51</b>	<b>126.34</b>
Single family.....	121.05	125.99	120.22	123.91	124.70	125.53	129.80
Multifamily.....	120.21	129.37	123.31	132.84	131.98	129.14	123.51
Other structures.....	116.48	120.15	114.98	118.56	119.71	119.95	122.38
<b>Equipment</b> .....	<b>123.67</b>	<b>127.27</b>	<b>125.10</b>	<b>126.36</b>	<b>127.32</b>	<b>127.23</b>	<b>128.19</b>
Chain-type price indexes							
<b>Private fixed investment</b> .....	<b>101.16</b>	<b>100.76</b>	<b>101.19</b>	<b>100.82</b>	<b>100.76</b>	<b>100.52</b>	<b>100.95</b>
<b>Nonresidential</b> .....	<b>95.73</b>	<b>94.43</b>	<b>95.31</b>	<b>94.82</b>	<b>94.48</b>	<b>94.17</b>	<b>94.25</b>
<b>Structures</b> .....	<b>119.76</b>	<b>118.95</b>	<b>119.66</b>	<b>118.56</b>	<b>118.77</b>	<b>118.89</b>	<b>119.57</b>
Nonresidential buildings, including farm.....	121.05	123.06	122.47	122.43	122.97	122.92	123.91
Utilities.....	109.45	112.12	110.23	110.68	111.50	112.82	113.50
Mining exploration, shafts, and wells.....	125.45	104.34	116.10	106.93	104.41	103.41	102.63
Other structures.....	113.16	116.00	113.89	115.35	115.93	116.35	116.36
<b>Equipment and software</b> ....	<b>88.76</b>	<b>87.36</b>	<b>88.26</b>	<b>87.93</b>	<b>87.46</b>	<b>87.04</b>	<b>87.00</b>
Information processing equipment and software	73.72	71.04	72.52	71.96	71.31	70.76	70.12
Computers and peripheral equipment <sup>1</sup> .....	30.91	26.26	28.53	27.48	26.84	25.84	24.91
Software <sup>2</sup> .....	99.10	98.43	99.05	98.99	98.24	98.34	98.13
Other.....	91.37	90.23	90.86	90.68	90.39	90.10	89.75
Industrial equipment.....	103.40	103.56	103.54	103.42	103.33	103.67	103.83
Transportation equipment	101.32	101.26	101.78	101.73	101.25	100.03	102.05
Other.....	105.16	105.76	105.60	105.70	105.58	105.84	105.91
<b>Residential</b> .....	<b>119.09</b>	<b>121.57</b>	<b>120.60</b>	<b>120.61</b>	<b>121.40</b>	<b>121.38</b>	<b>122.88</b>
<b>Structures</b> .....	<b>119.61</b>	<b>122.16</b>	<b>121.16</b>	<b>121.16</b>	<b>121.98</b>	<b>121.98</b>	<b>123.51</b>
Single family.....	120.50	123.20	122.47	122.30	123.10	122.80	124.60
Multifamily.....	125.60	127.74	126.98	126.81	127.64	127.33	129.19
Other structures.....	117.49	119.90	118.49	118.76	119.62	120.04	121.18
<b>Equipment</b> .....	<b>98.50</b>	<b>98.17</b>	<b>98.50</b>	<b>98.66</b>	<b>98.14</b>	<b>97.91</b>	<b>97.97</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]

	2001	2002	Seasonally adjusted				
			2001		2002		
			IV	I	II	III	IV
Chain-type quantity indexes							
<b>Exports of goods and services</b>	<b>123.10</b>	<b>121.13</b>	<b>116.89</b>	<b>117.89</b>	<b>121.89</b>	<b>123.28</b>	<b>121.44</b>
Goods <sup>1</sup> .....	126.97	122.40	120.40	119.36	123.84	125.08	121.34
Durable.....	132.39	125.49	122.68	121.50	127.18	129.63	123.66
Nondurable.....	115.23	115.67	115.45	114.72	116.56	115.23	116.17
Services <sup>1</sup> .....	114.18	117.87	108.77	114.24	117.18	118.87	121.19
<b>Income receipts</b> .....	<b>118.90</b>	<b>103.17</b>	<b>100.73</b>	<b>98.87</b>	<b>102.55</b>	<b>106.41</b>	<b>104.85</b>
<b>Imports of goods and services</b>	<b>154.91</b>	<b>160.66</b>	<b>150.26</b>	<b>153.37</b>	<b>161.24</b>	<b>162.56</b>	<b>165.48</b>
Goods <sup>1</sup> .....	157.18	163.31	153.24	154.63	164.44	165.81	168.34
Durable.....	162.31	169.03	157.17	160.51	171.12	171.66	172.82
Nondurable.....	146.27	151.05	144.37	142.32	150.62	153.30	157.97
Services <sup>1</sup> .....	143.71	146.79	134.98	145.69	144.92	146.02	150.54
<b>Income payments</b> .....	<b>118.35</b>	<b>114.41</b>	<b>93.68</b>	<b>105.14</b>	<b>117.90</b>	<b>118.46</b>	<b>116.13</b>
Chain-type price indexes							
<b>Exports of goods and services</b>	<b>96.10</b>	<b>95.87</b>	<b>95.06</b>	<b>94.88</b>	<b>95.58</b>	<b>96.41</b>	<b>96.62</b>
Goods <sup>1</sup> .....	93.42	92.98	92.39	92.14	92.67	93.45	93.67
Durable.....	93.56	93.19	93.16	93.17	93.13	93.23	93.22
Nondurable.....	93.17	92.54	90.64	89.78	91.61	94.02	94.76
Services <sup>1</sup> .....	102.94	103.27	101.89	101.90	103.04	103.97	104.18
<b>Income receipts</b> .....	<b>108.55</b>	<b>109.74</b>	<b>108.73</b>	<b>109.02</b>	<b>109.61</b>	<b>109.95</b>	<b>110.39</b>
<b>Imports of goods and services</b>	<b>92.70</b>	<b>92.99</b>	<b>90.97</b>	<b>90.61</b>	<b>93.03</b>	<b>94.05</b>	<b>94.27</b>
Goods <sup>1</sup> .....	91.87	90.32	88.71	88.24	90.55	91.15	91.36
Durable.....	87.16	85.57	86.05	85.60	85.67	85.65	85.38
Nondurable.....	102.59	101.23	95.04	94.52	101.73	103.71	104.96
Services <sup>1</sup> .....	97.03	108.47	104.08	104.37	107.43	110.92	111.16
<b>Income payments</b> .....	<b>109.57</b>	<b>110.47</b>	<b>109.66</b>	<b>109.86</b>	<b>110.36</b>	<b>110.64</b>	<b>111.03</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 7.11. Chain-Type Quantity and Price Indexes for Government Consumption Expenditures and Gross Investment by Type**  
 [Index numbers, 1996=100]

	2001	2002	Seasonally adjusted					2001	2002	Seasonally adjusted				
			2001		2002					2001		2002		
			IV	I	II	III	IV			IV	I	II	III	IV
	Chain-type quantity indexes							Chain-type price indexes						
<b>Government consumption expenditures and gross investment<sup>1</sup></b>	<b>115.36</b>	<b>120.46</b>	<b>117.76</b>	<b>119.37</b>	<b>119.79</b>	<b>120.65</b>	<b>122.02</b>	<b>113.27</b>	<b>115.18</b>	<b>113.27</b>	<b>114.27</b>	<b>115.06</b>	<b>115.47</b>	<b>115.92</b>
<b>Federal</b>	<b>107.33</b>	<b>115.37</b>	<b>110.46</b>	<b>112.46</b>	<b>114.50</b>	<b>115.71</b>	<b>118.79</b>	<b>110.09</b>	<b>113.11</b>	<b>110.18</b>	<b>112.42</b>	<b>113.07</b>	<b>113.44</b>	<b>113.53</b>
<b>National defense</b>	<b>102.51</b>	<b>112.04</b>	<b>105.87</b>	<b>108.82</b>	<b>110.87</b>	<b>112.74</b>	<b>115.74</b>	<b>109.27</b>	<b>111.86</b>	<b>109.21</b>	<b>111.14</b>	<b>111.71</b>	<b>112.12</b>	<b>112.46</b>
Consumption expenditures	102.17	111.46	105.55	108.05	110.42	111.80	115.56	111.50	114.71	111.55	113.89	114.56	115.04	115.37
Durable goods <sup>2</sup>	116.02	120.85	115.45	118.29	118.91	125.79	120.40	99.37	99.68	99.31	99.52	99.72	99.65	99.81
Nondurable goods	129.00	148.45	147.67	149.88	152.03	151.30	140.58	106.08	100.68	99.09	94.31	99.84	103.19	105.40
Services	100.50	109.80	103.74	106.22	108.71	109.77	114.49	112.61	116.41	112.95	115.74	116.26	116.67	116.95
Compensation of general government employees, except own-account investment <sup>3</sup>	91.09	92.73	91.13	91.99	93.03	93.44	92.44	118.58	125.09	118.68	124.71	125.19	125.33	125.13
Consumption of general government fixed capital <sup>4</sup>	99.03	99.35	99.01	99.06	99.22	99.42	99.70	101.84	102.63	101.89	102.30	102.37	102.60	103.25
Other services	118.09	148.01	129.50	136.73	143.65	146.55	165.10	111.79	114.20	112.61	113.04	113.84	114.66	115.25
Gross investment	104.87	115.94	108.08	113.93	113.83	119.04	116.96	96.77	96.01	96.11	95.88	95.89	95.95	96.31
Structures	68.01	65.07	70.49	63.21	66.47	66.30	64.31	118.80	121.72	119.97	120.94	121.56	121.89	122.47
Equipment and software	110.58	124.05	113.87	122.04	121.32	127.46	125.39	94.40	93.34	93.58	93.26	93.23	93.27	93.61
<b>Nondefense</b>	<b>117.10</b>	<b>122.18</b>	<b>119.78</b>	<b>119.91</b>	<b>121.93</b>	<b>121.83</b>	<b>125.07</b>	<b>111.64</b>	<b>115.46</b>	<b>111.99</b>	<b>114.79</b>	<b>115.61</b>	<b>115.89</b>	<b>115.53</b>
Consumption expenditures	112.76	117.42	114.55	114.99	116.48	117.48	120.74	114.18	119.12	114.58	118.21	119.31	119.70	119.25
Durable goods <sup>2</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nondurable goods	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Commodity Credit Corporation inventory change	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Other nondurables	111.07	132.68	119.91	127.22	135.70	129.39	138.43	108.99	110.76	105.96	106.60	111.34	113.42	111.69
Services	111.72	116.17	113.74	113.95	114.83	116.35	119.54	114.75	119.92	115.30	119.16	120.07	120.42	120.05
Compensation of general government employees, except own-account investment <sup>3</sup>	103.40	105.63	103.41	103.95	103.75	105.28	109.52	120.51	129.23	121.05	128.03	129.63	130.11	129.14
Consumption of general government fixed capital <sup>4</sup>	155.81	167.02	159.86	162.56	165.47	168.46	171.61	102.45	102.48	102.71	102.68	102.44	102.34	102.46
Other services	109.87	116.07	115.13	113.63	115.97	116.86	117.80	110.27	112.56	110.99	111.93	112.39	112.79	113.14
Gross investment	137.77	144.80	144.89	143.43	148.22	142.28	145.28	101.39	101.15	101.55	101.39	101.18	101.04	101.00
Structures	80.33	93.17	88.85	101.08	91.85	84.94	94.81	116.73	118.72	117.67	117.97	118.42	118.91	119.60
Equipment and software	172.20	175.17	178.17	167.59	181.69	176.60	174.79	95.58	94.74	95.55	95.26	94.85	94.54	94.30
<b>State and local</b>	<b>120.11</b>	<b>123.51</b>	<b>122.09</b>	<b>123.47</b>	<b>122.95</b>	<b>123.62</b>	<b>123.99</b>	<b>115.01</b>	<b>116.33</b>	<b>114.97</b>	<b>115.29</b>	<b>116.17</b>	<b>116.60</b>	<b>117.24</b>
Consumption expenditures	117.93	121.28	119.84	120.56	121.04	121.54	121.99	115.99	117.40	115.79	116.19	117.19	117.72	118.49
Durable goods <sup>2</sup>	139.80	147.53	143.12	145.10	146.72	148.34	149.97	100.11	100.58	100.29	100.58	100.67	100.55	100.54
Nondurable goods	136.09	141.40	138.57	139.93	140.90	141.89	142.89	109.20	107.15	102.88	103.13	106.74	108.10	110.62
Services	115.40	118.45	117.22	117.84	118.25	118.68	119.04	117.18	119.12	117.89	118.31	118.94	119.36	119.88
Compensation of general government employees, except own-account investment <sup>3</sup>	108.72	110.96	110.19	110.53	110.79	111.13	111.40	118.80	121.95	120.18	120.79	121.53	122.33	123.16
Consumption of general government fixed capital <sup>4</sup>	129.92	135.67	132.15	133.88	135.17	136.31	137.31	107.64	107.98	107.92	107.94	108.04	107.99	107.94
Other services	231.02	246.72	240.18	245.08	246.56	247.35	247.89	114.44	105.86	108.42	107.45	107.86	104.98	103.16
Gross investment	129.86	133.43	132.17	136.57	131.41	132.83	132.90	111.00	111.95	111.60	111.62	111.97	112.02	112.17
Structures	121.33	126.48	123.86	130.10	123.97	125.67	126.16	119.49	121.51	120.67	120.81	121.47	121.74	122.04
Equipment and software	159.28	156.24	160.55	157.30	156.32	156.51	154.83	88.96	87.43	88.28	88.02	87.62	87.14	86.93
<b>Addenda:</b>														
Compensation of general government employees <sup>5</sup>	105.41	107.58	106.48	106.98	107.30	107.79	108.26	118.94	123.15	120.04	122.10	122.88	123.56	124.05
Federal	95.56	97.47	95.59	96.38	96.94	97.80	98.75	119.30	126.69	119.58	125.98	126.91	127.19	126.68
State and local <sup>5</sup>	109.21	111.47	110.69	111.06	111.29	111.63	111.92	118.80	121.96	120.19	120.80	121.53	122.34	123.16

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.  
 2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries by the Federal Government.  
 3. Compensation of government employees engaged in new own-account investment and related expenditures for goods and services are classified as investment in structures and in software. The compensation of all

general government employees is shown in the addenda.  
 4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.  
 5. Beginning with 2001, in accordance with the Consolidated Appropriations Act of 2001, includes compensation of employees of Indian tribal governments reclassified from the private sector.

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

[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2001		2002		
			IV	I	II	III	IV
Chain-type quantity indexes							
<b>Gross domestic product</b>	<b>117.94</b>	<b>120.82</b>	<b>118.37</b>	<b>119.84</b>	<b>120.21</b>	<b>121.41</b>	<b>121.82</b>
<b>Business</b> <sup>1</sup>	<b>119.56</b>	<b>122.53</b>	<b>119.88</b>	<b>121.52</b>	<b>121.86</b>	<b>123.17</b>	<b>123.55</b>
Nonfarm <sup>2</sup>	119.51	122.49	119.73	121.43	121.86	123.16	123.52
Nonfarm less housing	120.48	123.84	120.81	122.67	122.95	124.60	125.16
Housing	110.86	110.72	110.18	110.59	112.17	110.72	109.39
Farm	124.00	124.46	134.98	129.90	120.17	122.49	125.29
<b>Households and institutions</b>	<b>114.39</b>	<b>116.95</b>	<b>115.04</b>	<b>115.74</b>	<b>116.59</b>	<b>117.35</b>	<b>118.14</b>
Private households	84.25	73.59	75.03	72.41	73.19	73.92	74.82
Nonprofit institutions	115.49	118.53	116.49	117.31	118.17	118.93	119.71
<b>General government</b> <sup>3</sup>	<b>107.69</b>	<b>110.15</b>	<b>108.83</b>	<b>109.42</b>	<b>109.84</b>	<b>110.41</b>	<b>110.95</b>
Federal	99.77	101.90	100.02	100.78	101.39	102.24	103.18
State and local	111.40	114.01	112.95	113.46	113.79	114.22	114.57
Chain-type price indexes							
<b>Gross domestic product</b>	<b>109.42</b>	<b>110.66</b>	<b>109.78</b>	<b>110.14</b>	<b>110.48</b>	<b>110.76</b>	<b>111.25</b>
<b>Business</b> <sup>1</sup>	<b>108.23</b>	<b>109.04</b>	<b>108.47</b>	<b>108.65</b>	<b>108.89</b>	<b>109.08</b>	<b>109.53</b>
Nonfarm <sup>2</sup>	108.78	109.63	109.11	109.16	109.59	109.68	110.10
Nonfarm less housing	107.97	108.40	108.11	108.02	108.39	108.41	108.79
Housing	116.62	121.65	118.89	120.25	121.22	122.13	123.02
Farm	70.50	68.00	64.85	73.18	61.18	67.77	69.86
<b>Households and institutions</b>	<b>115.28</b>	<b>119.24</b>	<b>116.37</b>	<b>117.13</b>	<b>118.47</b>	<b>119.93</b>	<b>121.42</b>
Private households	117.43	121.68	118.44	120.48	121.29	122.18	122.75
Nonprofit institutions	115.20	119.16	116.30	117.03	118.38	119.85	121.36
<b>General government</b> <sup>3</sup>	<b>116.48</b>	<b>120.00</b>	<b>117.42</b>	<b>119.13</b>	<b>119.77</b>	<b>120.33</b>	<b>120.77</b>
Federal	114.23	119.51	114.47	118.97	119.60	119.83	119.63
State and local	117.47	120.26	118.71	119.25	119.90	120.59	121.31

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>1.041</b>	<b>1.036</b>	<b>1.039</b>	<b>1.037</b>	<b>1.036</b>	<b>1.035</b>	<b>1.037</b>
<b>Compensation of employees (unit labor cost)</b>	<b>.695</b>	<b>.680</b>	<b>.684</b>	<b>.682</b>	<b>.680</b>	<b>.679</b>	<b>.679</b>
<b>Unit nonlabor cost</b>	<b>.267</b>	<b>.269</b>	<b>.268</b>	<b>.268</b>	<b>.269</b>	<b>.271</b>	<b>.270</b>
Consumption of fixed capital	.127	.129	.127	.128	.129	.130	.130
Indirect business tax and nontax liability plus business transfer payments less subsidies	.102	.103	.103	.103	.103	.104	.104
Net interest	.038	.037	.038	.037	.037	.037	.036
<b>Corporate profits with inventory valuation and capital consumption adjustments (unit profits from current production)</b>	<b>.079</b>	<b>.086</b>	<b>.087</b>	<b>.086</b>	<b>.087</b>	<b>.084</b>	<b>.088</b>
Profits tax liability	.024	.025	.018	.023	.025	.025	.026
Profits after tax with inventory valuation and capital consumption adjustments	.055	.062	.068	.064	.062	.059	.062

1. The implicit price deflator for gross product of nonfinancial corporate business divided by 100.  
NOTE: Effective November 26, 2002, the estimates beginning with 1999 have been revised to reflect the 2002 annual revision to the industry-based price index for the gross product of nonfinancial corporate business.

**Table 7.16B. Implicit Price Deflators for Private Inventories by Industry**

[Index numbers, 1996=100]

	Seasonally adjusted				
	2001	2002			
	IV	I	II	III	IV
<b>Private inventories</b> <sup>1</sup>	<b>98.04</b>	<b>98.48</b>	<b>98.99</b>	<b>99.28</b>	<b>99.94</b>
Farm	95.07	97.32	96.53	93.35	99.54
Construction, mining, and utilities	98.19	97.69	104.47	104.34	110.78
Manufacturing	98.32	98.96	99.45	100.10	100.20
Durable goods industries	98.34	98.41	98.81	98.65	98.46
Nondurable goods industries	98.36	99.93	100.57	102.52	103.07
Wholesale trade	94.34	94.85	95.62	96.80	96.67
Durable goods industries	91.33	91.26	91.66	91.68	91.69
Nondurable goods industries	99.73	101.16	102.50	105.46	105.11
Retail trade	102.00	102.00	101.98	102.08	102.10
Motor vehicle dealers	99.48	98.93	98.59	98.17	97.33
Food and beverage stores	109.59	110.32	109.41	109.59	110.19
General merchandise stores	102.86	102.59	102.62	102.67	103.13
Other retail stores	102.26	102.61	102.96	103.44	103.84
Other industries	99.52	99.07	99.71	99.86	100.19
<b>Addenda:</b>					
Private inventories	98.04	98.48	98.99	99.28	99.94
Durable goods industries	96.49	96.41	96.68	96.58	96.34
Nondurable goods industries	99.82	100.74	101.49	102.12	103.61
Nonfarm industries	98.34	98.63	99.25	99.81	100.03
Wholesale trade	94.34	94.85	95.62	96.80	96.67
Merchant wholesale trade	94.12	94.44	95.10	96.23	96.08
Durable goods industries	91.15	91.07	91.49	91.51	91.53
Nondurable goods industries	99.45	100.39	101.44	104.27	103.88
Nonmerchant wholesale trade	95.65	97.39	98.80	100.30	100.26

1. Implicit price deflators are as of the end of the quarter and are consistent with the inventory stocks shown in tables 5.12B and 5.13B.

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

**Table 7.17. Chain-Type Quantity Indexes for Gross Domestic Product by Major Type of Product**  
[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2001	2002			
			IV	I	II	III	IV
<b>Gross domestic product..</b>	<b>117.94</b>	<b>120.82</b>	<b>118.37</b>	<b>119.84</b>	<b>120.21</b>	<b>121.41</b>	<b>121.82</b>
Final sales of domestic product.....	118.95	121.09	119.81	120.51	120.49	121.51	121.84
Change in private inventories.....							
<b>Goods</b> .....	<b>121.64</b>	<b>125.71</b>	<b>121.92</b>	<b>124.38</b>	<b>124.50</b>	<b>127.23</b>	<b>126.73</b>
Final sales.....	124.71	126.57	126.21	126.43	125.39	127.62	126.86
Change in private inventories.....							
Durable goods.....	129.90	134.92	128.92	131.84	132.10	138.60	137.15
Final sales.....	136.94	136.59	138.44	135.27	134.22	140.00	136.89
Change in private inventories.....							
Nondurable goods.....	114.62	117.99	115.79	117.90	117.93	117.98	118.15
Final sales.....	114.86	118.28	116.34	118.96	117.94	117.67	118.55
Change in private inventories.....							
<b>Services</b> .....	<b>115.16</b>	<b>118.35</b>	<b>116.18</b>	<b>117.00</b>	<b>118.01</b>	<b>118.74</b>	<b>119.65</b>
<b>Structures</b> .....	<b>118.80</b>	<b>115.51</b>	<b>116.33</b>	<b>118.06</b>	<b>115.51</b>	<b>113.88</b>	<b>114.60</b>
<b>Addenda:</b>							
Motor vehicle output.....	114.63	129.33	120.66	123.54	125.97	136.32	131.50
Gross domestic product less motor vehicle output.....	118.03	120.53	118.28	119.70	120.01	120.91	121.50

**Table 7.18B. Chain-Type Quantity Indexes for Motor Vehicle Output**  
[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2001	2002			
			IV	I	II	III	IV
<b>Motor vehicle output...</b>	<b>114.63</b>	<b>129.33</b>	<b>120.66</b>	<b>123.54</b>	<b>125.97</b>	<b>136.32</b>	<b>131.50</b>
Auto output.....	89.86	93.97	92.77	95.00	93.02	97.86	90.01
Truck output.....	135.17	158.50	143.75	147.17	153.18	168.04	165.62
<b>Final sales of domestic product.....</b>	<b>119.40</b>	<b>122.56</b>	<b>132.37</b>	<b>117.53</b>	<b>115.98</b>	<b>131.99</b>	<b>124.74</b>
<b>Personal consumption expenditures</b> .....	<b>143.85</b>	<b>152.48</b>	<b>161.11</b>	<b>146.80</b>	<b>146.73</b>	<b>164.00</b>	<b>152.39</b>
New motor vehicles.....	152.65	164.29	178.16	159.22	156.46	179.76	161.70
Autos.....	131.93	130.12	145.74	130.40	129.18	138.70	122.19
Light trucks.....	177.01	204.40	216.21	193.06	188.48	227.97	208.09
Net purchases of used autos.....	117.43	117.37	110.58	109.88	117.67	117.26	124.68
<b>Private fixed investment</b> .....	<b>106.83</b>	<b>103.02</b>	<b>104.88</b>	<b>95.86</b>	<b>100.72</b>	<b>106.73</b>	<b>108.75</b>
New motor vehicles.....	106.87	104.24	103.77	96.41	102.26	107.74	110.57
Autos.....	95.08	92.02	88.51	84.78	90.77	95.56	96.97
Trucks.....	118.27	116.04	118.41	107.62	113.36	119.50	123.67
Light trucks.....	137.74	135.69	140.85	126.81	132.07	136.71	147.17
Other.....	82.30	79.69	77.15	72.21	78.64	87.11	80.78
Net purchases of used autos.....	106.65	108.39	99.52	98.10	107.53	111.10	116.85
<b>Gross government investment</b> .....	<b>126.36</b>	<b>122.90</b>	<b>131.08</b>	<b>125.94</b>	<b>117.17</b>	<b>115.74</b>	<b>132.75</b>
Autos.....	97.37	97.51	102.43	101.19	92.55	87.91	108.40
New trucks.....	142.63	137.12	147.13	139.76	130.97	131.45	146.29
<b>Net exports</b> .....	<b>92.55</b>	<b>104.06</b>	<b>95.81</b>	<b>94.07</b>	<b>102.26</b>	<b>109.72</b>	<b>110.21</b>
Exports.....	101.19	115.49	107.12	104.95	116.09	121.85	119.06
Autos.....	77.15	83.66	75.64	74.65	77.57	88.05	94.36
Imports.....	153.19	161.37	150.61	150.99	164.52	164.33	165.64
Autos.....	157.44	167.33	152.16	155.00	171.40	171.52	171.41
Trucks.....	132.92	132.99	142.97	131.76	131.82	130.20	138.17
<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.....	129.80	133.53	139.68	127.60	129.04	141.60	135.90
Private fixed investment in new autos and new light trucks.....	112.41	109.78	109.79	101.87	107.57	112.31	117.36
Domestic output of new autos <sup>2</sup> .....	92.85	98.82	92.11	96.57	101.17	104.43	93.11
Sales of imported new autos <sup>3</sup> .....	152.80	157.39	159.00	151.28	153.87	166.84	157.56

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**

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
				IV	I	II	III
<b>Percent change at annual rate:</b>							
Gross domestic product.....	.3	2.4	2.7	5.0	1.3	4.0	1.4
<b>Percentage points at annual rates:</b>							
<b>Personal consumption expenditures</b>	<b>1.67</b>	<b>2.15</b>	<b>4.05</b>	<b>2.22</b>	<b>1.22</b>	<b>2.93</b>	<b>1.19</b>
Durable goods.....	.48	.59	2.45	-.55	.16	1.74	-.72
Motor vehicles and parts.....	.24	.20	1.88	-1.18	-.03	1.46	-.93
Furniture and household equipment.....	.19	.30	.42	.43	.20	.18	.17
Other.....	.06	.10	.15	.20	.00	.11	.04
Nondurable goods.....	.39	.64	.73	1.57	-.02	.22	1.01
Food.....	.09	.17	.13	.65	-.09	-.05	.56
Clothing and shoes.....	.08	.17	.28	.40	-.03	.01	.22
Gasoline, fuel oil, and other energy goods.....	.02	.07	.07	.16	-.03	.05	.06
Other.....	.21	.23	.25	.37	.13	.22	.17
Services.....	.80	.92	.87	1.20	1.08	.97	.90
Housing.....	.17	.17	.12	.22	.21	.18	.17
Household operation.....	.05	.02	-.18	.15	.06	.07	.21
Electricity and gas.....	-.03	.02	-.10	.14	.01	.09	.30
Other household operation.....	.08	.00	-.08	.01	.06	-.01	-.09
Transportation.....	-.02	-.01	-.06	.10	-.03	-.02	.01
Medical care.....	.43	.46	.48	.40	.51	.45	.34
Recreation.....	.08	.05	.13	.04	.07	.00	.14
Other.....	.09	.23	.38	.30	.26	.29	.02
<b>Gross private domestic investment</b>	<b>-1.90</b>	<b>.15</b>	<b>-2.88</b>	<b>2.53</b>	<b>1.16</b>	<b>.55</b>	<b>.93</b>
<b>Fixed investment</b>	<b>-.65</b>	<b>-.50</b>	<b>-1.49</b>	<b>-.07</b>	<b>-.15</b>	<b>-.03</b>	<b>.65</b>
Nonresidential.....	-.66	-.68	-1.33	-.66	-.27	-.08	.24
Structures.....	-.05	-.52	-1.12	-.44	-.53	-.62	-.25
Equipment and software.....	-.61	-.15	-.21	-.22	.26	.53	.49
Information processing equipment and software.....	-.26	.10	-.05	.25	.46	.50	.12
Computers and peripheral equipment.....	-.02	.12	.22	.21	.10	.26	.05
Software <sup>1</sup> .....	-.02	.03	.01	-.06	.20	.20	.03
Other.....	-.22	-.05	-.27	.10	.16	.04	.04
Industrial equipment.....	-.07	-.07	-.18	.15	-.11	.09	-.08
Transportation equipment.....	-.23	-.17	.22	-.56	-.32	-.06	.37
Other.....	-.04	-.01	-.20	-.06	.23	.01	.08
Residential.....	.01	.18	-.16	.60	.12	.05	.41
<b>Change in private inventories</b>	<b>-1.24</b>	<b>.65</b>	<b>-1.39</b>	<b>2.60</b>	<b>1.31</b>	<b>.58</b>	<b>.28</b>
Farm.....	.04	-.01	.05	.09	-.20	-.10	.05
Nonfarm.....	-1.28	.66	-1.43	2.51	1.51	.68	.24
<b>Net exports of goods and services</b>	<b>-.18</b>	<b>-.67</b>	<b>-.28</b>	<b>-.75</b>	<b>-1.40</b>	<b>-.01</b>	<b>-1.59</b>
<b>Exports</b>	<b>-.59</b>	<b>-.17</b>	<b>-.99</b>	<b>.33</b>	<b>1.29</b>	<b>.45</b>	<b>-.59</b>
Goods.....	-.47	-.26	-.56	-.23	.99	.28	-.82
Services.....	-.13	.09	-.42	.56	.30	.17	.23
<b>Imports</b>	<b>.42</b>	<b>-.50</b>	<b>.70</b>	<b>-1.08</b>	<b>-2.69</b>	<b>-.47</b>	<b>-1.00</b>
Goods.....	.40	-.43	.37	-.40	-2.74	-.40	-.71
Services.....	.01	-.07	.33	-.68	.05	-.07	-.30
<b>Government consumption expenditures and gross investment</b>	<b>.65</b>	<b>.81</b>	<b>1.85</b>	<b>1.04</b>	<b>.27</b>	<b>.56</b>	<b>.85</b>
<b>Federal</b>	<b>.29</b>	<b>.47</b>	<b>.80</b>	<b>.47</b>	<b>.47</b>	<b>.29</b>	<b>.70</b>
National defense.....	.19	.37	.54	.46	.32	.29	.46
Consumption expenditures.....	.16	.31	.53	.34	.32	.19	.50
Gross investment.....	.02	.06	.01	.12	.00	.11	-.04
Nondefense.....	.10	.10	.26	.01	.16	-.01	.25
Consumption expenditures.....	.08	.08	.11	.03	.10	.07	.21
Gross investment.....	.01	.02	.15	-.02	.06	-.07	.04
<b>State and local</b>	<b>.36</b>	<b>.34</b>	<b>1.05</b>	<b>.56</b>	<b>-.21</b>	<b>.27</b>	<b>.15</b>
Consumption expenditures.....	.30	.28	.41	.25	.16	.17	.14
Gross investment.....	.07	.06	.64	.32	-.37	.10	.00
<b>Addenda:</b>							
Goods.....	-.85	1.19	1.52	2.89	.14	3.10	-.55
Services.....	1.11	1.52	1.75	1.60	1.91	1.43	1.71
Structures.....	-.01	-.26	-.54	.56	-.80	-.50	.22
Motor vehicle output.....	-.21	.39	.48	.31	.25	1.06	-.49
Final sales of computers <sup>2</sup> .....	.08	.08	.19	-.06	.08	.39	.17

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**

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
				IV	I	II	III
<b>Percent change at annual rate:</b>							
<b>Personal consumption expenditures</b>	<b>2.5</b>	<b>3.1</b>	<b>6.0</b>	<b>3.1</b>	<b>1.8</b>	<b>4.2</b>	<b>1.7</b>
<b>Percentage points at annual rates:</b>							
<b>Durable goods</b>	<b>.71</b>	<b>.86</b>	<b>3.56</b>	<b>-.80</b>	<b>.23</b>	<b>2.49</b>	<b>-1.03</b>
Motor vehicles and parts.....	.35	.29	2.72	-1.70	-.05	2.09	-1.32
Furniture and household equipment.....	.28	.43	.62	.61	.29	.25	.24
Other.....	.08	.14	.21	.29	.00	.15	.06
<b>Nondurable goods</b>	<b>.58</b>	<b>.93</b>	<b>1.08</b>	<b>2.23</b>	<b>-.03</b>	<b>.32</b>	<b>1.45</b>
Food.....	.13	.25	.20	.92	-.13	-.08	.80
Clothing and shoes.....	.12	.25	.41	.57	-.04	.01	.32
Gasoline, fuel oil, and other energy goods.....	.03	.10	.10	.22	-.04	.07	.09
Gasoline and oil.....	.05	.10	.10	.21	-.02	.05	-.01
Fuel oil and coal.....	-.03	.00	.00	.01	-.02	.02	.10
Other.....	.30	.33	.37	.52	.19	.31	.25
<b>Services</b>	<b>1.17</b>	<b>1.33</b>	<b>1.33</b>	<b>1.69</b>	<b>1.56</b>	<b>1.38</b>	<b>1.29</b>
Housing.....	.25	.24	.19	.30	.30	.25	.25
Household operation.....	.07	.03	-.25	.21	.09	.11	.30
Electricity and gas.....	-.04	.02	-.14	.20	.01	.12	.42
Other household operation.....	.12	.00	-.12	.01	.08	-.02	-.12
Transportation.....	-.03	-.01	-.08	.14	-.04	-.03	.02
Medical care.....	.64	.66	.72	.56	.73	.64	.49
Recreation.....	.11	.07	.19	.05	.10	.00	.21
Other.....	.13	.34	.57	.41	.37	.41	.03
<b>Addenda:</b>							
Energy goods and services <sup>1</sup> .....	-.01	.12	-.04	.42	-.03	.19	.51
Personal consumption expenditures less food and energy.....	2.35	2.75	5.81	1.78	1.94	4.07	.41

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

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
<b>Percent change at annual rate:</b>							
Private fixed investment.....	-3.8	-3.1	-8.9	-5	-1.0	-3	4.4
<b>Percentage points at annual rates:</b>							
<b>Nonresidential.....</b>	<b>-3.88</b>	<b>-4.18</b>	<b>-8.03</b>	<b>-4.29</b>	<b>-1.74</b>	<b>-5.8</b>	<b>1.63</b>
Structures.....	-3.1	-3.23	-6.87	-2.83	-3.44	-4.05	-1.68
Nonresidential buildings, including farm.....	-95	-2.46	-3.14	-1.98	-2.75	-2.81	-4.0
Utilities.....	-0.1	-2.0	-0.8	.42	-6.9	-7.8	-2.9
Mining exploration, shafts, and wells.....	.48	-.31	-.33	-1.28	.02	-.09	-.89
Other structures.....	.16	-.26	-3.33	.01	-.01	-.38	-1.0
<b>Equipment and software.....</b>	<b>-3.57</b>	<b>-.94</b>	<b>-1.16</b>	<b>-1.46</b>	<b>1.70</b>	<b>3.47</b>	<b>3.31</b>
Information processing equipment and software.....	-1.54	.61	-.24	1.57	2.99	3.26	.82
Computers and peripheral equipment <sup>1</sup> .....	-.13	.71	1.36	1.32	.65	1.73	.36
Software <sup>2</sup> .....	-.13	.22	.03	-.41	1.31	1.28	.22
Other.....	-1.27	-.32	-1.63	.66	1.02	.25	.24
Industrial equipment.....	-.43	-.43	-.11	.95	-.70	.60	-.53
Transportation equipment.....	-1.37	-1.03	1.39	-3.56	-2.06	-.43	2.47
Other.....	-.23	-.09	-1.20	-.42	1.48	.04	.55
<b>Residential.....</b>	<b>.07</b>	<b>1.10</b>	<b>-.88</b>	<b>3.79</b>	<b>.78</b>	<b>.32</b>	<b>2.73</b>
Structures.....	.07	1.08	-.92	3.77	.76	.32	2.71
Single family.....	.11	.60	-.77	1.80	.38	.41	2.13
Multifamily.....	-.11	.14	-.24	.62	-.06	-.19	-.37
Other structures.....	-.15	.34	-.39	1.35	.43	.09	.94
Equipment.....	.00	.02	.04	.02	.02	.00	.02

1. Includes new computers and peripheral equipment only.  
 2. Excludes software "embedded," or bundled, in computers and other equipment.  
 NOTE: The quantity indexes on which the estimates in this table are based are shown in table 7.6. The estimates in this table differ from those in table 8.2 because this table shows contributions to real private fixed investment, whereas table 8.2 shows contributions to real gross domestic product.

**Table 8.5. Contributions to Percent Change in Real Exports and in Real Imports of Goods and Services by Type of Product**

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
<b>Percent change at annual rate:</b>							
Exports of goods and services..	-5.4	-1.6	-9.6	3.5	14.3	4.6	-5.8
<b>Percentage points at annual rates:</b>							
<b>Exports of goods<sup>1</sup>.....</b>	<b>-4.23</b>	<b>-2.55</b>	<b>-5.45</b>	<b>-2.43</b>	<b>10.92</b>	<b>2.86</b>	<b>-8.25</b>
Foods, feeds, and beverages.....	.13	-.10	.82	.08	-.61	-.61	.08
Industrial supplies and materials, except petroleum and products.....	-.58	.05	.39	-.47	2.84	-.99	.34
Capital goods, except automotive.....	-3.21	-2.71	-5.94	-1.79	4.48	3.21	-6.21
Automotive vehicles, engines, and parts.....	-.47	.27	-1.10	-.25	2.73	.74	-2.04
Consumer goods, except automotive.....	-.07	-.32	-.46	-.67	.96	.59	-.15
Other.....	-.03	.26	.83	.67	.54	-.07	-.26
<b>Exports of services<sup>1</sup>.....</b>	<b>-1.14</b>	<b>.95</b>	<b>-4.18</b>	<b>5.89</b>	<b>3.36</b>	<b>1.77</b>	<b>2.42</b>
<b>Percent change at annual rate:</b>							
Imports of goods and services..	-2.9	3.7	-5.3	8.5	22.2	3.3	7.4
<b>Percentage points at annual rates:</b>							
<b>Imports of goods<sup>1</sup>.....</b>	<b>-2.78</b>	<b>3.19</b>	<b>-2.76</b>	<b>3.24</b>	<b>22.25</b>	<b>2.81</b>	<b>5.23</b>
Foods, feeds, and beverages.....	.14	.19	-.25	.18	.41	.12	.17
Industrial supplies and materials, except petroleum and products.....	-.45	.39	-.15	.68	1.38	1.06	.76
Petroleum and products.....	.27	-.16	.27	-1.25	2.13	-1.07	1.69
Capital goods, except automotive.....	-2.73	-.38	-1.40	2.40	3.77	-.63	.56
Automotive vehicles, engines, and parts.....	-.41	.98	-1.47	.98	5.21	.57	-.67
Consumer goods, except automotive.....	.33	1.89	-.62	2.42	7.03	2.07	2.30
Other.....	.07	.28	.86	-2.16	2.32	.69	.43
<b>Imports of services<sup>1</sup>.....</b>	<b>-.08</b>	<b>.52</b>	<b>-2.54</b>	<b>5.31</b>	<b>-1.10</b>	<b>.52</b>	<b>2.14</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 were reclassified from goods to services.  
 NOTE: The quantity indexes on which the estimates in this table are based are shown in table 7.10. The estimates in this table differ from those in table 8.2 because this table shows contributions to real exports and to real imports, whereas table 8.2 shows contributions to real gross domestic product. Because imports are subtracted in the calculation of gross domestic product, the contributions of components of real imports have opposite signs in this table and in table 8.2.

**Table 8.6. Contributions to Percent Change in Real Government Consumption Expenditures and Gross Investment by Type**

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
			IV	I	II	III	IV
<b>Percent change at annual rate:</b>							
Government consumption expenditures and gross investment <sup>1</sup> .....	3.7	4.4	10.5	5.6	1.4	2.9	4.6
<b>Percentage points at annual rates:</b>							
<b>Federal.....</b>	<b>1.61</b>	<b>2.54</b>	<b>4.49</b>	<b>2.53</b>	<b>2.52</b>	<b>1.50</b>	<b>3.76</b>
<b>National defense.....</b>	<b>1.06</b>	<b>2.01</b>	<b>3.01</b>	<b>2.46</b>	<b>1.68</b>	<b>1.53</b>	<b>2.44</b>
Consumption expenditures.....	.92	1.70	2.94	1.81	1.69	.98	2.65
Durable goods <sup>2</sup> .....	.09	.05	-.45	.13	.03	.29	-.23
Nondurable goods.....	.03	.08	.34	.04	.03	-.01	-.17
Services.....	.80	1.56	3.04	1.65	1.63	.70	3.05
Compensation of general government employees, except own-account investment <sup>3</sup> .....	.05	.14	.09	.30	.36	.14	-.33
Consumption of general government fixed capital <sup>4</sup> .....	-.01	.01	.00	.01	.02	.03	.04
Other services.....	.76	1.40	2.94	1.34	1.25	.53	3.34
Gross investment.....	.14	.31	.08	.65	-.01	.56	-.22
Structures.....	-.01	-.01	.13	-.12	.05	.00	-.03
Equipment and software.....	.14	.32	-.06	.77	-.07	.56	-.18
<b>Nondefense.....</b>	<b>.55</b>	<b>.54</b>	<b>1.48</b>	<b>.07</b>	<b>.84</b>	<b>-.04</b>	<b>1.33</b>
Consumption expenditures.....	.47	.42	.63	.16	.52	.35	1.13
Durable goods <sup>2</sup> .....	.01	.01	.02	.01	.00	.01	.03
Nondurable goods.....	.13	.03	.10	.07	.22	-.17	.04
Services.....	.34	.38	.51	.08	.29	.51	1.06
Compensation of general government employees, except own-account investment <sup>3</sup> .....	-.03	.12	-.05	.11	-.04	.31	.85
Consumption of general government fixed capital <sup>4</sup> .....	.11	.11	.12	.11	.11	.11	.12
Other services.....	.26	.15	.44	-.14	.22	.09	.09
Gross investment.....	-.08	.12	.85	-.10	.32	-.39	.20
Structures.....	-.04	.09	.38	.34	-.25	-.19	.26
Equipment and software.....	.11	.03	.46	-.43	.57	-.20	-.07
<b>State and local.....</b>	<b>2.05</b>	<b>1.87</b>	<b>5.98</b>	<b>3.03</b>	<b>-1.10</b>	<b>1.42</b>	<b>.85</b>
Consumption expenditures.....	1.66	1.52	2.43	1.33	.84	.89	.81
Durable goods <sup>2</sup> .....	.06	.05	.07	.06	.04	.04	.04
Nondurable goods.....	.36	.24	.34	.24	.17	.17	.18
Services.....	1.24	1.22	2.02	1.03	.63	.67	.59
Compensation of general government employees, except own-account investment <sup>3</sup> .....	.79	.78	1.28	.50	.36	.46	.40
Consumption of general government fixed capital <sup>4</sup> .....	.24	.23	.26	.27	.20	.17	.15
Other services.....	.21	.21	.48	.26	.08	.04	.03
Gross investment.....	.39	.35	3.56	1.70	-1.94	.53	.04
Structures.....	.23	.41	3.61	1.95	-1.87	.52	.15
Equipment and software.....	.16	-.06	-.06	-.25	-.07	.02	-.12

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.  
 2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries by the Federal Government.  
 3. Compensation of government employees engaged in new own-account investment and related expenditures for goods and services are classified as investment in structures and in software.  
 4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.  
 NOTE: The quantity indexes on which the estimates in this table are based are shown in table 7.11. The estimates in this table differ from those in table 8.2 because this table shows contributions to real government consumption expenditures and gross investment, whereas table 8.2 shows contributions to real gross domestic product.



Table 8.30. Contributions to Percent Change in the Gross Domestic Purchases Price Index

	2001	2002	Seasonally adjusted at annual rates				
			2001	2002			
				IV	I	II	III
<b>Percent change at annual rate:</b>							
Gross domestic purchases .....	1.9	1.2	.4	1.2	2.3	1.2	1.8
<b>Percentage points at annual rates:</b>							
<b>Personal consumption expenditures</b> .....	1.34	.92	.55	.74	1.83	1.15	1.22
Durable goods .....	-.16	-.23	-.12	-.35	-.23	-.16	-.18
Motor vehicles and parts .....	.01	-.05	.04	-.13	-.10	.03	-.01
Furniture and household equipment .....	-.17	-.17	-.15	-.20	-.12	-.16	-.16
Other .....	.01	-.01	-.01	-.02	-.01	-.02	-.01
Nondurable goods .....	.29	.08	-.69	.05	.89	.12	.24
Food .....	.28	.19	.22	.23	.05	.09	.17
Clothing and shoes .....	-.06	-.08	-.07	-.06	-.04	-.11	-.01
Gasoline, fuel oil, and other energy goods .....	-.06	-.12	-.93	-.17	.72	.09	.18
Other .....	.12	.09	.08	.05	.16	.06	-.09
Services .....	1.21	1.07	1.37	1.05	1.18	1.19	1.17
Housing .....	.37	.38	.44	.42	.33	.28	.28
Household operation .....	.15	-.03	-.13	-.05	.00	.13	.09
Electricity and gas .....	.15	-.08	-.24	-.10	.03	.01	.05
Other household operation .....	.00	.05	.11	.05	-.03	.12	.04
Transportation .....	.05	.05	.02	.07	.11	.04	.07
Medical care .....	.37	.28	.46	.23	.27	.30	.33
Recreation .....	.08	.08	.07	.06	.11	.08	.08
Other .....	.19	.32	.52	.33	.35	.36	.32
<b>Gross private domestic investment</b> .....	1.19	-.08	-.04	-.22	-.06	-.16	.24
<b>Fixed investment</b> .....	1.19	-.06	-.02	-.22	-.03	-.14	.25
Nonresidential .....	.02	-.15	-.18	-.22	-.15	-.14	.04
Structures .....	.15	-.02	-.05	-.10	.02	.01	.05
Equipment and software .....	-.14	-.13	-.13	-.12	-.17	-.15	-.01
Information processing equipment and software .....	-.16	-.14	-.16	-.11	-.13	-.11	-.14
Computers and peripheral equipment .....	-.17	-.11	-.14	-.10	-.06	-.10	-.10
Software <sup>1</sup> .....	.03	-.01	.00	.00	-.05	.01	-.01
Other .....	-.03	-.02	-.02	-.01	-.02	-.02	-.02
Industrial equipment .....	.01	.00	.00	-.01	-.01	.02	.01
Transportation equipment .....	-.01	.00	.01	.00	-.03	-.06	.11
Other equipment .....	.02	.01	.02	.01	-.01	.01	.00
Residential .....	.17	.09	.16	.00	.11	.00	.21
<b>Change in private inventories</b> .....	.00	-.02	-.02	.00	-.03	-.03	-.01
Farm .....	.00	.00	.00	.00	.00	.00	.00
Nonfarm .....	.00	-.02	-.02	.00	-.03	-.02	-.01
<b>Government consumption expenditures and gross investment</b> .....	.41	.31	-.06	.64	.51	.26	.28
<b>Federal</b> .....	.10	.17	-.03	.50	.15	.08	.02
National defense .....	.06	.09	-.04	.28	.08	.06	.05
Consumption expenditures .....	.07	.10	-.02	.29	.08	.06	.04
Gross investment .....	.00	.00	-.02	-.01	.00	.00	.01
Nondefense .....	.04	.08	.01	.22	.06	.02	-.03
Consumption expenditures .....	.04	.08	.01	.23	.07	.02	-.03
Gross investment .....	.00	.00	.00	.00	.00	.00	.00
<b>State and local</b> .....	.31	.14	-.04	.13	.36	.18	.26
Consumption expenditures .....	.26	.12	-.08	.13	.33	.17	.25
Gross investment .....	.05	.02	.05	.00	.03	.00	.01
<b>Addenda:</b>							
Final sales of computers <sup>2</sup> .....	-.27	-.19	-.23	-.19	-.11	-.16	-.19
Gross domestic purchases less final sales of computers .....	2.21	1.34	.68	1.35	2.39	1.41	1.94
Food .....	.28	.18	.22	.23	.04	.06	.17
Energy goods and services .....	.09	-.26	-1.52	-.32	.93	.14	.31
Gross domestic purchases less food and energy .....	1.57	1.23	1.74	1.25	1.31	1.05	1.27

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

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

NOTE: The price indexes on which the estimates in this table are based are shown in tables 7.1, 7.2, 7.4, 7.6, and 7.11.



**Annual Estimates**

Except as noted for table B.3 below, these tables are derived from the NIPA tables that were published in the August and September 2002 issues of the SURVEY OF CURRENT BUSINESS, and the estimates reflect the most recent comprehensive and annual NIPA revisions.

**Table B.3. Gross Domestic Product by Industry, Current-Dollar and Real Estimates for 1999–2001**

	Billions of dollars			Billions of chained (1996) dollars				Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001		1999	2000	2001	1999	2000	2001
<b>Gross domestic product</b> .....	<b>9,274.3</b>	<b>9,824.6</b>	<b>10,082.2</b>	<b>8,859.0</b>	<b>9,191.4</b>	<b>9,214.5</b>	Transportation services.....	29.9	34.1	32.9	29.8	32.4	31.2
<b>Private industries</b> .....	<b>8,123.0</b>	<b>8,606.9</b>	<b>8,800.8</b>	<b>7,851.0</b>	<b>8,157.8</b>	<b>8,189.4</b>	Communications.....	257.2	279.1	291.5	255.3	286.7	321.9
<b>Agriculture, forestry, and fishing</b> .....	<b>127.7</b>	<b>134.3</b>	<b>140.6</b>	<b>154.6</b>	<b>166.7</b>	<b>163.9</b>	Telephone and telegraph.....	193.7	208.0	218.5	205.3	236.7	265.7
Farms.....	75.2	77.8	80.6	108.1	120.5	114.3	Radio and television.....	63.6	71.1	72.9	51.5	53.4	60.0
Agricultural services, forestry, and fishing.....	52.5	56.5	60.1	46.2	47.6	49.1	Electric, gas, and sanitary services.....	211.0	216.5	221.9	208.8	213.9	194.3
<b>Mining</b> .....	<b>104.1</b>	<b>133.1</b>	<b>139.0</b>	<b>114.7</b>	<b>101.9</b>	<b>106.8</b>	<b>Wholesale trade</b> .....	<b>645.3</b>	<b>696.8</b>	<b>680.7</b>	<b>708.6</b>	<b>750.2</b>	<b>748.7</b>
Metal mining.....	5.6	5.2	5.7	9.0	8.0	9.6	<b>Retail trade</b> .....	<b>831.7</b>	<b>887.3</b>	<b>931.8</b>	<b>846.2</b>	<b>909.2</b>	<b>951.2</b>
Coal mining.....	10.8	9.2	10.5	13.5	11.9	13.9	<b>Finance, insurance, and real estate</b> .....	<b>1,798.8</b>	<b>1,976.7</b>	<b>2,076.9</b>	<b>1,688.3</b>	<b>1,793.5</b>	<b>1,843.5</b>
Oil and gas extraction.....	76.4	106.5	110.3	82.0	70.5	72.9	Depository institutions.....	330.3	361.1	359.8	274.9	287.4	290.4
Nonmetallic minerals, except fuels.....	11.4	12.2	12.6	10.7	12.2	12.4	Nondepository institutions.....	57.7	69.5	88.8	65.4	79.0	91.9
<b>Construction</b> .....	<b>425.4</b>	<b>461.3</b>	<b>480.0</b>	<b>367.8</b>	<b>378.0</b>	<b>371.9</b>	Security and commodity brokers insurance carriers.....	128.2	150.8	175.0	174.8	216.8	245.1
<b>Manufacturing</b> .....	<b>1,481.3</b>	<b>1,520.3</b>	<b>1,423.0</b>	<b>1,513.9</b>	<b>1,585.4</b>	<b>1,490.3</b>	Insurance agents, brokers, and service.....	153.8	182.4	170.1	133.0	146.0	141.2
Durable goods.....	853.8	886.4	812.8	949.3	1,044.3	990.1	Real estate.....	61.5	61.6	66.5	54.6	51.9	53.5
Lumber and wood products.....	44.1	42.1	39.2	40.9	41.8	39.0	Real estate.....	1,050.5	1,123.7	1,171.7	982.1	1,016.7	1,022.0
Furniture and fixtures.....	25.8	26.1	25.0	23.7	24.1	22.4	Nonfarm housing services.....	766.9	811.4	845.1	704.1	722.9	725.6
Stone, clay, and glass products.....	41.4	40.6	36.7	37.4	37.2	33.9	Other real estate.....	283.5	312.3	326.6	279.3	295.5	298.2
Primary metal industries.....	50.5	50.2	45.1	57.0	56.1	53.5	Holding and other investment offices.....	16.8	27.7	45.0	10.0	13.7	22.7
Fabricated metal products.....	106.9	109.6	100.8	97.7	102.7	92.3	<b>Services</b> .....	<b>1,977.2</b>	<b>2,116.4</b>	<b>2,226.6</b>	<b>1,768.4</b>	<b>1,826.0</b>	<b>1,843.3</b>
Industrial machinery and equipment.....	152.3	173.1	148.2	206.7	249.2	222.5	Hotels and other lodging places.....	80.0	87.4	88.4	64.5	68.4	65.6
Electronic and other electric equipment.....	161.2	162.0	143.1	249.2	311.8	335.2	Personal services.....	58.5	59.3	62.7	53.6	52.9	53.3
Motor vehicles and equipment.....	119.4	120.4	111.4	115.0	117.3	108.5	Business services.....	501.0	534.4	544.1	449.6	460.1	459.4
Other transportation equipment.....	65.1	66.3	71.4	61.7	60.5	62.0	Auto repair, services, and parking.....	89.2	94.9	99.5	81.8	84.8	87.5
Instruments and related products.....	58.2	63.5	61.7	47.6	51.0	46.1	Miscellaneous repair services.....	24.9	27.7	27.0	19.9	20.9	17.7
Miscellaneous manufacturing industries.....	28.9	32.5	30.2	27.4	31.3	28.5	Motion pictures.....	31.2	32.5	35.5	28.5	27.9	29.5
Nonurable goods.....	627.5	633.9	610.2	570.8	558.0	518.3	Amusement and recreation services.....	72.6	76.6	79.3	63.6	63.6	62.6
Food and kindred products.....	136.6	127.0	123.7	120.5	111.2	106.5	Health services.....	515.4	548.5	589.8	470.7	487.9	501.2
Tobacco products.....	19.4	21.2	21.1	6.8	6.2	5.0	Legal services.....	123.6	134.4	145.6	111.0	116.8	120.2
Textile mill products.....	24.9	23.8	22.1	23.0	23.2	20.7	Educational services.....	72.3	77.9	84.4	62.4	64.1	66.5
Apparel and other textile products.....	24.7	24.7	23.3	22.9	23.3	22.3	Social services.....	61.9	67.7	74.7	53.9	56.0	58.4
Paper and allied products.....	56.8	60.2	55.9	56.1	53.1	49.7	Membership organizations.....	58.0	61.4	63.0	48.1	47.8	46.6
Printing and publishing.....	105.4	106.5	100.2	90.4	90.1	80.8	Other services.....	276.0	300.3	320.7	250.2	263.9	267.1
Chemicals and allied products.....	167.3	169.0	163.5	160.6	162.8	157.8	Private households.....	12.7	13.6	11.9	11.7	12.0	10.1
Petroleum and coal products.....	30.4	38.5	40.6	35.3	29.9	24.6	<b>Statistical discrepancy</b> <sup>1</sup> .....	<b>-38.8</b>	<b>-128.5</b>	<b>-117.3</b>	<b>-37.3</b>	<b>-121.3</b>	<b>-108.3</b>
Rubber and miscellaneous plastics products.....	58.7	59.3	56.6	57.6	61.3	57.0	<b>Government</b> .....	<b>1,151.3</b>	<b>1,217.7</b>	<b>1,281.3</b>	<b>1,061.1</b>	<b>1,088.8</b>	<b>1,107.5</b>
Leather and leather products.....	3.4	3.7	3.3	3.2	3.6	3.1	<b>Federal</b> .....	<b>369.8</b>	<b>389.5</b>	<b>396.2</b>	<b>346.5</b>	<b>355.0</b>	<b>350.9</b>
<b>Transportation and public utilities</b> .....	<b>770.1</b>	<b>809.3</b>	<b>819.5</b>	<b>732.2</b>	<b>781.9</b>	<b>780.5</b>	General government.....	307.6	323.4	332.8	285.2	289.4	291.3
Transportation.....	301.9	313.7	306.1	268.6	282.5	270.3	Government enterprises.....	62.2	66.1	63.4	61.4	66.0	59.4
Railroad transportation.....	23.1	24.8	25.8	22.4	25.0	25.0	<b>State and local</b> .....	<b>781.5</b>	<b>828.2</b>	<b>885.1</b>	<b>714.4</b>	<b>733.6</b>	<b>756.1</b>
Local and interurban passenger transit.....	17.9	18.3	19.1	16.8	17.2	17.2	General government.....	715.9	758.7	807.0	653.7	669.0	687.0
Trucking and warehousing.....	121.4	123.3	126.0	100.2	103.4	99.3	Government enterprises.....	65.6	69.4	78.1	60.7	64.7	69.4
Water transportation.....	13.4	15.0	15.7	12.0	13.4	13.3	<b>Not allocated by industry</b> <sup>2</sup> .....				<b>-97.1</b>	<b>-159.1</b>	<b>-204.4</b>
Transportation by air.....	90.0	91.9	80.2	80.7	84.8	78.3							
Pipelines, except natural gas.....	6.2	6.3	6.5	6.6	6.4	6.0							

1. The current-dollar statistical discrepancy equals gross domestic product (GDP) measured as the sum of expenditures less gross domestic income—that is, GDP measured as the costs incurred and profits earned in domestic production. The chained (1996) dollar statistical discrepancy equals the current-dollar statistical discrepancy deflated by the implicit price deflator for gross domestic business product.

2. Equals GDP in chained (1996) dollars less the statistical discrepancy and the sum of GDP by industry of the

detailed industries. The value of not allocated by industry reflects the nonadditivity of chained-dollar estimates and the differences in source data used to estimate real GDP by industry and the expenditures measure of real GDP.

Note. Estimates are based on the 1987 Standard Industrial Classification. The table is derived from tables 1 and 6 in "Gross Domestic Product by Industry for 1999–2001" in the November 2002 Survey.

Table B.4. Personal Consumption Expenditures by Type of Expenditure

Table with columns for 'Billions of dollars' and 'Billions of chained (1996) dollars' for the years 1999, 2000, and 2001. Rows are categorized into Personal consumption expenditures, Food and tobacco, Clothing, accessories, and jewelry, Personal care, Housing, Household operation, Medical care, Education and research, Religious and welfare activities, Foreign travel and other, net, and Residual.

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

1. Consists of purchases (including tips) of meals and beverages from retail, service, and amusement establishments... 2. Includes luggage... 3. Consists of watch, clock, and jewelry repairs, costume and dress suit rental, and miscellaneous personal services... 4. Consists of rent for space and for heating and plumbing facilities, water heaters, lighting fixtures, kitchen cabinets, linoleum, storm windows and doors, window screens, and screen doors, but excludes rent for appliances and furniture and purchases of fuel and electricity... 5. Consists of space rent (see footnote 4) and rent for appliances, furnishings, and furniture... 6. Consists of transient hotels, motels, clubs, schools, and other group housing... 7. Consists of refrigerators and freezers, cooking ranges, dishwashers, laundry equipment, stoves, room air conditioners, sewing machines, vacuum cleaners, and other appliances... 8. Includes such house furnishings as floor coverings, comforters, quilts, blankets, pillows, picture frames, mirrors, art products, portable lamps, and clocks. Also includes writing equipment and hand, power, and garden tools... 9. Consists largely of textile house furnishings, including piece goods allocated to house furnishing use. Also includes lamp shades, brooms, and brushes... 10. Consists of maintenance services for appliances and house furnishings, moving and warehouse expenses, postage and express charges, premiums for fire and theft insurance on personal property less benefits and dividends, and miscellaneous household operation services... 11. Excludes drug preparations and related products dispensed by physicians, hospitals, and other medical services... 12. Consists of osteopathic physicians, chiropractors, private duty nurses, chiroprodists, podiatrists, and others providing health and allied services, not elsewhere classified... 13. Consists of (1) current expenditures (including consumption of fixed capital) of nonprofit hospitals and nursing homes, and (2) payments by patients to proprietary and government hospitals and nursing homes... 14. Consists of (1) premiums, less benefits and dividends, for health, hospitalization, and accidental death and dismemberment insurance provided by commercial insurance carriers, and (2) administrative expenses (including consumption of fixed capital) of nonprofit and self-insured health plans... 15. Consists of premiums, less benefits and dividends, for income loss insurance... 16. Consists of premiums, less benefits and dividends, for privately administered workers' compensation... 17. Consists of (1) operating expenses of commercial life insurance carriers, (2) administrative expenses of private noninsured pension plans and publicly administered government employee retirement plans, and (3) premiums, less benefits and dividends, of fraternal benefit societies. For commercial life insurance carriers, excludes expenses for accident and health insurance and includes profits of stock companies and services furnished without payment by banks, credit agencies, and investment companies. For pension and retirement plans, excludes services furnished without payment by banks, credit agencies, and investment companies.

18. Consists of current expenditures (including consumption of fixed capital) of trade unions and professional associations, employment agency fees, money order fees, spending for classified advertisements, tax return preparation services, and other personal business services.

19. Consists of premiums, less benefits and dividends, for motor vehicle insurance... 20. Consists of baggage charges, coastal and inland waterway fares, travel agents' fees, and airport bus fares... 21. Consists of admissions to professional and amateur athletic events and to racetracks... 22. Consists of dues and fees excluding insurance premiums... 23. Consists of billiard parlors; bowling alleys; dancing, riding, shooting, skating, and swimming places; amusement devices and parks; golf courses; sightseeing buses and guides; private flying operations; casino gambling; and other commercial participant amusements... 24. Consists of net receipts of lotteries and expenditures for purchases of pets and pet care services, cable TV, film processing, photographic studios, sporting and recreation camps, video cassette rentals, and recreational services, not elsewhere classified... 25. For private institutions, equals current expenditures (including consumption of fixed capital) less receipts—such as those from meals, rooms, and entertainments—accounted for separately in consumer expenditures, and less expenditures for research and development financed under contracts or grants. For government institutions, equals student payments of tuition... 26. For private institutions, equals current expenditures (including consumption of fixed capital) less receipts—such as those from meals, rooms, and entertainments—accounted for separately in consumer expenditures. For government institutions, equals student payments of tuition. Excludes child day care services, which are included in religious and welfare activities... 27. Consists of (1) fees paid to commercial, business, trade, and correspondence schools and for educational services, not elsewhere classified, and (2) current expenditures (including consumption of fixed capital) by research organizations and foundations for education and research... 28. For nonprofit institutions, equals current expenditures (including consumption of fixed capital) of religious, social welfare, foreign relief, and political organizations, museums, libraries, and foundations. The expenditures are net of receipts—such as those from meals, rooms, and entertainments—accounted for separately in consumer expenditures, and excludes relief payments within the United States and expenditures by foundations for education and research. For proprietary and government institutions, equals receipts from users... 29. Beginning with 1981, includes U.S. students' expenditures abroad; these expenditures were \$0.3 billion in 1981... 30. Beginning with 1981, includes nonresidents' student and medical care expenditures in the United States; student expenditures were \$2.2 billion and medical expenditures were \$0.4 billion in 1981.

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Note: Consumer durable goods are designated (d.), nondurable goods (n.d.), and services (s.). Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 current-dollar value of the corresponding series, divided by 100. 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.5. Private Fixed Investment in Structures by Type**

	Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001
<b>Private fixed investment in structures</b> .....	<b>678.5</b>	<b>731.0</b>	<b>759.9</b>	<b>617.9</b>	<b>638.5</b>	<b>634.9</b>
<b>Nonresidential</b> .....	<b>283.7</b>	<b>314.2</b>	<b>324.5</b>	<b>258.6</b>	<b>275.5</b>	<b>270.9</b>
New.....	283.1	313.5	320.8	258.0	274.7	267.7
Nonresidential buildings, excluding farm	201.8	217.9	210.1	181.0	187.1	173.6
Industrial.....	28.7	28.0	25.6	25.8	24.0	21.1
Commercial.....	110.1	122.8	118.5	98.7	105.5	97.9
Office buildings <sup>1</sup> .....	55.4	64.7	60.5	49.6	55.6	50.0
Other <sup>2</sup> .....	54.7	58.1	58.0	49.1	49.9	48.0
Religious.....	7.2	7.8	8.1	6.4	6.7	6.7
Educational.....	10.3	12.4	13.7	9.3	10.6	11.3
Hospital and institutional.....	15.1	16.1	16.8	13.5	13.8	13.9
Other <sup>3</sup> .....	30.4	30.8	27.4	27.2	26.5	22.6
Utilities.....	47.3	53.7	55.0	45.7	50.4	50.3
Railroads.....	4.7	4.3	4.1	4.7	4.2	4.2
Telecommunications.....	18.3	18.7	18.4	18.2	18.2	17.3
Electric light and power.....	14.7	21.3	22.7	14.0	19.5	20.1
Gas.....	8.1	8.5	8.9	7.6	7.6	7.8
Petroleum pipelines.....	1.5	1.0	.9	1.4	.9	.8
Farm.....	5.1	6.0	6.1	4.5	5.1	5.1
Mining exploration, shafts, and wells.....	22.8	29.2	42.7	21.6	27.0	34.0
Petroleum and natural gas.....	21.6	28.0	41.3	20.4	26.0	32.8
Other.....	1.2	1.1	1.4	1.1	1.0	1.2
Other <sup>4</sup> .....	6.2	6.7	6.8	5.7	6.0	5.9
Brokers' commissions on sale of structures	2.4	2.5	2.5	2.3	2.4	2.2
Net purchases of used structures.....	-1.8	-1.9	1.2	-1.6	-1.6	1.0
<b>Residential</b> .....	<b>394.8</b>	<b>416.8</b>	<b>435.4</b>	<b>359.4</b>	<b>363.0</b>	<b>364.0</b>
New.....	344.4	363.6	377.8	311.7	315.1	315.2
New housing units.....	250.1	259.7	271.6	225.6	224.2	225.5
Permanent site.....	236.1	248.9	262.8	212.2	213.9	217.0
Single-family structures.....	208.6	220.7	232.1	189.0	191.0	192.6
Multifamily structures.....	27.4	28.3	30.7	23.4	23.0	24.4
Manufactured homes.....	14.0	10.8	8.8	13.2	10.0	8.1
Improvements.....	93.0	102.4	104.6	84.9	89.7	88.4
Other <sup>5</sup> .....	1.3	1.4	1.6	1.2	1.2	1.4
Brokers' commissions on sale of structures	53.9	56.2	60.0	51.0	50.6	50.9
Net purchases of used structures.....	-3.5	-2.9	-2.3	-3.1	-2.5	-1.9
Residual.....				-9	-9	-1.0

1. Consists of office buildings, except those constructed at industrial sites and those constructed by utilities for their own use.  
 2. Consists of stores, restaurants, garages, service stations, warehouses, mobile structures, and other buildings used for commercial purposes.  
 3. Consists of hotels and motels, buildings used primarily for social and recreational activities, and buildings not elsewhere classified, such as passenger terminals, greenhouses, and animal hospitals.  
 4. Consists primarily of streets, dams and reservoirs, sewer and water facilities, parks, and airfields.  
 5. Consists primarily of dormitories and of fraternity and sorority houses.

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

**Table B.6. Private Fixed Investment in Equipment and Software by Type**

	Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001
<b>Private fixed investment in equipment and software</b> .....	<b>898.7</b>	<b>960.8</b>	<b>886.4</b>	<b>984.8</b>	<b>1,065.4</b>	<b>997.6</b>
<b>Nonresidential equipment and software</b> .....	<b>889.8</b>	<b>951.6</b>	<b>877.1</b>	<b>975.9</b>	<b>1,056.0</b>	<b>988.2</b>
Information processing equipment and software.....	402.3	446.9	404.3	508.1	583.3	548.5
Computers and peripheral equipment <sup>1</sup> .....	90.4	93.3	74.2	207.4	246.4	239.9
Software <sup>2</sup> .....	162.5	179.4	180.4	169.3	184.4	182.0
Communication equipment.....	93.7	116.6	90.6	102.5	132.1	105.8
Instruments.....	38.2	40.6	43.6	37.9	40.1	42.6
Photocopy and related equipment.....	10.5	9.5	8.0	10.7	9.5	8.0
Office and accounting equipment.....	7.0	7.5	7.6	7.1	7.5	7.8
Industrial equipment.....	150.4	164.9	159.0	147.5	160.8	153.8
Fabricated metal products.....	13.4	13.8	13.7	13.5	13.9	13.4
Engines and turbines.....	5.7	7.0	9.3	5.4	6.6	8.8
Metalworking machinery.....	34.2	35.3	31.3	33.6	34.6	30.5
Special industry machinery, n.e.c.....	38.3	44.4	41.0	37.2	43.0	39.4
General industrial, including materials handling, equipment.....	34.0	36.6	34.4	33.0	35.3	32.9
Electrical transmission, distribution, and industrial apparatus.....	24.8	27.8	29.3	24.8	27.3	28.7
Transportation equipment.....	194.7	189.7	165.8	193.2	186.6	163.6
Trucks, buses, and truck trailers.....	112.3	107.4	90.1	112.4	106.5	90.5
Autos.....	43.1	40.5	34.1	42.5	40.8	35.4
Aircraft.....	29.1	31.5	33.7	28.3	29.3	29.8
Ships and boats.....	2.7	3.2	3.2	2.6	2.9	2.9
Railroad equipment.....	7.6	7.1	4.7	7.7	7.2	4.8
Other equipment.....	145.6	153.4	150.8	141.8	148.5	144.5
Furniture and fixtures.....	38.1	40.6	35.7	37.1	39.2	34.0
Tractors.....	12.8	13.7	14.5	12.5	13.4	14.1
Agricultural machinery, except tractors.....	9.9	10.8	12.0	9.5	10.3	11.3
Construction machinery, except tractors.....	21.6	21.7	19.9	20.4	20.4	18.5
Mining and oilfield machinery.....	5.6	5.2	6.5	5.3	5.0	5.9
Service industry machinery.....	16.5	16.4	16.1	15.9	15.7	15.3
Electrical equipment, n.e.c.....	14.4	16.4	17.9	14.9	17.3	19.0
Other.....	26.8	28.4	28.2	26.2	27.4	26.8
Less: Sale of equipment scrap, excluding autos.....	3.2	3.3	2.8	4.1	3.8	3.5
<b>Residential equipment</b> .....	<b>8.8</b>	<b>9.3</b>	<b>9.3</b>	<b>9.0</b>	<b>9.4</b>	<b>9.5</b>
Residual.....				-37.8	-56.3	-56.5
<b>Addenda:</b>						
Private fixed investment in equipment and software.....	898.7	960.8	886.4			
Less: Dealers' margin on used equipment.....	8.1	8.8	8.6			
Net purchases of used equipment from government.....	1.0	1.0	.9			
Plus: Net sales of used equipment.....	39.3	38.5	32.5			
Net exports of used equipment.....	.4	-2	.0			
Sale of equipment scrap.....	3.3	3.4	2.9			
<b>Equals: Private fixed investment in new equipment and software</b> .....	<b>932.6</b>	<b>992.7</b>	<b>912.4</b>			

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>		
	1999	2000	2001	1999	2000	2001		1999	2000	2001	1999	2000	2001
<b>Total</b> .....	<b>136,294</b>	<b>139,207</b>	<b>138,840</b>	<b>132,149</b>	<b>134,723</b>	<b>134,288</b>	Water transportation.....	188	194	192	185	191	197
<b>Domestic industries</b> .....	<b>136,861</b>	<b>139,787</b>	<b>139,448</b>	<b>132,635</b>	<b>135,220</b>	<b>134,809</b>	Transportation by air <sup>2</sup> .....	1,245	1,297	1,286	1,163	1,216	1,205
<b>Private industries</b> <sup>2</sup> .....	<b>114,320</b>	<b>116,778</b>	<b>116,014</b>	<b>113,888</b>	<b>116,177</b>	<b>115,364</b>	Pipelines, except natural gas.....	13	13	14	13	13	14
<b>Agriculture, forestry, and fishing</b> .....	<b>2,294</b>	<b>2,319</b>	<b>2,341</b>	<b>3,393</b>	<b>3,341</b>	<b>3,342</b>	Transportation services.....	476	488	480	474	476	467
Farms.....	923	890	870	1,693	1,635	1,608	Communications.....	1,553	1,665	1,700	1,423	1,522	1,554
Agricultural services, forestry, and fishing.....	1,371	1,429	1,471	1,700	1,706	1,734	Telephone and telegraph.....	1,107	1,195	1,220	1,011	1,088	1,107
<b>Mining</b> .....	<b>539</b>	<b>541</b>	<b>568</b>	<b>544</b>	<b>546</b>	<b>581</b>	Radio and television.....	446	470	480	412	434	447
Metal mining.....	44	40	35	45	42	36	Electric, gas, and sanitary services.....	863	857	860	860	851	857
Coal mining.....	86	79	82	85	77	81	<b>Wholesale trade</b> .....	<b>6,992</b>	<b>7,104</b>	<b>6,832</b>	<b>7,015</b>	<b>7,098</b>	<b>6,794</b>
Oil and gas extraction.....	296	308	338	304	315	354	<b>Retail trade</b> .....	<b>23,542</b>	<b>24,049</b>	<b>24,147</b>	<b>20,954</b>	<b>21,423</b>	<b>21,485</b>
Nonmetallic minerals, except fuels.....	113	114	113	110	112	110	<b>Finance, insurance, and real estate</b> .....	<b>7,705</b>	<b>7,743</b>	<b>7,856</b>	<b>7,809</b>	<b>7,840</b>	<b>7,861</b>
<b>Construction</b> .....	<b>6,704</b>	<b>7,007</b>	<b>7,038</b>	<b>8,023</b>	<b>8,368</b>	<b>8,350</b>	Depository institutions.....	2,049	2,036	2,047	1,928	1,904	1,904
<b>Manufacturing</b> .....	<b>18,673</b>	<b>18,567</b>	<b>17,702</b>	<b>18,663</b>	<b>18,507</b>	<b>17,682</b>	Nondepository institutions.....	709	686	716	691	667	690
Durable goods.....	11,178	11,179	10,632	11,223	11,214	10,671	Security and commodity brokers.....	727	797	820	796	873	855
Lumber and wood products.....	858	849	804	916	899	854	Insurance carriers.....	1,608	1,585	1,583	1,526	1,497	1,488
Furniture and fixtures.....	550	558	524	562	569	530	Insurance agents, brokers, and service.....	795	800	820	873	893	909
Stone, clay, and glass products.....	572	582	572	573	580	573	Real estate.....	1,567	1,581	1,615	1,759	1,764	1,777
Primary metal industries.....	698	700	646	697	696	642	Holding and other investment offices.....	250	258	255	236	242	238
Fabricated metal products.....	1,529	1,544	1,470	1,517	1,537	1,452	<b>Services</b> .....	<b>40,975</b>	<b>42,337</b>	<b>42,412</b>	<b>40,637</b>	<b>42,040</b>	<b>42,217</b>
Industrial machinery and equipment.....	2,141	2,119	2,006	2,135	2,106	2,002	Hotels and other lodging places.....	1,935	1,981	1,942	1,759	1,818	1,792
Electronic and other electric equipment.....	1,671	1,719	1,627	1,657	1,705	1,610	Personal services.....	1,363	1,387	1,414	1,831	1,879	1,878
Motor vehicles and equipment.....	1,023	1,020	941	1,018	1,018	943	Business services.....	9,438	10,048	9,622	9,567	10,197	9,850
Other transportation equipment.....	874	836	812	872	834	811	Auto repair, services, and parking.....	1,326	1,366	1,388	1,557	1,569	1,601
Instruments and related products.....	854	843	840	841	836	835	Miscellaneous repair services.....	390	381	384	552	538	564
Miscellaneous manufacturing industries.....	408	409	390	435	434	419	Motion pictures.....	612	609	589	659	652	634
Nondurable goods.....	7,495	7,388	7,070	7,440	7,293	7,011	Amusement and recreation services.....	1,783	1,856	1,811	1,547	1,636	1,601
Food and kindred products.....	1,697	1,700	1,702	1,680	1,675	1,681	Health services.....	10,359	10,483	10,775	9,647	9,770	10,040
Tobacco products.....	37	35	34	36	34	33	Legal services.....	1,142	1,163	1,188	1,219	1,222	1,261
Textile mill products.....	560	534	475	556	536	471	Educational services.....	2,350	2,442	2,536	2,164	2,265	2,371
Apparel and other textile products.....	697	640	564	708	616	560	Social services and membership organizations.....	5,387	5,581	5,671	5,188	5,354	5,432
Paper and allied products.....	669	657	629	664	651	623	Social services.....	2,859	2,992	3,143	3,086	3,201	3,330
Printing and publishing.....	1,576	1,569	1,508	1,557	1,544	1,498	Membership organizations.....	2,528	2,589	2,528	2,102	2,153	2,102
Chemicals and allied products.....	1,037	1,038	1,017	1,026	1,029	1,011	Other services <sup>4</sup> .....	3,639	3,832	3,971	4,085	4,287	4,420
Petroleum and coal products.....	131	126	124	131	125	124	Private households.....	1,251	1,208	1,121	862	833	773
Rubber and miscellaneous plastics products.....	1,012	1,017	954	1,002	1,007	945	<b>Government</b> .....	<b>22,541</b>	<b>23,009</b>	<b>23,434</b>	<b>18,747</b>	<b>19,043</b>	<b>19,445</b>
Leather and leather products.....	79	72	63	80	76	65	Federal.....	5,141	5,237	5,076	4,167	4,198	4,119
<b>Transportation and public utilities</b> .....	<b>6,896</b>	<b>7,111</b>	<b>7,118</b>	<b>6,850</b>	<b>7,014</b>	<b>7,052</b>	General government.....	4,146	4,260	4,114	3,370	3,416	3,338
Transportation.....	4,480	4,589	4,558	4,567	4,641	4,641	Civilian.....	1,855	1,976	1,825	1,821	1,869	1,790
Railroad transportation.....	221	212	203	209	201	192	Military <sup>5</sup> .....	2,291	2,284	2,289	1,549	1,547	1,548
Local and interurban passenger transit.....	489	500	506	503	503	521	Government enterprises.....	995	977	962	797	782	781
Trucking and warehousing <sup>3</sup> .....	1,848	1,885	1,877	2,020	2,041	2,045	State and local.....	17,400	17,772	18,358	14,580	14,845	15,326
							General government.....	16,546	16,903	17,382	13,705	13,964	14,334
							Education.....	9,149	9,383	9,623	7,367	7,567	7,784
							Other <sup>2</sup> .....	7,397	7,520	7,759	6,338	6,397	6,550
							Government enterprises <sup>2</sup> .....	854	869	976	875	881	992
							<b>Rest of the world</b> <sup>6</sup> .....	<b>-567</b>	<b>-580</b>	<b>-608</b>	<b>-486</b>	<b>-497</b>	<b>-521</b>

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

2. Beginning with 2001, reflects the reclassification of employees of Indian tribal governments from the private sector in accordance with the Consolidated Appropriations Act of 2001.

3. Reflects the reclassification of air couriers from trucking and warehousing to transportation by air.

4. Consists of museums, botanical and zoological gardens; engineering and management services; and

services, not elsewhere classified.

5. Includes Coast Guard.

6. Includes estimates of foreign professional workers and undocumented Mexican migratory workers employed temporarily in the United States.

Note. Estimates in this table are based on the 1987 Standard Industrial Classification (SIC).



Table B.10. Farm Sector Output, Gross Product, and National Income

	Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001
<b>Farm output</b> .....	<b>207.5</b>	<b>214.3</b>	<b>221.3</b>	<b>244.1</b>	<b>249.2</b>	<b>246.1</b>
Cash receipts from farm marketings.....	191.4	199.4	200.9	226.2	233.4	224.4
Crops.....	95.7	99.8	94.3	125.2	130.9	122.9
Livestock.....	95.7	99.7	106.6	101.1	102.9	101.3
Farm housing.....	7.2	7.6	8.0	6.1	6.0	5.9
Farm products consumed on farms.....	.5	.6	.6	.5	.5	.5
Other farm income.....	9.9	8.9	10.3	11.8	10.6	12.2
Change in farm inventories.....	-1.5	-2.2	1.6	-2.0	-2.5	2.0
Crops.....	-9	-1.6	2.1	-1.4	-2.2	3.6
Livestock.....	-6	-6	-5	-6	-6	-4
Less: Intermediate goods and services purchased.....	132.3	136.5	140.7	137.2	133.3	134.6
Intermediate goods and services, other than rent.....	118.6	122.2	126.1	123.1	119.5	120.8
Rent paid to nonoperator landlords.....	13.8	14.2	14.7	14.1	13.8	13.8
<b>Equals: Gross farm product</b> .....	<b>75.2</b>	<b>77.8</b>	<b>80.6</b>	<b>108.1</b>	<b>120.5</b>	<b>114.3</b>
Less: Consumption of fixed capital.....	28.9	28.7	29.4	27.7	27.0	27.3
<b>Equals: Net farm product</b> .....	<b>46.3</b>	<b>49.2</b>	<b>51.2</b>	<b>80.9</b>	<b>97.9</b>	<b>89.5</b>
Less: Indirect business tax and nontax liability.....	5.3	5.4	5.6	.....	.....	.....
Plus: Subsidies to operators.....	18.4	19.5	17.7	.....	.....	.....
<b>Equals: Farm national income</b> .....	<b>59.3</b>	<b>63.3</b>	<b>63.2</b>	.....	.....	.....
Compensation of employees.....	19.3	19.3	21.5	.....	.....	.....
Wage and salary accruals.....	16.5	16.6	18.4	.....	.....	.....
Supplements to wages and salaries.....	2.9	2.7	3.1	.....	.....	.....
Proprietors' income and corporate profits with inventory valuation and capital consumption adjustments.....	29.6	33.2	30.9	.....	.....	.....
Proprietors' income.....	27.7	22.6	19.0	.....	.....	.....
Corporate profits.....	1.9	10.6	11.8	.....	.....	.....
Net interest.....	10.3	10.9	10.8	.....	.....	.....

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

Table B.11. Housing Sector Output, Gross Product, and National Income

	Billions of dollars			Billions of chained (1996) dollars		
	1999	2000	2001	1999	2000	2001
<b>Housing output</b> <sup>1</sup> .....	<b>876.4</b>	<b>920.3</b>	<b>976.0</b>	<b>802.5</b>	<b>817.2</b>	<b>833.6</b>
Nonfarm housing.....	869.2	912.7	968.1	796.4	811.2	827.8
Owner-occupied.....	666.4	704.9	751.0	610.7	627.3	643.5
Tenant-occupied.....	202.8	207.8	217.1	185.8	184.0	184.3
Farm housing.....	7.2	7.6	8.0	6.1	6.0	5.9
Less: Intermediate goods and services consumed.....	116.9	116.3	138.4	105.5	101.3	115.9
<b>Equals: Gross housing product</b> .....	<b>759.5</b>	<b>804.0</b>	<b>837.6</b>	<b>697.0</b>	<b>716.1</b>	<b>717.5</b>
Nonfarm housing.....	753.6	797.8	831.1	691.9	711.0	712.6
Owner-occupied.....	576.3	615.5	642.3	529.1	549.9	552.1
Tenant-occupied.....	177.4	182.2	188.8	162.8	161.1	160.5
Farm housing.....	5.9	6.3	6.5	5.1	5.1	4.9
Less: Consumption of fixed capital.....	145.4	152.5	166.1	132.2	132.7	140.0
Capital consumption allowances.....	77.8	81.8	88.4	.....	.....	.....
Less: Capital consumption adjustment.....	-67.6	-70.7	-77.7	.....	.....	.....
<b>Equals: Net housing product</b> .....	<b>614.1</b>	<b>651.5</b>	<b>671.4</b>	<b>478.7</b>	<b>494.5</b>	<b>489.4</b>
Less: Indirect business tax and nontax liability plus business transfer payments.....	135.7	140.7	146.0	.....	.....	.....
Plus: Subsidies less current surplus of government enterprises.....	23.7	23.8	24.3	.....	.....	.....
<b>Equals: Housing national income</b> .....	<b>502.2</b>	<b>534.6</b>	<b>549.8</b>	.....	.....	.....
Compensation of employees.....	10.0	10.9	11.3	.....	.....	.....
Proprietors' income with inventory valuation and capital consumption adjustments.....	19.7	18.5	18.1	.....	.....	.....
Rental income of persons with capital consumption adjustment.....	130.7	128.1	118.9	.....	.....	.....
Corporate profits with inventory valuation and capital consumption adjustments.....	4.1	4.1	4.0	.....	.....	.....
Net interest.....	337.6	373.1	397.5	.....	.....	.....

1. Equals personal consumption expenditures for housing less expenditures for other housing as shown in table B.4.

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













Table D.1. Domestic Perspectives—Continued

	2001	2002	2002												2003	
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	
Construction (monthly data seasonally adjusted at annual rates) <sup>4</sup>																
New construction put in place (billions of dollars)	842.5	846.6	874.3	855.2	856.9	847.1	833.7	837.8	829.8	832.2	840.0	850.5	863.4	877.9	.....	
Private construction.....	650.0	642.6	659.4	655.3	656.7	642.2	634.6	635.7	627.1	626.5	636.8	643.8	655.5	667.9	.....	
Residential buildings.....	388.7	415.6	413.5	413.8	411.8	413.5	410.8	414.0	409.3	412.2	418.0	427.2	441.5	452.6	.....	
Nonresidential buildings.....	201.1	168.1	183.2	178.5	179.6	170.5	166.7	163.7	159.8	156.5	160.2	161.8	158.4	157.9	.....	
Public construction.....	192.5	203.9	214.9	199.9	200.2	204.9	199.1	202.1	202.8	205.7	203.2	206.7	207.9	210.0	.....	
Housing starts (thousands of units):																
Total.....	1,603	1,273	1,788	1,675	1,566	1,742	1,692	1,652	1,631	1,808	1,660	1,761	1,824	1,822	1,622	
1-unit structures.....	1,706	1,359	1,472	1,298	1,261	1,380	1,344	1,319	1,249	1,452	1,375	1,404	1,464	1,501	1,295	
New 1-family houses sold (thousands of units) ...	908	974	937	915	932	974	947	958	1,047	1,056	1,001	1,022	1,063	929	854	
Manufacturing and trade, inventories and sales (millions of dollars, monthly data seasonally adjusted) <sup>4</sup>																
Inventories:																
Total manufacturing and trade.....	.....	.....	1,120,288	1,116,303	1,113,864	1,116,527	1,119,454	1,124,317	1,125,024	1,132,074	1,133,221	1,136,646	1,144,423	1,146,705	.....	
Manufacturing.....	.....	.....	434,087	431,434	430,153	428,592	428,230	427,996	428,574	429,385	429,074	428,220	430,951	430,804	.....	
Retail trade.....	.....	.....	401,693	401,137	402,518	406,855	408,884	412,238	412,102	417,303	420,176	423,537	426,346	429,403	.....	
Merchant wholesalers.....	.....	.....	284,508	283,732	281,193	281,080	282,340	284,083	284,348	285,386	283,971	284,889	287,126	286,498	.....	
Sales:																
Total manufacturing and trade.....	9,781,327	9,882,029	804,588	808,644	822,615	820,227	822,795	833,564	834,562	828,454	832,466	832,955	834,481	844,902	.....	
Manufacturing.....	3,897,730	3,855,872	311,476	315,593	322,962	323,736	320,810	326,101	323,729	322,608	326,339	322,863	321,016	328,144	.....	
Retail trade.....	3,167,842	3,265,945	268,374	268,196	271,522	268,439	272,347	276,110	277,519	273,048	273,236	274,621	278,830	279,859	.....	
Merchant wholesalers.....	2,715,755	2,760,212	224,738	224,855	228,131	228,052	229,638	231,353	233,314	232,798	232,891	235,471	234,635	236,899	.....	
Inventory-sales ratio:																
Total manufacturing and trade.....	.....	.....	1.39	1.38	1.35	1.36	1.36	1.35	1.35	1.37	1.36	1.36	1.37	1.36	.....	
Manufacturing.....	.....	.....	1.39	1.37	1.33	1.32	1.33	1.31	1.32	1.33	1.31	1.33	1.34	1.31	.....	
Retail trade.....	.....	.....	1.50	1.50	1.48	1.52	1.50	1.49	1.48	1.53	1.54	1.54	1.53	1.53	.....	
Merchant wholesalers.....	.....	.....	1.27	1.26	1.23	1.23	1.23	1.23	1.22	1.23	1.22	1.21	1.22	1.21	.....	
Industrial production indexes and capacity utilization rates (monthly data seasonally adjusted) <sup>2</sup>																
Industrial production indexes, 1997=100:																
Total.....	111.2	110.5	109.2	109.6	110.1	110.4	110.8	111.6	111.3	111.2	110.6	110.8	110.1	111.0	111.1	
Final products.....	109.0	107.2	106.8	107.2	107.2	107.1	107.5	107.9	107.6	107.4	106.6	107.1	106.0	107.1	106.9	
Consumer goods.....	106.5	107.5	106.7	107.4	107.5	107.3	107.8	108.5	107.8	107.9	107.0	107.8	106.7	107.8	107.5	
Business equipment.....	117.3	107.3	108.1	107.8	107.7	108.0	108.0	107.3	108.1	106.9	106.0	106.1	104.7	105.6	105.6	
Nonindustrial supplies.....	115.3	114.6	112.8	113.3	113.9	114.6	114.8	115.5	115.4	115.8	115.4	114.9	114.2	115.0	115.5	
Materials.....	111.8	112.2	110.2	110.7	111.6	112.2	112.6	113.8	113.6	113.4	112.8	113.1	112.8	113.4	113.8	
Capacity utilization rates (percent):																
Total industry.....	77.3	75.6	75.1	75.3	75.6	75.7	75.9	76.4	76.1	76.0	75.5	75.6	75.1	75.6	75.6	
Manufacturing.....	75.6	73.8	73.4	73.5	73.6	73.9	74.1	74.3	74.3	74.1	73.7	73.7	73.2	73.6	73.4	
Credit market borrowing (billions of dollars, quarterly data seasonally adjusted at annual rates) <sup>2</sup>																
All sectors, by instrument:																
Total.....	2,047.1	2,308.6	1,913.3	.....	.....	2,512.7	.....	.....	2,118.0	.....	.....	2,690.5	.....	.....	.....	
Open market paper.....	-164.4	-98.0	-255.9	.....	.....	-154.3	.....	.....	70.8	.....	.....	-52.4	.....	.....	.....	
U.S. government securities.....	623.8	818.1	730.9	.....	.....	1,013.8	.....	.....	686.7	.....	.....	841.0	.....	.....	.....	
Municipal securities.....	119.3	163.0	74.6	.....	.....	195.4	.....	.....	156.9	.....	.....	224.9	.....	.....	.....	
Corporate and foreign bonds.....	669.5	515.5	605.5	.....	.....	586.2	.....	.....	136.9	.....	.....	733.4	.....	.....	.....	
Bank loans, n.e.c.....	-76.2	-75.8	-3.0	.....	.....	-139.0	.....	.....	-54.3	.....	.....	-107.0	.....	.....	.....	
Other loans and advances.....	60.4	49.4	-24.2	.....	.....	91.5	.....	.....	147.6	.....	.....	-17.2	.....	.....	.....	
Mortgages.....	706.0	880.9	703.1	.....	.....	838.3	.....	.....	915.4	.....	.....	1,066.7	.....	.....	.....	
Consumer credit.....	108.8	55.5	82.3	.....	.....	80.8	.....	.....	57.9	.....	.....	1.0	.....	.....	.....	

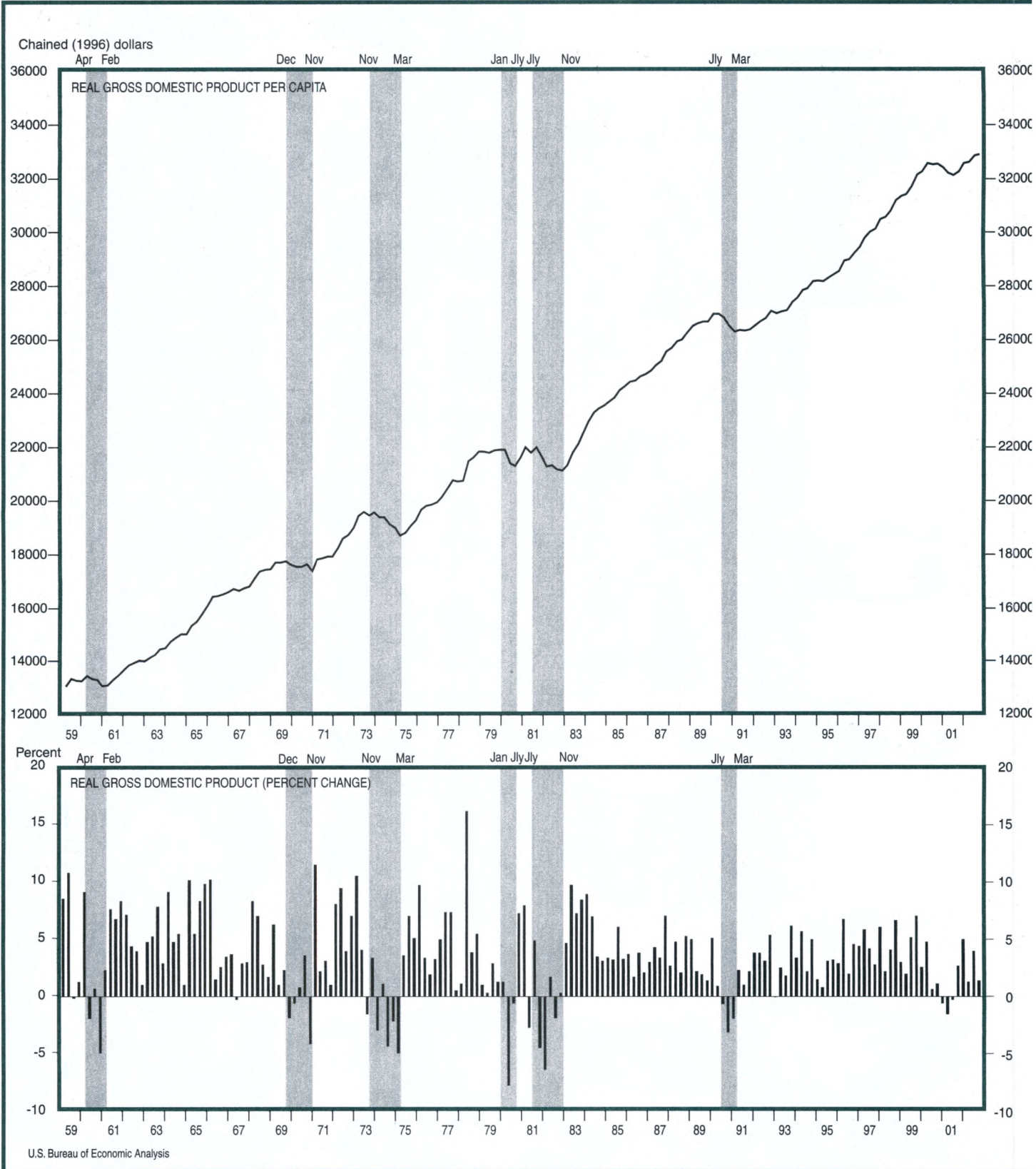
Sources:  
1. Bureau of Labor Statistics  
2. Federal Reserve Board

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

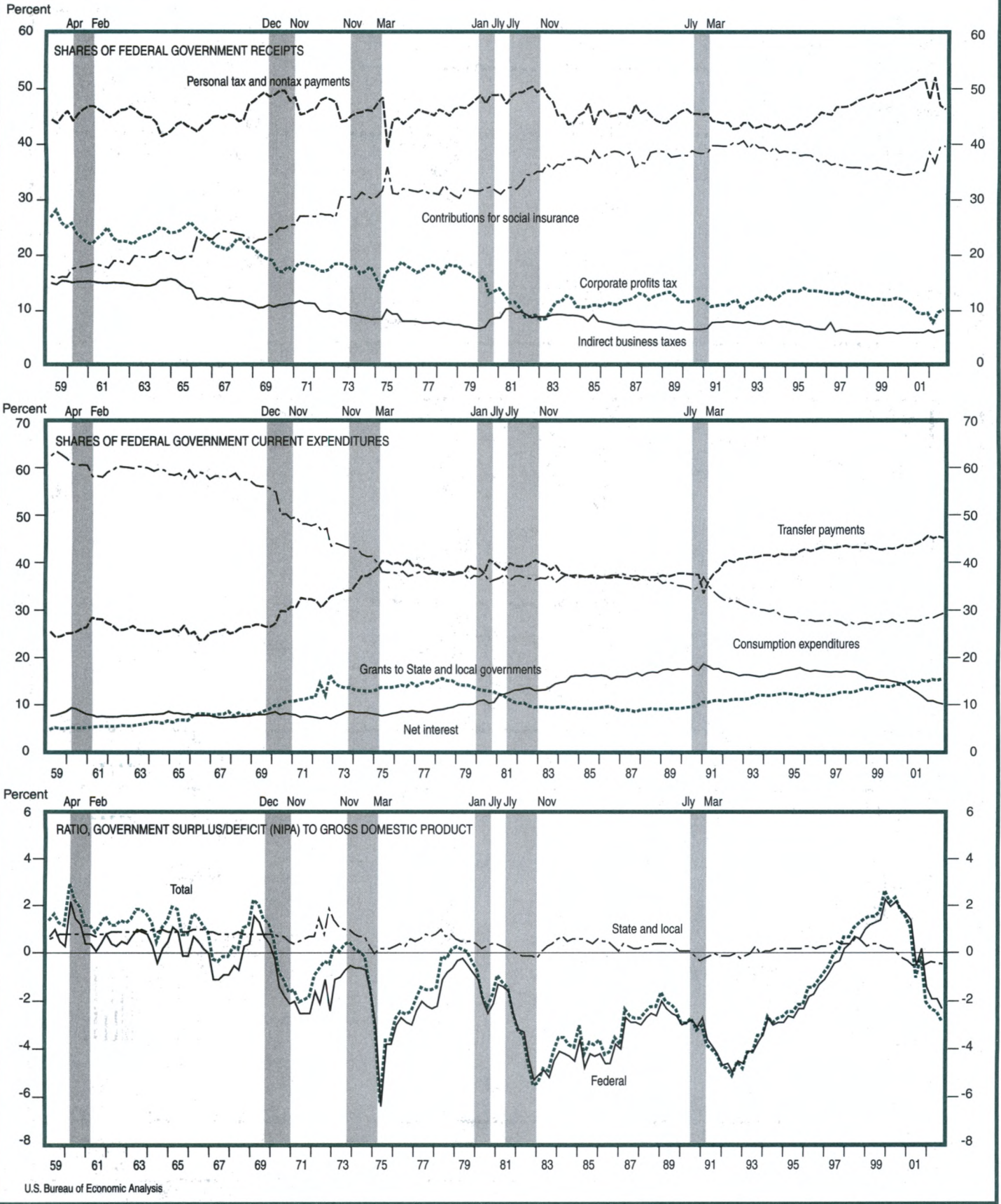
### E. Charts

Percent changes shown in this section are based on quarter-to-quarter changes and are expressed at seasonally adjusted annual rates; likewise, levels of series are expressed at seasonally adjusted annual rates as appropriate.

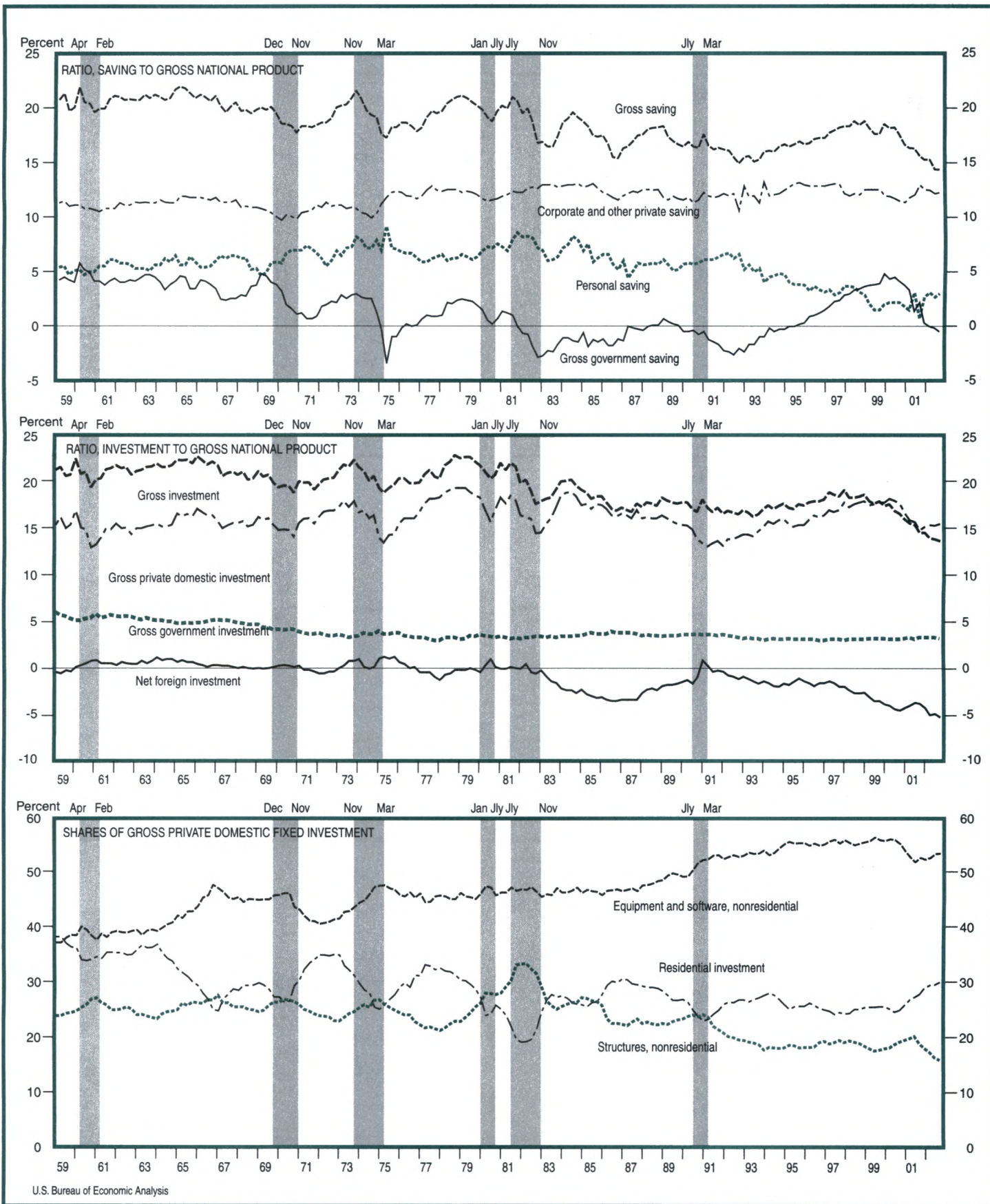
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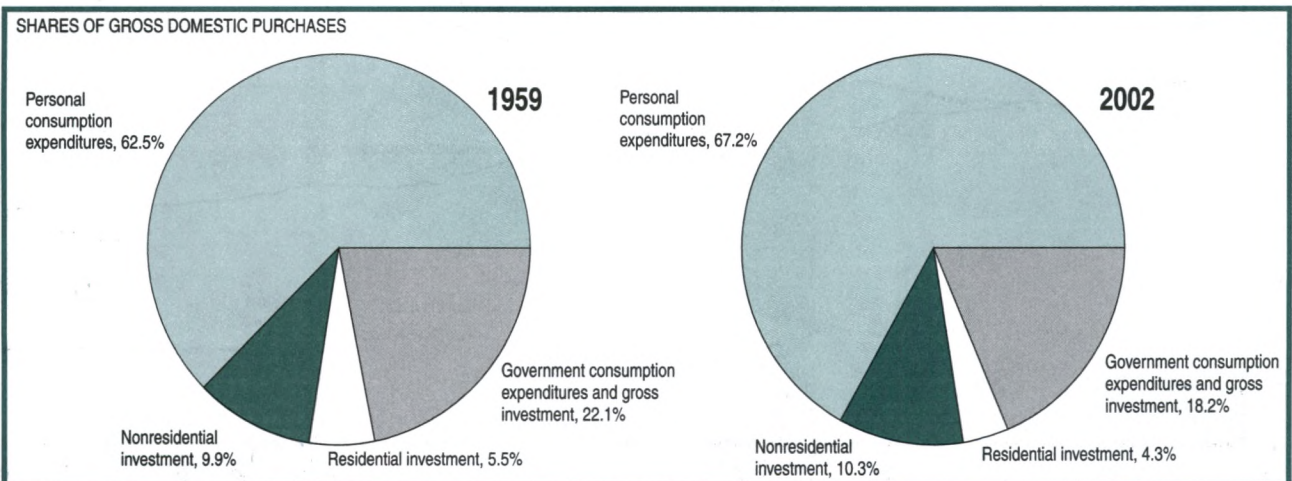
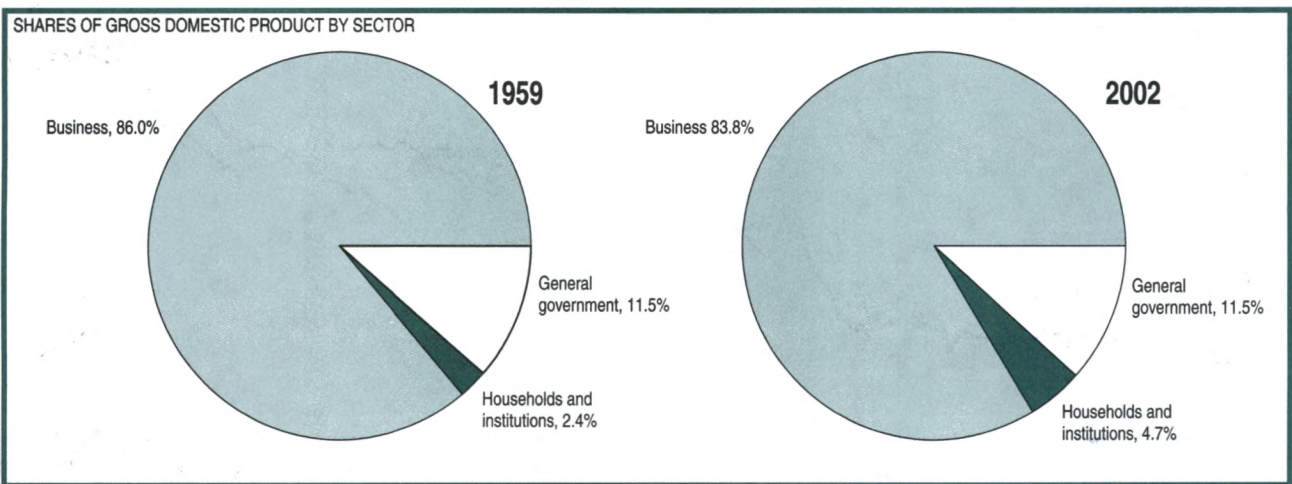
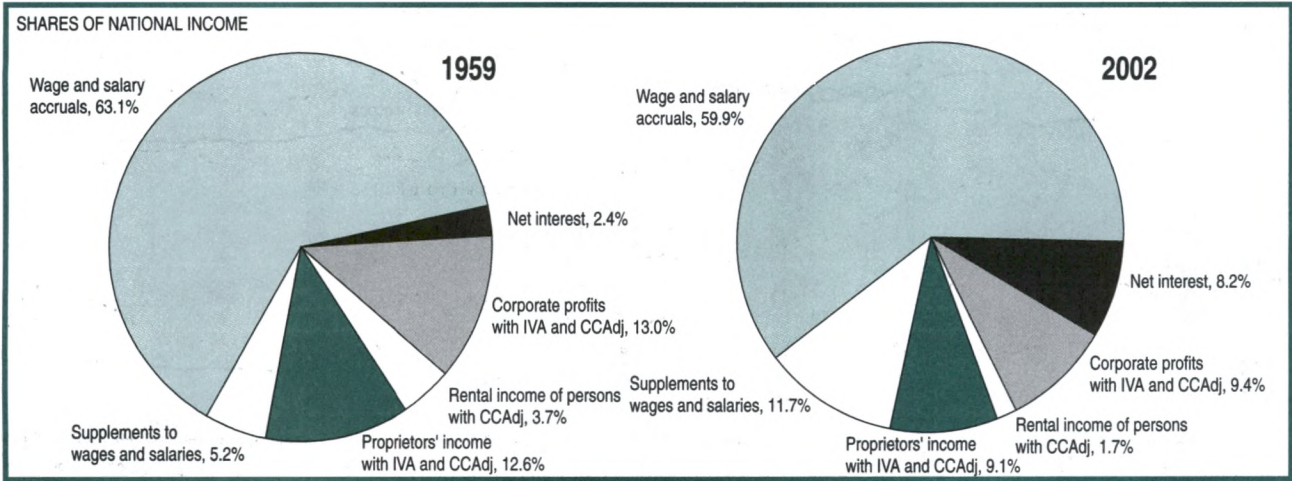
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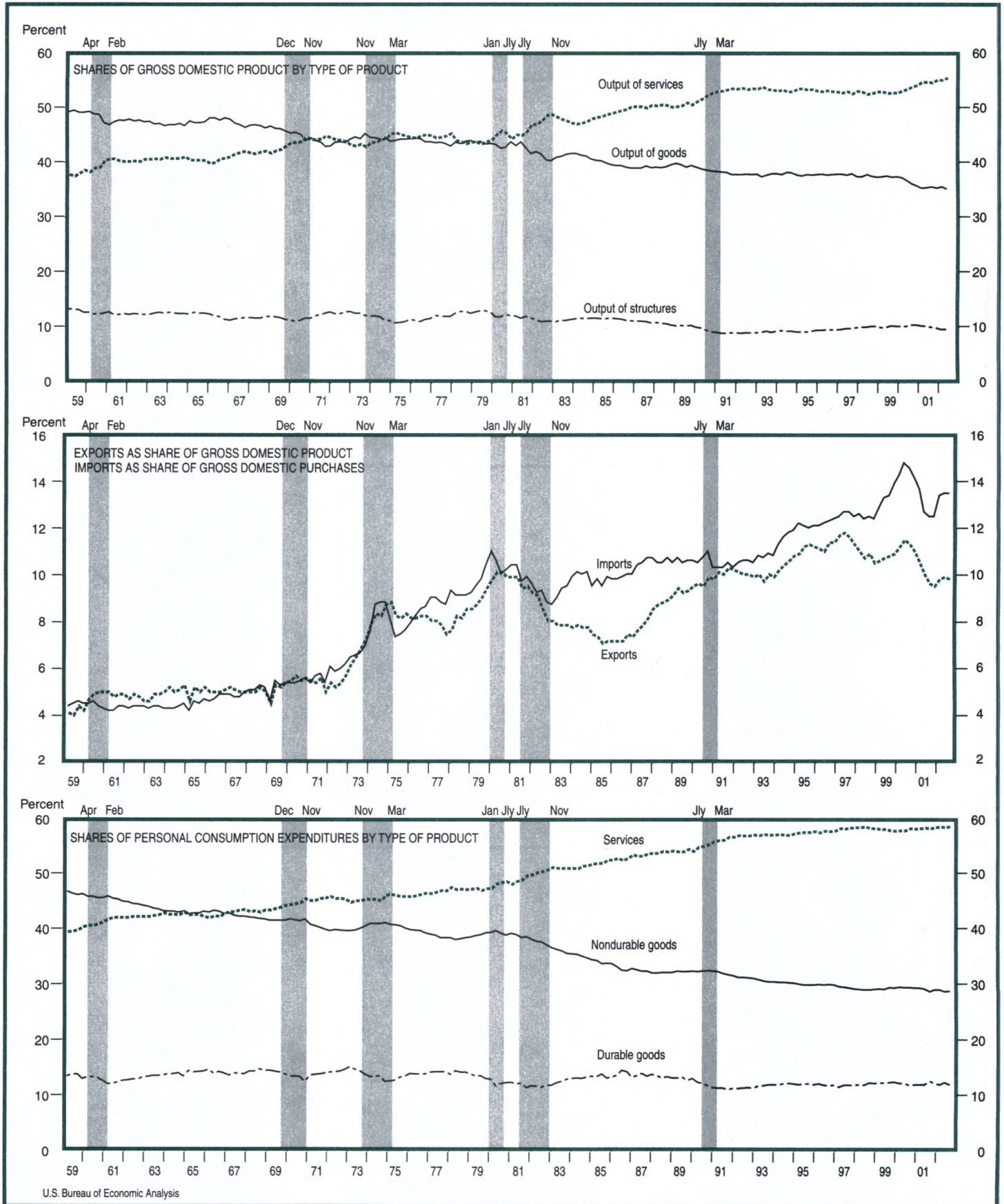
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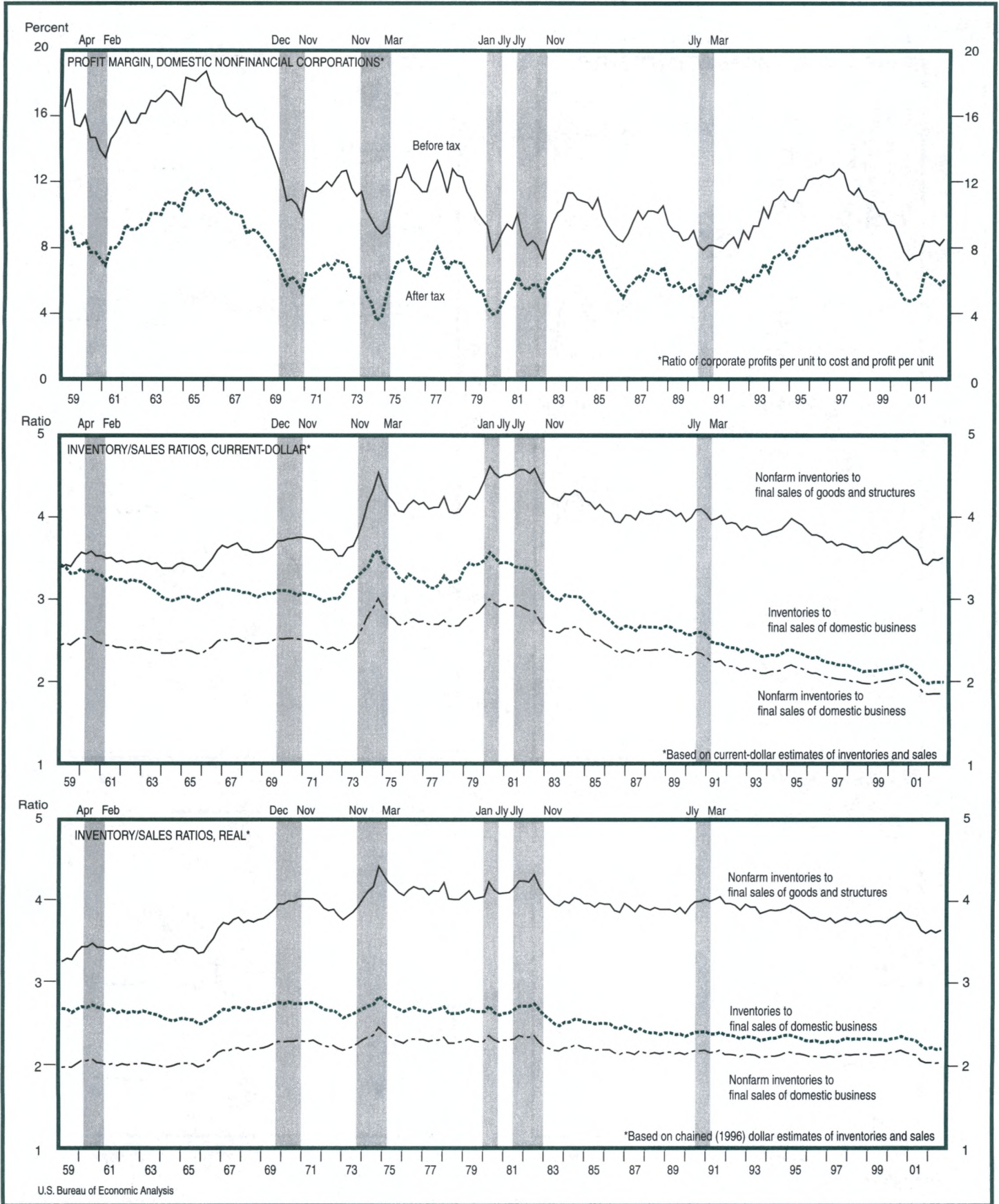
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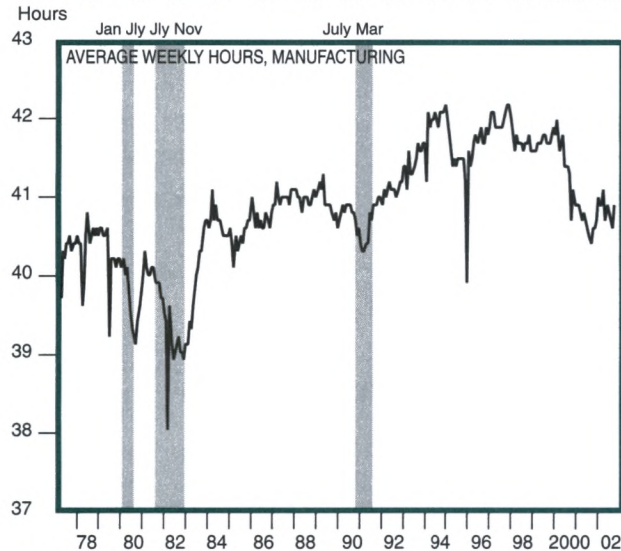
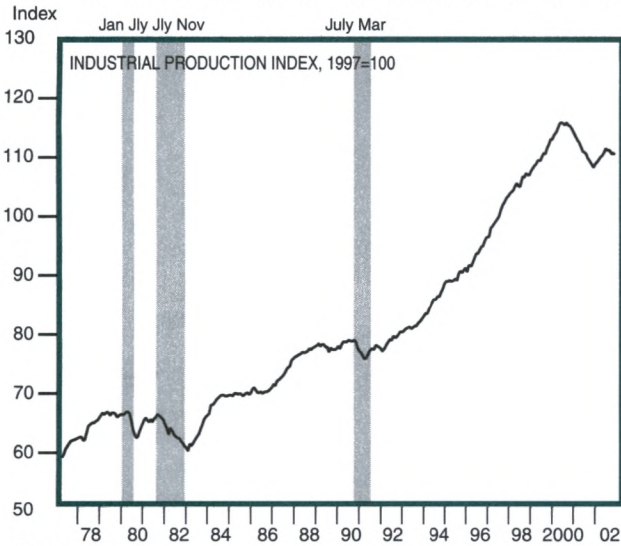
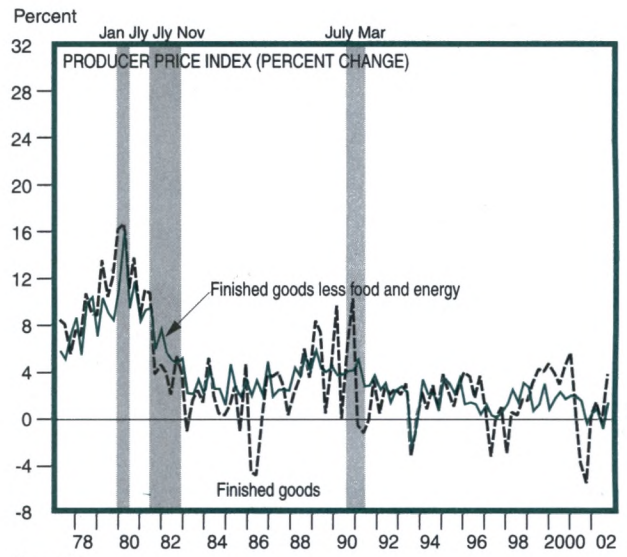
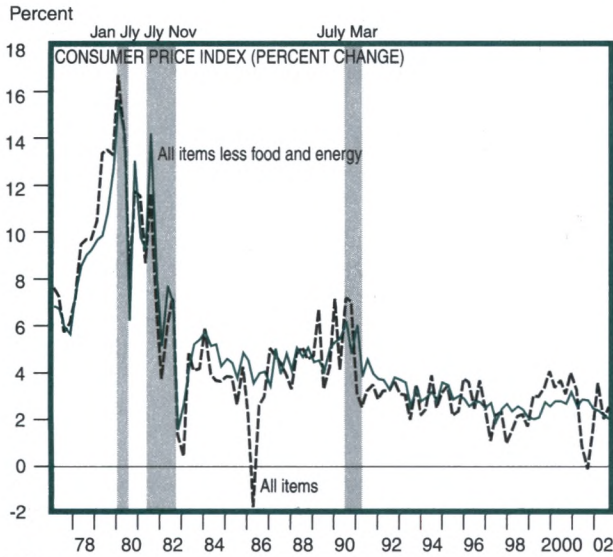
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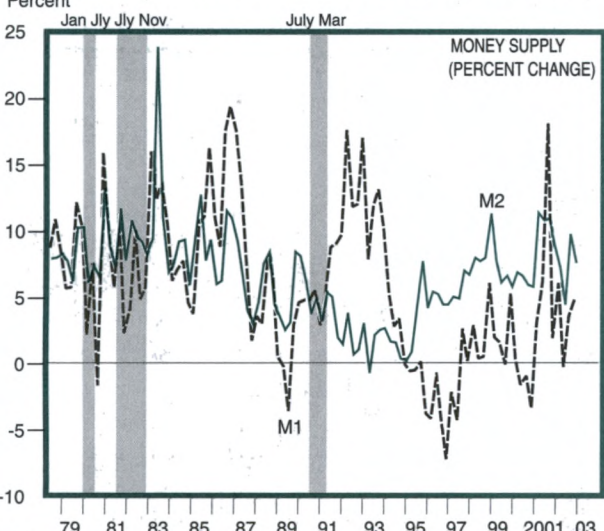
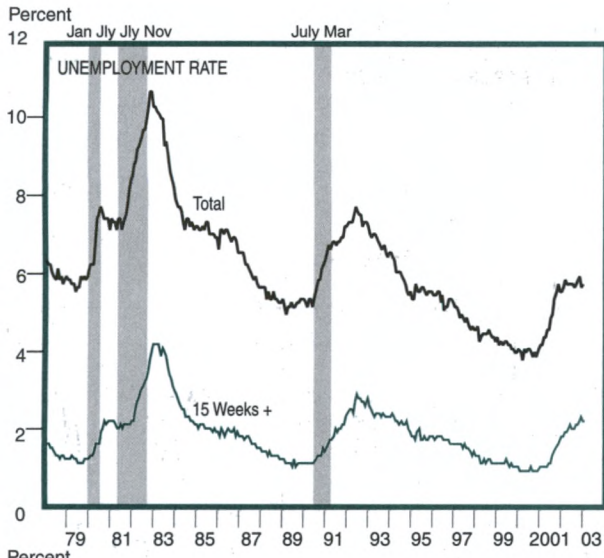


### OTHER INDICATORS OF THE DOMESTIC ECONOMY



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# OTHER INDICATORS OF THE DOMESTIC ECONOMY



U.S. Bureau of Economic Analysis

## International Data

## F. Transactions Tables

Table F.1 contains estimates of U.S. international trade in goods and services that were released on March 12, 2003, including "preliminary" estimates for January 2003 and "revised" estimates for January–December 2002. The sources for the other tables in this section are as noted.

**Table F.1. U.S. International Transactions in Goods and Services**  
(Millions of dollars; monthly estimates seasonally adjusted)

	2001	2002 <sup>r</sup>	2002												2003	
			Dec.	Jan. <sup>r</sup>	Feb. <sup>r</sup>	March <sup>r</sup>	April <sup>r</sup>	May <sup>r</sup>	June <sup>r</sup>	July <sup>r</sup>	Aug. <sup>r</sup>	Sept. <sup>r</sup>	Oct. <sup>r</sup>	Nov. <sup>r</sup>		Dec. <sup>r</sup>
<b>Exports of goods and services</b> .....	<b>998,022</b>	<b>971,665</b>	<b>77,477</b>	<b>77,431</b>	<b>77,235</b>	<b>78,294</b>	<b>80,455</b>	<b>81,433</b>	<b>82,364</b>	<b>83,201</b>	<b>83,031</b>	<b>82,684</b>	<b>81,939</b>	<b>82,977</b>	<b>80,626</b>	<b>81,907</b>
<b>Goods</b> .....	718,762	682,387	54,991	54,922	54,564	54,886	56,756	57,237	58,157	59,013	58,186	58,173	57,276	57,841	55,377	56,770
Foods, feeds, and beverages .....	49,407	49,502	4,104	4,232	4,288	3,900	3,890	3,993	4,258	4,305	4,037	4,020	3,872	4,310	4,397	4,350
Industrial supplies and materials .....	160,104	156,869	12,445	12,286	12,235	12,281	13,107	13,304	13,315	13,226	13,372	13,321	13,122	13,625	13,674	14,024
Capital goods, except automotive .....	321,714	290,587	23,511	23,600	23,249	24,068	24,056	24,216	25,077	25,205	24,917	25,127	24,547	24,403	22,122	22,675
Automotive vehicles, engines, and parts .....	75,435	78,442	6,009	6,009	6,191	6,235	6,680	6,753	6,652	7,084	6,824	6,686	6,612	6,307	6,410	6,527
Consumer goods (nonfood), except automotive .....	88,331	84,371	7,126	6,942	6,844	6,735	7,069	6,861	7,093	7,241	7,122	7,095	7,217	7,221	6,931	7,409
Other goods .....	34,110	33,531	2,674	2,585	2,638	2,715	2,803	3,046	2,637	2,896	2,923	2,773	2,877	2,888	2,750	2,511
Adjustments <sup>1</sup> .....	-10,339	-10,915	-878	-732	-881	-1,048	-850	-936	-875	-943	-1,010	-849	-970	-914	-906	-726
<b>Services</b> .....	<b>279,260</b>	<b>289,278</b>	<b>22,486</b>	<b>22,509</b>	<b>22,671</b>	<b>23,408</b>	<b>23,699</b>	<b>24,196</b>	<b>24,207</b>	<b>24,188</b>	<b>24,845</b>	<b>24,511</b>	<b>24,663</b>	<b>25,136</b>	<b>25,249</b>	<b>25,137</b>
Travel .....	73,119	70,320	5,366	5,520	5,630	5,889	5,643	5,828	5,731	5,581	6,020	5,837	5,948	6,266	6,427	6,254
Passenger fares .....	18,007	17,443	1,311	1,373	1,376	1,421	1,343	1,441	1,387	1,440	1,579	1,483	1,482	1,542	1,576	1,546
Other transportation .....	28,306	28,377	2,179	2,251	2,227	2,333	2,334	2,327	2,332	2,375	2,437	2,371	2,402	2,486	2,504	2,488
Royalties and license fees .....	38,668	42,959	3,256	3,264	3,304	3,354	3,624	3,709	3,744	3,723	3,716	3,699	3,626	3,604	3,593	3,637
Other private services .....	108,109	117,340	9,205	9,031	9,071	9,359	9,607	9,825	9,941	10,034	10,052	10,074	10,112	10,153	10,082	10,123
Transfers under U.S. military agency sales contracts <sup>2</sup> .....	12,220	12,044	1,105	1,005	998	987	1,082	1,000	1,005	968	974	981	1,025	1,018	1,001	1,024
U.S. Government miscellaneous services .....	831	795	64	65	65	65	66	66	67	67	67	66	68	67	66	65
<b>Imports of goods and services</b> .....	<b>1,356,312</b>	<b>1,407,341</b>	<b>104,756</b>	<b>107,303</b>	<b>110,394</b>	<b>110,889</b>	<b>116,264</b>	<b>118,386</b>	<b>119,045</b>	<b>118,284</b>	<b>121,031</b>	<b>119,855</b>	<b>117,254</b>	<b>123,138</b>	<b>125,503</b>	<b>123,022</b>
<b>Goods</b> .....	1,145,927	1,166,874	86,525	88,448	90,976	91,549	96,964	98,994	98,835	98,109	100,581	99,531	96,890	102,113	103,884	101,584
Foods, feeds, and beverages .....	46,641	49,700	3,821	3,860	4,019	3,965	4,065	4,134	4,122	4,233	4,196	4,129	3,982	4,395	4,599	4,523
Industrial supplies and materials .....	273,870	269,007	18,258	18,910	18,969	19,913	22,757	23,041	22,508	22,779	23,752	23,425	24,467	23,904	24,581	24,852
Capital goods, except automotive .....	297,993	283,817	22,464	22,844	23,051	23,399	23,821	24,071	24,166	23,966	23,775	23,550	22,205	24,356	24,611	24,341
Automotive vehicles, engines, and parts .....	189,782	203,877	15,507	15,265	16,340	15,973	16,996	17,640	17,212	17,222	17,574	17,675	16,767	17,502	17,711	16,848
Consumer goods (nonfood), except automotive .....	284,293	307,843	22,222	23,273	24,443	23,701	25,036	25,649	26,174	25,599	26,916	26,289	25,043	27,764	27,956	26,878
Other goods .....	48,421	49,318	4,085	4,061	3,925	4,325	3,968	4,138	4,373	4,035	4,089	4,167	4,116	3,909	4,214	3,951
Adjustments <sup>1</sup> .....	4,928	3,313	169	235	229	274	320	321	280	275	278	296	309	283	213	191
<b>Services</b> .....	<b>210,385</b>	<b>240,467</b>	<b>18,231</b>	<b>18,855</b>	<b>19,418</b>	<b>19,340</b>	<b>19,300</b>	<b>19,392</b>	<b>20,210</b>	<b>20,175</b>	<b>20,450</b>	<b>20,324</b>	<b>20,364</b>	<b>21,025</b>	<b>21,619</b>	<b>21,438</b>
Travel .....	60,117	59,303	4,691	4,735	4,773	5,030	4,687	4,690	5,028	4,841	4,962	4,829	4,891	5,240	5,597	5,336
Passenger fares .....	22,418	20,993	1,598	1,676	1,680	1,731	1,662	1,597	1,743	1,744	1,769	1,763	1,793	1,850	1,985	1,890
Other transportation .....	38,823	38,555	3,045	3,021	2,932	2,918	3,270	3,275	3,207	3,282	3,275	3,174	3,239	3,447	3,515	3,556
Royalties and license fees .....	16,359	19,899	1,376	1,390	1,952	1,419	1,567	1,871	1,769	1,798	1,798	1,785	1,643	1,606	1,591	1,628
Other private services .....	54,588	79,379	5,805	6,313	6,339	6,475	6,368	6,433	6,503	6,648	6,731	6,840	6,861	6,924	6,947	7,003
Direct defense expenditures <sup>2</sup> .....	15,198	19,418	1,479	1,475	1,494	1,519	1,560	1,589	1,617	1,649	1,673	1,692	1,693	1,715	1,742	1,775
U.S. Government miscellaneous services .....	2,882	2,920	237	245	248	248	243	241	241	242	242	241	244	243	242	250
<b>Memoranda:</b>																
Balance on goods .....	-427,165	-484,487	-31,534	-33,526	-36,412	-36,663	-40,208	-41,757	-40,678	-39,096	-42,396	-41,358	-39,614	-44,271	-48,507	-44,814
Balance on services .....	68,875	48,811	4,255	3,654	3,253	4,068	4,399	4,804	3,997	4,013	4,395	4,187	4,299	4,111	3,630	3,699
Balance on goods and services .....	-358,290	-435,676	-27,279	-29,872	-33,159	-32,595	-35,809	-36,953	-36,681	-35,083	-38,001	-37,171	-35,315	-40,160	-44,877	-41,115

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

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

2. Contains goods that cannot be separately identified.

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













## G. Investment Tables

Table G.1. International Investment Position of the United States at Yearend, 2000 and 2001

[Millions of dollars]

Line	Type of investment	Position, 2000 <sup>r</sup>	Changes in position in 2001 (decrease (-))				Total (a+b+c+d)	Position, 2001 <sup>p</sup>
			Attributable to:					
			Financial flows	Valuation adjustments				
				Price changes	Exchange rate changes <sup>1</sup>	Other changes <sup>2</sup>		
(a)	(b)	(c)	(d)	(a+b+c+d)				
<b>Net international investment position of the United States:</b>								
1	With direct investment positions at current cost (line 3 less line 24) .....	-1,350,791	-381,845	-116,510	-103,402	4,414	-597,343	-1,948,134
2	With direct investment positions at market value (line 4 less line 25) .....	-1,583,153	-381,845	-215,482	-145,572	16,935	-725,964	-2,309,117
<b>U.S.-owned assets abroad:</b>								
3	With direct investment positions at current cost (lines 5+10+15) .....	6,191,934	370,962	-258,272	-124,662	16,177	4,205	6,196,139
4	With direct investment positions at market value (lines 5+10+16) .....	7,350,862	370,962	-715,843	-163,854	20,816	-487,919	6,862,943
5	U.S. official reserve assets .....	128,400	4,911	536	-3,879	-7	1,561	129,961
6	Gold .....	71,799	.....	<sup>3</sup> 536	.....	<sup>4</sup> -7	529	72,328
7	Special drawing rights .....	10,539	630	.....	-386	.....	244	10,783
8	Reserve position in the International Monetary Fund .....	14,824	3,600	.....	-555	.....	3,045	17,869
9	Foreign currencies .....	31,238	681	.....	-2,938	.....	-2,257	28,981
10	U.S. Government assets, other than official reserve assets .....	85,164	486	.....	.....	.....	486	85,650
11	U.S. credits and other long-term assets <sup>5</sup> .....	82,570	558	.....	.....	.....	558	83,128
12	Repayable in dollars .....	82,289	561	.....	.....	.....	561	82,850
13	Other <sup>6</sup> .....	281	-3	.....	.....	.....	-3	278
14	U.S. foreign currency holdings and U.S. short-term assets .....	2,594	-72	.....	.....	.....	-72	2,522
<b>U.S. private assets:</b>								
15	With direct investment at current cost (lines 17+19+22+23) .....	5,978,370	365,565	-258,808	-120,783	16,184	2,158	5,980,528
16	With direct investment at market value (lines 18+19+22+23) .....	7,137,298	365,565	-716,379	-159,975	20,823	-489,966	6,647,332
<b>Direct investment abroad:</b>								
17	At current cost .....	1,515,279	127,840	19,533	-17,713	-21,817	107,843	1,623,122
18	At market value .....	2,674,207	127,840	-438,038	-56,905	-17,178	-384,281	2,289,926
19	Foreign securities .....	2,389,427	94,662	-278,341	-95,228	.....	-278,907	2,110,520
20	Bonds .....	557,019	-12,147	18,214	-17,304	.....	-11,237	545,782
21	Corporate stocks .....	1,832,408	106,809	-296,555	-77,924	.....	-267,670	1,564,738
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	821,564	14,358	.....	-5,811	.....	8,547	830,111
23	U.S. claims reported by U.S. banks, not included elsewhere .....	1,252,100	128,705	.....	-2,031	38,001	164,675	1,416,775
<b>Foreign-owned assets in the United States:</b>								
24	With direct investment at current cost (lines 26+33) .....	7,542,725	752,807	-141,762	-21,260	11,763	601,548	8,144,273
25	With direct investment at market value (lines 26+34) .....	8,934,015	752,807	-500,361	-18,282	3,881	238,045	9,172,060
26	Foreign official assets in the United States .....	1,008,890	5,225	1,623	.....	6,000	12,848	1,021,738
27	U.S. Government securities .....	749,904	31,666	11,274	.....	6,000	48,940	798,844
28	U.S. Treasury securities .....	625,161	10,745	8,796	.....	6,001	25,542	650,703
29	Other .....	124,743	20,921	2,478	.....	-1	23,398	148,141
30	Other U.S. Government liabilities <sup>7</sup> .....	13,739	-1,882	.....	.....	.....	-1,882	11,857
31	U.S. liabilities reported by U.S. banks, not included elsewhere .....	153,403	-30,278	.....	.....	.....	-30,278	123,125
32	Other foreign official assets .....	91,844	5,719	-9,651	.....	.....	-3,932	87,912
<b>Other foreign assets:</b>								
33	With direct investment at current cost (lines 35+37+38+41+42+43) .....	6,533,835	747,582	-143,385	-21,260	5,763	588,700	7,122,535
34	With direct investment at market value (lines 36+37+38+41+42+43) .....	7,925,125	747,582	-501,984	-18,282	-2,119	225,197	8,150,322
<b>Direct investment in the United States:</b>								
35	At current cost .....	1,374,752	130,796	14,214	-2,978	-17,860	124,172	1,498,924
36	At market value .....	2,766,042	130,796	-344,385	.....	-25,742	-239,331	2,526,711
37	U.S. Treasury securities .....	400,966	-7,670	4,719	.....	-9,241	-12,192	388,774
38	U.S. securities other than U.S. Treasury securities .....	2,623,628	407,653	-162,318	-12,309	.....	233,026	2,856,654
39	Corporate and other bonds .....	1,075,988	288,200	40,741	-12,309	.....	316,632	1,392,620
40	Corporate stocks .....	1,547,640	119,453	-203,059	.....	.....	-83,606	1,464,034
41	U.S. currency .....	251,786	23,783	.....	.....	.....	23,783	275,569
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	729,340	82,353	.....	-2,140	-5,136	75,077	804,417
43	U.S. liabilities reported by U.S. banks, not included elsewhere .....	1,153,363	110,667	.....	-3,833	38,000	144,834	1,298,197

<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 resources provided to foreigners under foreign assistance programs requiring repayment over several years. Excludes World War I debts that are not being serviced.

6. Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.

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

Source: Table 1 in "The International Investment Position of the United States at Yearend 2001" in the July 2002 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, 1999-2001**

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital outflows (inflows (-))			Income		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
<b>All countries, all industries .....</b>	<b>1,173,122</b>	<b>1,293,431</b>	<b>1,381,674</b>	<b>174,576</b>	<b>164,969</b>	<b>113,977</b>	<b>112,359</b>	<b>135,109</b>	<b>111,089</b>
<b>By country</b>									
Canada .....	111,747	128,814	139,031	18,122	18,950	14,440	12,103	14,688	11,773
Europe .....	611,958	679,457	725,793	99,224	92,427	56,133	57,704	66,523	55,667
<i>Of which:</i>									
France .....	39,960	38,752	38,457	512	2,011	655	1,386	2,404	1,920
Germany .....	48,445	50,963	61,437	4,268	3,099	11,360	4,621	4,588	2,690
Netherlands .....	110,321	117,557	131,884	8,253	2,953	16,058	12,598	11,858	13,417
Switzerland .....	44,499	55,854	62,897	8,407	9,959	6,629	7,098	7,025	7,576
United Kingdom .....	228,574	241,663	249,201	47,839	35,763	13,231	14,915	20,655	12,051
Latin America and Other Western Hemisphere .....	237,748	251,863	269,556	34,277	23,442	26,510	19,636	18,703	18,718
<i>Of which:</i>									
Bermuda .....	51,613	56,594	61,929	7,786	6,532	5,865	4,373	6,036	5,045
Brazil .....	37,383	39,033	36,317	3,484	3,091	-17	1,511	1,579	756
Mexico .....	32,888	37,332	52,168	5,978	5,302	15,078	4,448	4,371	4,409
Panama .....	33,143	29,316	25,296	2,259	1,231	753	2,365	501	452
Africa .....	13,621	14,417	15,872	498	1,151	798	1,876	2,675	2,063
Middle East .....	10,712	11,087	12,643	5	1,635	1,269	1,180	2,254	1,314
Asia and Pacific .....	184,313	205,317	216,501	21,890	27,333	15,012	19,927	29,983	21,153
<i>Of which:</i>									
Australia .....	34,743	35,364	34,041	3,244	2,421	-423	2,472	3,586	1,690
Japan .....	56,393	59,441	64,103	9,449	6,279	5,474	4,749	7,805	5,683
International .....	3,024	2,476	2,278	560	31	-184	-68	282	402
<b>By industry</b>									
Petroleum .....	90,493	95,834	102,074	9,481	10,594	12,668	10,174	18,667	13,866
Manufacturing .....	306,156	353,550	376,259	34,939	58,049	36,381	33,213	38,965	28,806
Food and kindred products .....	34,225	35,933	35,496	1,359	2,913	1,692	3,821	3,868	4,029
Chemicals and allied products .....	81,656	100,872	108,663	7,346	16,462	10,800	9,250	9,882	10,355
Primary and fabricated metals .....	18,328	18,773	21,488	1,088	633	2,895	1,381	1,631	1,211
Industrial machinery and equipment .....	35,337	41,199	52,392	6,393	7,305	12,039	4,445	6,652	4,940
Electronic and other electric equipment .....	36,996	49,065	48,391	3,940	16,156	905	3,679	5,683	2,768
Transportation equipment .....	36,045	40,052	39,142	6,687	7,159	578	4,416	3,613	612
Other manufacturing .....	63,569	67,656	70,687	8,126	7,420	7,473	6,220	7,637	4,890
Wholesale trade .....	74,215	83,724	92,836	6,413	12,434	9,289	10,837	12,524	12,093
Depository institutions .....	38,365	38,071	49,319	533	-2,221	9,925	856	1,826	2,520
Finance, (except depository institutions), insurance, and real estate .....	498,468	542,641	572,545	86,419	54,147	34,983	45,906	52,938	46,135
Services .....	72,054	80,144	86,491	14,473	10,785	7,513	8,050	8,912	6,817
Other industries .....	93,371	99,469	102,150	22,318	21,182	3,217	3,323	1,277	854

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, 2001" in the September 2002 issue of the SURVEY OF CURRENT BUSINESS.

Table G.3. Selected Financial and Operating Data for Nonbank Foreign Affiliates of U.S. Companies by Country and by Industry of Affiliate, 2000

	All nonbank affiliates						Majority-owned nonbank foreign affiliates (MOFA's)						
	Millions of dollars					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>5,260,182</b>	<b>2,891,497</b>	<b>209,605</b>	<b>203,007</b>	<b>215,300</b>	<b>9,606.9</b>	<b>4,647,439</b>	<b>2,486,855</b>	<b>191,115</b>	<b>605,888</b>	<b>195,951</b>	<b>201,374</b>	<b>8,064.7</b>
<b>By country</b>													
Canada.....	428,185	366,701	18,897	61,511	82,226	1,145.4	376,574	328,026	16,712	72,398	59,508	77,827	1,038.7
Europe.....	3,046,124	1,438,611	113,288	51,783	38,244	4,095.8	2,840,082	1,302,959	105,202	333,375	50,816	36,594	3,687.9
<i>Of which:</i>													
France.....	186,053	137,511	3,307	(D)	3,391	586.3	163,929	124,751	3,445	35,754	5,005	3,124	544.0
Germany.....	300,512	236,095	9,806	8,590	4,488	657.8	258,561	200,192	8,347	54,819	8,535	4,467	605.2
Netherlands.....	361,574	145,337	17,345	7,611	(D)	197.0	343,897	126,261	15,735	23,371	7,572	1,770	169.0
United Kingdom.....	1,315,404	413,467	29,948	(D)	10,848	1,266.6	1,272,450	397,179	29,590	110,643	13,340	10,842	1,185.7
Latin America and Other Western Hemisphere	797,682	360,845	37,864	41,708	47,582	2,006.8	656,101	295,893	33,412	70,401	40,277	45,111	1,583.8
<i>Of which:</i>													
Brazil.....	137,776	80,024	3,341	3,722	(D)	403.6	100,130	61,895	2,998	19,413	3,650	2,182	343.5
Mexico.....	114,653	123,970	6,162	32,000	38,957	1,048.1	86,056	99,466	5,321	20,180	31,017	37,408	804.4
Africa.....	59,118	43,595	4,436	831	(D)	237.7	44,127	34,726	3,709	13,877	771	1,972	127.0
Middle East.....	54,491	33,111	4,185	1,068	1,831	94.1	21,578	16,131	2,166	6,910	857	1,831	64.7
Asia and Pacific.....	874,581	648,635	30,937	46,106	(D)	2,027.0	708,976	509,119	29,913	108,927	43,722	38,039	1,562.5
<i>Of which:</i>													
Australia.....	116,562	69,807	3,619	4,228	(D)	324.0	103,055	56,605	3,497	18,646	4,100	1,216	257.4
Japan.....	342,967	240,240	4,813	15,281	7,188	432.2	257,953	159,593	5,979	36,277	13,815	2,627	233.7
<b>By industry</b>													
Mining.....	226,750	103,583	21,088	1,335	8,316	157.6	198,715	92,211	18,487	60,060	1,034	7,585	136.7
Utilities.....	163,071	66,065	4,558	9	13	105.8	102,414	39,624	2,767	10,839	3	11	57.7
Manufacturing.....	1,176,742	1,380,870	65,861	143,189	186,356	5,067.4	996,919	1,197,293	61,830	317,339	137,960	173,295	4,352.5
<i>Of which:</i>													
Food.....	68,547	94,095	3,618	2,338	3,479	406.2	61,536	84,377	3,372	19,139	2,258	3,402	355.6
Chemicals.....	261,128	225,477	19,791	19,091	14,502	620.4	228,750	200,982	17,955	58,200	17,962	13,889	559.2
Primary and fabricated metals.....	64,704	49,753	2,321	4,110	4,857	269.4	58,134	43,213	2,155	13,249	3,907	4,660	245.9
Machinery.....	74,811	79,741	3,017	7,506	8,200	389.6	60,548	64,429	2,949	18,035	7,101	7,126	343.6
Computer and electronic products.....	175,761	227,081	12,056	35,555	46,899	816.9	168,785	222,380	12,134	41,886	35,268	46,065	777.1
Electrical equipment, appliances, and components.....	28,900	31,024	1,333	3,434	4,123	272.1	25,370	27,341	1,223	7,350	3,317	3,529	232.0
Transportation equipment.....	194,785	308,096	5,424	57,144	86,907	982.0	156,162	256,286	6,624	48,851	54,817	77,984	872.4
Wholesale trade.....	382,980	668,048	26,924	50,106	17,909	717.8	365,091	629,051	26,130	87,025	48,977	17,847	669.1
Information.....	283,101	153,265	4,445	863	220	698.8	119,966	76,042	307	22,364	846	220	333.0
Finance (except depository institutions) and insurance.....	1,841,581	207,633	24,502	4	0	343.7	1,770,932	194,933	24,007	23,307	4	0	309.8
Professional, scientific, and technical services.....	121,023	85,531	6,698	2,032	(D)	450.8	118,038	81,458	6,576	33,050	2,029	844	422.9
Other industries.....	1,064,934	226,501	55,529	5,469	(D)	2,065.1	975,364	176,243	51,012	51,904	5,097	1,572	1,782.9

D Suppressed to avoid disclosure of data of individual companies.

NOTE: The data in this table are from "U.S. Multinational Companies: Operations in 2000" in the December 2002 issue of the SURVEY OF CURRENT BUSINESS.

**Table G.4. Foreign Direct Investment in the United States: Selected Items, by Country of Foreign Parent and by Industry of U.S. Affiliate, 1999-2001**

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital inflows (outflows (-))			Income		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
<b>All countries, all industries</b> .....	<b>955,726</b>	<b>1,214,254</b>	<b>1,321,063</b>	<b>283,376</b>	<b>300,912</b>	<b>124,435</b>	<b>46,385</b>	<b>52,465</b>	<b>15,965</b>
<b>By country</b>									
Canada.....	90,559	114,599	108,600	26,367	26,036	4,627	2,215	1,057	-7,736
Europe.....	639,923	835,137	946,758	223,406	238,740	118,059	36,753	41,511	26,043
<i>Of which:</i> .....									
France.....	89,945	131,484	147,207	29,834	49,436	14,676	2,954	3,930	7,663
Germany.....	112,126	124,839	152,760	23,478	14,290	28,015	6,123	2,390	-6,273
Luxembourg.....	35,644	53,794	40,232	6,887	25,230	-13,801	2,241	4,672	3,172
Netherlands.....	125,010	146,493	158,020	41,689	32,599	15,171	7,299	8,990	4,368
Switzerland.....	52,973	69,240	125,521	2,503	16,697	51,959	2,844	4,113	1,816
United Kingdom.....	153,797	213,820	217,746	108,566	75,654	14,226	11,899	14,046	11,823
Latin America and Other Western Hemisphere.....	40,771	54,463	58,881	16,929	12,253	954	2,397	2,407	-1,399
<i>Of which:</i> .....									
Bermuda.....	14,798	18,502	15,748	10,338	2,523	-3,223	41	-457	-1,602
Mexico.....	1,999	7,832	7,418	1,273	5,266	-84	175	-68	-1,070
Panama.....	5,275	3,726	4,199	-226	-1,477	449	752	647	480
United Kingdom Islands, Caribbean.....	11,573	15,353	18,244	4,137	3,865	3,966	1,527	1,829	118
Africa.....	1,361	2,756	3,264	423	652	407	-66	6	-193
Middle East.....	4,362	6,189	6,039	376	2,142	-159	156	259	311
Asia and Pacific.....	178,749	201,110	197,522	15,876	21,088	547	4,931	7,225	-1,060
<i>Of which:</i> .....									
Australia.....	15,616	20,701	23,488	4,193	5,963	3,649	643	1,074	-918
Japan.....	153,815	163,577	158,988	11,555	7,773	-1,550	4,006	5,825	169
<b>By industry</b>									
Petroleum.....	51,231	87,055	95,922	4,778	44,869	10,308	4,510	11,435	8,971
Manufacturing.....	385,253	479,851	508,535	69,851	100,693	29,246	24,674	23,860	3,177
Food and kindred products.....	18,864	23,975	23,847	-1,460	5,293	-233	1,570	1,792	1,051
Chemicals and allied products.....	97,009	122,446	127,139	7,562	26,196	3,062	6,317	5,906	4,472
Primary and fabricated metals.....	19,778	24,741	25,683	1,839	9,057	-965	1,083	1,320	802
Machinery.....	92,038	151,237	166,198	39,483	40,040	14,695	2,181	6,847	-6,444
Other manufacturing.....	157,564	157,453	165,668	22,428	20,107	12,687	13,524	7,996	3,297
Wholesale trade.....	100,251	110,286	112,997	16,195	11,320	1,855	5,813	7,016	5,549
Retail trade.....	24,199	29,666	35,811	4,156	5,243	7,245	1,641	1,677	816
Depository institutions.....	61,756	68,128	78,094	19,326	9,672	8,427	2,994	3,948	3,370
Finance, except depository institutions.....	65,453	84,383	85,990	17,964	19,957	6,414	816	399	-5,921
Insurance.....	83,760	112,482	120,400	23,026	34,562	8,496	2,963	4,767	3,183
Real estate.....	40,209	42,682	44,163	2,492	998	1,873	1,075	2,291	1,095
Services.....	64,335	109,504	125,660	21,675	60,539	14,718	1,873	-920	-1,853
Other industries.....	79,281	90,219	113,491	103,913	13,058	35,853	25	-2,008	-2,422

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, 2001" in the September 2002 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, 2000**

	All nonbank affiliates							Majority-owned nonbank affiliates						
	Millions of dollars				Thousands of employees	Millions of dollars		Millions of dollars				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	Thousands of employees	U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
<b>All countries, all industries</b>	<b>4,847,267</b>	<b>2,334,692</b>	<b>30,641</b>	<b>522,238</b>	<b>6,429.2</b>	<b>165,321</b>	<b>366,647</b>	<b>4,180,503</b>	<b>2,053,022</b>	<b>22,086</b>	<b>449,396</b>	<b>5,562.6</b>	<b>151,521</b>	<b>348,741</b>
<b>By country</b>														
Canada .....	434,177	168,457	-3,670	40,514	643.0	9,019	19,509	416,420	159,257	-3,792	36,272	555.2	8,859	19,365
Europe .....	3,274,267	1,420,093	27,465	349,863	4,361.9	89,063	145,037	3,020,496	1,247,041	22,226	301,085	3,815.7	81,543	139,222
<i>Of which:</i>														
France .....	469,643	193,135	2,516	57,762	648.8	15,194	16,294	390,343	144,432	2,765	38,854	401.0	(D)	(D)
Germany .....	572,565	320,249	3,186	57,995	729.8	32,770	53,080	558,092	308,197	2,730	54,033	691.4	32,167	52,740
Netherlands .....	582,054	254,092	4,965	46,620	561.4	7,498	21,895	560,755	(D)	(D)	42,641	546.9	7,214	21,827
Sweden .....	66,738	42,435	-214	11,096	234.2	4,003	(D)	66,068	41,520	-186	10,724	225.5	3,982	4,696
Switzerland .....	695,092	132,392	2,513	39,924	554.0	6,004	8,540	671,046	120,011	2,154	34,015	459.0	5,917	8,373
United Kingdom .....	734,634	363,251	14,877	111,871	1,189.9	16,970	25,105	637,335	331,175	12,270	100,143	1,102.8	16,303	24,701
Latin America and Other Western Hemisphere .....	146,009	105,033	-599	26,597	275.8	9,272	20,978	136,603	95,183	-813	25,073	262.1	8,998	17,488
<i>Of which:</i>														
Bermuda .....	60,491	35,792	-762	11,872	135.7	(D)	1,597	58,264	35,179	-715	11,796	132.2	(D)	1,592
Mexico .....	19,507	16,278	46	2,952	57.2	(D)	3,291	18,080	14,972	110	2,759	53.8	(D)	(D)
Panama .....	1,679	1,238	18	524	6.8	126	109	1,563	1,170	6	498	6.7	126	109
United Kingdom Islands, Caribbean .....	39,199	9,576	-360	1,673	34.1	(D)	1,947	38,679	9,298	-348	1,584	32.3	(D)	1,947
Venezuela .....	13,297	29,800	656	6,480	8.3	403	10,590	(D)	(D)	(D)	(D)	H	(D)	(D)
Africa .....	11,758	6,449	181	1,322	14.2	474	269	(D)	(D)	(D)	1,283	14.0	(D)	266
Middle East .....	29,912	16,011	568	3,150	50.9	802	1,846	27,434	14,301	489	2,434	38.1	789	1,758
Asia and Pacific .....	705,084	576,943	1,072	89,282	1,019.5	54,686	177,721	557,549	513,157	3,868	77,928	848.2	48,943	169,450
<i>Of which:</i>														
Australia .....	69,095	31,948	-643	9,319	83.3	1,428	1,438	60,519	25,605	-741	7,909	69.6	(D)	(D)
Japan .....	558,934	477,831	4,316	72,041	826.8	44,130	151,368	445,551	429,732	5,015	62,241	699.9	40,894	147,125
United States .....	246,060	41,707	5,625	11,510	63.9	2,004	1,287	(D)	(D)	(D)	5,320	29.4	(D)	1,192
<b>By industry <sup>1</sup></b>														
Manufacturing .....	1,108,046	979,597	11,796	237,032	2,658.3	101,248	149,875	1,000,442	852,164	10,985	217,358	2,441.9	91,048	134,932
<i>Of which:</i>														
Food .....	45,143	47,388	302	11,018	147.6	2,467	4,398	44,099	45,567	296	10,631	140.8	2,374	4,377
Chemicals .....	257,094	160,496	3,887	44,832	386.8	15,528	16,388	238,314	145,362	3,195	40,821	356.7	14,295	16,099
Primary and fabricated metals .....	65,699	66,282	1,244	17,282	219.2	4,930	7,719	57,252	57,196	669	15,069	204.9	4,125	6,830
Machinery .....	66,528	54,207	-885	15,506	230.6	6,735	7,849	64,744	52,612	-36	15,323	223.6	6,545	7,375
Computers and electronic products .....	173,303	129,225	-4,847	28,705	337.4	19,329	37,731	137,673	117,587	-3,755	27,229	305.3	14,645	30,463
Electrical equipment, appliances, and components .....	66,099	60,221	280	19,878	284.4	8,717	4,284	65,680	59,765	254	19,737	282.7	8,583	4,231
Transportation equipment .....	199,695	205,220	3,890	35,016	390.8	30,731	46,806	192,444	193,099	3,519	32,278	358.3	29,213	(D)
Wholesale trade .....	407,715	637,978	14,530	86,444	574.4	57,844	207,041	398,811	616,015	13,683	82,849	543.7	54,431	204,816
Retail trade .....	74,259	114,977	-279	24,676	674.4	1,535	(D)	60,826	102,648	163	22,346	603.5	(D)	(D)
Information .....	318,489	121,684	-4,387	41,878	408.9	709	240	169,464	69,125	-4,050	19,959	242.8	687	161
<i>Of which:</i>														
Publishing industries .....	71,021	35,582	98	13,764	139.2	(D)	127	(D)	30,415	-385	10,695	122.8	(D)	(D)
Broadcasting and telecommunications .....	165,541	59,205	-3,848	21,895	178.4	5	(D)	38,335	13,517	-3,692	2,837	35.1	(*)	1
Finance (except depository institutions) and insurance .....	2,472,481	243,337	10,543	41,433	291.8	(*)	5	2,162,327	211,823	3,396	33,260	252.0	(*)	5
Real estate and rental and leasing .....	122,797	25,691	1,331	10,936	49.5	(D)	649	110,543	22,589	1,069	9,418	38.7	(D)	649
Professional, scientific, and technical services .....	51,405	32,241	-1,135	9,672	148.9	366	336	46,919	29,665	-634	9,038	133.4	356	336
Other industries .....	292,075	179,186	-1,759	70,167	1,623.1	(D)	(D)	231,172	148,994	-2,527	55,169	1,306.7	3,242	(D)

D Suppressed to avoid disclosure of data of individual companies.

\* Less than \$500,000.

1. The industry classification system used to classify the data for U.S. affiliates is based on the North American Industry Classification System. Prior to 1997, the affiliate data were classified using an industry classification system based on the Standard Industrial Classification system.

NOTES. The data in this table are from BEA's annual survey of the operations of U.S. affiliates of foreign companies; see "U.S. Affiliates of Foreign Companies: Operations in 2000," in the August 2002 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

	2002											2003	
	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
Unemployment rate (percent)													
Euro area .....	8.1	8.2	8.2	8.2	8.3	8.3	8.3	8.4	8.4	8.5	8.5	8.6	.....
France .....	8.8	8.9	8.9	8.9	9.0	9.0	9.0	9.0	9.0	9.0	9.1	9.1	9.2
Germany .....	9.6	9.6	9.6	9.7	9.8	9.8	9.8	9.8	9.9	10.0	10.1	10.3	10.5
Italy .....	.....	9.2	.....	.....	9.2	.....	.....	8.7	.....	.....	8.9	.....	.....
Netherlands .....	3.9	3.7	3.9	4.1	4.3	4.3	4.2	4.2	4.3	4.3	4.1	4.6	.....
United Kingdom .....	3.1	3.1	3.2	3.2	3.2	3.1	3.1	3.1	3.1	3.1	3.1	3.1	.....
Japan .....	5.3	5.3	5.3	5.4	5.4	5.4	5.5	5.4	5.5	5.3	5.3	5.5	5.2
Singapore .....	4.5	.....	.....	4.3	.....	.....	4.6	.....	.....	4.2	.....	.....	.....
South Korea .....	3.8	3.6	3.2	3.0	2.8	2.8	3.0	2.6	2.8	2.8	3.1	3.5	.....
Taiwan .....	5.1	5.2	5.0	5.0	5.1	5.2	5.4	5.3	5.3	5.2	5.0	5.0	.....
Canada .....	7.8	7.7	7.6	7.7	7.5	7.6	7.5	7.7	7.6	7.5	7.5	7.4	7.4
Mexico .....	2.7	2.8	2.8	2.7	2.4	2.9	2.8	3.1	2.7	2.6	2.1	2.8	2.8
United States .....	5.6	5.7	5.9	5.8	5.8	5.8	5.8	5.7	5.8	5.9	6.0	5.7	5.8
Short-term interest rate (percent per year)													
Euro area .....	3.36	3.39	3.41	3.46	3.46	3.41	3.35	3.31	3.26	3.12	2.94	2.83	2.69
France .....	3.34	3.40	3.40	3.45	3.46	3.40	3.32	3.25	3.17	3.02	2.86	2.79	2.67
Germany .....	3.34	3.37	3.39	3.44	3.45	3.39	3.33	3.29	3.24	3.11	2.93	2.81	.....
Italy .....	3.35	3.47	3.52	3.58	3.54	3.37	3.20	3.11	3.01	2.94	2.69	2.60	2.43
Netherlands .....	3.36	3.39	3.41	3.47	3.46	3.41	3.35	3.31	3.26	3.12	2.94	2.83	2.69
United Kingdom .....	3.89	4.00	3.94	4.00	3.93	3.72	3.82	3.77	3.69	3.83	3.84	3.75	.....
Singapore .....	0.82	0.87	0.78	0.77	0.74	0.70	0.78	1.20	0.95	0.65	0.67	0.66	0.62
South Korea .....	4.54	4.64	4.79	4.81	4.85	4.91	4.80	4.81	4.91	4.91	4.90	4.70	4.54
Taiwan .....	2.30	2.29	2.27	2.24	2.08	1.85	1.86	1.90	1.91	1.73	1.52	1.37	1.21
Canada .....	2.07	2.34	2.41	2.62	2.74	2.85	3.00	2.83	2.81	2.73	2.67	2.81	2.86
Mexico .....	8.74	8.57	6.80	7.68	8.62	8.38	7.47	8.50	8.85	8.61	8.47	9.49	9.83
United States .....	1.73	1.79	1.72	1.73	1.70	1.68	1.62	1.63	1.58	1.23	1.19	1.17	1.17
Long-term interest rate (percent per year)													
Euro area .....	5.07	5.32	5.30	5.30	5.16	5.03	4.73	4.52	4.62	4.59	4.41	4.27	4.06
France .....	5.11	5.29	5.31	5.31	5.18	5.01	4.70	4.46	4.63	4.66	4.43	4.27	4.07
Germany .....	.....	.....	5.20	5.20	5.00	4.90	4.60	4.40	4.50	4.50	4.30	4.20	4.00
Italy .....	5.20	5.41	5.40	5.41	5.26	5.11	4.83	4.62	4.76	4.74	4.55	4.38	4.16
Netherlands .....	5.02	5.27	5.25	5.30	5.16	4.99	4.71	4.50	4.58	4.55	4.36	4.19	3.97
United Kingdom .....	4.83	5.11	5.13	5.18	5.02	4.90	4.64	4.45	4.59	4.64	4.62	4.44	.....
Japan .....	1.50	1.35	1.41	1.36	1.30	1.33	1.16	1.17	1.03	0.96	0.89	0.75	.....
Singapore .....	3.80	3.98	3.91	3.93	3.70	3.72	3.51	3.31	3.04	2.97	2.55	2.44	2.24
South Korea .....	7.00	7.17	7.30	7.09	6.76	6.54	6.24	6.16	6.11	5.80	5.77	5.43	5.15
Taiwan .....	3.71	4.03	4.12	4.02	3.78	3.50	3.37	3.23	2.99	2.82	2.48	1.96	1.90
Canada .....	5.31	5.79	5.64	5.49	5.37	5.23	5.14	4.92	5.16	5.18	4.88	5.02	4.93
United States .....	4.91	5.28	5.21	5.16	4.93	4.65	4.26	3.87	3.94	4.05	4.03	4.05	3.90
Real GDP (percent change from same quarter a year earlier)													
Euro area .....	0.3	.....	.....	0.6	.....	.....	0.9	.....	.....	1.3	.....	.....	.....
France .....	0.7	.....	.....	1.2	.....	.....	1.2	.....	.....	1.7	.....	.....	.....
Germany .....	-12.0	.....	.....	4.0	.....	.....	10.0	.....	.....	5.0	.....	.....	.....
Italy .....	0.0	.....	.....	0.1	.....	.....	0.4	.....	.....	1.0	.....	.....	.....
Netherlands .....	-2.2	.....	.....	-0.7	.....	.....	-0.2	.....	.....	0.5	.....	.....	.....
United Kingdom .....	1.0	.....	.....	1.3	.....	.....	2.0	.....	.....	2.1	.....	.....	.....
Japan .....	-3.0	.....	.....	-0.2	.....	.....	1.8	.....	.....	2.6	.....	.....	.....
Singapore .....	-1.5	.....	.....	3.8	.....	.....	3.8	.....	.....	3.0	.....	.....	.....
South Korea .....	6.2	.....	.....	6.6	.....	.....	5.8	.....	.....	6.8	.....	.....	.....
Taiwan .....	1.6	.....	.....	4.2	.....	.....	5.6	.....	.....	5.0	.....	.....	.....
Canada .....	2.2	.....	.....	3.2	.....	.....	4.2	.....	.....	3.9	.....	.....	.....
Mexico .....	-2.2	.....	.....	2.0	.....	.....	1.8	.....	.....	1.9	.....	.....	.....
United States .....	1.4	.....	.....	2.2	.....	.....	3.3	.....	.....	2.9	.....	.....	.....
Stock market prices (index number)													
France .....	71.3	74.9	71.3	68.3	62.3	54.6	53.8	44.4	50.3	53.1	48.9	46.9	44.0
Germany .....	71.5	76.6	71.5	68.4	62.2	52.5	52.7	39.3	44.7	47.1	41.1	39.0	36.1
Italy .....	71.9	76.3	74.1	69.5	64.6	59.0	59.6	51.0	55.5	60.3	55.4	53.2	54.2
Netherlands .....	75.0	80.5	77.5	73.5	66.7	55.1	56.3	44.9	52.0	54.9	48.9	44.7	40.4
United Kingdom .....	80.4	83.1	81.4	80.2	73.4	66.9	66.6	58.7	63.7	65.7	62.1	56.2	57.6
Japan .....	62.6	65.2	68.0	69.6	62.8	58.4	56.9	55.5	51.1	54.5	50.7	49.3	49.5
Singapore .....	83.2	88.1	84.3	81.7	75.9	73.7	72.8	66.1	71.5	68.0	65.5	63.1	62.3
South Korea .....	116.1	126.8	119.2	112.7	105.1	101.6	104.2	91.5	93.3	102.6	88.8	83.8	81.4
Taiwan .....	73.7	79.8	78.5	73.5	66.7	64.0	61.7	54.3	59.3	60.2	57.6	64.9	57.4
Canada .....	79.5	81.7	79.8	79.7	74.4	68.8	68.8	64.3	65.0	68.4	68.8	68.4	68.2
Mexico .....	103.5	113.1	114.9	108.0	99.3	92.5	95.5	88.0	91.7	94.6	94.1	91.5	91.1
United States .....	78.0	80.8	75.9	75.2	69.7	64.2	64.5	57.4	62.4	65.9	62.0	60.3	59.2
Exchange rate <sup>1</sup>													
Euro area (€) .....	0.8707	0.8766	0.8860	0.9170	0.9561	0.9935	0.9781	0.9806	0.9812	1.0013	1.0194	1.0622	1.0785
United Kingdom (£) .....	1.4227	1.4230	1.4429	1.4598	1.4837	1.5565	1.5368	1.5563	1.5575	1.5711	1.5863	1.6175	1.6079
Japan (¥) .....	133.64	131.06	130.77	126.38	123.29	117.90	118.99	121.08	123.91	121.61	121.89	118.81	119.34
Singapore (S\$) .....	1.8312	1.8295	1.8285	1.8004	1.7831	1.7524	1.7553	1.7682	1.7843	1.7653	1.7532	1.7363	1.7451
South Korea (₩) .....	1320.55	1322.90	1318.09	1262.20	1219.70	1179.99	1197.51	1211.61	1240.19	1210.20	1206.61	1176.45	1190.37
Taiwan (NT\$) .....	35.073	35.020	34.917	34.454	33.889	33.272	33.884	34.573	34.947	34.673	34.799	34.571	34.734
Canada (Can\$) .....	1.5964	1.5877	1.5815	1.5502	1.5318	1.5456	1.5694	1.5761	1.5780	1.5715	1.5592	1.5414	1.5121
Mexico (Ps) .....	9.105	9.064	9.165	9.51	9.767	9.779	9.839	10.071	10.094	10.195	10.225	10.622	10.945
United States (\$) .....	129.74	129.27	128.95	127.35	125.96	124.20	125.64	126.67	127.69	126.38	125.70	124.21	124.12

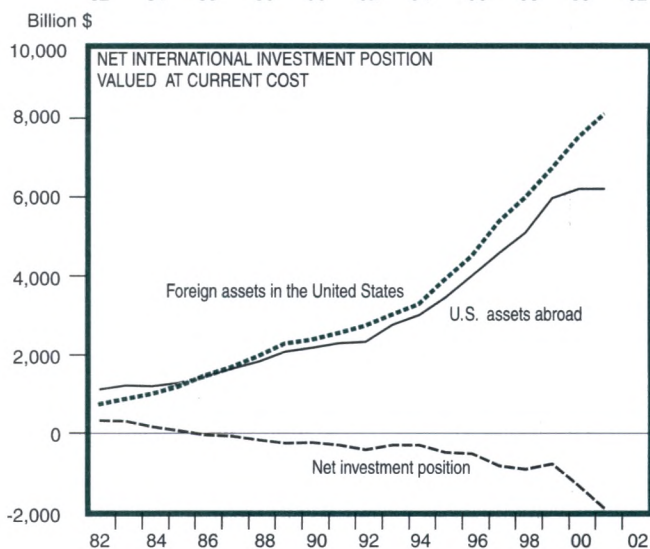
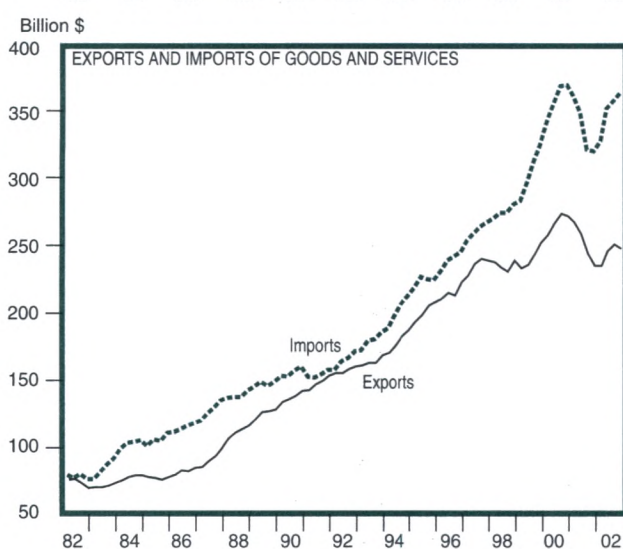
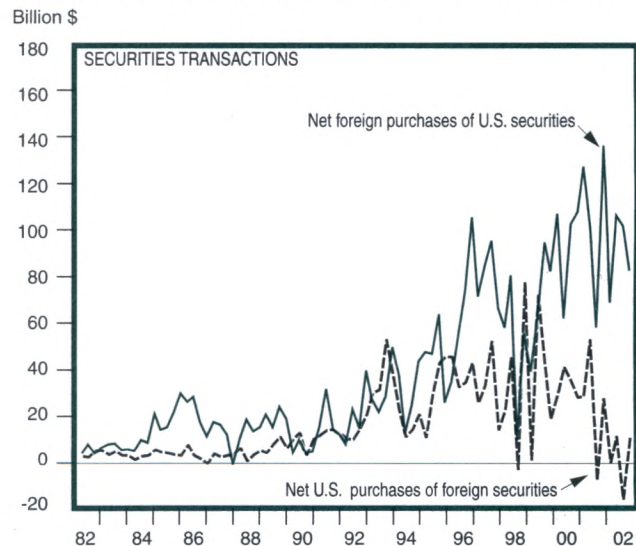
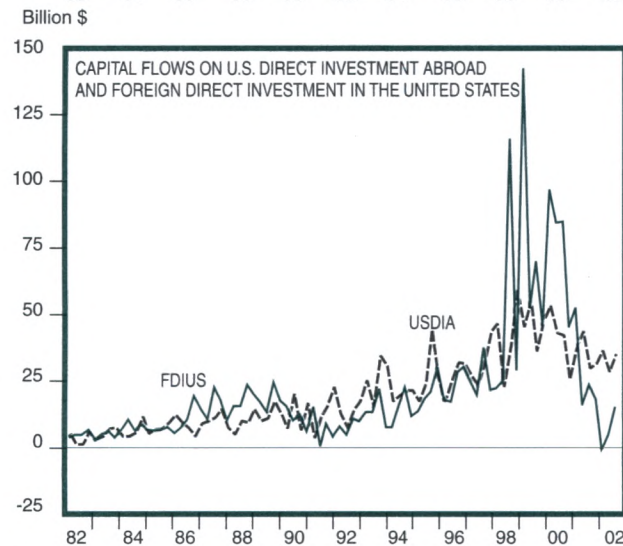
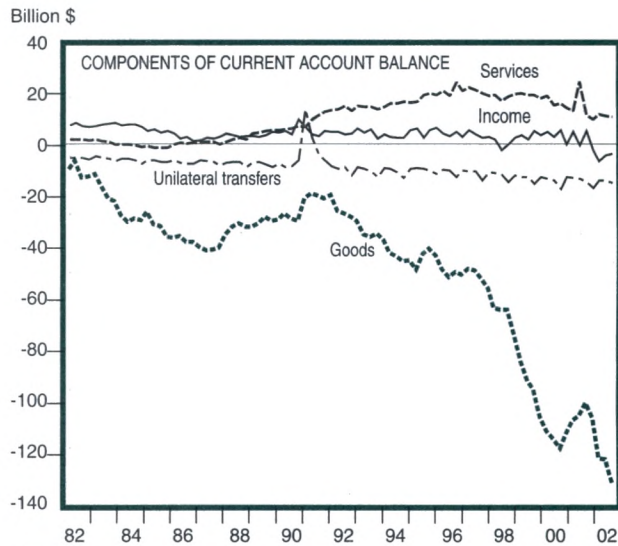
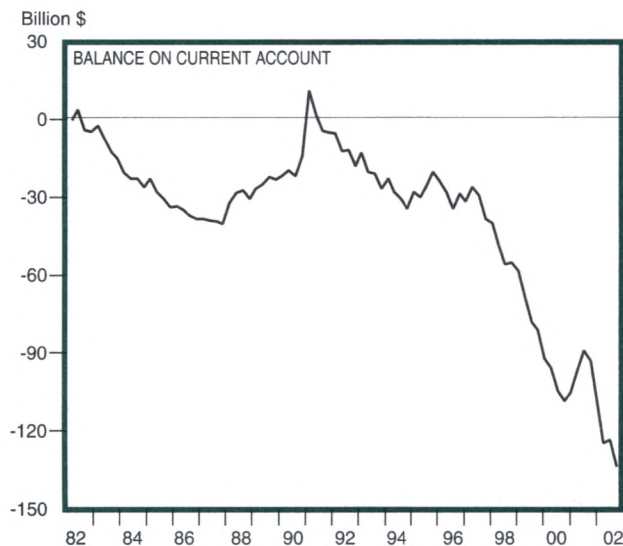
1. Figures for the Euro area and for the United Kingdom are in U.S. dollars per euro and per pound sterling, respectively. The rate for the United States is a weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of major U.S. trading partners. For other countries, figures are in currency units per U.S. dollar.

to 2000 = 100 to facilitate comparisons. Other series are drawn from the web sites of the statistical agencies of the countries shown.

NOTE: In 2002, the countries in this table accounted for 62 percent of the value of U.S. imports of goods and 70 percent of the value of U.S. exports of goods. The Euro area consists of Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain.

I. Charts

THE U.S. IN THE INTERNATIONAL DOMESTIC ECONOMY



U.S. Bureau of Economic Analysis



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; write to the Regional Economic Information System, BE-55, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5360. For information on gross state product, e-mail gspread@bea.gov; write to the Regional Economic 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]

Table with columns for Area name, Year (1998-2002), and Percent change. Rows include United States, New England, Midwest, Great Lakes, Plains, Southeast, Southwest, Rocky Mountain, and Far West, with sub-rows for each state.

1. Percent change was calculated from unrounded data. Note: The personal income level shown for the United States is derived as the sum of the State estimates. It differs from the estimate of personal income in the national income and product accounts (NIPAs) because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data. In particular, it differs from the NIPA estimate because, by definition, it omits the earnings of Federal civilian and military personnel stationed abroad and of U.S. residents employed abroad temporarily by private U.S. firms.

**Table J.2. Annual Personal Income and Per Capita Personal Income for States and Regions**

Area name	Personal income						Percent change <sup>2</sup>	Per capita personal income <sup>1</sup>						Rank in U.S.
	Millions of dollars							Dollars						
	1996	1997	1998	1999	2000	2001		1996	1997	1998	1999	2000	2001	
<b>United States</b>	<b>6,538,103</b>	<b>6,928,545</b>	<b>7,418,497</b>	<b>7,779,511</b>	<b>8,398,796</b>	<b>8,678,255</b>	<b>3.3</b>	<b>24,270</b>	<b>25,412</b>	<b>26,893</b>	<b>27,880</b>	<b>29,770</b>	<b>30,472</b>	.....
<b>New England</b>	<b>384,144</b>	<b>408,231</b>	<b>437,134</b>	<b>459,770</b>	<b>504,311</b>	<b>520,440</b>	<b>3.2</b>	<b>28,340</b>	<b>29,924</b>	<b>31,829</b>	<b>33,226</b>	<b>36,167</b>	<b>37,115</b>	.....
Connecticut	109,354	116,421	124,880	130,762	141,151	145,341	3.0	32,773	34,759	37,108	38,614	41,392	42,435	1
Maine	26,434	27,773	29,469	30,640	32,793	34,384	4.9	21,163	22,134	23,404	24,187	25,681	26,723	35
Massachusetts	180,237	191,596	205,176	216,822	241,318	248,202	2.9	29,166	30,773	32,714	34,322	37,960	38,907	2
New Hampshire	30,228	32,397	35,198	37,253	41,630	42,986	3.3	25,733	27,238	29,187	30,485	33,576	34,138	6
Rhode Island	24,818	26,293	27,673	28,749	30,728	31,995	4.1	24,310	25,643	26,837	27,632	29,258	30,215	16
Vermont	13,073	13,752	14,738	15,544	16,691	17,531	5.0	22,019	23,026	24,547	25,705	27,376	28,594	26
<b>Mideast</b>	<b>1,255,345</b>	<b>1,315,810</b>	<b>1,400,562</b>	<b>1,457,663</b>	<b>1,574,504</b>	<b>1,626,912</b>	<b>3.3</b>	<b>27,661</b>	<b>28,868</b>	<b>30,565</b>	<b>31,616</b>	<b>33,956</b>	<b>34,968</b>	.....
Delaware	19,369	20,145	21,879	22,749	24,767	25,853	4.4	26,140	26,807	28,662	29,354	31,500	32,472	11
District of Columbia	18,517	19,135	20,255	20,501	22,158	22,959	3.6	32,352	33,704	35,836	35,953	38,801	40,150	.....
Maryland	140,809	148,826	158,501	167,246	180,353	189,142	4.9	27,545	28,857	30,455	31,829	33,959	35,188	5
New Jersey	246,659	260,705	278,788	288,812	317,346	326,723	3.0	30,266	31,720	33,640	34,549	37,649	38,509	3
New York	530,990	553,543	590,406	615,903	664,927	684,774	3.0	28,566	29,670	31,478	32,617	35,016	36,019	4
Pennsylvania	299,001	313,457	330,733	342,452	364,953	377,461	3.4	24,467	25,635	27,008	27,924	29,713	30,720	15
<b>Great Lakes</b>	<b>1,079,799</b>	<b>1,138,557</b>	<b>1,206,886</b>	<b>1,253,408</b>	<b>1,333,919</b>	<b>1,365,555</b>	<b>2.4</b>	<b>24,408</b>	<b>25,589</b>	<b>26,983</b>	<b>27,873</b>	<b>29,505</b>	<b>30,103</b>	.....
Illinois	322,790	340,594	362,081	373,578	401,030	412,200	2.8	26,672	27,950	29,505	30,227	32,248	33,023	9
Indiana	132,890	139,459	149,318	154,919	165,815	169,885	2.5	22,501	23,418	24,891	25,628	27,228	27,783	31
Michigan	238,095	250,216	264,520	276,541	293,744	297,609	1.3	24,398	25,509	26,860	27,942	29,516	29,788	18
Ohio	264,162	279,367	293,208	304,515	320,377	327,745	2.3	23,496	24,772	25,921	26,864	28,202	28,816	24
Wisconsin	121,864	128,920	137,759	143,855	152,953	158,116	3.4	23,301	24,481	26,004	26,976	28,471	29,270	20
<b>Plains</b>	<b>439,948</b>	<b>462,173</b>	<b>493,714</b>	<b>512,109</b>	<b>547,631</b>	<b>566,547</b>	<b>3.4</b>	<b>23,520</b>	<b>24,517</b>	<b>26,001</b>	<b>26,769</b>	<b>28,429</b>	<b>29,313</b>	.....
Iowa	64,696	67,938	71,280	72,912	77,790	79,893	2.7	22,464	23,499	24,555	24,990	26,572	27,331	33
Kansas	60,074	63,728	67,896	69,960	74,124	76,973	3.8	22,977	24,182	25,519	26,121	27,537	28,565	28
Minnesota	122,080	129,020	140,031	146,891	158,817	164,589	3.6	25,904	27,086	29,092	30,141	32,207	33,101	8
Missouri	123,992	131,144	138,987	143,858	153,830	158,906	3.3	22,828	23,926	25,171	25,865	27,452	28,226	29
Nebraska	39,618	40,724	43,313	45,274	47,534	49,489	4.1	23,670	24,148	25,541	26,558	27,756	28,886	23
North Dakota	13,607	13,332	14,709	14,846	16,027	16,434	2.5	20,921	20,520	22,716	23,043	25,007	25,902	37
South Dakota	15,883	16,288	17,497	18,368	19,509	20,174	3.4	21,399	21,885	23,453	24,477	25,823	26,664	36
<b>Southeast</b>	<b>1,445,912</b>	<b>1,532,165</b>	<b>1,639,428</b>	<b>1,719,649</b>	<b>1,841,660</b>	<b>1,915,549</b>	<b>4.0</b>	<b>22,038</b>	<b>22,986</b>	<b>24,242</b>	<b>25,079</b>	<b>26,501</b>	<b>27,246</b>	.....
Alabama	87,221	91,284	96,481	100,532	105,796	109,773	3.8	20,138	20,899	21,904	22,693	23,766	24,589	43
Arkansas	48,700	51,055	53,784	56,004	59,205	61,613	4.1	18,934	19,628	20,479	21,119	22,108	22,887	48
Florida	355,136	377,673	405,146	424,726	454,106	474,626	4.5	23,909	24,869	26,161	26,951	28,286	28,947	22
Georgia	172,935	183,757	200,104	213,792	232,179	240,896	3.8	23,055	23,911	25,447	26,571	28,212	28,733	25
Kentucky	78,221	82,927	88,148	91,093	98,125	101,326	3.3	19,957	20,979	22,118	22,671	24,244	24,923	40
Louisiana	87,879	92,286	97,458	99,047	103,824	109,560	5.5	19,978	20,874	21,948	22,204	23,227	24,535	44
Mississippi	48,898	51,598	55,072	56,920	59,881	62,163	3.8	17,793	18,580	19,635	20,124	21,017	21,750	50
North Carolina	167,638	179,691	192,577	202,744	218,537	225,234	3.1	22,350	23,468	24,661	25,504	27,055	27,514	32
South Carolina	76,287	81,045	86,672	91,249	97,659	101,110	3.5	20,096	20,998	22,115	22,958	24,273	24,886	41
Tennessee	119,287	125,457	134,241	141,117	150,344	154,911	3.0	22,022	22,814	24,101	25,026	26,367	26,988	34
Virginia	169,938	180,190	193,007	204,937	222,498	233,107	4.8	25,173	26,385	27,968	29,276	31,320	32,431	12
West Virginia	33,771	35,202	36,738	37,488	39,506	41,230	4.4	18,527	19,351	20,234	20,691	21,861	22,881	49
<b>Southwest</b>	<b>624,034</b>	<b>677,462</b>	<b>736,392</b>	<b>774,892</b>	<b>841,016</b>	<b>875,906</b>	<b>4.1</b>	<b>21,504</b>	<b>22,868</b>	<b>24,352</b>	<b>25,137</b>	<b>26,796</b>	<b>27,439</b>	.....
Arizona	95,787	103,702	112,895	120,257	130,982	137,314	4.8	20,883	21,892	23,118	23,937	25,358	25,872	38
New Mexico	33,232	34,860	36,857	37,772	39,772	42,354	6.5	18,964	19,641	20,551	20,891	21,837	23,155	47
Oklahoma	66,289	69,951	74,677	77,474	83,035	86,750	4.5	19,846	20,739	21,930	22,540	24,046	25,071	39
Texas	428,726	468,950	511,964	539,390	587,228	609,489	3.8	22,167	23,756	25,398	26,237	28,035	28,581	27
<b>Rocky Mountain</b>	<b>192,141</b>	<b>206,847</b>	<b>223,322</b>	<b>238,279</b>	<b>261,082</b>	<b>271,486</b>	<b>4.0</b>	<b>22,432</b>	<b>23,651</b>	<b>25,041</b>	<b>26,200</b>	<b>28,190</b>	<b>28,859</b>	.....
Colorado	100,012	108,765	118,413	128,192	142,752	147,860	3.6	25,514	27,067	28,764	30,334	33,018	33,470	7
Idaho	24,173	25,226	27,066	28,931	31,314	32,525	3.9	20,093	20,534	21,612	22,679	24,101	24,621	42
Montana	16,992	17,726	18,942	19,380	20,678	21,673	4.8	19,173	19,920	21,225	21,593	22,895	23,963	46
Utah	40,354	43,696	46,772	48,923	52,622	54,884	4.3	19,514	20,613	21,594	22,202	23,476	24,180	45
Wyoming	10,609	11,433	12,129	12,855	13,717	14,544	6.0	21,732	23,360	24,714	26,139	27,767	29,416	19
<b>Far West</b>	<b>1,116,779</b>	<b>1,187,299</b>	<b>1,261,057</b>	<b>1,363,741</b>	<b>1,494,673</b>	<b>1,535,950</b>	<b>2.8</b>	<b>25,201</b>	<b>26,353</b>	<b>27,972</b>	<b>29,324</b>	<b>31,669</b>	<b>32,047</b>	.....
Alaska	15,762	16,488	17,138	17,570	18,773	19,641	4.6	25,901	26,898	27,645	28,122	29,913	30,936	14
California	812,404	861,557	931,564	994,862	1,099,375	1,128,256	2.6	25,373	26,521	28,240	29,698	32,334	32,702	10
Hawaii	30,393	31,218	31,841	32,573	34,308	35,510	3.5	25,249	25,765	26,201	26,913	28,301	29,002	21
Nevada	43,331	47,258	52,017	55,330	59,948	62,966	5.0	26,004	26,789	28,069	28,598	29,696	29,897	17
Oregon	75,561	80,575	85,305	89,084	95,406	97,814	2.5	23,270	24,385	25,446	26,248	27,821	28,165	30
Washington	139,328	150,203	163,192	174,321	186,863	191,763	2.6	25,015	26,469	28,285	29,836	31,627	32,025	13

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

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.

Source: Table 1 "State Personal Income, Revised Estimates for 1999-2001" in the October 2002 issue of the SURVEY OF CURRENT BUSINESS.

**Table J.3. Disposable Personal Income and Per Capita Disposable Personal Income for States and Regions**

Area name	Disposable personal income						Percent change <sup>2</sup>	Per capita disposable personal income <sup>1</sup>						Rank in U.S.
	Millions of dollars							Dollars						
	1996	1997	1998	1999	2000	2001		1996	1997	1998	1999	2000	2001	
<b>United States</b> .....	<b>5,669,393</b>	<b>5,960,749</b>	<b>6,349,151</b>	<b>6,621,480</b>	<b>7,113,559</b>	<b>7,387,363</b>	<b>3.8</b>	<b>21,045</b>	<b>21,863</b>	<b>23,016</b>	<b>23,729</b>	<b>25,214</b>	<b>25,939</b>	.....
<b>New England</b> .....	<b>326,543</b>	<b>342,605</b>	<b>364,015</b>	<b>379,838</b>	<b>410,306</b>	<b>428,879</b>	<b>4.5</b>	<b>24,091</b>	<b>25,114</b>	<b>26,505</b>	<b>27,450</b>	<b>29,425</b>	<b>30,586</b>	.....
Connecticut .....	91,536	95,724	101,699	105,830	112,817	117,239	3.9	27,433	28,580	30,219	31,252	33,083	34,230	1
Maine .....	23,257	24,200	25,480	26,400	28,111	29,593	5.3	18,620	19,286	20,236	20,839	22,014	23,000	37
Massachusetts .....	151,896	159,674	169,596	177,269	193,290	202,402	4.7	24,580	25,646	27,041	28,061	30,406	31,728	3
New Hampshire .....	26,610	28,200	30,578	32,116	35,516	37,003	4.2	22,652	23,709	25,356	26,282	28,645	29,387	6
Rhode Island .....	21,780	22,851	23,898	24,787	26,237	27,503	4.8	21,334	22,286	23,176	23,824	24,982	25,973	16
Vermont .....	11,463	11,955	12,764	13,436	14,336	15,139	5.6	19,308	20,018	21,258	22,220	23,513	24,693	25
<b>Mideast</b> .....	<b>1,073,172</b>	<b>1,114,511</b>	<b>1,178,249</b>	<b>1,217,422</b>	<b>1,309,804</b>	<b>1,360,181</b>	<b>3.8</b>	<b>23,647</b>	<b>24,452</b>	<b>25,714</b>	<b>26,405</b>	<b>28,247</b>	<b>29,235</b>	.....
Delaware .....	16,547	16,987	18,470	19,202	20,935	21,967	4.9	22,332	22,605	24,196	24,777	26,628	27,591	10
District of Columbia .....	15,862	16,120	16,921	16,795	18,024	18,782	4.2	27,712	28,393	29,937	29,454	31,562	32,845	.....
Maryland .....	119,755	125,597	133,060	140,126	150,250	158,291	5.4	23,426	24,353	25,566	26,668	28,291	29,449	5
New Jersey .....	211,334	220,964	234,080	240,089	262,179	272,356	3.9	25,932	26,885	28,245	28,720	31,104	32,101	2
New York .....	450,040	464,468	491,784	507,736	546,368	565,238	3.5	24,211	24,896	26,220	26,889	28,772	29,732	4
Pennsylvania .....	259,634	270,375	283,933	293,475	312,047	323,546	3.7	21,246	22,111	23,186	23,930	25,406	26,332	15
<b>Great Lakes</b> .....	<b>930,464</b>	<b>975,464</b>	<b>1,029,255</b>	<b>1,067,782</b>	<b>1,138,249</b>	<b>1,167,753</b>	<b>2.6</b>	<b>21,032</b>	<b>21,924</b>	<b>23,011</b>	<b>23,745</b>	<b>25,177</b>	<b>25,742</b>	.....
Illinois .....	278,447	291,507	307,987	316,463	339,330	349,489	3.0	23,008	23,922	25,097	25,606	27,286	27,999	8
Indiana .....	114,831	119,826	128,475	133,378	143,459	147,316	2.7	19,443	20,121	21,417	22,064	23,557	24,092	30
Michigan .....	204,949	214,500	225,186	235,489	251,045	254,749	1.5	21,002	21,868	22,866	23,794	25,226	25,498	18
Ohio .....	227,746	239,900	250,838	260,567	273,908	280,623	2.5	20,257	21,273	22,175	22,987	24,112	24,673	26
Wisconsin .....	104,491	109,732	116,768	121,886	130,508	135,576	3.9	19,979	20,837	22,041	22,856	24,293	25,098	21
<b>Plains</b> .....	<b>382,827</b>	<b>399,625</b>	<b>425,703</b>	<b>441,836</b>	<b>471,343</b>	<b>488,468</b>	<b>3.6</b>	<b>20,466</b>	<b>21,199</b>	<b>22,420</b>	<b>23,096</b>	<b>24,469</b>	<b>25,278</b>	.....
Iowa .....	56,896	59,294	62,181	63,449	67,935	69,760	2.7	19,756	20,509	21,421	21,747	23,206	23,864	33
Kansas .....	52,367	55,113	58,652	60,275	63,777	66,307	4.0	20,029	20,913	22,045	22,505	23,694	24,607	28
Minnesota .....	103,586	109,183	118,006	124,709	133,731	139,216	4.1	21,980	22,921	24,516	25,589	27,120	27,998	9
Missouri .....	108,364	114,001	120,352	124,478	133,054	137,633	3.4	19,951	20,799	21,796	22,380	23,745	24,448	29
Nebraska .....	34,932	35,531	37,620	39,248	41,068	42,868	4.4	20,871	21,069	22,184	22,022	23,980	25,022	23
North Dakota .....	12,226	11,853	13,143	13,245	14,302	14,635	2.3	18,798	18,244	20,297	20,558	22,315	23,068	36
South Dakota .....	14,456	14,650	15,748	16,432	17,475	18,049	3.3	19,477	19,684	21,109	21,897	23,130	23,856	34
<b>Southeast</b> .....	<b>1,269,457</b>	<b>1,336,061</b>	<b>1,423,978</b>	<b>1,490,466</b>	<b>1,594,045</b>	<b>1,661,737</b>	<b>4.2</b>	<b>19,348</b>	<b>20,044</b>	<b>21,056</b>	<b>21,737</b>	<b>22,938</b>	<b>23,636</b>	.....
Alabama .....	77,079	80,342	84,855	88,376	93,060	96,677	3.9	17,797	18,394	19,265	19,949	20,905	21,655	42
Arkansas .....	43,230	45,063	47,302	49,265	51,959	54,192	4.3	16,807	17,325	18,011	18,577	19,402	20,130	49
Florida .....	312,805	329,682	351,912	368,190	391,323	410,136	4.8	21,060	21,709	22,724	23,363	24,375	25,014	24
Georgia .....	150,182	158,350	171,711	183,084	198,513	206,772	4.2	20,021	20,605	21,836	22,755	24,121	24,663	27
Kentucky .....	68,160	71,915	76,215	78,557	84,884	87,686	3.2	13,990	14,124	15,551	16,092	17,272	17,568	43
Louisiana .....	78,079	81,431	86,139	87,744	91,807	96,994	5.6	17,750	18,419	19,399	19,670	20,539	21,721	41
Mississippi .....	43,943	46,245	49,256	50,865	53,590	55,779	4.1	15,990	16,653	17,561	17,984	18,810	19,517	50
North Carolina .....	145,935	155,311	165,760	174,214	187,686	194,234	3.5	19,456	20,284	21,226	21,915	23,236	23,727	35
South Carolina .....	66,986	70,880	75,481	79,457	85,289	88,456	3.7	17,646	18,364	19,259	19,991	21,198	21,771	40
Tennessee .....	106,568	111,632	119,346	125,616	134,141	138,241	3.1	19,674	20,300	21,426	22,278	23,525	24,084	31
Virginia .....	146,489	154,028	163,510	171,953	186,890	196,098	4.9	21,699	22,554	23,694	24,564	26,308	27,282	12
West Virginia .....	30,001	31,182	32,491	33,144	34,902	36,472	4.5	16,459	17,141	17,895	18,294	19,314	20,241	48
<b>Southwest</b> .....	<b>552,859</b>	<b>596,546</b>	<b>645,743</b>	<b>679,123</b>	<b>733,704</b>	<b>767,047</b>	<b>4.5</b>	<b>19,051</b>	<b>20,137</b>	<b>21,354</b>	<b>22,030</b>	<b>23,377</b>	<b>24,029</b>	.....
Arizona .....	83,726	90,217	97,615	103,776	112,945	119,007	5.4	18,253	19,045	19,989	20,657	21,866	22,423	38
New Mexico .....	29,502	30,758	32,496	33,215	34,781	37,173	6.9	16,836	17,330	18,119	18,370	19,097	20,322	47
Oklahoma .....	58,473	61,222	65,310	67,744	72,462	75,846	4.7	17,506	18,151	19,179	19,709	20,984	21,920	39
Texas .....	381,159	414,349	450,321	474,388	513,516	535,022	4.2	19,708	20,990	22,340	23,075	24,516	25,089	22
<b>Rocky Mountain</b> .....	<b>166,565</b>	<b>178,194</b>	<b>191,724</b>	<b>203,495</b>	<b>221,749</b>	<b>231,908</b>	<b>4.6</b>	<b>19,446</b>	<b>20,375</b>	<b>21,498</b>	<b>22,376</b>	<b>23,943</b>	<b>24,652</b>	.....
Colorado .....	86,111	92,927	100,489	108,190	119,717	124,947	4.4	21,967	23,126	24,410	25,601	27,690	28,283	7
Idaho .....	21,208	22,044	23,639	25,148	27,021	28,240	4.5	17,628	17,944	18,876	19,714	20,797	21,378	44
Montana .....	15,037	15,621	16,670	16,997	18,084	19,000	5.1	16,967	17,554	18,679	19,939	20,023	21,008	45
Utah .....	35,002	37,715	40,460	42,112	45,258	47,302	4.5	16,926	17,792	18,680	19,112	20,191	20,840	46
Wyoming .....	9,207	9,886	10,466	11,047	11,869	12,419	6.4	18,861	20,199	21,324	22,464	23,621	25,118	20
<b>Far West</b> .....	<b>967,506</b>	<b>1,017,744</b>	<b>1,090,483</b>	<b>1,141,518</b>	<b>1,234,359</b>	<b>1,281,390</b>	<b>3.8</b>	<b>21,833</b>	<b>22,590</b>	<b>23,811</b>	<b>24,546</b>	<b>26,153</b>	<b>26,736</b>	.....
Alaska .....	13,919	14,497	15,003	15,400	16,411	17,171	4.6	22,872	23,650	24,201	24,649	26,149	27,045	13
California .....	701,878	735,173	789,557	827,255	897,310	932,835	4.0	21,921	22,630	23,935	24,695	26,391	27,038	14
Hawaii .....	26,730	27,371	27,846	28,378	29,786	30,930	3.8	22,206	22,590	22,914	23,447	24,570	25,262	19
Nevada .....	37,634	41,126	44,903	47,583	51,332	54,069	5.3	22,585	23,313	24,230	24,594	25,428	25,673	17
Oregon .....	64,801	68,539	72,660	75,398	80,241	82,917	3.3	19,957	20,742	21,674	22,216	23,399	23,876	32
Washington .....	122,543	131,039	140,515	147,503	159,278	163,467	2.6	22,001	23,092	24,354	25,246	26,958	27,299	11

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

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.

SOURCE: Table 1 "State Personal Income, Revised Estimates for 1999-2001" in the October 2002 issue of the SURVEY OF CURRENT BUSINESS.

Table J.4. Gross State Product (GSP) by Industry for States and Regions, 2000

[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>9,941,552</b>	<b>135,750</b>	<b>127,084</b>	<b>463,635</b>	<b>1,566,579</b>	<b>825,016</b>	<b>674,145</b>	<b>893,855</b>	<b>1,936,304</b>	<b>2,164,630</b>	<b>1,154,555</b>
<b>New England</b> .....		<b>582,776</b>	<b>4,298</b>	<b>297</b>	<b>24,619</b>	<b>85,821</b>	<b>34,328</b>	<b>38,418</b>	<b>48,794</b>	<b>149,028</b>	<b>143,603</b>	<b>53,570</b>
Connecticut.....	22	159,288	1,090	112	5,579	24,897	9,399	9,726	12,876	47,045	35,235	13,328
Maine.....	44	35,981	693	5	1,693	5,561	2,457	2,138	4,253	6,667	7,422	5,090
Massachusetts.....	11	284,934	1,545	97	12,556	37,956	16,075	20,467	22,004	69,651	79,674	24,908
New Hampshire.....	38	47,708	341	36	2,060	9,777	2,707	3,212	4,617	11,587	9,685	3,684
Rhode Island.....	42	36,453	227	11	1,898	4,450	2,343	1,854	3,244	10,796	7,465	4,164
Vermont.....	49	18,411	401	36	831	3,179	1,346	1,021	1,799	3,281	4,121	2,396
<b>Mideast</b> .....		<b>1,848,116</b>	<b>11,090</b>	<b>3,667</b>	<b>70,536</b>	<b>228,623</b>	<b>146,359</b>	<b>118,790</b>	<b>138,089</b>	<b>481,675</b>	<b>436,048</b>	<b>213,239</b>
Delaware.....	43	36,336	317	2	1,578	5,535	1,876	1,482	2,579	13,840	5,790	3,336
District of Columbia.....		59,397	21	29	571	833	3,044	746	1,672	8,017	22,753	21,711
Maryland.....	16	186,108	1,600	153	10,519	14,955	14,137	11,392	16,164	38,915	45,895	32,377
New Jersey.....	8	363,089	1,919	242	14,235	50,198	34,131	33,575	27,339	85,452	81,545	34,453
New York.....	2	799,202	3,385	615	25,958	81,644	58,750	46,841	54,630	259,929	188,190	79,260
Pennsylvania.....	6	403,985	3,848	2,627	17,674	75,457	34,421	24,754	35,705	75,522	91,875	42,102
<b>Great Lakes</b> .....		<b>1,530,982</b>	<b>15,630</b>	<b>4,414</b>	<b>74,009</b>	<b>351,203</b>	<b>116,507</b>	<b>109,716</b>	<b>137,490</b>	<b>257,073</b>	<b>306,776</b>	<b>158,165</b>
Illinois.....	5	467,284	4,163	1,058	22,310	73,413	41,203	37,013	37,669	96,849	107,674	45,932
Indiana.....	15	192,195	2,225	674	9,836	58,906	14,436	11,448	17,365	25,422	32,755	19,128
Michigan.....	9	325,384	2,910	881	16,619	85,465	21,335	23,548	30,046	46,417	64,863	33,301
Ohio.....	7	372,640	3,481	1,531	16,809	89,399	27,100	26,483	36,183	60,960	69,897	40,799
Wisconsin.....	20	173,478	2,851	271	8,434	44,321	12,433	11,225	16,227	27,424	31,588	19,905
<b>Plains</b> .....		<b>635,821</b>	<b>16,886</b>	<b>3,449</b>	<b>31,195</b>	<b>111,677</b>	<b>60,941</b>	<b>47,702</b>	<b>59,475</b>	<b>104,091</b>	<b>126,218</b>	<b>74,188</b>
Iowa.....	30	89,600	3,678	210	3,822	19,747	7,758	6,338	7,950	13,938	15,392	10,768
Kansas.....	31	85,063	2,204	1,236	4,018	14,004	11,408	6,449	8,380	11,141	14,851	11,373
Minnesota.....	17	184,766	3,318	684	9,575	32,459	13,842	14,555	17,069	35,354	39,566	18,344
Missouri.....	18	178,845	2,517	423	9,150	32,849	18,299	12,985	17,040	27,394	37,761	20,425
Nebraska.....	36	56,072	2,471	86	2,710	8,022	6,082	4,289	4,918	8,763	11,031	7,701
North Dakota.....	50	18,283	952	686	924	1,580	1,783	1,561	1,797	2,846	3,518	2,636
South Dakota.....	46	23,192	1,745	125	995	3,015	1,769	1,524	2,322	4,655	4,100	2,941
<b>Southeast</b> .....		<b>2,156,521</b>	<b>32,736</b>	<b>30,526</b>	<b>108,230</b>	<b>351,257</b>	<b>190,197</b>	<b>148,028</b>	<b>212,493</b>	<b>361,852</b>	<b>434,586</b>	<b>286,617</b>
Alabama.....	25	119,921	2,166	1,448	5,845	22,959	10,544	7,788	12,134	18,027	20,849	18,161
Arkansas.....	34	67,724	2,246	474	3,300	15,065	7,036	4,466	7,868	8,117	10,769	8,382
Florida.....	4	472,105	8,084	899	25,357	32,590	39,503	36,250	52,887	100,537	118,762	57,236
Georgia.....	10	296,142	3,894	1,127	14,821	49,553	33,355	26,471	27,206	47,076	58,036	34,603
Kentucky.....	27	118,508	2,693	2,135	5,538	31,633	9,605	7,316	10,976	13,664	19,211	15,735
Louisiana.....	24	137,700	1,281	18,526	6,635	20,145	12,233	7,519	11,790	19,005	24,039	16,526
Mississippi.....	35	67,315	1,600	770	3,222	13,307	6,401	3,912	7,270	8,158	11,753	10,923
North Carolina.....	12	281,741	4,979	521	13,913	67,502	18,773	16,689	24,119	54,987	45,998	34,260
South Carolina.....	28	113,377	1,359	177	6,814	23,897	10,397	7,071	12,037	15,819	18,522	17,285
Tennessee.....	19	178,362	1,805	541	8,243	36,055	14,790	13,301	19,943	25,678	37,475	20,531
Virginia.....	13	261,355	2,320	1,044	12,561	31,792	23,009	15,007	22,024	45,969	61,451	46,178
West Virginia.....	40	42,271	309	2,863	1,980	6,760	4,551	2,237	4,239	4,816	7,719	6,795
<b>Southwest</b> .....		<b>1,044,714</b>	<b>15,067</b>	<b>57,581</b>	<b>51,262</b>	<b>149,173</b>	<b>106,628</b>	<b>75,069</b>	<b>100,350</b>	<b>156,992</b>	<b>209,961</b>	<b>122,632</b>
Arizona.....	23	156,303	2,246	1,136	9,292	24,382	11,154	10,124	16,463	28,714	34,652	18,140
New Mexico.....	37	54,364	1,043	5,051	2,290	8,862	4,067	2,186	4,838	7,219	9,787	9,022
Oklahoma.....	29	91,773	2,138	5,146	3,614	14,824	8,480	5,375	9,338	11,383	16,849	14,625
Texas.....	3	742,274	9,639	46,247	36,066	101,105	82,927	57,384	69,711	109,676	148,674	80,845
<b>Rocky Mountain</b> .....		<b>314,569</b>	<b>6,145</b>	<b>9,800</b>	<b>20,135</b>	<b>36,195</b>	<b>34,340</b>	<b>19,342</b>	<b>29,999</b>	<b>51,085</b>	<b>67,522</b>	<b>40,006</b>
Colorado.....	21	167,918	2,261	2,913	11,084	16,257	20,376	10,726	15,911	28,734	40,342	19,313
Idaho.....	41	37,031	1,870	169	2,414	8,468	2,874	2,277	3,632	4,306	6,180	4,842
Montana.....	47	21,777	846	812	1,218	1,578	2,563	1,352	2,180	3,074	4,566	3,587
Utah.....	33	68,549	713	1,208	4,405	8,559	5,901	4,254	6,881	12,685	14,268	9,675
Wyoming.....	48	19,294	454	4,698	1,014	1,333	2,626	733	1,394	2,286	2,166	2,589
<b>Far West</b> .....		<b>1,828,052</b>	<b>33,898</b>	<b>17,350</b>	<b>83,651</b>	<b>252,629</b>	<b>135,717</b>	<b>117,080</b>	<b>167,165</b>	<b>374,507</b>	<b>439,917</b>	<b>206,137</b>
Alaska.....	45	27,747	433	6,041	1,266	1,073	4,401	837	1,858	2,852	3,690	5,296
California.....	1	1,344,623	24,587	9,233	55,472	189,962	94,183	87,392	121,300	293,110	328,274	141,109
Hawaii.....	39	42,364	509	44	1,853	1,296	4,288	1,602	4,663	9,520	9,515	9,074
Nevada.....	32	74,745	582	1,392	7,399	3,066	5,924	3,386	7,920	13,379	24,131	7,566
Oregon.....	26	118,637	3,066	159	6,365	30,608	8,199	8,521	9,630	16,768	21,218	14,102
Washington.....	14	219,937	4,722	481	11,296	26,625	18,722	15,341	21,795	38,877	53,089	28,990

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 2000 that were released on June 10, 2002. 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, 1998-2000

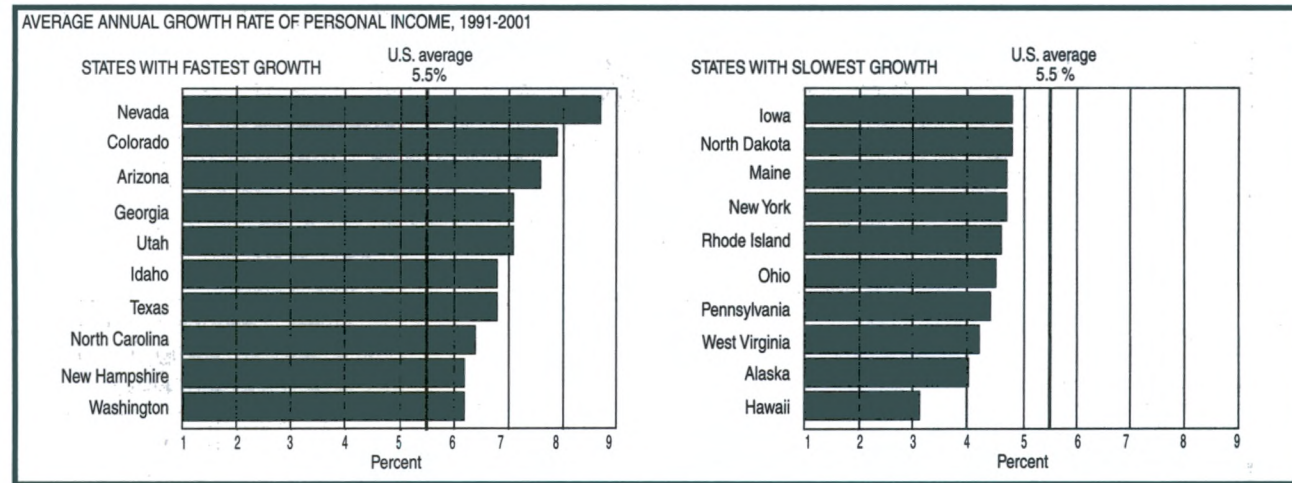
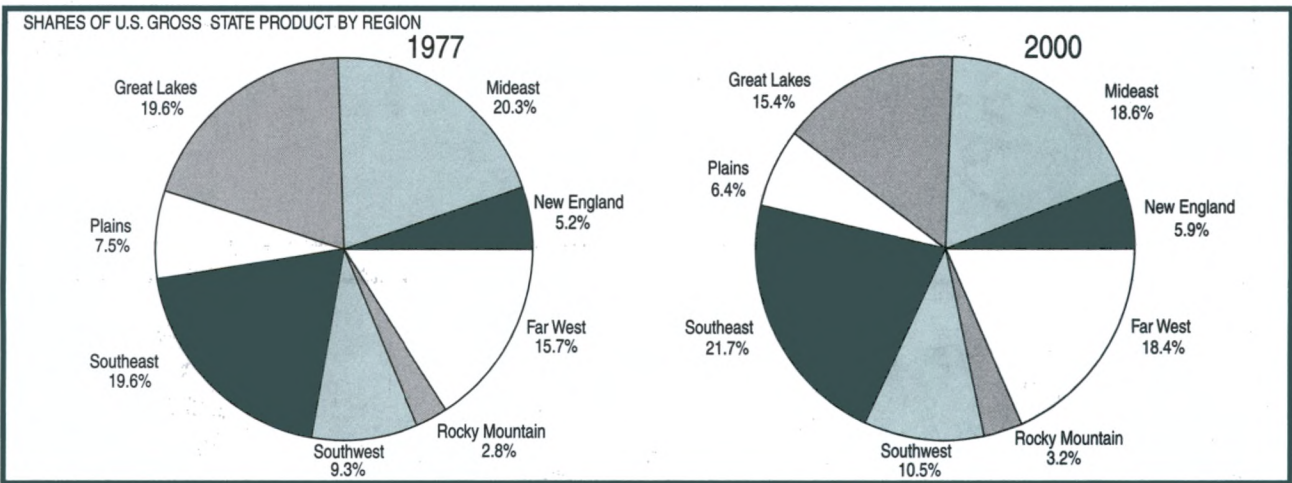
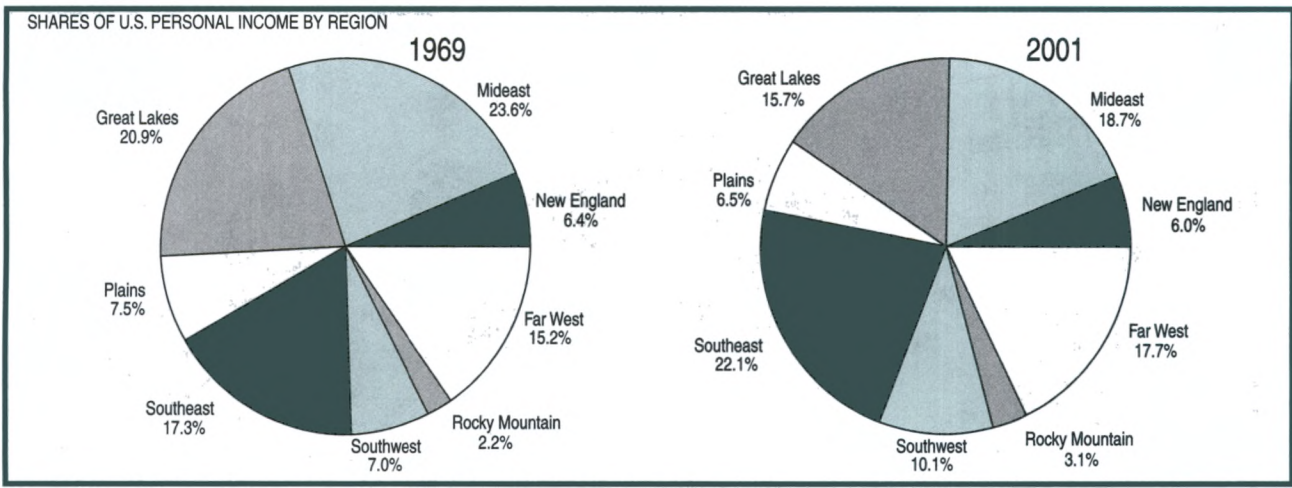
Area name	Personal income				Per capita personal income <sup>1</sup>				Area name	Personal income				Per capita personal income <sup>1</sup>				Rank in U.S.
	Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.		Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.	
	1998	1999	2000		1998	1999	2000			1998	1999	2000		1998	1999	2000		
<b>United States<sup>3</sup></b>	<b>7,418,497</b>	<b>7,769,367</b>	<b>8,314,032</b>	<b>7.0</b>	<b>26,893</b>	<b>27,843</b>	<b>29,469</b>		Corvallis, OR.....	2,157	2,196	2,291	4.3	27,327	28,059	29,318	81	
<b>Metropolitan portion</b>	<b>6,309,791</b>	<b>6,622,851</b>	<b>7,103,560</b>	<b>7.3</b>	<b>26,528</b>	<b>29,569</b>	<b>31,332</b>		Cumbersland, MD-WV.....	1,971	2,010	2,102	4.6	19,190	19,617	20,653	305	
<b>Nonmetropolitan portion</b>	<b>1,108,706</b>	<b>1,146,516</b>	<b>1,210,472</b>	<b>5.6</b>	<b>20,277</b>	<b>20,822</b>	<b>21,847</b>		Dallas, TX**	106,605	113,699	124,705	9.7	31,840	32,974	35,216	23	
<b>Consolidated Metropolitan Statistical Areas</b>																		
Chicago-Gary-Kenosha, IL-IN-WI	287,183	298,505	316,620	6.1	31,878	32,820	34,506		Danville, VA.....	2,150	2,199	2,314	5.2	19,461	19,936	21,028	303	
Cincinnati-Hamilton, OH-KY-IN	54,908	57,245	60,249	5.2	28,078	29,075	30,384		Davenport-Moline-Rock Island, IA-IL	9,260	9,250	9,690	4.8	25,824	25,713	27,005	134	
Cleveland-Akron, OH	83,338	85,770	89,742	4.6	28,294	29,115	30,464		Dayton-Springfield, OH	25,427	26,056	27,084	3.9	26,872	27,336	28,504	99	
Dallas-Fort Worth, TX	150,138	160,079	174,907	9.3	30,167	31,267	33,289		Daytona Beach, FL	10,308	10,587	11,232	6.1	21,519	21,754	22,660	276	
Denver-Boulder-Greeley, CO	78,606	85,196	94,440	10.9	31,947	33,652	36,370		Decatur, AL	2,274	3,423	3,521	2.9	22,707	23,573	24,108	228	
Detroit-Ann Arbor-Flint, MI	162,694	169,368	178,609	5.5	29,973	31,114	32,694		Decatur, IL	3,927	3,049	3,150	3.3	25,353	26,479	27,516	124	
Houston-Galveston-Brazoria, TX	162,556	142,509	155,001	8.8	30,405	30,982	33,025		Denver, CO*	65,598	70,982	78,793	11.0	32,532	34,267	37,153	18	
Los Angeles-Riverside-Orange County, CA	428,551	451,458	482,176	6.8	26,909	27,892	29,329		Des Moines, IA	13,074	13,700	14,340	4.7	29,503	30,402	31,347	53	
Miami-Fort Lauderdale, FL	95,902	98,951	105,353	6.5	25,637	25,937	27,033		Detroit, MI*	134,925	140,283	147,828	5.4	30,410	31,601	33,259	36	
Milwaukee-Racine, WI	49,851	51,775	54,331	4.9	29,698	30,734	32,137		Dothan, AL	2,943	3,071	3,202	4.3	21,566	22,357	23,197	259	
New York-New Jersey-Long Island, NY-NJ-CT-PA	741,023	774,361	836,234	8.0	35,723	36,956	39,568		Dover, DE	2,772	2,862	3,025	5.7	22,348	22,787	23,795	238	
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	187,702	194,772	206,743	6.1	30,592	31,598	33,377		Dubuque, IA	2,173	2,174	2,287	5.2	24,481	24,450	25,645	172	
Portland-Bathlehem-Easton, PA	61,119	64,272	69,210	7.7	27,732	28,687	30,453		Duluth-Superior, MN-WI	5,789	5,978	6,339	6.0	23,893	24,590	26,005	162	
Sacramento-Yolo, CA	46,577	50,012	54,157	8.3	26,894	28,299	29,951		Dutchess County, NY*	7,710	7,964	8,687	9.1	28,160	28,691	30,939	57	
San Francisco-Oakland-San Jose, CA	257,252	283,762	328,275	15.8	37,277	40,660	46,586		Eau Claire, WI	3,432	3,584	3,785	5.6	23,435	24,321	25,472	178	
Seattle-Tacoma-Bremerton, WA	112,042	121,281	127,818	5.4	32,207	34,412	35,877		El Paso, TX	11,624	11,988	12,643	5.5	17,318	17,749	18,535	312	
Washington-Baltimore, DC-MD-VA-WV	247,605	262,832	283,865	8.0	33,416	34,955	37,168		Elkhart-Goshen, IN	4,372	4,627	4,857	5.0	24,578	25,614	26,485	149	
									Elmira, NY	2,085	2,145	2,281	6.4	22,711	23,499	25,069	191	
<b>Metropolitan Statistical Areas*</b>																		
Abilene, TX	2,881	2,964	3,096	4.5	22,971	23,460	24,487	214	Enid, OK	1,328	1,326	1,373	3.5	22,841	22,791	23,815	237	
Akron, OH*	18,584	19,186	20,194	5.3	26,893	27,680	29,023	90	Erie, PA	6,504	6,649	6,944	4.4	23,082	23,637	24,740	199	
Albany, GA	2,567	2,635	2,770	5.1	21,313	21,864	22,920	267	Eugene-Springfield, OR	7,590	7,904	8,271	4.6	23,744	24,564	25,584	175	
Albany-Schenectady-Troy, NY	24,112	24,816	26,233	5.7	27,587	28,392	29,942	71	Evansville-Henderson, IN-KY	7,640	7,896	8,310	5.2	25,940	26,712	28,048	108	
Albuquerque, NM	16,861	17,372	18,503	6.5	24,043	24,598	25,894	164	Fargo-Moorhead, ND-MN	4,258	4,535	4,720	4.1	24,914	26,230	27,024	133	
Alexandria, LA	2,833	2,901	3,006	3.6	22,509	23,006	23,777	239	Fayetteville, NC	6,862	7,105	7,542	6.2	22,912	23,558	24,899	193	
Allentown-Bethlehem-Easton, PA	16,797	17,530	18,614	6.2	26,608	27,593	29,146	88	Fayetteville-Springdale-Rogers, AR	6,356	6,806	7,306	7.4	21,588	22,442	23,316	251	
Altoona, PA	2,908	3,031	3,165	4.4	22,894	23,361	24,533	210	Flagstaff, AZ-UT	2,432	2,528	2,700	6.8	20,111	20,842	22,000	284	
Anchorage, AK	4,841	5,047	5,333	5.7	23,404	23,387	24,429	217	Flint, MI*	10,470	10,672	11,017	3.2	24,171	24,567	25,217	186	
Ann Arbor, MI*	17,299	18,414	19,765	7.3	31,002	32,312	33,987	32	Florence, AL	2,877	2,956	3,060	3.5	20,254	20,770	21,397	295	
Annisson, AL	2,361	2,369	2,364	-0.2	20,146	20,620	21,232	298	Florence, SC	2,790	2,902	3,085	6.3	22,336	23,107	24,517	211	
Appleton-Oshkosh-Neenah, WI	9,082	9,545	10,179	6.6	25,858	26,864	28,332	102	Fort Collins-Loveland, CO	6,219	6,670	7,376	7.6	25,830	27,017	29,178	87	
Asheville, NC	5,554	5,706	6,032	5.7	25,142	25,506	26,618	144	Fort Lauderdale, FL*	43,721	44,556	47,997	1.7	28,015	27,950	29,409	80	
Athens, GA	3,262	3,407	3,589	5.3	22,001	22,542	23,311	253	Fort Myers-Cape Coral, FL	10,924	11,196	11,834	5.7	25,893	25,917	26,655	142	
Atlanta	116,796	126,048	136,832	8.6	30,121	31,435	33,013	37	Fort Pierce-Port St. Lucie, FL	8,644	8,932	9,367	4.9	27,779	28,237	29,206	85	
Atlantic-Cape May, NJ*	10,234	10,373	10,954	5.6	29,262	29,420	30,824	63	Fort Smith, AR-OK	4,113	4,319	4,625	7.1	20,384	21,104	22,249	282	
Auburn-Opelika, AL	1,920	2,021	2,135	5.6	17,466	17,901	18,484	313	Fort Walton Beach, FL	4,093	4,254	4,530	6.5	24,363	25,163	26,501	148	
Augusta-Aiken, GA-SC	10,502	10,817	11,389	9.5	22,392	22,800	23,815	236	Fort Wayne, IN	12,805	13,195	13,878	5.2	25,924	26,479	27,591	118	
Austin-San Marcos, TX	32,797	36,972	40,483	13.9	30,659	32,039	34,444	44	Fort Worth-Arlington, TX*	43,532	46,380	50,202	8.2	26,729	27,745	29,305	82	
Bakersfield, CA	12,577	12,921	13,787	6.7	19,559	19,714	20,767	304	Fresno, CA	17,465	18,402	19,556	5.9	19,454	20,260	21,121	301	
Baltimore, MD*	74,127	77,608	82,502	6.3	29,354	30,551	32,265	42	Gadsden, AL	2,072	2,119	2,219	4.7	19,352	20,375	21,486	284	
Bangor, ME (NECMA)	3,124	3,244	3,426	5.6	21,605	22,387	23,653	242	Gainesville, FL	4,938	5,063	5,347	5.6	23,217	23,455	24,507	212	
Barnstable-Yarmouth, MA (NECMA)	6,912	7,430	8,128	9.4	32,223	33,932	36,417	20	Galveston-Texas City, TX*	6,251	6,387	6,660	4.3	25,446	25,662	26,564	145	
Baton Rouge, LA	14,061	14,542	15,176	4.4	23,787	24,312	25,117	190	Gary, IN*	15,702	16,146	17,196	6.5	24,947	25,604	27,216	129	
Beaumont-Port Arthur, TX	8,795	8,798	9,146	3.9	22,974	22,851	23,756	240	Glens Falls, NY	2,698	2,751	2,893	5.2	21,856	22,169	23,262	256	
Bellingham, WA	3,550	3,707	3,876	4.6	22,048	22,525	23,133	261	Goldsporo, NC	2,217	2,222	2,443	9.9	19,543	19,635	21,550	292	
									Grand Forks, ND-MN	2,264	2,264	2,388	5.5	22,657	23,122	24,572	208	
									Grand Junction, CO	2,562	2,709	2,885	6.5	22,738	23,591	24,693	201	
									Grand Rapids-Muskegon-Holland, MI	27,695	28,933	30,550	5.6	26,095	26,853	27,977	110	
Benton Harbor, MI	3,853	4,018	4,171	3.8	23,776	24,799	25,659	170	Great Falls, MT	1,881	1,896	1,978	4.3	23,304	23,527	24,661	202	
Bergen-Passaic, NJ*	51,904	53,692	58,721	9.4	38,142	39,239	42,726	4	Greely, CO	3,521	3,822	4,126	8.0	21,144	21,921	22,539	278	
Billings, MT	3,100	3,179	3,376	6.2	24,285	24,697	26,057	160	Green Bay, WI	6,102	6,365	6,659	4.6	27,442	28,311	29,295	83	
Blount-Guilford-Pascagoula, MS	7,741	8,027	8,429	5.0	21,773	22,234	23,097	262	Greensboro-Winston-Salem-High Point, NC	32,570	33,716	35,799	6.2	26,716	27,237	28,522	98	
Binghamton, NY	5,773	5,959	6,244	4.8	22,798	23,575	24,779	198	Greenville, NC	2,936	2,911	3,299	13.3	22,499	21,964	24,599	207	
Birmingham, AL	24,406	25,652	26,814	4.5	26,791	27,966	29,057	89	Greenville-Spartanburg-Anderson, SC	21,965	22,964	24,403	6.3	23,404	24,108	25,277	184	
									Hagerstown, MD*	2,945	3,012	3,206	6.5	22,570	22,960	24,267</		

Table K.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 1998-2000—Continued

Area name	Personal income				Per capita personal income <sup>1</sup>				Rank in U.S.	Area name	Personal income				Per capita personal income <sup>1</sup>				Rank in U.S.							
	Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.			Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.								
	1998	1999	2000		1998	1999	2000				1998	1999	2000		1998	1999	2000									
La Crosse, WI-MN .....	3,064	3,164	3,323	5.0	24,438	25,100	26,165	256	Reno, NV .....	10,552	11,195	11,911	6.4	32,502	33,636	34,879	25	Richland-Kennebec-Pasco, WA .....	4,150	4,269	4,598	7.7	22,279	22,582	23,872	235
Lafayette, LA .....	8,201	8,151	8,572	5.2	21,511	21,219	22,210	184	Richmond-Petersburg, VA .....	27,932	29,358	31,271	6.5	28,635	29,744	31,292	54	Riverside-San Bernardino, CA .....	66,827	71,205	76,593	7.6	21,500	22,325	23,350	248
Lafayette, IN .....	4,093	4,205	4,455	5.9	22,738	23,179	24,330	220	Roanoke, VA .....	6,288	6,493	6,883	6.0	26,766	27,579	29,181	86	Rochester, MN .....	3,622	3,867	4,151	7.3	30,171	31,547	33,283	35
Lake Charles, LA .....	3,988	4,054	4,166	2.8	21,841	22,103	22,701	272	Rochester, NY .....	29,626	30,133	31,213	3.6	27,024	27,488	28,419	101	Rockford, IL .....	9,165	9,419	9,769	3.7	25,083	25,570	26,253	154
Lakeland-Winter Haven, FL .....	10,122	10,478	11,306	7.9	21,469	21,919	23,285	255	Rocky Mount, NC .....	3,250	3,080	3,524	14.4	22,739	21,488	24,629	204	Saginaw-Bay City-Midland, MI .....	42,528	45,671	49,567	8.5	27,086	28,509	30,252	67
Lancaster, PA .....	11,981	12,495	13,298	6.4	25,806	26,706	28,195	106	Saint Louis-MO-IL .....	10,028	10,320	10,772	4.4	24,846	25,590	26,733	141	Salt Lake City-Ogden, UT .....	3,700	3,826	4,067	6.3	22,650	23,124	24,210	224
Lansing-East Lansing, MI .....	10,949	11,526	12,050	4.5	24,474	25,780	26,895	136	San Angelo, TX .....	2,238	2,404	2,520	4.8	22,475	23,136	24,235	223	San Antonio, TX .....	36,977	38,704	41,169	6.4	23,903	24,612	25,741	166
Laredo, TX .....	2,572	2,712	2,945	8.6	14,053	14,347	15,114	318	San Diego, CA .....	78,156	84,493	91,850	8.7	28,558	30,289	32,515	41	San Francisco, CA .....	78,465	85,983	99,425	15.6	45,883	49,800	57,414	1
Las Cruces, NM .....	2,818	2,905	3,032	4.4	16,376	16,705	17,321	314	San Jose, CA .....	66,666	76,769	82,880	21.0	40,185	45,928	55,157	2	San Luis Obispo-Atascadero-Paso Robles, CA .....	5,869	6,231	6,669	7.0	24,453	25,592	26,932	135
Las Vegas, NV-AZ .....	37,556	40,561	43,615	7.5	26,320	26,985	27,558	121	Santa Barbara-Santa Maria-Lompoc, CA .....	11,416	12,132	13,085	7.9	28,920	30,567	32,734	38	Lompoc, CA .....	11,416	12,132	13,085	7.9	28,920	30,567	32,734	38
Lawrence, KS .....	2,043	2,135	2,278	6.7	20,941	21,461	22,747	271	Santa Cruz-Watsonville, CA .....	7,686	8,398	9,610	14.4	30,636	31,107	37,567	17	Santa Fe, NM .....	4,226	4,495	4,834	5.2	29,261	30,077	31,249	55
Lawton, OK .....	2,285	2,349	2,443	4.0	19,771	20,235	21,332	297	Santa Rosa, CA .....	13,452	14,202	15,046	13.0	30,168	31,321	34,863	26	Sarasota-Bradenton, FL .....	19,092	19,594	20,563	6.4	33,319	33,672	34,773	29
Lewiston-Auburn, ME (NECMA) .....	2,316	2,413	2,497	3.5	22,463	23,333	24,045	229	Sarasota-Bradenton, FL .....	19,092	19,594	20,563	6.4	33,319	33,672	34,773	29	Savannah, GA .....	7,316	7,601	8,008	5.4	25,362	26,066	27,289	128
Lexington, KY .....	12,170	12,785	13,743	7.5	26,121	26,975	28,597	97	Scranton-Wilkes-Barre-Hazleton, PA .....	14,638	14,950	15,708	5.1	23,206	23,827	25,191	188	Seattle-Bellevue-Everett, WA .....	84,997	93,159	98,384	5.6	35,880	38,858	40,686	8
Lima, OH .....	3,555	3,702	3,864	4.4	22,894	23,909	24,890	194	Sharon, PA .....	2,559	2,623	2,774	5.8	21,107	21,720	23,080	263	Sheboygan, WI .....	2,895	3,031	3,190	5.3	25,852	27,029	28,278	104
Lincoln, NE .....	6,509	6,858	7,217	5.2	26,611	27,717	28,752	94	Sherman-Denison, TX .....	2,306	2,426	2,597	7.1	21,546	22,118	23,400	247	Sherman-Denison, TX .....	2,306	2,426	2,597	7.1	21,546	22,118	23,400	247
Little Rock-North Little Rock, AR .....	14,634	15,240	16,045	5.3	25,598	26,327	27,417	126	Shreveport-Bossier City, LA .....	8,780	9,031	9,411	4.1	22,529	23,283	23,972	233	Sioux City, IA-NE .....	2,933	2,974	3,091	3.9	23,791	24,008	24,902	192
Longview-Marshall, TX .....	4,677	4,764	5,009	5.2	22,492	22,804	23,992	232	Sioux Falls, SD .....	2,678	2,806	2,958	5.2	22,406	23,136	24,019	64	South Bend, IN .....	6,727	6,930	7,261	4.8	25,495	26,156	27,335	127
Los Angeles-Long Beach, CA .....	253,406	265,291	281,835	6.2	27,208	28,111	29,522	78	Spokane, WA .....	9,650	9,977	10,361	7.2	23,336	24,015	25,550	176	Springfield, IL .....	5,541	5,695	5,976	4.9	27,466	28,286	29,651	75
Louisville, KY-IN .....	28,201	29,247	31,008	6.0	27,866	28,670	30,191	68	Springfield, MO .....	7,296	7,561	8,000	5.8	23,032	23,510	24,473	215	Springfield, MA (NECMA) .....	15,250	15,780	16,832	6.7	25,173	26,090	27,653	117
Lubbock, TX .....	5,475	5,594	5,978	6.9	22,851	23,235	24,613	205	State College, PA .....	3,080	3,251	3,428	5.4	22,871	24,026	25,237	185	Steubenville-Weirton, OH-WV .....	2,751	2,785	2,891	3.8	20,428	20,893	21,969	289
Lynchburg, VA .....	4,704	4,910	5,194	5.8	22,169	22,976	24,141	226	Stockton-Lodi, CA .....	11,942	12,297	13,209	7.4	21,364	22,261	23,242	258	Sumter, SC .....	1,964	2,040	2,148	5.3	18,620	19,464	20,493	306
Macon, GA .....	7,490	7,814	8,234	5.4	23,505	24,357	25,474	177	Syracuse, NY .....	17,807	18,316	19,126	4.4	24,260	25,101	26,130	158	Tacoma, WA .....	16,548	17,219	18,004	4.6	24,371	24,859	25,587	173
Madison, WI .....	13,090	13,737	14,679	6.9	31,152	32,456	34,301	30	Tallahassee, FL .....	6,569	6,864	7,237	5.4	23,649	24,529	25,382	181	Tampa-St. Petersburg-Clearwater, FL .....	61,218	63,331	67,824	7.1	26,197	26,732	28,214	105
Madisonville, OH .....	3,826	3,908	4,101	4.9	21,746	22,156	23,347	249	Terre Haute, IN .....	3,173	3,265	3,424	4.9	21,192	21,844	22,977	266	Texarkana, TX-Texarkana, AR .....	2,564	2,673	2,808	5.0	19,916	20,647	21,636	291
McAllen-Edinburg-Mission, TX .....	6,720	7,105	7,659	7.8	12,492	12,782	13,344	318	Toledo, OH .....	15,819	16,490	17,011	3.2	25,738	26,667	27,521	123	Topeka, KS .....	4,369	4,478	4,724	5.5	25,799	26,418	27,784	115
Medford-Ashtland, OR .....	4,005	4,246	4,468	5.2	22,670	23,687	24,563	209	Trenton, NJ .....	12,521	13,071	14,385	10.1	36,397	37,512	40,954	7	Trenton, NJ .....	12,521	13,071	14,385	10.1	36,397	37,512	40,954	7
Melbourne-Titusville-Palm Bay, FL .....	11,116	11,374	12,261	7.8	23,772	24,090	25,650	171	Tucson, AZ .....	18,089	19,037	20,137	5.7	22,239	22,967	23,705	241	Tulsa, OK .....	21,450	21,984	23,157	5.3	27,244	27,529	28,775	93
Memphis, TN-AR-MS .....	30,687	31,775	33,329	4.9	27,625	28,222	29,275	84	Tuscaloosa, AL .....	3,605	3,753	3,903	4.0	22,062	22,826	23,652	243	Tyler, TX .....	4,389	4,518	4,810	6.5	25,662	26,152	27,421	125
Merced, CA .....	3,545	3,742	3,924	4.9	17,528	18,100	18,536	311	Utica-Rome, NY .....	6,583	6,764	7,038	4.0	21,897	22,557	23,505	245	Vallejo-Fairfield-Napa, CA .....	12,820	13,731	15,597	13.6	25,628	26,888	28,980	72
Miami, FL .....	52,180	54,395	57,356	5.4	23,935	24,492	25,320	183	Ventura, CA .....	20,632	22,140	24,166	9.2	28,232	29,783	31,919	45	Victoria, TX .....	2,025	2,078	2,231	7.3	24,305	24,748	26,533	146
Middlesex-Somerset-Hunterdon, NJ .....	43,472	45,564	49,749	9.2	38,155	39,393	42,392	5	Visalia-Tulare-Porterville, CA .....	3,126	3,182	3,412	7.2	21,421	21,748	23,303	254	Waco, TX .....	4,467	4,705	4,897	4.1	21,293	22,241	22,878	269
Milwaukee-Waukesha, WI .....	44,776	46,566	48,860	4.9	30,032	31,122	32,538	39	Washington, DC-MD-VA-WV .....	170,533	182,212	198,156	8.8	35,871	37,588	40,046	12	Waterloo-Cedar Falls, IA .....	2,966	2,946	3,116	5.8	23,216	23,053	24,373	218
Minneapolis-St. Paul, MN-WI .....	96,082	101,215	109,236	7.9	33,308	34,518	36,666	19	Watsonville, CA .....	3,088	3,209	3,384	5.3	24,782	25,591	26,860	137	West Palm Beach-Boca Raton, FL .....	42,948	44,169	46,589	5.5	39,182	39,545	41,007	6
Missoula, MT .....	2,093	2,161	2,315	7.1	22,307	22,802	24,111	227	Wausau, WI .....	3,324	3,382	3,541	4.7	21,368	21,926	23,170	260	Wichita, KS .....	14,502	14,638	15,236	4.1	26,688	26,908	27,904	112
Mobile, AL .....	11,393	11,774	12,280	4.3	21,378	21,930	22,677	274	Wichita Falls, TX .....	3,252	3,341	3,527	5.9	23,143	23,746	25,208	187	Williamsport, PA .....	2,563	2,632	2,788	5.9	21,257	21,904	23,252	257
Modesto, CA .....	9,178	9,650	10,302	6.8	21,407	22,001	22,889	268	Wilmington-Newark, DE-MD .....	17,935	18,587	20,149	8.4	31,301	32,010	34,262	31	Wilmington, NC .....	5,363	5,625	6,034	7.3	23,777	24,443	25,736	168
Monmouth-Ocean, NJ .....	35,161	36,478	39,362	7.9	31,952	32,721	34,812	28	Yakima, WA .....	4,551	4,593	4,906	6.8	20,709	20,730	22,022	287	Yolo, CA .....	4,049	4,341	4,589	5.7	25,035	26,265	27,038	132
Monroe, LA .....	3,109	3,258	3,396	4.2																						

L. Charts

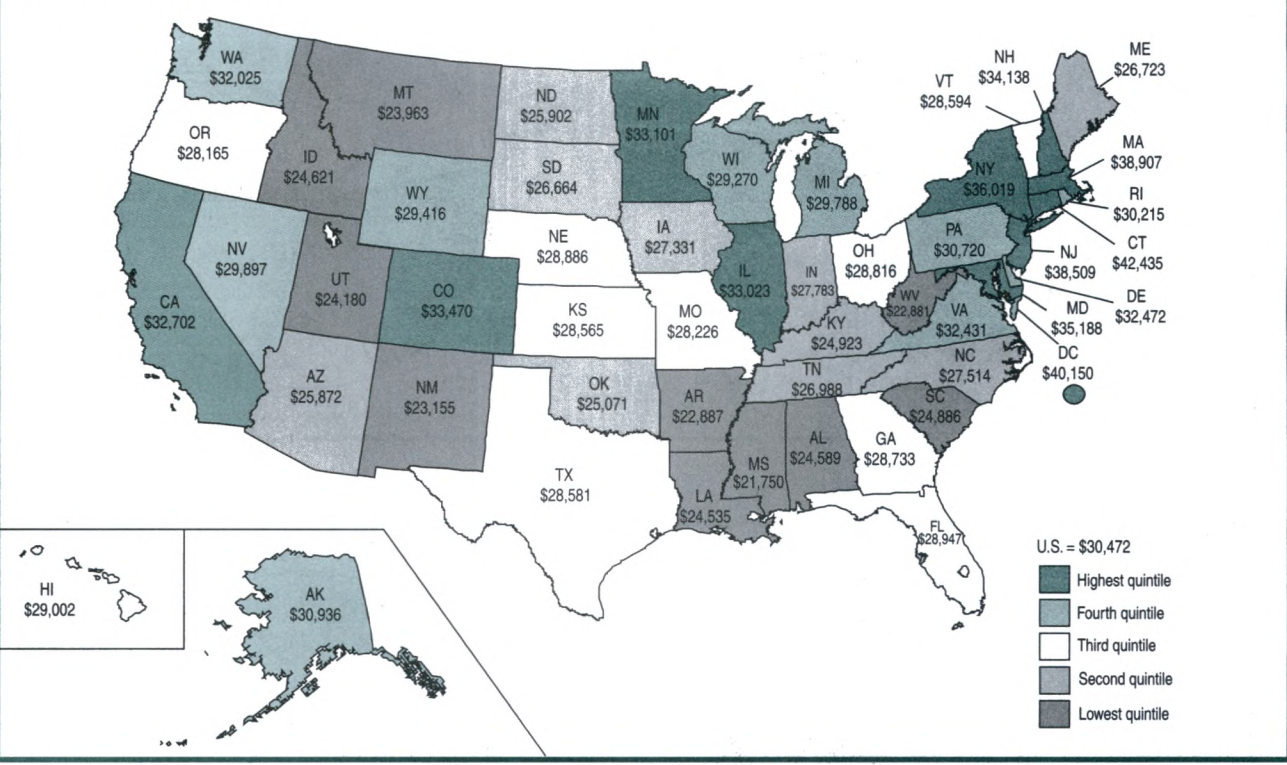
SELECTED REGIONAL ESTIMATES



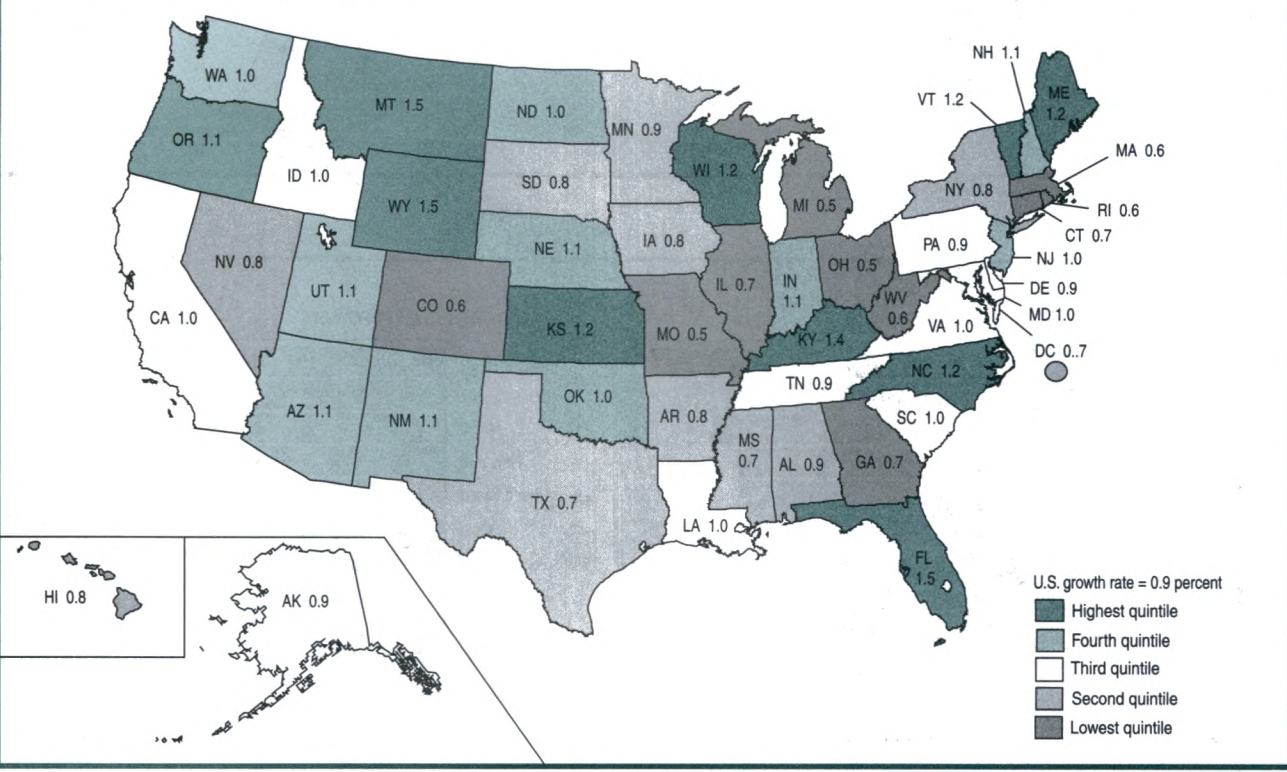
U.S. Bureau of Economic Analysis

### SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 2001



PERSONAL INCOME: PERCENT CHANGE, 2002:II-2002:III



U.S. Bureau of Economic Analysis



## 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]

	2001	2002	Seasonally adjusted at annual rates					
			2001		2002			
			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>2.7</b>	<b>2.4</b>	<b>1.0</b>	<b>1.5</b>	<b>2.9</b>	<b>4.0</b>	<b>2.1</b>	<b>4.1</b>
<i>Less:</i> Contribution of supplements to wages and salaries per hour.....	0.3	0.6	0.1	0.1	1.3	0.8	0.8	0.6
<i>Plus:</i> Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions .....	0.0	-0.1	0.0	-0.5	0.0	0.1	0.4	0.1
<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	-0.4	0.2	-0.2	0.1	0.5	0.3
<b>Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector</b> .....	<b>2.5</b>	<b>1.7</b>	<b>1.3</b>	<b>0.7</b>	<b>1.8</b>	<b>3.1</b>	<b>1.3</b>	<b>3.2</b>
<i>Less:</i> Contribution of wages and salaries per hour of nonproduction workers in manufacturing.....	-0.1	0.0	0.0	0.2	-0.2	0.0	-0.2	0.4
<i>Less:</i> Other differences <sup>2</sup> .....	-1.4	-1.5	-2.6	-3.1	-0.9	0.7	-1.8	-0.6
<b>Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls</b> .....	<b>4.0</b>	<b>3.2</b>	<b>3.9</b>	<b>3.7</b>	<b>2.9</b>	<b>2.4</b>	<b>3.2</b>	<b>3.5</b>
<b>Addendum:</b> BLS estimates of compensation per hour in the nonfarm business sector <sup>3</sup> .....	2.7	2.8	1.0	1.5	2.9	4.0	5.4	4.6

1. Includes BLS data on compensation and hours of nonfarm proprietors and hours worked of unpaid family workers.

2. Includes BEA use of non-BLS data and differences in detailed weighting. Annual estimates also include differences in BEA and BLS benchmark procedures; quarterly estimates also include differences in seasonal adjustment procedures.

3. These estimates differ from the BEA-derived estimates (first line) because the BLS estimates include compensation and hours of tenant-occupied housing. In addition, the published BLS estimates for the third and fourth quarters of 2002 do not reflect revisions to BEA wages and salaries for the third and fourth quarters of 2002.

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 and Services and Income in the ITA's**

[Billions of dollars]

	Line	2001	2002	Seasonally adjusted at annual rates					
				2001		2002			
				III	IV	I	II	III	IV
<b>Exports of goods and services and income receipts, ITA's</b> .....	<b>1</b>	<b>1,281.8</b>	<b>1,216.5</b>	<b>1,237.9</b>	<b>1,166.7</b>	<b>1,164.0</b>	<b>1,219.7</b>	<b>1,249.6</b>	<b>1,232.7</b>
<i>Less:</i> Gold, ITA's.....	2	4.9	3.4	2.4	2.9	2.5	3.5	3.6	4.0
Statistical differences <sup>1</sup> .....	3	0.0	1.5	0.0	0.0	-1.8	2.9	2.1	2.8
Other items .....	4	1.0	0.9	1.0	0.8	0.9	1.1	0.9	0.9
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments.....	5	6.2	4.9	6.0	5.9	4.6	5.5	4.7	5.1
Adjustment for U.S. territories and Puerto Rico.....	6	50.7	57.3	49.3	53.3	56.6	56.6	57.7	58.2
Services furnished without payment by financial intermediaries except life insurance carriers	7	18.3	20.1	18.0	17.8	18.6	19.8	20.6	21.3
<b>Equals: Exports of goods and services and income receipts, NIPA's</b> .....	<b>8</b>	<b>1,351.1</b>	<b>1,292.9</b>	<b>1,307.8</b>	<b>1,240.0</b>	<b>1,242.2</b>	<b>1,294.1</b>	<b>1,325.9</b>	<b>1,309.6</b>
<b>Imports of goods and services and income payments, ITA's</b> .....	<b>9</b>	<b>1,625.7</b>	<b>1,663.9</b>	<b>1,553.8</b>	<b>1,492.7</b>	<b>1,550.5</b>	<b>1,678.8</b>	<b>1,702.6</b>	<b>1,723.8</b>
<i>Less:</i> Gold, ITA's.....	10	4.3	2.9	2.2	2.4	2.0	3.5	3.0	2.9
Statistical differences <sup>1</sup> .....	11	0.0	-5.4	0.0	0.0	-1.9	-5.6	-7.2	-7.0
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	-3.4	-3.3	-3.6	-3.3	-3.3	-3.6	-3.5	-2.9
Adjustment for grossing of parent/affiliate interest payments .....	14	6.2	4.9	6.0	5.9	4.6	5.5	4.7	5.1
Adjustment for U.S. territories and Puerto Rico.....	15	35.6	38.0	36.9	38.6	30.1	37.2	41.1	43.4
Imputed interest paid to rest of world .....	16	18.3	20.1	18.0	17.8	18.6	19.8	20.6	21.3
<b>Equals: Imports of goods and services and income payments, NIPA's</b> .....	<b>17</b>	<b>1,678.0</b>	<b>1,726.1</b>	<b>1,608.9</b>	<b>1,549.3</b>	<b>1,600.4</b>	<b>1,739.8</b>	<b>1,769.7</b>	<b>1,794.7</b>
<b>Balance on goods and services and income ITA's (1-9)</b> .....	<b>18</b>	<b>-343.9</b>	<b>-447.4</b>	<b>-315.9</b>	<b>-326.0</b>	<b>-386.5</b>	<b>-459.1</b>	<b>-453.0</b>	<b>-491.1</b>
<i>Less:</i> Gold (2-10+13).....	19	-2.8	-2.8	-3.4	-2.8	-2.8	-3.6	-2.9	-1.8
Statistical differences (3-11) <sup>1</sup> .....	20	0.0	6.9	0.0	0.0	0.1	8.5	9.3	9.8
Other items (4-12).....	21	1.0	0.9	1.0	0.8	0.9	1.1	0.9	0.9
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15).....	22	15.1	19.3	12.4	14.7	26.5	19.4	16.6	14.8
<b>Equals: Net exports of goods and services and net receipts of income, NIPA's (8-17)</b> .....	<b>23</b>	<b>-326.9</b>	<b>-433.2</b>	<b>-301.1</b>	<b>-309.3</b>	<b>-358.2</b>	<b>-445.7</b>	<b>-443.8</b>	<b>-485.1</b>

1. Consists of statistical revisions in the NIPA's that have not yet been incorporated into the ITA's (2002:IV) and statistical revisions in the ITA's that have not yet been incorporated into the NIPA's (2002:1-2002: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 (NIPAs).** This series of papers documents the conceptual framework of the NIPAs and the methodologies that have been used to prepare the estimates.

*An Introduction to National Economic Accounting* (1985) [also in the March 1985 SURVEY]

*Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends* (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 NIPAs. For more information, see the following.

*National Income and Product Accounts of the United States, 1929-97* (2001) provides the definitions of the major NIPA aggregates and components, discusses the measures of real output and prices, explains how production is classified and how the NIPAs are presented, describes the statistical conventions that are used, and lists the principal source data and methods that are used to prepare the estimates of gross domestic product (GDP). [Go to <[www.bea.gov/bea/an/nipaguid.htm](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 2002) briefly describes the principal source data and methods used to prepare the current-dollar and real estimates of GDP.

"Annual Revision of the National Income and Product Accounts" (August 2002).

"BEA's Chain Indexes, Time Series, and Measures of Long-Term Economic Growth" (May 1997) 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 NIPAs.

"Reliability of GDP and Related NIPA Estimates" (January 2002) evaluates the principal NIPA estimates by examining the record of revisions to them.

**Wealth and related estimates.** *Fixed Reproducible Tangible Wealth in the United States, 1925-94* (1999) discusses the concepts and statistical considerations that underlie the estimates and their derivation.

"Fixed Assets and Consumer Durable Goods for 1925-98" (April 2000) describes the definitional and statistical improvements that were incorporated in the comprehensive revision of the estimates.

#### 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 Strategic Plan for 2001-2005" in the May 2002 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, 1997” (December 2002) presents the 1997 accounts and describes the improvements that were incorporated.

“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.

The annual revisions of the ITA's are described in a series of articles, the latest of which is published in the July 2002 SURVEY.

**Direct investment.** *International Direct Investment: Studies by the Bureau of Economic Analysis* (1999) is a collection of previously published articles on U.S. direct investment abroad and foreign direct investment in the United States. It also includes the following information.

The “Methodology for U.S. Direct Investment Abroad,” which is also available in *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final*

*Results* (1998)

“A Guide to BEA Statistics on U.S. Multinational Companies,” which is also available in the March 1995 SURVEY

“A Guide to BEA Statistics on Foreign Direct Investment in the United States,” which is also available in the February 1990 SURVEY

In addition, the updated methodology for foreign direct investment in the United States is available in *Foreign Direct Investment in the United States: Final Results From the 1997 Benchmark Survey* (2001)

**International services.** *U.S. International Transactions in Private Services: A Guide to the Surveys Conducted by the Bureau of Economic Analysis* (1998) describes 11 surveys. It includes classifications, definitions, release schedules, the methods used to prepare the estimates, and samples of the survey forms.

“Selected Issues in the Measurement of U.S. International Services” (June 2002) describes key issues in defining and measuring insurance, wholesale and retail trade, finance, construction, and utilities services and explores possible actions to address these issues.

### Regional accounts

The regional accounts include estimates of personal income and gross state product.

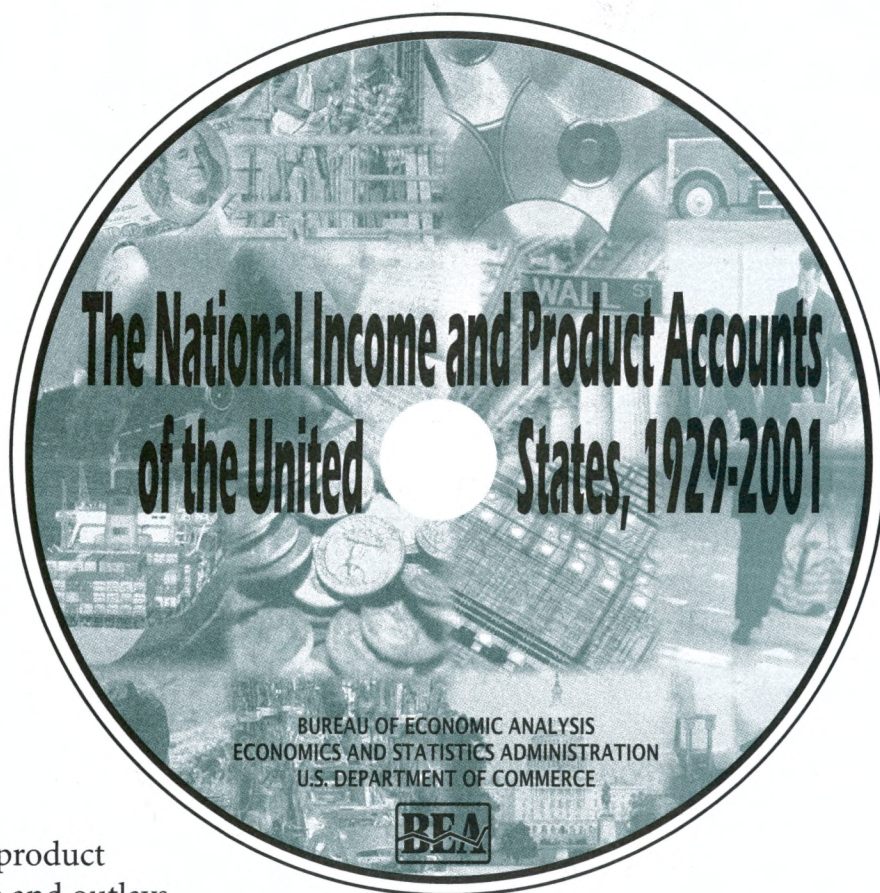
**Personal income.** Estimates of personal income are prepared for States and for local areas.

“Comprehensive Revision of State Personal Income for 1969–99” (June 2000) summarizes the changes in the methodology that is used to prepare the estimates. The detailed methodology is available on the CD-ROM *State Personal Income, 1929–2000*.

“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, 1969–2000*.

**Gross state product.** “Comprehensive Revision of Gross State Product by Industry, 1977–94” (June 1997) summarizes the sources and the methods that are used to prepare the estimates. “Gross State Product by Industry, 1977–98” (October 2000) describes the most recent comprehensive revision of these estimates.

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State Personal Income, 4th quarter 2002 and Per Capita Personal Income, 2002	Apr. 23	9:00 a.m.
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Tourism Satellite Accounts, 1st quarter 2003	June 12	10:30 a.m.
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International Investment Position of the United States, 2002	June 30	10:00 a.m.
U.S. International Trade in Goods and Services, May 2003*	July 11	8:30 a.m.
State Personal Income, 1st quarter 2003	July 23	9:00 a.m.
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