

# SURVEY OF CURRENT BUSINESS



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U.S. International Transactions, First Quarter 2003

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



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# SURVEY OF CURRENT BUSINESS

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## **1 Business Situation: Final Estimates for the First Quarter of 2003**

Real GDP increased 1.4 percent in the first quarter of 2003, according to the “final” estimates, the same increase as in the fourth quarter of 2002. The “preliminary” first-quarter estimates issued a month ago had shown a 1.9-percent increase. The downward revision to GDP was largely accounted for by a downward revision to inventory investment. Corporate profits increased \$20.4 billion (2.6 percent at a quarterly rate) in the first quarter, an upward revision of \$12.5 billion from the estimates issued a month ago.

## **8 Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade, 2003:I**

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.

## **12 The International Investment Position of the United States at Yearend 2002**

In 2002, the net international investment position of the United States became more negative, whether measured on a current-cost basis or on a market-value basis. The net position at current cost was  $-\$2,387.2$  billion at yearend 2002, compared with  $-\$1,979.9$  billion (revised from the previous estimate of  $-\$1,948.1$  billion) at yearend 2001. The increase in the negative position was mainly due to large net foreign purchases of U.S. securities, a shift by U.S. investors to net sellers of foreign securities, and large declines in stock market prices that lowered the value of U.S.-owned assets abroad more than the value of foreign-owned assets in the United States.

## **22 Direct Investment Positions for 2002: Country and Industry Detail**

In 2002, growth in the historical-cost position of U.S. direct investment abroad (USDIA) picked up, while the historical-cost position of foreign direct investment in the United States (FDIUS) declined for the first time since at least 1946. The 10-percent increase in the USDIA position reflected strong reinvested earnings and a shift from inflows to outflows on intercompany debt transactions. The 1-percent decrease in the FDIUS position reflected financial restructuring and writedowns of investments, reduced requirements by existing U.S. affiliates for financing by their foreign parents, and a sharp slowdown in new investment by foreign parents.

## **32 Annual Revision of the U.S. International Transactions, 1992–2002**

Each year, estimates in the U.S. international transactions accounts and in the U.S. international investment position accounts are revised to incorporate statistical and methodological changes and regularly available source data. This year, major

statistical changes include the incorporation of the results of the U.S. Treasury Department's Benchmark Survey of U.S. Portfolio Investment Abroad as of December 31, 2001; of the results of BEA's Benchmark Survey of U.S. Direct Investment Abroad for 1999; and of newly available detail from the U.S. Treasury Department's statistical collection system. In addition, a major definitional change has been made to the estimates of insurance services. Finally, BEA has greatly improved the presentation in the international transactions accounts of the estimates of direct investment and of banking, nonbanking, and securities transactions.

#### **46 How BEA Aligns and Augments Source Data From the U.S. Treasury Department for Inclusion in the International Transactions Accounts**

The estimates of financial-account flows in BEA's international transactions accounts (ITA's) are built up from data collected by the U.S. Treasury Department. BEA makes numerous adjustments to the Treasury data in order to align the data with balance of payments concepts and to close gaps in coverage. To provide users with a clearer picture of these adjustments, BEA has prepared three tables that show the relationship between the ITA estimates and the Treasury data.

#### **49 U.S. International Transactions, First Quarter 2003**

The U.S. current-account deficit increased \$7.5 billion, to \$136.1 billion, in the first quarter. About half of the increase was accounted for by an increase in the deficit on goods, but decreases in the surpluses on services and on income and an increase in net outflows for unilateral current transfers also contributed. Net recorded financial inflows decreased \$39.8 billion, as financial outflows for U.S.-owned assets abroad increased and financial inflows for foreign-owned assets in the United States decreased.

### **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**

##### **Comprehensive Revision of the National Income and Product Accounts.**

The initial results of the upcoming comprehensive, or benchmark, revision of the NIPA's are scheduled for release in December 2003. The annual revision of the NIPA estimates for 2000-2002, which would usually be published in the August SURVEY, will be included as part of the comprehensive revision. The August SURVEY will include an article about the new and redesigned NIPA tables, and the September SURVEY will include an article about the statistical changes that will be introduced. (An article in the June SURVEY described the upcoming changes in definitions and classifications.)

# Business Situation

## Final Estimates for the First Quarter of 2003

ACCORDING to the “final” estimates of the national income and product accounts (NIPAs), real GDP increased 1.4 percent in the first quarter of 2003, half a percentage point less than in last month’s “preliminary” estimates and the same as in the fourth quarter of 2002 (table 1 and chart 1).<sup>1</sup>

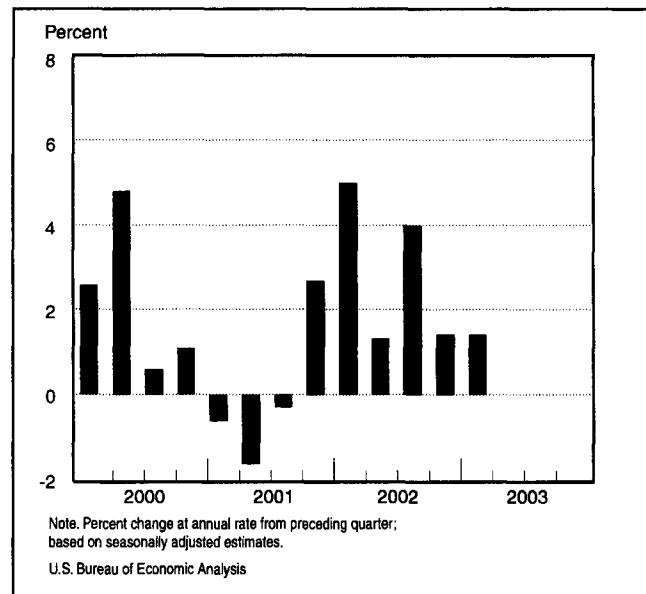
As discussed in the section “Revisions,” inventory investment accounted for most of the revision to GDP; real final sales of domestic product was revised down only 0.1 percentage point.<sup>2</sup> Thus, aside from inventory investment, the picture of the economy shown in the final estimates is very similar to that shown in the pre-

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

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

*This article was prepared by Daniel Larkins.*

**Chart 1. Real Gross Domestic Product**



liminary estimates. In both sets of estimates,

- Consumer spending and residential investment contributed substantially to first-quarter growth.
- Inventory accumulation slowed (though more in the final estimates than in the preliminary), nonresidential fixed investment decreased, and government spending posted a small increase.
- The price index for gross domestic purchases increased about twice as much as in the fourth quarter.

**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								
	2003	2002		2003		2002		2003		
	I	II	III	IV	I	II	III	IV	I	
<b>Gross domestic product</b> .....	9,552.0	29.2	93.2	32.6	33.8	1.3	4.0	1.4	1.4	
Less: Exports of goods and services	1,058.1	34.9	12.2	-16.1	-3.5	14.3	4.6	-5.8	-1.3	
Plus: Imports of goods and services	1,568.4	75.8	12.8	28.1	-25.4	22.2	3.3	7.4	-6.2	
<b>Equals: Gross domestic purchases</b> .....	10,020.7	62.6	93.9	70.8	15.2	2.6	3.9	2.9	0.6	
Less: Change in private inventories	4.8	33.8	13.9	7.0	-21.0					
<b>Equals: Final sales to domestic purchasers</b> .....	10,004.7	31.6	80.1	64.0	34.6	1.3	3.3	2.6	1.4	
Personal consumption expenditures .....	6,670.9	28.6	67.5	28.0	33.0	1.8	4.2	1.7	2.0	
Durable goods .....	1,005.4	4.8	51.7	-21.8	-5.2	2.0	22.8	-8.2	-2.0	
Nondurable goods .....	1,978.9	-0.5	4.9	24.2	28.9	-0.1	1.0	5.1	6.1	
Services .....	3,714.9	24.0	20.8	20.0	7.9	2.7	2.3	2.2	0.9	
Private fixed investment .....	1,587.9	-3.8	-1.0	16.9	-0.6	-1.0	-0.3	4.4	-0.1	
Nonresidential .....	1,172.1	-7.3	-2.4	6.6	-13.2	-2.4	-0.8	2.3	-4.4	
Structures .....	211.0	-11.5	-13.5	-5.6	-1.6	-17.6	-21.4	-9.9	-2.9	
Equipment and software .....	979.9	7.7	15.8	14.9	-12.2	3.3	6.7	6.2	-4.8	
Residential .....	405.5	2.5	1.0	8.8	9.6	2.7	1.1	9.4	10.1	
Government consumption expenditures and gross investment .....	1,736.7	6.0	12.3	19.4	1.7	1.4	2.9	4.6	0.4	
Federal .....	632.5	10.9	6.4	16.3	1.1	7.5	4.3	11.0	0.7	
National defense .....	409.7	7.3	6.7	10.7	-3.5	7.8	6.9	11.0	-3.3	
Nondefense .....	222.8	3.6	-0.2	5.6	4.5	6.9	-0.3	11.1	8.4	
State and local .....	1,104.6	-4.6	5.9	3.4	0.6	-1.7	2.2	1.2	0.2	
<b>Addendum: Final sales of domestic product</b> .....	9,536.2	-1.5	79.3	25.9	53.1	-0.1	3.4	1.1	2.3	

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.)

- According to the final estimates for the first quarter,
- Consumer spending contributed 1.40 percentage points to first-quarter growth, and residential investment contributed 0.45 percentage point; each had contributed somewhat less in the fourth quarter (table 2).
  - Inventory investment and nonresidential fixed investment each subtracted from growth in the first quarter after adding to growth in the fourth.
  - Imports, which are subtracted in the calculation of GDP, and exports both decreased. The decrease in imports was considerably larger than that in exports.
  - The price index for gross domestic purchases increased 3.4 percent after increasing 1.8 percent. Most of the step-up was due to a jump in energy prices. Excluding the prices of food and energy, the index increased 1.8 percent after increasing 1.5 percent, and much of this small step-up was due to a pay raise for Federal civilian and military personnel.

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

	2002			2003
	II	III	IV	I
<b>Percent change at annual rate:</b>				
Gross domestic product.....	1.3	4.0	1.4	1.4
<b>Percentage points at annual rates:</b>				
Personal consumption expenditures.....	1.22	2.93	1.19	1.40
Durable goods.....	0.16	1.74	-0.72	-0.17
Nondurable goods.....	-0.02	0.22	1.01	1.21
Services.....	1.08	0.97	0.90	0.36
Gross private domestic investment.....	1.16	0.55	0.93	-0.83
Fixed investment.....	-0.15	-0.03	0.65	-0.02
Nonresidential.....	-0.27	-0.08	0.24	-0.47
Structures.....	-0.53	-0.62	-0.25	-0.07
Equipment and software.....	0.26	0.53	0.49	-0.40
Residential.....	0.12	0.05	0.41	0.45
Change in private inventories.....	1.31	0.58	0.28	-0.82
Net exports of goods and services.....	-1.40	-0.01	-1.59	0.78
Exports.....	1.29	0.45	-0.59	-0.13
Goods.....	0.99	0.28	-0.82	0.13
Services.....	0.30	0.17	0.23	-0.25
Imports.....	-2.69	-0.47	-1.00	0.91
Goods.....	-2.74	-0.40	-0.71	0.81
Services.....	0.05	-0.07	-0.30	0.10
Government consumption expenditures and gross investment.....	0.27	0.56	0.85	0.08
Federal.....	0.47	0.29	0.70	0.05
National defense.....	0.32	0.29	0.46	-0.15
Nondefense.....	0.16	-0.01	0.25	0.20
State and local.....	-0.21	0.27	0.15	0.03

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.

## Revisions

The final estimate of first-quarter GDP growth, 1.4 percent, is 0.5 percentage point lower than the preliminary estimate (table 3). 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.

Inventory investment subtracted 0.34 percentage point more from GDP growth in the final estimate than in the preliminary estimate. The revision mainly reflected the incorporation of

- Newly available data from the Energy Information Administration on the stocks of coal and petroleum at electric utilities for January and February, and
- Revised data from the Census Bureau on manufacturing inventories for March.

Imports added 0.13 percentage point less to GDP growth in the final estimate than in the preliminary estimate. The revision mainly reflected the incorporation of revised source data on trade in goods and services from BEA's annual revision of the international transactions accounts (ITA's).<sup>3</sup>

The effects of the inventory and import revisions were partly offset by an upward revision to investment in equipment and software that reflected the incorporation of revised source data on the price of prepackaged software.

The increase in the price index for gross domestic purchases was revised down to 3.4 percent from 3.6 percent. The revision mainly reflected the revised software prices and a revision to the implicit price for imputed financial services based on newly available *Call Report* data from the Federal Deposit Insurance Corporation.

The release of the final NIPA estimates for the first quarter also included revised estimates for several fourth-quarter income flows. Wages and salaries were revised down, reflecting the most recently available data from Bureau of Labor Statistics tabulations of pri-

3. For the relationship between ITA estimates and NIPA estimates, see table 2 in Appendix A (page D-62). For more information, see "Annual Revision of the U.S. International Accounts, 1992-2002" in this issue.

The revised ITA data were incorporated on a "best-change" basis—that is, the change in the revised source data from the fourth quarter of 2002 to the first quarter of 2003 is incorporated into the NIPA estimates. The level of imports (and of exports) in the NIPA's will be revised in December's comprehensive revision of the NIPA's.

ivate wages and salaries from the state unemployment insurance program. Personal taxes and contributions for social insurance were revised to reflect the revision to wages and salaries. Real disposable personal income (DPI) in the fourth quarter is now estimated to have increased 1.4 percent (revised down from 2.4 percent); real DPI in the first quarter is now estimated to have increased 2.1 percent (revised down from 2.3 percent).

**Table 3. Revisions to Change in Real Gross Domestic Product and Prices, First Quarter 2003**

[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> .....	1.9	1.4	-0.5	-10.9
Less: Exports.....	-1.4	-1.3	0.1	0.2
Goods.....	0.1	1.9	1.8	3.4
Services.....	-4.6	-8.0	-3.4	-2.9
Plus: Imports.....	-7.1	-8.2	0.9	3.6
Goods.....	-7.3	-6.7	0.6	2.3
Services.....	-5.9	-4.0	1.9	1.2
<b>Equals: Gross domestic purchases</b> .....	0.9	0.6	-0.3	-8.0
Less: Change in private inventories.....				-8.4
<b>Equals: Final sales to domestic purchasers</b>	<b>1.4</b>	<b>1.4</b>	<b>0.0</b>	<b>0.1</b>
Personal consumption expenditures.....	2.0	2.0	0.0	-0.7
Durable goods.....	-1.8	-2.0	-0.2	-0.6
Nondurable goods.....	6.4	6.1	-0.3	-1.4
Services.....	0.7	0.9	0.2	1.1
Private fixed investment.....	-0.2	-0.1	0.1	0.2
Nonresidential.....	-4.8	-4.4	0.4	1.3
Structures.....	0.4	-2.9	-3.3	-1.7
Equipment and software.....	-6.3	-4.8	1.5	3.9
Residential.....	11.0	10.1	-0.9	-0.9
Government consumption expenditures.....				
and gross investment.....	0.3	0.4	0.1	0.5
Federal.....	0.9	0.7	-0.2	-0.3
National defense.....	-3.4	-3.3	0.1	0.1
Nondefense.....	9.1	8.4	-0.7	-0.4
State and local.....	-0.1	0.2	0.3	0.8
<b>Addendum:</b>				
Final sales of domestic product.....	2.4	2.3	-0.1	-2.9
Gross domestic purchases price index.....	3.6	3.4	-0.2	
GDP price index.....	2.5	2.4	-0.1	

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

*Personal consumption expenditures:* Revised retail sales for March.

*Nonresidential fixed investment:* Revised construction put-in-place for February and March.

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

*Change in private inventories:* Revised manufacturers' and trade inventories for March, and stocks of coal and petroleum at electric utilities for January and February.

*Exports and imports of goods and services:* Revised data on exports and imports of goods and services for October 2002 through March 2003 that include the incorporation (on a "best-change" basis) of the results of the annual revision of BEA's international transactions accounts.

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

*Wages and salaries:* Revised private wages and salaries for the fourth quarter, and revised employment, average hourly earnings, and average weekly hours for October 2002 through March 2003 that reflect the incorporation (on a best-change basis) of the results of the Bureau of Labor Statistics annual benchmark revisions to the establishment payroll survey.

*GDP prices:* Revised export and import prices for January through March, revised unit-value index for petroleum imports for March, revised prices of single-family houses under construction for the quarter, bank services data for the quarter, and revised prices for prepackaged software.

Gross National Product, next page.

### Gross National Product

Real gross national product (GNP) increased 1.4 percent in the first quarter, the same as in the fourth quarter and the same as GDP (table 4). GNP is a measure of the goods and services produced by labor and property supplied by U.S. residents; it differs from GDP by the addition of income receipts from the rest of the world and the subtraction of income payments to the rest of the world. Income receipts and payments decreased by similar amounts in the first quarter, and the decreases in both reflected decreases in interest income.

“Command-basis” GNP increased 0.5 percent (chart 2). This variant of GNP measures the change in the purchasing power in world markets of the goods and services that are 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. When the terms of trade improve (that is, when export prices rise relative to import prices) the purchasing power, or command value, of U.S. GNP in international markets increases by more than the production of goods and services valued

in U.S. prices.<sup>4</sup> Conversely, when the terms of trade deteriorate (that is, when export prices fall relative to import prices) the purchasing power, or command value, of U.S. GNP in international markets increases by less than the production of goods and services valued in U.S. prices.

The national saving rate, which is measured as gross saving as a percentage of GNP, continued its downward trend, dropping from 14.3 percent (revised) in the fourth quarter to 14.0 percent in the first. The rate had peaked at 18.5 percent in the third quarter of 2000.

4. 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.

Chart 2. Real Gross National Product

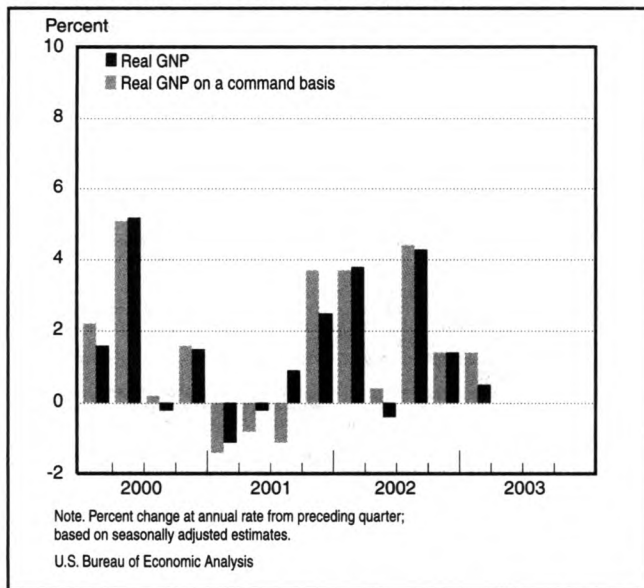


Table 4. Relation of Real Gross Domestic Product, Real Gross National Product, and Real Command-Basis Gross National Product

[Seasonally adjusted at annual rates]

	Billions of chained (1996) dollars				Percent change from preceding quarter				
	Level	Change from preceding quarter			Percent change from preceding quarter				
	2003	2002			2003				
	I	II	III	IV	I	II	III	IV	I
<b>Gross domestic product</b> .....	9,552.0	29.2	93.2	32.6	33.8	1.3	4.0	1.4	1.4
Plus: Income receipts from the rest of the world .....	252.5	9.0	9.5	-3.8	-5.0	15.7	15.9	-5.7	-7.5
Less: Income payments to the rest of the world .....	260.4	29.0	1.3	-5.3	-3.8	58.2	1.9	-7.6	-5.6
<b>Equals: Gross national product</b> .....	<b>9,544.7</b>	<b>9.2</b>	<b>101.2</b>	<b>34.2</b>	<b>32.6</b>	<b>0.4</b>	<b>4.4</b>	<b>1.4</b>	<b>1.4</b>
Less: Exports of goods and services and income receipts from the rest of the world .....	1,305.5	43.9	22.3	-19.8	-8.9	14.6	7.0	-5.8	-2.7
Plus: Command-basis exports of goods and services and income receipts from the rest of the world <sup>1</sup> .....	1,316.2	24.4	20.0	-20.2	-29.2	7.6	6.1	-5.8	-8.4
<b>Equals: Command-basis gross national product</b> .....	<b>9,555.4</b>	<b>-10.3</b>	<b>99.0</b>	<b>33.8</b>	<b>12.3</b>	<b>-0.4</b>	<b>4.3</b>	<b>1.4</b>	<b>0.5</b>
<b>Addendum:</b>									
Terms of trade <sup>2</sup> .....	100.8	-1.6	-0.2	0.0	-1.6	-6.0	-0.8	0.0	-6.1

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

2. 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 \$20.4 billion (2.6 percent at a quarterly rate) in the first quarter, a little less than in the fourth quarter (table 5).<sup>5</sup>

The revised first-quarter estimate is \$12.5 billion higher than the preliminary estimate. Profits of domestic nonfinancial corporations were revised up \$6.6 billion, and profits of domestic financial corporations were revised up \$4.9 billion. Profits from the rest of the world were revised up \$0.9 billion.

Profits of domestic financial corporations increased \$15.9 billion (7.7 percent). Most of the increase was accounted for by "other" financial corporations.

Profits of domestic nonfinancial corporations increased \$12.1 billion (2.5 percent), as output and profits per unit rose.<sup>6</sup> The increase in profits per unit reflected a combination of higher unit prices and lower unit costs.

Profits from the rest of the world decreased \$7.6 billion, as payments by domestic affiliates to their foreign parents increased more than receipts by domestic parents from foreign affiliates.<sup>7</sup>

Cash flow from current production, a profits-related measure of internally generated funds available for investment, decreased \$4.0 billion—the fourth decrease in five quarters.<sup>8</sup> The ratio of cash flow to non-residential fixed investment, an indicator of the share of the current level of investment that could be financed by internally generated funds, increased to 87.4 percent in the first quarter from 86.7 percent in the fourth. The ratio has hovered in the range of 86 to 89 percent range for a year and a half; during the expansion of the 1990s, it averaged 82.2 percent.

Profits with inventory valuation adjustment (IVA). The current-production measure of profits is not

5. Profits from current production is estimated as the sum of profits before tax, the inventory valuation adjustment, and the capital consumption adjustment; it is shown in NIPA tables 1.9, 1.14, 1.16, and 6.16C (see "Selected NIPA Tables," which begins on page D-2 of this issue) as corporate profits with inventory valuation and capital consumption adjustments.

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

6. "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.

7. 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.

8. 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**  
[Seasonally adjusted]

	Billions of dollars (annual rate)					Percent change (quarterly rate)			
	Level	Change from preceding quarter							
	2003	2002		2003	2002		2003		
	I	II	III	IV	I	II	III	IV	I
<b>Profits from current production</b> .....	816.5	-12.6	-14.0	25.1	20.4	-1.6	-1.8	3.2	2.6
Domestic industries .....	710.0	4.3	-15.0	27.1	28.0	0.7	-2.2	4.1	4.1
Financial .....	223.5	-2.5	-3.4	0.3	15.9	-1.2	-1.6	0.1	7.7
Nonfinancial .....	486.5	6.9	-11.7	26.8	12.1	1.5	-2.5	6.0	2.5
Rest of the world .....	106.5	-16.9	1.0	-2.0	-7.6	-12.8	0.9	-1.8	-6.6
Receipts (inflows) .....	193.0	12.0	12.5	1.4	5.7	7.4	7.2	0.8	3.1
Payments (outflows) .....	86.6	28.9	11.4	3.6	13.3	98.3	19.6	5.0	18.1
IVA .....	-26.9	-7.6	-9.4	6.6	-18.4				
CCAdj .....	115.3	-23.5	-15.2	-7.9	5.6				
Profits before tax .....	728.1	18.5	10.6	26.4	33.2	2.9	1.6	3.9	4.8
Profits tax liability .....	237.8	11.3	1.0	7.7	15.4	5.6	0.5	3.6	6.9
Profits after tax .....	490.2	7.3	9.5	18.7	17.7	1.7	2.1	4.1	3.8
<b>Profits from current production less tax liability</b> .....	578.6	-23.9	-15.0	17.4	4.9	-4.0	-2.6	3.1	0.9
Cash flow from current production .....	964.7	-12.6	-12.0	14.0	-4.0	-1.3	-1.2	1.5	-0.4
<b>Domestic industry profits:</b>									
Corporate profits of domestic industries with IVA .....	594.7	27.8	0.2	35.0	22.4	5.5	0.0	6.5	3.9
Financial .....	230.3	0.3	-2.4	0.4	13.8	0.2	-1.1	0.2	6.4
Nonfinancial .....	364.4	27.5	2.6	34.6	8.6	9.4	0.8	10.8	2.4
Manufacturing .....	122.0	23.0	8.6	8.4	13.1	33.4	9.3	8.4	12.0
Transportation and public utilities .....	20.1	2.1	-3.9	8.3	-1.4	13.8	-22.9	63.2	-6.3
Wholesale trade .....	51.4	3.6	-0.3	14.4	-7.5	8.6	-0.7	32.4	-12.7
Retail trade .....	74.8	4.6	-3.5	-7.4	-0.3	5.6	-4.0	-9.0	-0.4
Other .....	96.1	-5.7	1.7	10.9	4.6	-6.8	2.2	13.5	5.0
		Dollars							
<b>Unit price, costs, and profits of nonfinancial corporations:</b>									
Unit price .....	1.039	-0.001	-0.001	0.002	0.002				
Unit labor cost .....	0.679	-0.002	-0.001	-0.001	0.001				
Unit nonlabor cost .....	0.269	0.001	0.002	0.000	-0.002				
Unit profits from current production .....	0.090	0.001	-0.003	0.005	0.001				

NOTE: Levels of these and other profits series are shown in NIPA tables 1.14, 1.16, 6.16C, and 7.15.  
IVA Inventory valuation adjustment

CCAdj Capital consumption adjustment

available at the detailed industry level, because estimates of the capital consumption adjustment (CCAdj) do not exist at this level. (CCAdj is only available for total financial and total nonfinancial industries.) Consequently, industry profits are best measured by profits with IVA.

For financial industries, the substantial increase in profits of “other” financial corporations was largely accounted for by real estate investment trusts and by securities and commodities brokers.

For nonfinancial industries, increases in manufacturing and in “other” nonfinancial corporations (which includes services and mining) were partly offset by decreases in wholesale trade and in the transportation and utilities group (chart 3). In manufacturing, the largest increases were posted by petroleum refiners and motor vehicle manufacturers; these increases were partly offset by decreases in “other” durable manufacturing (which includes other transportation equipment and lumber) and in “other” nondurable manufacturing (which includes paper products, printing, and rubber). The decrease in wholesale trade fol-

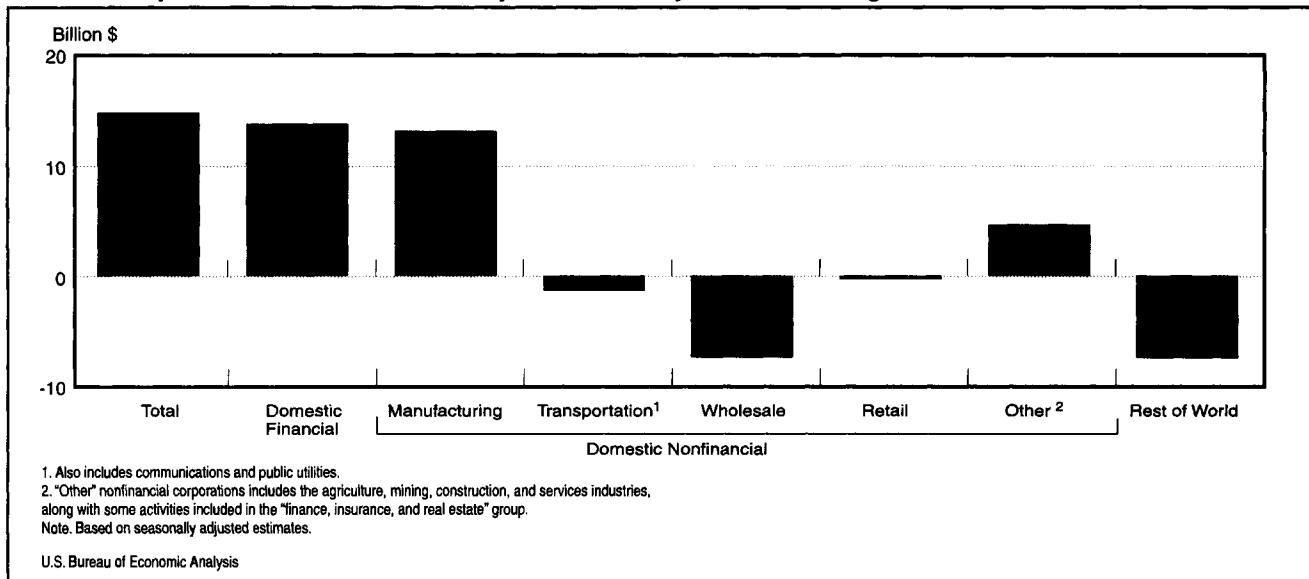
lowed a sharp fourth-quarter increase. The decrease in the transportation and utilities group reflected a decrease in transportation that was partly offset by an increase in utilities.

**Profits before and after tax.** Profits before tax (PBT) increased \$33.2 billion in the first quarter. The difference between this increase and the smaller increase in profits from current production reflected a decrease in the inventory valuation adjustment that was only partly offset by an increase in the capital consumption adjustment.<sup>9</sup>

Profits after tax (PBT less profits tax liability) increased 3.8 percent in the first quarter after increasing 4.1 percent in the fourth. (As explained in the accompanying box, estimates of corporate profits for the second quarter will reflect provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003.)

9. 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.

**Chart 3. Corporate Profits with Inventory Valuation Adjustment: Change from 2002:IV to 2003:I**



### Jobs and Growth Tax Relief Reconciliation Act of 2003

Estimates of corporate profits and nonfarm proprietors' income for the *second* quarter of 2003 and estimates of personal income taxes for the *third* quarter of 2003 will reflect provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003, which was signed into law on May 28, 2003.

**Corporate profits and nonfarm proprietors' income.** Estimates of corporate profits and nonfarm proprietors' income through the first quarter of 2003 already reflect the "bonus" depreciation provisions of the Job Creation and Worker Assistance Act of 2002. Under that act, an immediate depreciation writeoff of 30 percent is allowed on certain investments contracted for after September 10, 2001, and before September 11, 2004.

The Jobs and Growth Tax Relief Reconciliation Act of 2003 provides for an additional first-year bonus depreciation provision by increasing the immediate depreciation writeoff from 30 percent to 50 percent for property acquired after May 5, 2003, and placed in service before January 1, 2005. Based on preliminary estimates, this provision will increase the depreciation that corporations claim in the second quarter of 2003 by \$75.2 billion (annual rate) and, thus, reduce profits before tax (PBT) by the same amount. (PBT is based on the inventory-accounting and depreciation-accounting practices used for Federal corporate income tax returns.) As a result, profits tax liability will be reduced by \$18.8 billion, and profits after tax will be reduced by \$56.4 billion.

Profits from current production will not be affected by the act, because they do not depend on the depreciation-accounting practices used for Federal income tax purposes; instead, this measure of profits is based on an estimate of the value of fixed capital actually used up in the production process.<sup>1</sup> However, because the act will

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

reduce tax liability, profits from current production *on an after-tax basis* will be raised by \$18.8 billion.

The capital consumption adjustment (CCAdj) is the difference between the depreciation specified in the tax code and the depreciation underlying profits from current production. Because the act will raise tax depreciation by \$75.2 billion, the CCAdj will increase by the same amount.

As with profits from current production, the bonus depreciation provisions of the act do not affect nonfarm proprietors' income with IVA and CCAdj. In the second quarter of 2003, nonfarm proprietors' income without IVA and CCAdj—which does not depend on the depreciation-accounting practices used for Federal income tax purposes—will be reduced by \$14.2 billion, and the related CCAdj will be increased by the same amount.

**Personal taxes.** Estimates of personal income taxes for the *third* quarter will also reflect a number of provisions of the act.<sup>2</sup> Estimates of *withheld* income taxes for the third quarter will reflect reductions in marginal tax rates, an expansion of the 10-percent tax bracket, and an acceleration in "marriage penalty" relief.<sup>3</sup> Estimates of *non-withheld* income taxes for the third quarter will reflect advance payments of the child tax credit that will be sent to eligible taxpayers beginning in July 2003,<sup>4</sup> increases in the exemption amounts of the alternative minimum tax,<sup>5</sup> and reduced tax rates on dividends and capital gains.

2. Income tax rate reductions took effect in June 2003, but the impact on the second-quarter tax estimates is expected to be small.

3. A marriage penalty exists when the combined tax liability of a married couple filing jointly is greater than the sum of their tax liabilities computed as though they were unmarried filers.

4. Under the new law, up to \$400 per child will be paid in advance, on the basis of information contained in the taxpayer's 2002 tax return.

5. The alternative minimum tax is designed to ensure that individuals who have large income tax deductions or credits pay a minimum amount of tax.

## Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade, 2003:I

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

The estimates for 1967:I to 1997:IV are based on the Standard Industrial Classification system, and the estimates for 1997:IV forward are based on the North American Industry Classification System. The esti-

mates are available as downloadable files on BEA's Web site at <www.bea.gov>; click on "GDP and related data," 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	2003	2002		2003			
	IV	I	Nov.	Dec.	Jan. <sup>r</sup>	Feb. <sup>r</sup>	Mar. <sup>r</sup>	April <sup>p</sup>
<b>Manufacturing and trade industries</b> .....	<b>1,151.4</b>	<b>1,155.9</b>	<b>1,148.3</b>	<b>1,151.4</b>	<b>1,151.7</b>	<b>1,155.3</b>	<b>1,155.9</b>	<b>1,156.5</b>
<b>Manufacturing industries</b> .....	<b>448.2</b>	<b>446.7</b>	<b>446.3</b>	<b>448.2</b>	<b>447.7</b>	<b>448.3</b>	<b>446.7</b>	<b>446.1</b>
Durable goods industries .....	275.3	272.9	272.9	275.3	274.8	274.2	272.9	272.1
Wood product manufacturing .....	8.5	8.5	8.6	8.5	8.5	8.6	8.5	8.5
Nonmetallic mineral product manufacturing .....	9.1	9.2	9.1	9.1	9.1	9.2	9.2	9.2
Primary metal manufacturing .....	20.9	21.0	20.8	20.9	21.0	21.1	21.0	20.8
Fabricated metal product manufacturing .....	30.7	30.5	30.7	30.7	30.6	30.6	30.5	30.4
Machinery manufacturing .....	36.4	35.2	36.1	36.4	36.0	35.8	35.2	35.2
Computer and electronic product manufacturing .....	61.8	60.1	62.3	61.8	61.4	60.7	60.1	59.5
Electrical equipment, appliance, and component manufacturing .....	13.2	13.1	13.3	13.2	13.3	13.2	13.1	13.1
Transportation equipment manufacturing .....	66.6	66.7	64.4	66.6	66.7	67.0	66.7	67.0
Furniture and related product manufacturing .....	6.6	6.6	6.6	6.6	6.7	6.6	6.6	6.6
Miscellaneous manufacturing .....	18.4	18.5	18.1	18.4	18.4	18.4	18.5	18.4
Nondurable goods industries .....	172.7	173.6	173.1	172.7	172.8	173.8	173.6	173.7
Food manufacturing .....	37.1	37.6	37.4	37.1	37.1	37.3	37.6	37.2
Beverage and tobacco product manufacturing .....	11.9	11.8	11.8	11.9	11.8	11.8	11.8	12.0
Textile mills .....	5.7	5.8	5.6	5.7	5.7	5.7	5.8	5.8
Textile product mills .....	4.8	4.8	4.7	4.8	4.8	4.8	4.8	4.9
Apparel manufacturing .....	8.1	8.3	8.1	8.1	8.2	8.3	8.3	8.4
Leather and allied product manufacturing .....	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Paper manufacturing .....	16.1	16.2	16.1	16.1	16.1	16.1	16.2	16.3
Printing and related support activities .....	6.1	6.0	6.1	6.1	6.1	6.0	6.0	5.9
Petroleum and coal product manufacturing .....	12.2	12.0	11.8	12.2	12.2	12.2	12.0	12.3
Chemical manufacturing .....	51.3	51.5	52.0	51.3	51.1	51.9	51.5	51.3
Plastics and rubber product manufacturing .....	17.6	17.8	17.7	17.6	17.7	17.8	17.8	17.8
<b>Merchant wholesale industries</b> .....	<b>304.5</b>	<b>305.0</b>	<b>301.9</b>	<b>304.5</b>	<b>303.9</b>	<b>304.2</b>	<b>305.0</b>	<b>304.4</b>
Durable goods industries .....	183.6	184.9	183.0	183.6	183.2	184.5	184.9	184.6
Nondurable goods industries .....	120.0	119.2	118.0	120.0	119.7	118.8	119.2	118.9
<b>Retail trade industries</b> .....	<b>397.9</b>	<b>403.4</b>	<b>399.2</b>	<b>397.9</b>	<b>399.3</b>	<b>402.0</b>	<b>403.4</b>	<b>405.1</b>
Motor vehicle and parts dealers .....	129.4	133.4	132.9	129.4	130.9	133.2	133.4	135.2
Furniture and home furnishings, electronics, and appliance stores .....	32.6	32.5	32.6	32.6	32.5	32.5	32.5	32.5
Building materials, garden equipment and supply stores .....	40.0	40.8	39.6	40.0	39.7	40.6	40.8	40.5
Food and beverage stores .....	30.4	30.5	30.1	30.4	30.3	30.4	30.5	30.5
Clothing and accessory stores .....	31.4	32.2	30.9	31.4	31.9	32.1	32.2	32.1
General merchandise stores .....	63.4	63.7	62.6	63.4	63.3	62.9	63.7	64.3
Other retail stores .....	71.0	70.8	71.2	71.0	71.1	71.0	70.8	70.7

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

Note. The estimates in this table are based on the North American Industry Classification System. 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 4B. Real Manufacturing Inventories, by Stage of Fabrication, Seasonally Adjusted, End of Period**  
 (Billions of chained (1996) dollars)

	2002		2003		2002		2003			
	IV	I	Nov.	Dec.	Jan. <sup>r</sup>	Feb. <sup>r</sup>	Mar. <sup>r</sup>	April <sup>p</sup>		
<b>Materials and supplies</b>										
<b>Manufacturing industries</b> .....	<b>152.8</b>	<b>151.6</b>	<b>154.0</b>	<b>152.8</b>	<b>153.1</b>	<b>153.2</b>	<b>151.6</b>	<b>150.9</b>		
Durable goods industries.....	92.4	91.0	92.8	92.4	91.9	91.7	91.0	90.2		
Wood product manufacturing.....	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.6		
Nonmetallic mineral product manufacturing.....	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2		
Primary metal manufacturing.....	6.9	6.9	6.8	6.9	6.9	7.0	6.9	6.8		
Fabricated metal product manufacturing.....	11.7	11.7	11.8	11.7	11.7	11.7	11.7	11.7		
Machinery manufacturing.....	13.5	12.9	13.4	13.5	13.2	13.0	12.9	12.7		
Computer and electronic product manufacturing.....	23.2	22.3	23.6	23.2	22.9	22.9	22.3	21.9		
Electrical equipment, appliance, and component manufacturing.....	5.0	5.0	5.1	5.0	5.1	5.0	5.0	5.0		
Transportation equipment manufacturing.....	15.8	16.0	15.8	15.8	15.8	15.9	16.0	16.0		
Furniture and related product manufacturing.....	3.1	3.1	3.1	3.1	3.1	3.0	3.1	3.0		
Miscellaneous manufacturing.....	6.4	6.1	6.3	6.4	6.3	6.3	6.1	6.1		
Nondurable goods industries.....	60.3	60.5	61.1	60.3	61.1	61.4	60.5	60.6		
Food manufacturing.....	11.1	11.2	11.1	11.1	11.1	11.1	11.2	11.1		
Beverage and tobacco product manufacturing.....	6.3	6.1	6.5	6.3	6.2	6.1	6.1	6.0		
Textile mills.....	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.0		
Textile product mills.....	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6		
Apparel manufacturing.....	2.2	2.1	2.2	2.2	2.2	2.1	2.1	2.1		
Leather and allied product manufacturing.....	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4		
Paper manufacturing.....	8.1	8.0	8.0	8.1	8.1	8.1	8.0	8.1		
Printing and related support activities.....	1.9	1.8	2.0	1.9	1.9	1.9	1.8	1.8		
Petroleum and coal product manufacturing.....	3.0	3.0	3.1	3.0	3.4	3.3	3.0	3.1		
Chemical manufacturing.....	16.8	17.1	17.1	16.8	17.2	17.5	17.1	16.9		
Plastics and rubber product manufacturing.....	7.2	7.2	7.3	7.2	7.2	7.3	7.2	7.2		
<b>Work-in-process</b>										
<b>Manufacturing industries</b> .....	<b>129.1</b>	<b>129.4</b>	<b>126.9</b>	<b>129.1</b>	<b>129.4</b>	<b>129.5</b>	<b>129.4</b>	<b>130.0</b>		
Durable goods industries.....	100.6	100.4	98.0	100.6	100.8	100.8	100.4	101.1		
Wood product manufacturing.....	1.8	1.7	1.8	1.8	1.8	1.7	1.7	1.7		
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	7.0	7.0	6.9	7.1	7.2	7.0	7.0		
Fabricated metal product manufacturing.....	9.2	9.0	9.2	9.2	9.1	9.1	9.0	9.1		
Machinery manufacturing.....	10.7	10.4	10.6	10.7	10.6	10.5	10.4	10.5		
Computer and electronic product manufacturing.....	21.7	20.8	21.6	21.7	21.6	21.1	20.8	21.0		
Electrical equipment, appliance, and component manufacturing.....	4.3	4.2	4.2	4.3	4.3	4.3	4.2	4.2		
Transportation equipment manufacturing.....	35.8	36.3	33.8	35.8	35.9	36.3	36.3	36.8		
Furniture and related product manufacturing.....	1.1	1.2	1.2	1.1	1.2	1.2	1.2	1.2		
Miscellaneous manufacturing.....	4.2	4.7	4.1	4.2	4.4	4.5	4.7	4.6		
Nondurable goods industries.....	28.5	29.0	28.9	28.5	28.5	28.7	29.0	28.9		
Food manufacturing.....	5.6	5.7	5.6	5.6	5.6	5.6	5.7	5.7		
Beverage and tobacco product manufacturing.....	1.6	1.6	1.5	1.6	1.6	1.6	1.6	1.6		
Textile mills.....	1.1	1.1	1.1	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.....	1.6	1.5	1.5	1.6	1.5	1.5	1.5	1.5		
Leather and allied product manufacturing.....	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1		
Paper manufacturing.....	1.5	1.5	1.5	1.5	1.4	1.4	1.5	1.5		
Printing and related support activities.....	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.0		
Petroleum and coal product manufacturing.....	3.4	3.4	3.2	3.4	3.4	3.3	3.4	3.5		
Chemical manufacturing.....	9.2	9.6	9.8	9.2	9.3	9.5	9.6	9.5		
Plastics and rubber product manufacturing.....	2.2	2.3	2.2	2.2	2.2	2.2	2.3	2.3		
<b>Finished goods</b>										
<b>Manufacturing industries</b> .....	<b>165.9</b>	<b>165.3</b>	<b>165.1</b>	<b>165.9</b>	<b>164.9</b>	<b>165.3</b>	<b>165.3</b>	<b>164.8</b>		
Durable goods industries.....	82.1	81.3	82.0	82.1	81.9	81.6	81.3	80.6		
Wood product manufacturing.....	3.2	3.3	3.3	3.2	3.2	3.3	3.3	3.2		
Nonmetallic mineral product manufacturing.....	4.7	4.8	4.6	4.7	4.7	4.8	4.8	4.8		
Primary metal manufacturing.....	7.0	7.0	7.0	7.0	7.0	6.9	7.0	7.0		
Fabricated metal product manufacturing.....	9.8	9.8	9.8	9.8	9.9	9.8	9.8	9.7		
Machinery manufacturing.....	12.3	12.0	12.1	12.3	12.2	12.3	12.0	11.9		
Computer and electronic product manufacturing.....	16.8	17.0	16.9	16.8	16.7	16.6	17.0	16.5		
Electrical equipment, appliance, and component manufacturing.....	3.9	3.9	4.0	3.9	3.9	3.9	3.9	3.9		
Transportation equipment manufacturing.....	15.9	15.2	15.9	15.9	15.9	15.6	15.2	15.0		
Furniture and related product manufacturing.....	2.4	2.4	2.3	2.4	2.4	2.4	2.4	2.4		
Miscellaneous manufacturing.....	7.8	7.7	7.7	7.8	7.8	7.7	7.7	7.7		
Nondurable goods industries.....	83.7	83.9	83.0	83.7	82.9	83.6	83.9	84.1		
Food manufacturing.....	20.3	20.6	20.6	20.3	20.3	20.4	20.6	20.3		
Beverage and tobacco product manufacturing.....	4.0	4.2	3.8	4.0	4.1	4.2	4.2	4.3		
Textile mills.....	2.7	2.7	2.6	2.7	2.7	2.7	2.7	2.7		
Textile product mills.....	2.4	2.4	2.3	2.4	2.4	2.4	2.4	2.4		
Apparel manufacturing.....	4.4	4.7	4.4	4.4	4.5	4.6	4.7	4.8		
Leather and allied product manufacturing.....	1.0	1.0	0.9	1.0	1.0	1.0	1.0	1.0		
Paper manufacturing.....	6.6	6.7	6.6	6.6	6.6	6.6	6.7	6.8		
Printing and related support activities.....	3.1	3.1	2.9	3.1	3.1	3.1	3.1	3.1		
Petroleum and coal product manufacturing.....	5.8	5.5	5.5	5.8	5.5	5.5	5.5	5.7		
Chemical manufacturing.....	25.3	24.7	25.0	25.3	24.5	24.8	24.7	24.9		
Plastics and rubber product manufacturing.....	8.2	8.3	8.2	8.2	8.2	8.2	8.3	8.3		

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

Note: The estimates in this table are based on the North American Industry Classification System.

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.

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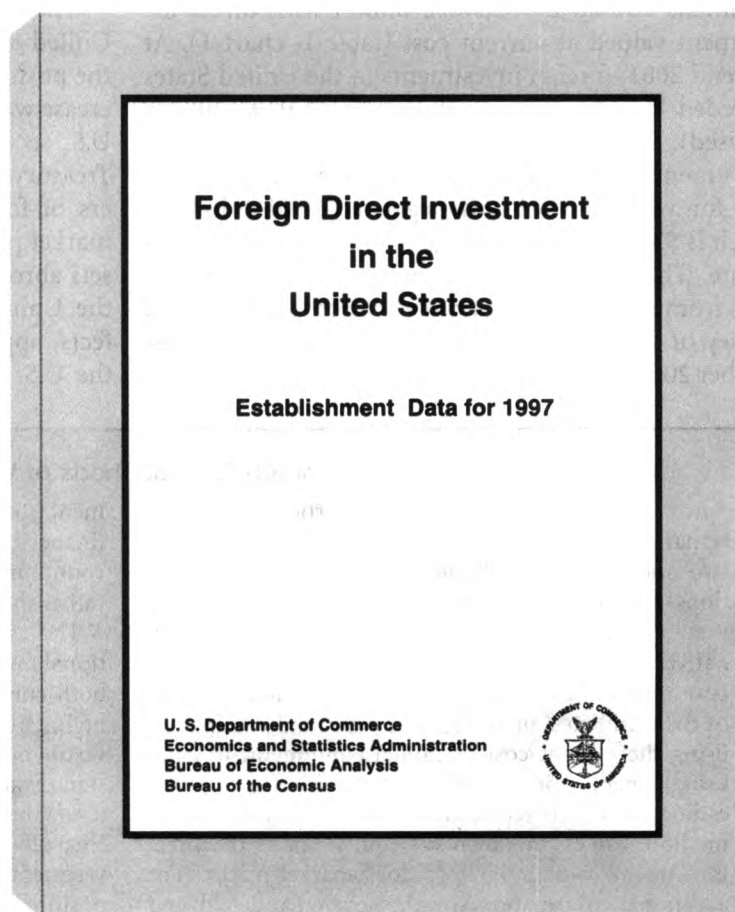
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- Employee benefits
- Hourly wage rates of production workers
- Expenditures for new plant and equipment

The data were obtained by linking enterprise, or company, data for U.S. affiliates from the Bureau of Economic Analysis to establishment data for all U.S. companies from the Bureau of the Census.



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## The International Investment Position of the United States at Yearend 2002

By Elena L. Nguyen

AT yearend 2002, the value of foreign investments in the United States exceeded the value of U.S. investments abroad by \$2,387.2 billion with direct investment valued at current cost (table 1, chart 1). At yearend 2001, foreign investments in the United States exceeded U.S. investments abroad by \$1,979.9 billion (revised). The previously published net international investment position with direct investment at current cost for yearend 2001 was negative \$1,948.1 billion, which is \$31.8 billion less negative than the revised estimate. The revision reflects the incorporation of results from the U.S. Treasury Department's Benchmark Survey of U.S. Portfolio Investment Abroad as of December 2001 and from BEA's Benchmark Survey of U.S.

Direct Investment Abroad for 1999 (see the box "Improvements in the Estimates").

The net international investment position of the United States at yearend 2002 was more negative than the position at yearend 2001 by \$407.3 billion. The increase was mainly due to large net foreign purchases of U.S. securities (mostly of corporate bonds and U.S. Treasury securities), a shift by U.S. investors to net sellers of foreign securities, and large declines in stock market prices that lowered the value of U.S.-owned assets abroad more than that of foreign-owned assets in the United States. Partly offsetting these negative effects, appreciation of most foreign currencies against the U.S. dollar raised the dollar value of U.S.-owned

### Current-Cost and Market-Value Methods of Valuing Direct Investment

Since 1991, in the series of annual articles on the international investment position of the United States, two measures of valuing direct investment positions—the *current-cost* method and the *market-value* method—have been discussed and presented as alternatives to the historical-cost valuation. The current-cost method values the U.S. and foreign parents' shares of their affiliates' investment in plant and equipment, using the current cost of capital equipment; in land, using general price indexes; and in inventories, using estimates of their replacement cost. The market-value method values the owners' equity share of direct investment using indexes of stock market prices. (For additional information, see J. Steven Landefeld and Ann M. Lawson, "Valuation of the U.S. Net International Investment Position" *SURVEY OF CURRENT BUSINESS* 71 (May 1991): 40–49.)

In this article, BEA emphasizes the current-cost method, because the estimates prepared using the current-cost method are comparable with BEA's current-cost estimates of total U.S. reproducible tangible wealth and with the Federal Reserve Board's estimates of domestic net worth (the sum of tangible assets located in the United States, including plant and equipment, inventories, and land). Furthermore, BEA's calculation of direct investment income includes a current-cost adjustment to depreciation; this adjust-

ment converts depreciation as reported on company financial statements to the preferred economic accounts measure, which is based on the current cost, rather than on the historical cost, of assets.

The estimates of direct investment in the international investment position continue to be presented on both current-cost and market-value bases in order to highlight that different methods of valuing direct investment may be appropriate for different circumstances and that depending on the valuation method used, the resulting estimates may differ substantially. Virtually all of the categories in the international investment position accounts except direct investment positions can be directly estimated with reference to readily observable market prices. For example, the value of positions in portfolio investment securities, gold, loans, currencies, and bank deposits can be directly estimated based on face values or market prices of recent transactions. In contrast, direct investment positions typically involve illiquid ownership interests in companies that may possess many unique attributes—such as customer base, management, and ownership of intangible assets—whose values in the current period are difficult to determine, because there is no widely accepted standard for revaluing company financial statements at historical cost into prices of the current period.



assets abroad, especially of U.S.-held foreign stocks and U.S. direct investment.

With direct investment valued at the current stock market value of owner's equity, the negative net investment position was \$2,605.2 billion at yearend 2002, compared with \$2,314.3 billion (revised) at yearend 2001. The previously published net international investment position with direct investment at market value was negative \$2,309.1 billion, which is \$5.2 billion less negative than the revised estimate. On this alternative basis, the net position at yearend 2002 was more negative than yearend 2001 by \$290.9 billion, reflecting the same factors mentioned above.

In the following discussion, the current-cost esti-

mates of direct investment are featured, and the market-value estimates of direct investment are discussed only when there is a substantial difference between the two valuation measures. The differences between these valuation measures are limited to differences in direct investment valuation adjustments, to differences in direct investment positions, and to differences in higher level aggregates that include these accounts. All financial flows and all asset and liability positions, except direct investment, are identical under both of these valuation measures.

With direct investment valued at current cost, U.S.-owned assets abroad increased slightly, to \$6,189.2 billion at yearend 2002 from \$6,187.4 billion at

### Improvements in the Estimates

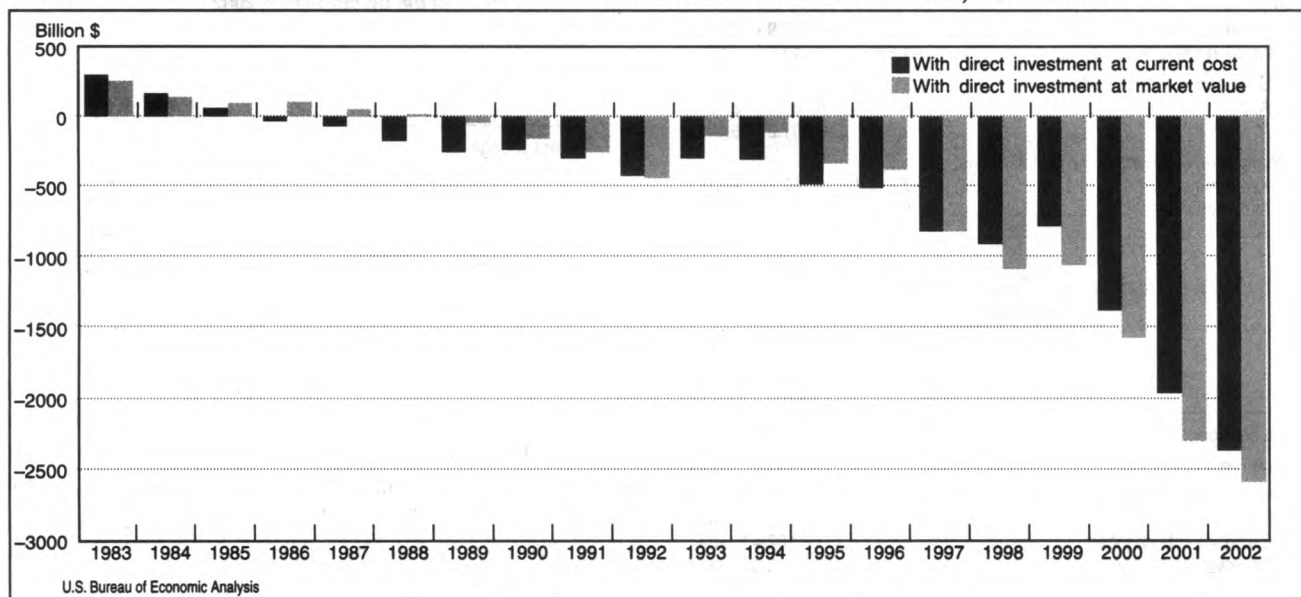
As is customary each July, the estimates of the U.S. international investment position incorporate newly available source data and methodological improvements that relate to the improvements incorporated in the annual revision of the U.S. international transactions accounts.

This year, the estimates of U.S. portfolio holdings of foreign securities for 1998–2001 were revised to incorporate results from the U.S. Treasury Department's Benchmark Survey of U.S. Portfolio Investment Abroad as of December 2001. In addition, the estimates of U.S. direct investment abroad for 1998–2001 were revised to incorporate results from BEA's Benchmark Survey of U.S. Direct Investment Abroad for 1999. As a result, the net international investment position at yearend 2001

was revised from negative \$1,948.1 billion to negative \$1,979.9 billion with direct investment at current cost and from negative \$2,309.1 billion to negative \$2,314.3 billion with direct investment at market value.

BEA also used results from both benchmark surveys to revise its estimates of financial flows and associated flows of interest and dividend receipts from securities and direct investment income in BEA's international transactions accounts. In addition, BEA has used information from both benchmark surveys and from other sources to develop and implement new methodologies that will improve future estimates of positions and of financial and income flows. For additional information, see "Annual Revision of the U.S. International Accounts, 1992–2002" in this issue.

Chart 1. Net International Investment Position of the United States at Yearend, 1983–2002



yearend 2001 (table A).

- Net financial outflows increased the value of U.S. investments abroad by \$179.0 billion in 2002 (table B), down from \$349.9 billion in 2001 and from \$569.8 billion in 2000. U.S. investors shifted to net sellers of foreign securities for the first time since at least 1946, when the data series begins. The shift resulted from greatly reduced net purchases of foreign stocks and accelerated net sales of foreign bonds. U.S. banks' claims on foreigners decelerated to the smallest increase since 1994, and U.S. non-banks' claims on foreigners rebounded but remained relatively small. U.S. direct investment abroad also rebounded.
- Negative valuation adjustments reduced the value of U.S. investments abroad by \$177.2 billion. Price depreciation of foreign stocks reduced the value of U.S. holdings of foreign stocks, but it was partly offset by exchange-rate appreciation, principally on U.S.-held foreign stocks and on U.S. direct investment abroad (table B).
- With direct investment on a market-value basis, U.S.-owned assets decreased to \$6,473.6 billion from \$6,891.3 billion. Negative valuation adjustments reduced the value of U.S. investments abroad by \$596.7 billion, reflecting a sizable decline in foreign stock market prices that sharply reduced the market value of owners' equity of U.S. direct investment abroad on this basis.

With direct investment valued at current cost, foreign-owned assets in the United States increased to

\$8,576.4 billion at yearend 2002 from \$8,167.3 billion at yearend 2001.

- Net financial inflows increased the value of foreign investments in the United States by \$707.0 billion in 2002, down from \$765.5 billion in 2001 and from \$1,026.1 billion in 2000. Foreign direct investment inflows to the United States were the lowest since 1992, largely as a result of a further dropoff in merger and acquisition activity and of reductions of debt owed by U.S. affiliates to their parents. Net foreign purchases of U.S. securities other than U.S. Treasury securities also slowed; net purchases of U.S. stocks dropped to the lowest level since 1998, but net purchases of U.S. bonds were the third highest on record. Net foreign purchases of U.S. Treasury securities rebounded after 3 years of net sales. Inflows reported by U.S. banks slowed but remained relatively strong, and inflows reported by U.S. non-banks increased somewhat.
- Negative valuation adjustments reduced the value of foreign-owned assets in the United States by \$297.9 billion, mostly as a result of depreciation of U.S. stock prices that sharply reduced the value of foreign holdings of U.S. stocks (table C).
- With direct investment on a market-value basis, foreign-owned assets in the United States decreased to \$9,078.7 billion from \$9,205.5 billion, as negative valuation adjustments more than offset financial inflows. Negative valuation adjustments reduced the value of foreign investments in the United States by \$833.8 billion, reflecting a large decline in U.S. stock market prices that sharply reduced the market value of owners' equity of foreign direct investment in the United States on this basis.

**Table A. U.S. Net International Investment Position at Yearend**

[Billions of dollars]

	2000	2001	2002
<b>Net position:</b>			
At current cost .....	-1,387.7	-1,979.9	-2,387.2
At market value .....	-1,588.2	-2,314.3	-2,605.2
<b>U.S.-owned assets abroad:</b>			
At current cost .....	6,229.4	6,187.4	6,189.2
At market value .....	7,393.6	6,891.2	6,473.6
<b>Foreign-owned assets in the United States:</b>			
At current cost .....	7,617.1	8,167.3	8,576.4
At market value .....	8,981.8	9,205.5	9,078.7

**Table B. Changes in U.S.-Owned Assets Abroad, 2002**

[Billions of dollars]

	At current cost	At market value
<b>Total change</b> .....	1.8	-417.7
<b>Financial flows</b> .....	179.0	179.0
<b>Valuation adjustments</b> .....	-177.2	-596.7
Price changes .....	-365.1	-847.8
Exchange-rate changes .....	182.4	264.7
Other valuation changes .....	5.5	-13.6

**Table C. Changes in Foreign-Owned Assets in the United States, 2002**

[Billions of dollars]

	At current cost	At market value
<b>Total change</b> .....	409.1	-126.8
<b>Financial flows</b> .....	707.0	707.0
<b>Valuation adjustments</b> .....	-297.9	-833.8
Price changes .....	-281.8	-805.7
Exchange-rate changes .....	35.2	34.6
Other valuation changes .....	-51.3	-62.7

This article presents the major changes in U.S. assets abroad and in foreign assets in the United States in 2002. Tables 1 and 2 at the end of this article present detailed estimates of the yearend positions. The amounts cited in the article may differ slightly from the amounts that may be calculated from the text tables due to rounding.

## Changes in U.S.-Owned Assets Abroad

### Bank and nonbank claims

U.S. claims on foreigners reported by U.S. banks increased \$31.9 billion, to \$1,455.1 billion, in 2002 (table D); the increase was attributable to outflows of \$21.4 billion and exchange-rate appreciation of \$10.5 billion. The U.S. banks' own claims payable in dollars were \$1,080.3 billion, an increase of only \$25.2 billion, compared with an increase of \$150.5 billion in 2001. The moderate increase in 2002 reflected a sharp slowdown in lending to foreigners amid weak economic and financial conditions abroad and a further reduction in merger and acquisition activity.

**Table D. U.S. Claims Reported by U.S. Banks and U.S. Nonbanks at Yearend**  
[Billions of dollars]

	2000	2001	2002
<b>Total bank-reported claims</b> .....	<b>1,264.1</b>	<b>1,423.2</b>	<b>1,455.1</b>
Banks' claims for own accounts, denominated in dollars .....	904.6	1,055.1	1,080.3
On own foreign offices .....	630.1	749.1	787.2
On unaffiliated foreign banks .....	95.2	100.4	81.5
On other foreigners .....	179.3	205.6	211.6
Banks' claims for customers' accounts, denominated in dollars .....	278.4	274.4	278.6
Banks' claims, denominated in foreign currencies .....	81.1	93.7	96.2
<b>Total nonbank-reported claims</b> .....	<b>836.6</b>	<b>835.8</b>	<b>891.0</b>

U.S. banks' domestic customers' claims denominated in dollars increased \$4.2 billion, to \$278.6 billion. An increase in U.S. holdings of foreign commercial paper and other short-term instruments exceeded a decrease in deposits and brokerage balances. U.S. banks' claims payable in foreign currencies increased \$2.5 billion, to \$96.2 billion, down from an increase of \$12.6 billion in 2001.

U.S. claims on foreigners reported by U.S. nonbanking concerns increased \$55.2 billion, to \$891.0 billion, reflecting relatively strong U.S. deposits in Western Europe and a pickup in U.S. deposits at the Caribbean banking centers. Appreciation of most foreign currencies against the dollar also increased the value of U.S. claims (table D).

### Foreign securities

U.S. holdings of foreign securities decreased \$267.8 billion, to \$1,847.0 billion, in 2002. Net U.S. transactions shifted to net sales of \$15.8 billion, reflecting a sharp decline in net U.S. purchases of foreign stocks and an increase in net U.S. sales of foreign bonds. Price depreciation of foreign stocks more than offset price appreciation of foreign bonds and sizeable exchange-rate appreciation. U.S. holdings of foreign securities decreased for the third consecutive year; the decreases

coincided with increasingly large declines in foreign stock prices in the last 3 years.

U.S. holdings of foreign stocks decreased \$267.5 billion, to \$1,345.2 billion, in 2002. Stock price depreciation of \$399.7 billion more than offset net U.S. purchases of \$17.7 billion and exchange-rate appreciation of \$114.5 billion. Net U.S. purchases in 2002 were substantially below net purchases of \$109.1 billion in 2001 and were the lowest since 1990; this dropoff was partly attributable to a substantial reduction in foreign acquisitions of U.S. companies by exchanges of stock. Acquisition-related exchanges of stock accounted for only \$3.2 billion of total net U.S. purchases in 2002, a substantial drop from \$47.0 billion in 2001 and well below the record \$115.8 billion in 1999.

- U.S. holdings of Western European stocks decreased \$156.7 billion, to \$777.5 billion. The decrease was attributable to a 31-percent decline in European stock prices that more than offset net U.S. purchases and a 15-percent exchange-rate appreciation of the euro and smaller appreciations of other Western European currencies against the U.S. dollar (table E). Exchanges of stock associated with Western European acquisitions of U.S. companies accounted for \$3.2 billion of net U.S. purchases, down sharply from \$26.9 billion in 2001 and \$64.3 billion in 2000.
- U.S. holdings of Japanese stocks decreased \$30.2 billion, to \$140.5 billion, as a 19-percent decline in Japanese stock prices more than offset small net U.S. purchases and a 9-percent exchange-rate appreciation of the yen against the dollar.

**Table E. U.S. Holdings of Foreign Stocks by Major Area and Country at Yearend**  
[Billions of dollars]

	2000	2001	2002
<b>Total holdings</b> .....	<b>1,852.9</b>	<b>1,612.7</b>	<b>1,345.2</b>
Western Europe .....	1,118.4	934.2	777.5
Of which: United Kingdom .....	411.7	350.0	299.2
Finland .....	52.7	51.3	42.4
France .....	137.2	112.2	93.9
Germany .....	76.7	72.2	58.1
Ireland .....	31.3	28.4	22.9
Italy .....	42.5	33.7	27.4
Netherlands .....	147.9	112.8	89.7
Spain .....	38.4	32.5	26.7
Sweden .....	36.0	24.3	19.3
Switzerland .....	94.9	75.6	65.3
Canada .....	108.6	89.6	69.7
Japan .....	197.8	170.7	140.5
Latin America .....	66.6	59.3	53.2
Of which: Argentina .....	3.7	0.7	0.6
Brazil .....	24.2	21.8	20.0
Mexico .....	28.0	26.3	23.8
Other Western Hemisphere .....	170.7	172.4	148.6
Of which: Bermuda .....	108.1	118.9	98.3
Netherlands Antilles .....	23.1	14.5	10.7
Other countries .....	190.8	186.5	155.7
Of which: Australia .....	43.4	37.1	30.4
Hong Kong .....	34.3	30.2	23.8
Singapore .....	24.9	21.4	16.9

- U.S. holdings of Canadian stocks decreased \$19.9 billion, to \$69.7 billion, as a result of net U.S. sales and a 15-percent decline in Canadian stock prices that more than offset a 1-percent exchange-rate appreciation of the Canadian dollar against the U.S. dollar.
- U.S. holdings of other foreign stocks, mostly emerging-market stocks, decreased \$60.7 billion, to \$357.5 billion, as a result of price depreciation and exchange-rate depreciation that more than offset net purchases. While most European and Asian currencies appreciated against the U.S. dollar in 2002, most Latin American currencies depreciated sharply against the U.S. dollar, reflecting economic and financial problems, particularly in Argentina and Brazil.

U.S. holdings of foreign bonds decreased \$0.3 billion, to \$501.8 billion, in 2002 (table F). Net U.S. sales of \$33.5 billion were nearly offset by price appreciation of \$21.3 billion and exchange-rate appreciation of \$11.9 billion. Net U.S. sales accelerated despite the narrowing of interest-rate differentials between the U.S. and other major bond markets in favor of foreign bonds. By area, U.S. holdings of Western European bonds and the emerging-market bonds decreased while holdings of Japanese bonds and Canadian bonds increased.

**Table F. U.S. Holdings of Foreign Bonds by Major Area and Country at Yearend**  
[Billions of dollars]

	2000	2001	2002
<b>Total holdings</b> .....	<b>532.5</b>	<b>502.1</b>	<b>501.8</b>
Western Europe.....	236.8	231.2	226.9
Of which: United Kingdom.....	72.6	72.2	65.5
France.....	21.5	24.3	28.7
Germany.....	48.5	43.5	49.1
Italy.....	13.5	12.5	12.6
Netherlands.....	25.6	27.9	26.4
Sweden.....	9.8	8.8	9.5
Canada.....	104.0	104.6	111.0
Japan.....	23.2	24.7	34.5
Latin America.....	67.1	50.0	49.0
Of which: Argentina.....	12.0	3.4	1.4
Brazil.....	12.4	11.0	10.1
Mexico.....	26.5	21.2	22.7
Other Western Hemisphere.....	26.6	30.1	26.9
Of which: Cayman Islands.....	16.8	21.9	19.0
Other countries.....	62.2	50.6	43.1
Of which: Australia.....	13.7	14.2	14.7
Korea, Republic of.....	7.5	4.7	8.0
International organizations.....	12.6	10.9	10.4

### U.S. direct investment abroad

U.S. direct investment abroad at current cost increased \$153.8 billion, to \$1,751.9 billion, in 2002; at market value, it decreased \$265.7 billion, to \$2,036.2 billion (table G). At current cost, the increase was attributable

to net financial outflows and to exchange-rate appreciation that more than offset small price depreciation; at market value, the decrease was attributable to sizable price depreciation that more than offset net financial outflows and exchange-rate appreciation (table H). Net outflows rebounded to \$137.8 billion from \$120.0 billion, but remained well below record outflows of \$224.9 billion in 1999. Net equity capital outflows decreased to \$18.1 billion from \$50.4 billion, reflecting a further slowdown in merger and acquisition activity. Intercompany debt shifted to net outflows of \$25.6 billion from inflows of \$2.5 billion; the shift was mostly attributable to chemical, finance, and holding-company affiliates in Europe. Reinvested earnings increased to \$94.2 billion from \$72.0 billion, reflecting a rebound in the earnings of overseas affiliates and an increase in the share of those earnings that were reinvested.

**Table G. U.S. Direct Investment Abroad at Yearend**  
[Billions of dollars]

	2000	2001	2002
<b>U.S. direct investment abroad:</b>			
At current cost.....	1,529.7	1,598.1	1,751.9
At market value.....	2,694.0	2,301.9	2,036.2

**Table H. U.S. Direct Investment Abroad, 2002**  
[Billions of dollars]

	At current cost	At market value
<b>Total position</b> .....	<b>1,751.9</b>	<b>2,036.2</b>
<b>Total change</b> .....	<b>153.8</b>	<b>-265.7</b>
Financial outflows.....	137.8	137.8
Equity capital.....	18.1	18.1
Intercompany debt.....	25.6	25.6
Reinvested earnings.....	94.2	94.2
Price changes.....	-5.2	-487.9
Exchange-rate changes.....	25.6	107.9
Other valuation changes.....	-4.4	-23.5

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

U.S. official reserve assets increased \$28.6 billion, to \$158.6 billion, in 2002, as a result of strong price appreciation in the market value of the U.S. gold stock and of exchange-rate appreciation of other reserve assets. The U.S. reserve position at the International Monetary Fund (IMF) increased \$4.1 billion as net U.S. dollar lending from the IMF's General Resources Account to Turkey, Brazil, and Uruguay exceeded repayments from Russia and other countries. The increase in the U.S. reserve position at the IMF also included exchange-rate appreciation of \$1.5 billion. U.S. official holdings of foreign currencies increased

\$4.7 billion, reflecting exchange-rate appreciation of \$4.1 billion and financial outflows of \$0.6 billion.

U.S. Government assets other than official reserve assets were virtually unchanged at \$85.7 billion, as new U.S. Government credits to foreigners slightly exceeded repayments. Both new credits and repayments slowed in 2002.

## Changes in Foreign-Owned Assets in the United States

### Bank and nonbank liabilities

U.S. liabilities to private foreigners and international financial institutions reported by U.S. banks increased \$101.0 billion, to \$1,407.4 billion, in 2002. Although inflows were down from last year, U.S. banks continued to receive sizable funding from affiliates overseas (table I).

**Table I. U.S. Liabilities Reported by U.S. Banks and by U.S. Nonbanks at Yearend**  
[Billions of dollars]

	2000	2001	2002
<b>Total bank-reported liabilities</b> .....	<b>1,168.7</b>	<b>1,306.4</b>	<b>1,407.4</b>
Banks' liabilities for own accounts, denominated in dollars .....	980.6	1,097.3	1,183.6
To own foreign offices .....	685.0	792.3	852.5
To unaffiliated foreign banks .....	136.3	122.2	117.6
To other foreigners .....	159.3	182.8	213.5
Banks' liabilities for customers' accounts, denominated in dollars .....	111.8	128.4	143.3
Banks' liabilities, denominated in foreign currencies .....	76.3	80.7	80.5
<b>Total nonbank-reported liabilities</b> .....	<b>738.9</b>	<b>799.1</b>	<b>870.3</b>

U.S. banks' own liabilities denominated in dollars increased \$86.3 billion to \$1,183.6 billion. Financial inflows of foreign-owned banks remained strong while transactions of U.S.-owned banks shifted to outflows. Dollar positions of U.S. securities brokers and dealers with private foreigners, mainly in Western Europe and the Caribbean, increased substantially and were largely in the form of repurchase agreements. U.S. banks' custody liabilities denominated in dollars increased \$15.0 billion, to \$143.3 billion. U.S. banks' foreign currency liabilities decreased slightly to \$80.5 billion from \$80.7 billion, as outflows were nearly offset by exchange-rate appreciation.

U.S. liabilities to foreigners reported by U.S. nonbanking concerns increased \$71.1 billion, to \$870.3 billion, reflecting U.S. corporate borrowing, mostly from Western Europe and the Caribbean (table I).

### U.S. Treasury securities

Foreign holdings of U.S. Treasury securities increased \$114.6 billion, to \$503.6 billion, in 2002, reflecting a

sizable shift in foreign transactions to net purchases of \$96.2 billion after 3 years of net sales and despite historically low yields. Price appreciation increased the value of holdings by \$18.4 billion. As of December 2002, Japan remained the largest holder of Treasury securities, followed by the United Kingdom and China. Together, they accounted for about 44 percent of total foreign holdings. (In table J, foreign private holdings and foreign official holdings are combined in order to avoid the disclosure of sensitive data on individual country holdings by foreign official agencies.)

**Table J. Foreign Official and Private Holdings of U.S. Treasury Securities by Selected Countries at Yearend**  
[Billions of dollars]

	2000	2001	2002
<b>Total holdings</b> .....	<b>1,026.1</b>	<b>1,039.7</b>	<b>1,214.2</b>
Japan .....	325.6	329.7	386.7
China .....	62.3	81.9	109.3
Hong Kong .....	39.8	49.5	51.6
Germany .....	50.7	50.3	48.4
United Kingdom .....	36.5	7.6	47.5
Korea, Republic of .....	29.7	33.3	45.0
Taiwan .....	34.5	37.0	37.4
Cayman Islands .....	8.0	19.4	31.6
Mexico .....	15.6	19.8	24.0
Italy .....	21.5	19.9	20.6

### Other U.S. securities

Foreign holdings of U.S. securities other than U.S. Treasury securities increased \$5.4 billion, to \$2,861.1 billion, in 2002. Net foreign purchases of \$291.5 billion and exchange-rate appreciation of \$18.6 billion in foreign-currency-denominated U.S. bonds were nearly offset by price depreciation of \$304.7 billion (more than accounted for by a decline in the value of foreign holdings of U.S. stocks). U.S. bond prices appreciated 3 percent and partly offset the 23-percent depreciation of U.S. stock prices. Net foreign purchases of U.S. bonds were \$236.3 billion, the third highest on record, while net foreign purchases of U.S. stocks were only \$55.2 billion, the lowest since 1998.

Foreign holdings of U.S. corporate bonds and U.S. agency bonds increased \$298.7 billion, to \$1,690.3 billion, in 2002. This increase was attributable to strong net foreign purchases, price appreciation, and exchange-rate appreciation of U.S. bonds denominated in foreign currencies. Net foreign purchases may have been spurred by higher returns on U.S. bonds relative to foreign bonds. As of December 2002, the United Kingdom remained the largest holder of U.S. corporate bonds and U.S. agency bonds at \$807.6 billion, or 48 percent of total foreign holdings; the next largest holders were Other Western Hemisphere, at \$303.0

billion, and Japan, at \$163.4 billion (table K).

**Table K. Foreign Private Holdings of U.S. Corporate and Agency Bonds by Major Area and Country at Yearend**  
[Billions of dollars]

	2000	2001	2002
<b>Total holdings</b> .....	<b>1,076.0</b>	<b>1,391.6</b>	<b>1,690.3</b>
Western Europe.....	710.6	910.5	1,058.9
<i>Of which:</i> United Kingdom.....	517.2	691.0	807.6
France.....	11.2	15.8	19.5
Germany.....	42.7	51.8	57.0
Italy.....	4.0	2.2	2.5
Netherlands.....	20.5	19.7	19.5
Canada.....	24.1	25.2	22.8
Japan.....	100.5	120.3	163.4
Latin America.....	18.7	25.2	34.7
Other Western Hemisphere.....	172.7	231.3	303.0
Other countries.....	49.4	79.1	107.5

Foreign holdings of U.S. stocks decreased \$293.3 billion, to \$1,170.8 billion. Net foreign purchases of \$55.2 billion—less than half the net purchases of \$119.5 billion in 2001—were more than offset by price depreciation of \$348.5 billion, as the U.S. stock market suffered the biggest annual loss since 1974. The S&P 500 stock price index declined 23 percent in 2002, following declines of 13 percent in 2001 and 10 percent in 2000. As of December 2002, the United Kingdom remained the largest holder of U.S. stocks with \$295.6 billion, or 25 percent of foreign holdings, followed by Canada, with \$123.9 billion, and Japan, with \$106.2 billion (table L).

**Table L. Foreign Private Holdings of U.S. Corporate Stocks by Major Area and Country at Yearend**  
[Billions of dollars]

	2000	2001	2002
<b>Total holdings</b> .....	<b>1,547.7</b>	<b>1,464.1</b>	<b>1,170.8</b>
Western Europe.....	1,016.2	969.5	770.1
<i>Of which:</i> United Kingdom.....	381.0	368.9	295.6
France.....	47.0	46.1	37.1
Germany.....	111.0	104.8	79.6
Italy.....	39.8	36.5	29.1
Netherlands.....	97.4	95.6	77.8
Canada.....	156.6	147.9	123.9
Japan.....	134.4	123.4	106.2
Latin America.....	28.7	32.4	25.5
Other Western Hemisphere.....	125.1	102.3	62.1
Other countries.....	86.7	88.6	83.0

### U.S. currency

U.S. currency held by foreigners increased \$21.5 billion, to \$297.1 billion, in 2002. Currency shipments decelerated from the pace in 2001, but remained relatively strong as a result of economic problems and fears of devaluation in some areas of the world. The increased use of the euro as an alternative to the dollar may have limited the increase in dollar shipments to the euro area. Currency shipments continued to go mostly to Argentina and Russia.

### Foreign direct investment in the United States

Foreign direct investment in the United States at current cost decreased \$9.9 billion, to \$1,504.4 billion, in 2002; at market value, it decreased \$545.8 billion, to \$2,006.7 billion (table M). At current cost, net financial inflows exceeded price depreciation, and a decrease in the position was mostly attributable to the capital losses of U.S. affiliates. At market value, net financial inflows were more than offset by substantial price depreciation in the market value of owners' equity as a result of sharp price declines in the U.S. stock market. Net financial inflows decreased sharply to \$39.6 billion, the lowest since 1992. Net equity capital inflows decreased to \$70.3 billion from \$137.3 billion in 2001 and were well below the record \$259.6 billion in 2000. Contributing to this decrease was a further sizable reduction in foreign acquisitions of U.S. companies. Intercompany debt flows shifted to outflows of \$37.4 billion from inflows of \$43.4 billion, as both payables and receivables shifted to outflows. Reinvested earnings shifted to a positive \$6.7 billion from a negative \$29.1 billion, mostly reflecting a rebound in earnings (table N).

**Table M. Foreign Direct Investment in the United States at Yearend**  
[Billions of dollars]

	2000	2001	2002
<b>Foreign direct investment in the United States:</b>			
At current cost.....	1,418.5	1,514.4	1,504.4
At market value.....	2,783.2	2,552.6	2,006.7

**Table N. Foreign Direct Investment in the United States, 2002**  
[Billions of dollars]

	At current cost	At market value
<b>Total position</b> .....	<b>1,504.4</b>	<b>2,006.7</b>
<b>Total change</b> .....	<b>-9.9</b>	<b>-545.8</b>
Financial outflows.....	39.6	39.6
Equity capital.....	70.3	70.3
Intercompany debt.....	-37.4	-37.4
Reinvested earnings.....	6.7	6.7
Price changes.....	-6.0	-529.9
Exchange-rate changes.....	0.6	.....
Other valuation changes.....	-44.1	-55.5

### Foreign official assets

Foreign official assets increased \$105.3 billion, to \$1,132.5 billion, in 2002. This increase reflected financial inflows of \$94.9 billion that were substantially higher than inflows of \$5.1 billion in 2001 and that were the largest since 1996. Price appreciation of \$10.5 billion also contributed to the increase. Net foreign official purchases of U.S. Treasury securities more than quadrupled to \$43.1 billion, and net foreign purchases of U.S. agency bonds increased to \$30.4 billion from \$20.9 billion.

**Table 1. International Investment Position of the United States at Yearend, 2001 and 2002**  
 [Millions of dollars]

Line	Type of investment	Position in 2001 <sup>r</sup>	Changes in position in 2002				Total (a+b+c+d)	Position in 2002 <sup>p</sup>
			Attributable to					
			Financial flows	Valuation adjustments				
				Price changes	Exchange rate changes <sup>1</sup>	Other changes <sup>2</sup>		
(a)	(b)	(c)	(d)					
<b>Net international investment position of the United States:</b>								
1	With direct investment positions at current cost (line 3 less line 24)	-1,979,906	-527,998	-83,284	147,129	56,848	-407,305	-2,387,211
2	With direct investment positions at market value (line 4 less line 25)	-2,314,271	-527,998	-42,105	230,053	49,166	-290,884	-2,605,155
<b>U.S.-owned assets abroad:</b>								
3	With direct investment positions at current cost (lines 5+10+15)	6,187,410	178,985	-365,107	182,335	5,568	1,781	6,189,191
4	With direct investment positions at market value (lines 5+10+16)	6,891,251	178,985	-847,812	264,680	-13,542	-417,689	6,473,562
5	U.S. official reserve assets	129,961	3,681	18,492	6,482	-14	28,641	158,602
6	Gold	72,328		<sup>3</sup> 18,492		<sup>4</sup> -14	18,478	90,806
7	Special drawing rights	10,783	475		908		1,383	12,166
8	Reserve position in the International Monetary Fund	17,869	2,632		1,478		4,110	21,979
9	Foreign currencies	28,981	574		4,096		4,670	33,651
10	U.S. Government assets, other than official reserve assets	85,654	32				32	85,686
11	U.S. credits and other long-term assets <sup>5</sup>	83,132	-73				-73	83,059
12	Repayable in dollars	82,854	-69				-69	82,785
13	Other <sup>6</sup>	278	-4				-4	274
14	U.S. foreign currency holdings and U.S. short-term assets	2,522	105				105	2,627
<b>U.S. private assets:</b>								
15	With direct investment at current cost (lines 17+19+22+23)	5,971,795	175,272	-383,599	175,853	5,582	-26,892	5,944,903
16	With direct investment at market value (lines 18+19+22+23)	6,675,636	175,272	-866,304	258,198	-13,528	-446,362	6,229,274
<b>Direct investment abroad:</b>								
17	At current cost	1,598,072	137,836	-5,215	25,577	-4,418	153,780	1,751,852
18	At market value	2,301,913	137,836	-487,920	107,922	-23,528	-265,690	2,036,223
19	Foreign securities	2,114,734	-15,801	-378,384	126,427		-267,758	1,846,976
20	Bonds	502,061	-33,478	21,274	11,927		-277	501,784
21	Corporate stocks	1,612,673	17,677	-399,658	114,500		-267,481	1,345,192
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	835,780	31,880		13,301	10,000	55,181	890,961
23	U.S. claims reported by U.S. banks, not included elsewhere	1,423,209	21,357		10,548		31,905	1,455,114
<b>Foreign-owned assets in the United States:</b>								
24	With direct investment at current cost (lines 26+33)	8,167,316	706,983	-281,823	35,206	-51,280	409,086	8,576,402
25	With direct investment at market value (lines 26+34)	9,205,522	706,983	-805,707	34,627	-62,708	-126,805	9,078,717
26	Foreign official assets in the United States	1,027,194	94,860	10,476			105,336	1,132,530
27	U.S. Government securities	798,844	73,521	25,640			99,161	898,005
28	U.S. Treasury securities	650,703	43,144	16,761			59,905	710,608
29	Other	148,141	30,377	8,879			39,256	187,397
30	Other U.S. Government liabilities <sup>7</sup>	17,007	137				137	17,144
31	U.S. liabilities reported by U.S. banks, not included elsewhere	123,425	17,594				17,594	141,019
32	Other foreign official assets	87,918	3,608	-15,164			-11,556	76,362
<b>Other foreign assets:</b>								
33	With direct investment at current cost (lines 35+37+38+41+42+43)	7,140,122	612,123	-292,299	35,206	-51,280	303,750	7,443,872
34	With direct investment at market value (lines 36+37+38+41+42+43)	8,178,328	612,123	-816,183	34,627	-62,708	-232,141	7,946,187
<b>Direct investment in the United States:</b>								
35	At current cost	1,514,374	39,633	-6,060	579	-44,098	-9,946	1,504,428
36	At market value	2,552,580	39,633	-529,944		-55,526	-545,837	2,006,743
37	U.S. Treasury securities	389,000	96,217	18,413			114,630	503,630
38	U.S. securities other than U.S. Treasury securities	2,855,705	291,492	-304,652	18,570		5,410	2,861,115
39	Corporate and other bonds	1,391,616	236,309	43,801	18,570		298,680	1,690,296
40	Corporate stocks	1,464,089	55,183	-348,453			-293,270	1,170,819
41	U.S. currency	275,569	21,513				21,513	297,082
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	799,120	72,142		6,179	-7,182	71,139	870,259
43	U.S. liabilities reported by U.S. banks, not included elsewhere	1,306,354	91,126		9,878		101,004	1,407,358

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

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

2. Includes changes in coverage, capital gains and losses of direct investment affiliates, and other statistical adjustments to the value of assets.

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

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

tizations 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.

Table 2. International Investment Position

[Millions]

Line	Type of investment	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
<b>Net international investment position of the United States:</b>													
1	With direct investment positions at current cost (line 3 less line 24).....	164,832	171,440	206,423	316,926	360,838	339,767	328,954	298,304	160,695	54,343	-36,209	-80,007
2	With direct investment positions at market value (line 4 less line 25).....							235,947	257,393	134,088	96,886	100,782	50,529
<b>U.S.-owned assets abroad:</b>													
3	With direct investment at current cost (lines 5+10+15)	456,964	512,278	621,227	786,701	929,806	1,001,667	1,108,436	1,210,974	1,204,900	1,287,396	1,469,396	1,646,527
4	With direct investment at market value (lines 5+10+16)							961,015	1,129,673	1,127,132	1,302,712	1,594,852	1,758,711
5	U.S. official reserve assets .....	44,094	53,376	69,450	143,260	171,412	124,568	143,445	123,110	105,040	117,930	139,875	162,370
6	Gold <sup>1</sup> .....	36,944	45,781	62,471	135,476	155,816	105,644	120,635	100,484	81,202	85,834	102,428	127,648
7	Special drawing rights .....	2,395	2,629	1,558	2,724	2,610	4,096	5,250	5,025	5,641	7,293	8,395	10,283
8	Reserve position in the International Monetary Fund .....	4,434	4,946	1,047	1,253	2,852	5,054	7,348	11,312	11,541	11,947	11,730	11,349
9	Foreign currencies .....	321	20	4,374	3,807	10,134	9,774	10,212	6,289	6,656	12,856	17,322	13,090
10	U.S. Government assets, other than official reserve assets	44,978	48,567	53,187	58,851	65,573	70,893	76,903	81,664	86,945	89,792	91,850	90,681
11	U.S. credits and other long-term assets <sup>2</sup> .....	44,124	47,749	52,252	57,909	63,731	69,320	75,105	79,852	84,857	87,854	90,923	89,900
12	Repayable in dollars .....	41,309	45,154	49,817	54,616	60,731	66,591	72,635	77,618	82,819	85,978	89,271	88,344
13	Other <sup>3</sup> .....	2,815	2,595	2,435	3,293	3,000	2,729	2,470	2,234	2,038	1,876	1,652	1,556
14	U.S. foreign currency holdings and U.S. short-term assets .....	854	818	935	942	1,842	1,573	1,798	1,812	2,088	1,938	927	781
<b>U.S. private assets:</b>													
15	With direct investment at current cost (lines 17+19+22+23).....	367,892	410,335	498,590	584,590	692,821	806,206	888,088	1,006,200	1,012,915	1,079,674	1,237,671	1,393,476
16	With direct investment at market value (lines 18+19+22+23).....							740,667	924,899	935,147	1,094,990	1,362,927	1,505,660
<b>Direct investment abroad:</b>													
17	At current cost <sup>4</sup> .....	222,283	246,078	285,005	336,301	388,072	407,804	374,059	355,643	348,342	371,036	404,818	478,062
18	At market value <sup>4</sup> .....							226,638	274,342	270,574	386,352	530,074	590,246
19	Foreign securities <sup>5</sup> .....	44,157	49,439	53,384	56,769	62,454	62,142	74,046	84,723	88,804	119,403	158,123	188,589
20	Bonds <sup>5</sup> .....	34,704	39,329	42,148	41,966	43,524	45,675	56,604	58,569	62,810	75,020	85,724	93,889
21	Corporate stocks <sup>5</sup> .....	9,453	10,110	11,236	14,803	18,930	16,467	17,442	26,154	25,994	44,383	72,399	94,700
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns <sup>6</sup> .....	20,317	22,256	29,385	34,491	38,429	42,752	35,405	131,329	130,138	141,872	167,392	177,368
23	U.S. claims reported by U.S. banks, not included elsewhere <sup>7</sup> .....	81,135	92,562	130,816	157,029	203,866	293,508	404,578	434,505	445,631	447,363	507,338	549,457
<b>Foreign-owned assets in the United States:</b>													
24	With direct investment at current cost (lines 26+33).....	292,132	340,838	414,804	469,775	568,968	661,900	779,482	912,670	1,044,205	1,233,053	1,505,605	1,726,534
25	With direct investment at market value (lines 26+34).....							725,068	872,280	993,044	1,205,826	1,493,870	1,708,182
26	Foreign official assets in the United States .....	104,445	140,867	173,057	159,852	176,062	180,425	189,109	194,468	199,678	202,482	241,226	283,058
27	U.S. Government securities .....	72,572	105,386	128,511	106,640	118,189	125,130	132,587	136,987	144,665	145,063	178,916	220,548
28	U.S. Treasury securities <sup>8</sup> .....	70,555	101,092	123,991	101,748	111,336	117,004	124,929	129,716	138,168	138,438	173,310	213,713
29	Other <sup>8</sup> .....	2,017	4,294	4,520	4,892	6,853	8,126	7,658	7,271	6,497	6,625	5,606	6,835
30	Other U.S. Government liabilities <sup>9</sup> .....	8,860	10,260	12,749	12,749	13,367	13,029	13,639	14,231	14,959	15,803	17,993	15,667
31	U.S. liabilities reported by U.S. banks, not included elsewhere .....	17,231	18,004	23,327	30,540	30,381	26,737	24,989	25,534	26,090	26,734	27,920	31,838
32	Other foreign official assets <sup>8</sup> .....	5,782	7,217	8,470	9,923	14,125	15,529	17,894	17,716	13,964	14,882	16,397	15,005
<b>Other foreign assets in the United States:</b>													
33	With direct investment at current cost (lines 35+37+38+41+42+43).....	187,687	199,971	241,747	309,923	392,906	481,475	590,373	718,202	844,527	1,030,571	1,264,379	1,443,476
34	With direct investment at market value (lines 36+37+38+41+42+43).....							535,959	677,812	793,366	1,003,344	1,252,644	1,425,124
<b>Direct investment in the United States:</b>													
35	At current cost <sup>10</sup> .....	47,528	55,413	68,976	88,579	127,105	164,623	184,842	193,708	223,538	247,223	284,701	334,552
36	At market value <sup>10</sup> .....							130,428	153,318	172,377	219,996	272,966	316,200
37	U.S. Treasury securities <sup>8</sup> .....	7,028	7,562	8,910	14,210	16,113	18,505	25,758	33,846	62,121	87,954	96,078	82,588
38	U.S. securities other than U.S. Treasury securities <sup>8</sup> .....	54,913	51,235	53,554	58,587	74,114	75,085	92,988	113,811	128,477	207,868	309,803	341,732
39	Corporate and other bonds <sup>8</sup> .....	11,964	11,456	11,457	10,269	9,545	10,694	16,709	17,454	32,421	82,290	140,863	166,089
40	Corporate stocks <sup>8</sup> .....	42,949	39,779	42,097	48,318	64,569	64,391	76,279	96,357	96,056	125,578	168,940	175,643
41	U.S. currency .....	11,792	13,656	16,569	19,552	24,079	27,295	31,265	36,776	40,797	46,036	50,122	55,584
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns <sup>11</sup> .....	12,961	11,921	16,019	18,669	30,426	30,606	27,532	61,731	77,415	86,993	90,703	110,187
43	U.S. liabilities reported by U.S. banks, not included elsewhere .....	53,465	60,184	77,719	110,326	121,069	165,361	227,988	278,330	312,179	354,497	432,972	518,833

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

1. U.S. official gold stock is valued at market price.

2. 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.

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

4. A break in series in 1994 reflects the reclassification of intercompany debt positions between parent companies and affiliates that are not depository institutions and that are primarily engaged in financial intermediation from the direct invest-

ment accounts to the nonbank investment accounts. Estimates for 1976 forward are linked to the 1977, 1982, 1989, 1994, and 1999 Benchmark Survey of U.S. Direct Investment Abroad.

5. Estimates include results of the 1994, 1997, and 2001 Benchmark Survey of U.S. Ownership of Foreign Long-Term Securities conducted by the U.S. Department of Treasury.

6. A break in series in 1983 reflects the introduction of data from the United Kingdom and from the Bank for International Settlements (BIS) for several European countries, Caribbean banking centers, and Asian banking centers. Additional coverage from BIS data was introduced in 1986, 1989, 1993, and 1994. In 1994, intercompany debt positions between parent companies and affiliates that are not depository institutions and that are primarily engaged in financial intermediation are reclassified from the direct investment accounts to the nonbank investment accounts.





# Direct Investment Positions for 2002

## Country and Industry Detail

By Maria Borgia

**I**N 2002, the historical-cost position of foreign direct investment in the United States (FDIUS) decreased for the first time since at least 1946, when the data were first compiled on an annual basis. The 1-percent decrease followed an 8-percent increase in 2001. In contrast, the historical-cost position of U.S. direct investment abroad (USDIA) grew 10 percent in 2002, up from a 5-percent increase in 2001 (table A and chart 1).

The decrease in the FDIUS position in 2002 reflected financial restructuring and write-downs of investments in the wake of the boom in foreign investors' acquisitions of U.S. companies between 1998 and 2000, reduced requirements by existing U.S. affiliates for financing from their foreign parents, and a sharp slowdown in new investment by foreign parents. A primary cause of the decrease in the position was that some affiliates repaid substantial loans to their foreign parents that had been used to finance major acquisitions during the 1998–2000 boom. In addition, several affiliates wrote down the value of acquisitions made during the boom. Finally, despite a return to positive earnings by U.S. affiliates in 2002, reinvested earnings

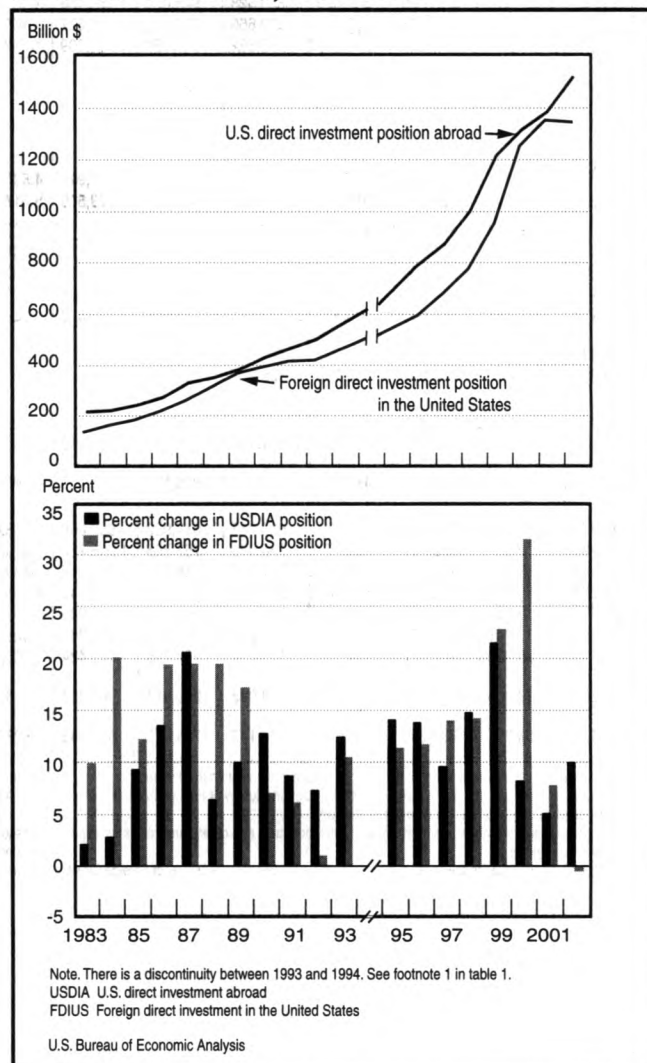
were negative because foreign parents chose not to re-invest their share of those earnings in their affiliates. The reduced intercompany debt financing from parents and lack of reinvestment in 2002 may indicate that parents are not expanding, and may even be cutting back, the operations of their U.S. affiliates. Spending on new investments in 2002 was not large enough to

**Table A. U.S. Direct Investment Position Abroad and Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 1982–2002**

Yearend	Billions of dollars		Percent change from preceding year	
	USDIA	FDIUS	USDIA	FDIUS
1982	207.8	124.7		
1983	212.2	137.1	2.1	9.9
1984	218.1	164.6	2.8	20.1
1985	238.4	184.6	9.3	12.2
1986	270.5	220.4	13.5	19.4
1987	326.3	263.4	20.6	19.5
1988	347.2	314.8	6.4	19.5
1989	381.8	368.9	10.0	17.2
1990	430.5	394.9	12.8	7.0
1991	467.8	419.1	8.7	6.1
1992	502.1	423.1	7.3	1.0
1993	564.3	467.4	12.4	10.5
1994	612.9	480.7	(1)	(1)
1995	699.0	535.6	14.1	11.4
1996	795.2	598.0	13.8	11.7
1997	871.3	681.8	9.6	14.0
1998	1,000.7	778.4	14.8	14.2
1999	1,216.0	955.7	21.5	22.8
2000	1,316.2 <sup>r</sup>	1,256.9 <sup>r</sup>	8.2	31.5
2001	1,383.2 <sup>r</sup>	1,355.1 <sup>r</sup>	5.1	7.8
2002	1,521.0 <sup>p</sup>	1,348.0 <sup>p</sup>	10.0	-0.5

<sup>p</sup> Preliminary.  
<sup>r</sup> Revised.  
 1. The USDIA and FDIUS positions reflect a discontinuity between 1993 and 1994 because of the reclassification from direct investment to other investment accounts of intercompany debt between parent companies and affiliates that are nondepository financial intermediaries.  
 USDIA U.S. direct investment abroad  
 FDIUS Foreign direct investment in the United States

**Chart 1. Direct Investment Positions on a Historical-Cost Basis, 1983–2002**



Note. There is a discontinuity between 1993 and 1994. See footnote 1 in table 1.  
 USDIA U.S. direct investment abroad  
 FDIUS Foreign direct investment in the United States

U.S. Bureau of Economic Analysis

### Key Terms

The key terms used in this article are described in this box. For a more detailed discussion of these terms and the methodologies used to prepare the estimates, see *Foreign Direct Investment in the United States: Final Results from the 1997 Benchmark Survey* (Washington, DC: U.S. Government Printing Office, June 2001) and *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results* (Washington, DC: U.S. Government Printing Office, May 1998). (Publication of the final results of the 1999 benchmark survey of U.S. direct investment abroad, including an updated methodology, is scheduled for later this year.) The methodologies are also available at BEA's Web site at <www.bea.gov>.

**Direct investment.** Investment in which a resident of one country obtains a lasting interest in, and a degree of influence over the management of, a business enterprise in another country. In the United States, the criterion used to distinguish direct investment from other types of investment is ownership of at least 10 percent of the voting securities of an incorporated business enterprise or the equivalent interest in an unincorporated business enterprise.

**U.S. direct investment abroad (USDIA).** The ownership or control, directly or indirectly, by one U.S. resident of 10 percent or more of the voting securities of an incorporated foreign business enterprise or the equivalent interest in an unincorporated foreign business enterprise.

**Foreign direct investment in the United States (FDIUS).** The ownership or control, directly or indirectly, by one foreign resident of 10 percent or more of the voting securities of an incorporated U.S. business enterprise or the equivalent interest in an unincorporated U.S. business enterprise.

**Foreign affiliate.** A foreign business enterprise in which a single U.S. investor (that is, a U.S. parent) owns at least 10 percent of the voting securities, or the equivalent.

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

**Ultimate beneficial owner (UBO).** That person (in the broad legal sense, including a company), proceeding up the affiliate's ownership chain beginning with the foreign parent, that is not owned more than 50 percent by another person. The UBO ultimately owns or controls the affiliate and derives the benefits associated with ownership or control. Unlike the foreign parent, the UBO of a U.S. affiliate may be located in the United States.

**Foreign parent group.** Consists of (1) the foreign parent, (2) any foreign person, proceeding up the foreign parent's ownership chain, that owns more than 50 percent of the person below it, up to and including the UBO, and (3) any foreign person, proceeding down the ownership chain(s) of each of these members, that is owned more than 50 percent by the person above it.

**Direct investment capital flows.** Funds that parent companies provide to their affiliates net of funds that affiliates provide to their parents. For USDIA, capital flows also include the funds that U.S. direct investors pay to unaffiliated foreign parties when affiliates are acquired and the funds that U.S. investors receive from them when affiliates are sold. Similarly, FDIUS capital flows include the funds that foreign direct investors pay to unaffiliated U.S. residents when affiliates are acquired and the funds that foreign investors receive from them when affiliates are sold. FDIUS capital flows also include debt and equity transactions between U.S. affiliates and members of their foreign parent groups other than their foreign parents, described as follows.

Direct investment capital flows consist of equity capital,

intercompany debt, and reinvested earnings. **Equity capital flows** are the net of equity capital increases and decreases. Equity capital increases consist of payments by parents to third parties for the purchase of capital stock when they acquire an existing business, payments made to acquire additional ownership interests in their affiliates, and capital contributions to their affiliates. Equity capital decreases are the funds parents receive when they reduce their equity interest in their affiliates. **Intercompany debt flows** result from changes in net outstanding loans and trade accounts between parents (and for FDIUS, other members of the foreign parent groups) and their affiliates, including loans by parents to affiliates and loans by affiliates to parents. **Reinvested earnings** are the parents' claim on the current-period undistributed after-tax earnings of the affiliates.

**Direct investment position.** The value of direct investors' equity in, and net outstanding loans to, their affiliates. The position may be viewed as the direct investors' net financial claims on their affiliates, whether in the form of equity (including retained earnings) or debt.

BEA prepares estimates of the positions for USDIA and for FDIUS that are valued on three bases—historical cost, current cost, and market value. See the box "Alternative Measures of the Direct Investment Positions."

**Valuation adjustments to the historical-cost position.** Adjustments that are made to account for the differences between changes in the historical-cost position, which are measured at book value, and direct investment capital flows, which are measured at transaction value. (Unlike the positions on a current-cost and market-value basis, the historical-cost position is not adjusted to account for changes in the replacement cost of the tangible assets of affiliates or in the market value of parent companies' equity in affiliates.)

Valuation adjustments to the historical-cost position consist of currency translation and "other" adjustments. **Currency-translation adjustments** are made to account for changes in the exchange rates that are used to translate affiliates' foreign-currency-denominated assets and liabilities into U.S. dollars. The precise effects of currency fluctuations on these adjustments depend on the value and currency composition of affiliates' assets and liabilities. If an affiliate's assets exceed its liabilities denominated in a particular foreign currency, depreciation (appreciation) of the currency against the dollar will result in negative (positive) translation adjustments. In the less common, but not unusual, case of a net liability position in a foreign currency, depreciation (appreciation) of the currency will result in positive (negative) translation adjustments.

**"Other" valuation adjustments** are made to account for differences between the proceeds from the sale or liquidation of affiliates and their book values, for differences between the purchase prices of affiliates and their book values, for writeoffs resulting from uncompensated expropriations of affiliates, for changes in industry of affiliate or country of foreign parent, and for capital gains and losses (other than currencies-translation adjustments). These capital gains and losses represent the revaluation of the assets of ongoing affiliates for reasons other than exchange-rate changes, such as the sale of assets (other than inventory) for an amount different from their book value. For individual industries, adjustments may be made to reflect changes in the industry of an affiliate. For USDIA, adjustments may be made for individual countries to reflect changes in the country of a foreign affiliate. Similarly, for FDIUS, adjustments may be made for individual countries to reflect changes in the country of the foreign parent.

offset the decrease in the intercompany debt position, negative reinvested earnings, and write-downs of assets. The sharp slowdown in new investment reflected continuing modest economic growth in the United States and many foreign countries and uncertainty about the value and future prospects of targets for acquisition.

The 10-percent increase in the USDIA position in 2002 was due to strong reinvested earnings and to a shift from inflows to outflows on intercompany debt transactions between parents and affiliates.<sup>1</sup> European affiliates accounted for about half of the total reinvested earnings. Within Europe, chemical manufacturers, wholesale traders, and holding companies of U.S. chemical and integrated petroleum companies accounted for most of the reinvested earnings. Earnings, and also reinvested earnings, of European affiliates increased, partly due to the depreciation of the dollar against the euro. Reinvested earnings have historically played a much greater role in the growth of the USDIA position than in that of the FDIUS position; the greater importance of reinvested earnings in the growth of the USDIA position partly reflects the higher earnings of foreign affiliates of U.S. companies relative to those of U.S. affiliates of foreign companies.<sup>2</sup> The USDIA position also increased because intercompany debt shifted to outflows in 2002, as net lending by U.S. parents to their foreign affiliates increased.

The remainder of this article is presented in two sections. The first section discusses changes in the USDIA position by type of capital flow and by host country. The second section discusses the changes in the FDIUS position by type of capital flow and by country of the foreign parent.

Tables presenting country and industry estimates of the USDIA and FDIUS positions for 1999 through 2002 are at the end of the article. Because of the incorporation of the North American Industry Classification System (see the box "New Industry Classifications" on page 26) and of many other statistical and methodological improvements (see "Annual Revision of the U.S. International Accounts, 1992–2002" in this issue), detailed country-by-industry estimates are not yet available. These estimates will be available on BEA's Web site, <www.bea.gov>, by late summer.

1. From 1994 to 2001, the USDIA position grew at an average rate of 12 percent annually, a little higher than the growth in the position in 2002.

2. For a discussion of the profitability of U.S. affiliates, see Raymond J. Mataloni, Jr., "An Examination of the Low Rates of Return of Foreign-Owned U.S. Companies," *SURVEY OF CURRENT BUSINESS* 80 (March 2000): 55–73.

## U.S. Direct Investment Abroad

The USDIA position valued at historical cost—the book value of U.S. direct investors' equity in, and net outstanding loans to, their foreign affiliates—was \$1,521.0 billion at the end of 2002 (table A and chart 1). In 2002, as in 2001, the largest positions were those in the United Kingdom (\$255.4 billion, or 17 percent of the total position), in Canada (\$152.5 billion, or 10 percent), and in the Netherlands (\$145.5 billion, or 10

### Alternative Measures of the Direct Investment Positions

This article presents country and industry detail on the positions of U.S. direct investment abroad and of foreign direct investment in the United States. These detailed estimates are prepared only on a historical-cost basis and, thus, largely reflect price levels of earlier periods. Current-cost and market-value estimates of the positions are also prepared, but only at an aggregate level. The current-cost estimates value the U.S. and foreign parents' shares of their affiliates' investment in plant and equipment, using the current cost of capital equipment; in land, using general price indexes; and in inventories, using estimates of their replacement cost. The market-value estimates value the equity portion of direct investment, using indexes of stock market prices. Because the historical-cost estimates are not ordinarily adjusted to reflect changes in the current costs of tangible assets or in the stock market prices of firms, the estimates on this valuation basis are less than BEA's current-cost and market-value estimates of the positions. The revised estimates of the position for 2001 and the preliminary estimates for 2002 are shown on all three valuation bases below. The current-cost and market-value estimates of the position are discussed in "The International Investment Position of the United States at Yearend 2002" in this issue.

Alternative Direct Investment Position Estimates,  
2001 and 2002  
(Millions of dollars)

Valuation method	Position at yearend 2001 <sup>a</sup>	Changes in 2002 (decrease (-))			Position at yearend 2002 <sup>a</sup>
		Total	Capital flows	Valuation adjustments	
<b>U.S. direct investment abroad:</b>					
Historical cost .....	1,383,225	137,740	119,742	17,998	1,520,965
Current cost .....	1,598,072	153,780	137,836	15,944	1,751,852
Market value .....	2,301,913	-265,690	137,836	-403,526	2,036,223
<b>Foreign direct investment in the United States:</b>					
Historical cost .....	1,355,114	-7,120	30,032	-37,152	1,347,994
Current cost .....	1,514,374	-9,946	39,633	-49,579	1,504,428
Market value .....	2,552,580	-545,837	39,633	-585,470	2,006,743

<sup>a</sup> Preliminary.

<sup>b</sup> Revised.

percent) (table 1 and chart 2).

The USDIA position increased \$137.7 billion in 2002, more than double the increase in 2001 (table B). Capital outflows were \$119.7 billion in 2002, 15 percent larger than in 2001. By account, reinvested earnings accounted for the largest portion of capital outflows, at 64 percent. Intercompany debt accounted for 21 percent, and equity capital accounted for 15 percent.

**Table B. Change in the U.S. Direct Investment Position Abroad by Account**  
[Billions of dollars]

	2001	2002
Total.....	67.0	137.7
Capital outflows.....	103.8	119.7
Equity capital.....	50.4	18.1
Increases.....	76.2	48.3
Decreases.....	25.8	30.2
Intercompany debt.....	-2.5	25.6
Reinvested earnings.....	55.8	76.1
Valuation adjustments.....	-36.8	18.0
Currency translation.....	-13.8	10.5
Other.....	-23.0	7.5

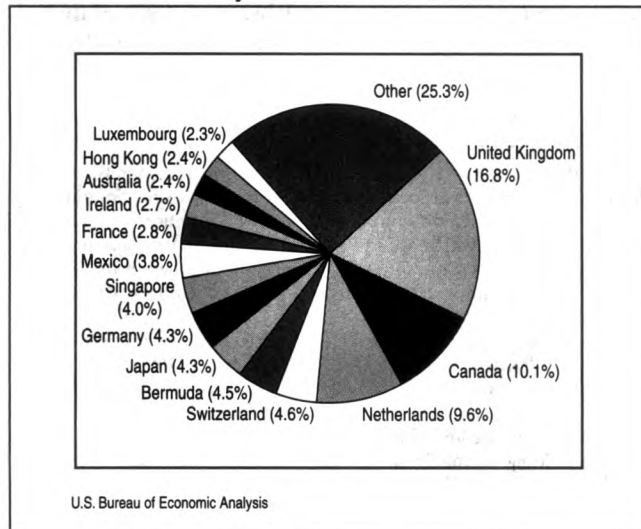
Reinvested earnings, at \$76.1 billion, increased 36 percent in 2002, reflecting both higher earnings and an increase in the share of earnings that was reinvested. Earnings increased 16 percent, to \$119.5 billion. Much of the increase in earnings was by affiliates in Europe and partly reflected the depreciation of the dollar against the euro, which raised the value of affiliates' earnings in dollar terms. The share of total earnings reinvested by foreign affiliates increased from 54 percent in 2001 to 64 percent in 2002. Holding companies (classified in "other industries" under NAICS; see the box "New Industry Classifications" on page 26), chem-

ical manufacturers, and wholesale traders had the largest reinvested earnings.

Equity capital outflows fell 64 percent in 2002, to \$18.1 billion. Equity capital increases were \$48.3 billion, and equity capital decreases were \$30.2 billion. Equity capital increases were divided almost evenly between capital contributions to existing affiliates, accounting for 52 percent of the total, and equity flows for the direct acquisition or establishment of foreign businesses, accounting for the remaining 48 percent. Equity capital increases were largest in Europe, in Latin America and Other Western Hemisphere, and in Canada. In Europe and in Latin America and Other Western Hemisphere, the increases were largely due to capital contributions to existing affiliates in finance (except depository institutions) and insurance. In Canada, the increases were largely due to the acquisition or establishment of affiliates in computers and electronic products manufacturing and in mining. In 2002, liquidations and sales of affiliates accounted for 64 percent of equity capital decreases, and returns of equity capital accounted for the remaining 36 percent. The largest equity capital decreases were in Europe, primarily from selloffs of affiliates.

Intercompany debt flows shifted \$28.1 billion, from inflows of \$2.5 billion in 2001 to outflows of \$25.6 billion in 2002. This shift was primarily the result of increased net lending by U.S. parents to their European chemical manufacturing affiliates, finance and insurance affiliates, and holding companies.

**Chart 2. U.S. Direct Investment Position Abroad, 2002: Host-Country Shares**



**Acknowledgments**

The data for U.S. direct investment abroad were drawn from BEA's quarterly survey of transactions between U.S. parent companies and their foreign affiliates. The survey was conducted under the supervision of Mark W. New, assisted by Laura A. Downey, Javier J. Hodge, Marie K. Laddomada, Sherry Lee, Leila C. Morrison, Chad M. Poist, John E. Terpening, and Dwayne Torney. Computer programming for data estimation and tabulation was provided by Marie Colosimo.

The data for foreign direct investment in the United States were drawn from BEA's quarterly survey of transactions between U.S. affiliates of foreign companies and their foreign parents. The survey was conducted under the supervision of Gregory G. Fouch, assisted by Peter J. Fox, Michelle L. Granson, Barbara C. Huang, Y. Louise Ku-Graf, Susan M. LaPorte, and Beverly E. Palmer. Computer programming for data estimation and tabulation was provided by Karen E. Poffel, assisted by Paula D. Brown and Tracy K. Leigh.

A positive valuation adjustment of \$18.0 billion also contributed to the increase in the position (see the box "Key Terms"). The positive currency-translation adjustment reflects the rise in the dollar value of investments in foreign affiliates caused by the depreciation of the U.S. dollar in 2002, particularly against the euro.

### Changes by area and by country

In 2002, the USDIA position grew 25 percent in Asia and Pacific, 11 percent in Europe, and 8 percent in Canada. The USDIA position in Latin America and Other Western Hemisphere declined 4 percent. Growth in the USDIA positions in both Africa and the

### New Industry Classifications

This article introduces two changes in industry classifications. First, the position data are classified by International Survey Industry (ISI) classifications derived from the 1997 North American Industry Classification System (NAICS).<sup>1</sup> Previously, the position data had been classified on ISI classifications derived from the 1987 Standard Industrial Classification (SIC) system.<sup>2</sup> Second, petroleum is no longer shown as a separate major industry in the tables; instead, the various petroleum-related activities are distributed among the major NAICS industry groups or sectors to which they belong.

NAICS is the current industry classification system of the United States, Canada, and Mexico. For the United States, the 1997 NAICS supplanted the 1987 Standard Industrial Classification system.<sup>3</sup> Many of the NAICS industries correspond to SIC industries. However, many of these industries have been rearranged among the higher level groups in which they appear. In addition, NAICS introduces several new higher level groups. At the highest level of aggregation, the 20 industry groups—termed "sectors"—in the NAICS replace the 10 industry divisions in the SIC. Several of the NAICS sectors do not correspond directly to these SIC industry divisions. For example, the "information" sector consists of industry groups from several SIC industry divisions.<sup>4</sup>

Under NAICS, the finance and insurance sector includes data for depository institutions. However, in the tables in this article (and for other BEA data on direct investment) that show data for depository institutions, these firms are not grouped with other finance and insurance firms but are instead shown in a separate category titled "depository credit intermediation (banking)." All the other data for the finance and insurance sector are

shown in the category "finance (except depository institutions) and insurance." For USDIA, the coverage of this category differs from that of the SIC-based category "finance (except depository institutions), insurance, and real estate" in that the new NAICS-based category excludes real estate firms and nonbank holding companies.<sup>5</sup> For FDIUS, this category also excludes nonbank holding companies and includes firms that were shown in the SIC-based categories "finance (except depository institutions)" and "insurance." Under the NAICS-based classifications, the data for nonbank holding companies are in the "management of nonbank companies and enterprises" industry (included in "other industries" in the tables).

The second major change in industry presentation is that the various petroleum-related activities are no longer grouped in the major industry group "petroleum" but are, instead, spread among the major NAICS industry groups or sectors to which they belong. For example, oil and gas extraction is now included in mining, petroleum refining is in manufacturing, and gasoline stations are in retail trade. This change was made so that industry presentation of the direct investment data would conform with that used for most other data on the U.S. economy.

To facilitate assessment of the effects of these two changes and to provide a bridge between the data classified on the new basis and the data classified on the old basis, the data on the direct investment positions and related items on both bases will be available in September 2003 on BEA's Web site, at <[www.bea.gov](http://www.bea.gov)>. The USDIA position on both bases will be available for 1999, and the FDIUS position on both bases will be available for 1997 through 1999.

1. Office of Management and Budget, *North American Industry Classification System: United States, 1997* (Lanham, MD: Bernan Press, 1998). Beginning with the 2002 benchmark survey of foreign direct investment in the United States, the ISI classifications will be derived from the 2002 NAICS manual, Office of Management and Budget, *North American Industry Classification System: United States, 2002* (Lanham, MD: Bernan Press, 2002). Information on NAICS is available online at <[www.census.gov/epcd/www/naics.html](http://www.census.gov/epcd/www/naics.html)>.

2. For a description of the NAICS-based ISI classifications that are used for the position data, see Bureau of Economic Analysis, *Guide to Industry and Foreign Trade Classifications for International Surveys* at <[www.bea.gov/bea/surveys.htm](http://www.bea.gov/bea/surveys.htm)>. A concordance between the new NAICS-based ISI codes and the old SIC-based ISI codes is available at the same Web address.

3. See Office of Management and Budget, *Standard Industrial Classification Manual, 1987* (Washington DC: U.S. Government Printing Office, 1987).

4. Specifically, the NAICS information sector includes publishing, which is included in the SIC manufacturing industry division; "motion picture and sound recording industries" and "information and data processing services," which are included in the SIC services division; and broadcasting and communications, which are included in the SIC transportation, communications, electric, gas, and sanitary services division.

For additional information on the differences between the NAICS and the SIC classifications, see *NAICS: United States, 1997* and U.S. Bureau of the Census, *1997 Economic Census: Bridge Between NAICS and SIC* (Washington, DC: U.S. Government Printing Office, 2000), or <[www.census.gov/epcd/ec97brdg/](http://www.census.gov/epcd/ec97brdg/)>.

5. Bank holding companies are grouped with depository institutions in both the NAICS-based and SIC-based classifications.

Middle East exceeded 10 percent, but the levels of these positions remained very small. Position changes that exceeded \$3 billion in absolute value by area and by country are shown in table C.

**Table C. Change in the U.S. Direct Investment Position Abroad by Country of Foreign Affiliate, 2002**  
[Billions of dollars]

All countries.....	137.7
Canada.....	10.7
Europe.....	80.0
Of which:	
Netherlands.....	19.4
United Kingdom.....	16.6
Switzerland.....	9.4
Ireland.....	5.9
Luxembourg.....	5.8
Belgium.....	4.7
Italy.....	3.5
Spain.....	3.4
France.....	3.1
Denmark.....	3.1
Latin America and Other Western Hemisphere.....	-10.0
Of which:	
Panama.....	-5.2
Argentina.....	-4.5
Brazil.....	-3.8
Asia and Pacific.....	53.5
Of which:	
Singapore.....	34.6
Japan.....	7.4
Australia.....	3.8
Hong Kong.....	3.7

Within Asia and Pacific, the largest increase in position was in Singapore, followed by Japan. The increase in Singapore was primarily the result of a corporate restructuring in which existing affiliates in other countries were consolidated under a holding company in Singapore; this increase was largely offset by decreases in the positions in the host countries of the affiliates that were consolidated. The increase in Singapore was also attributable to reinvested earnings and to increased lending from U.S. parents to their holding companies. The increase in the position in Japan was primarily due to reinvested earnings in finance (except depository institutions) and insurance.

Within Europe, position increases were largest in the Netherlands, the United Kingdom, and Switzerland. The increases in all three countries were partly due to strong reinvested earnings of holding companies, especially those owned by U.S. parents in petroleum and chemicals. The holding companies derive virtually all of their earnings from affiliates that operate in other industries and that, in many cases, are located in other foreign countries.<sup>3</sup> Reinvested earnings in Dutch chemical affiliates and Swiss wholesale trade affiliates also lifted the positions in these countries. An

3. In recent years, U.S. parent companies have been funneling an increasing share of their direct investments abroad through holding companies. For more information, see the "Technical Note" in Maria Borga and Raymond J. Mataloni, Jr., "Direct Investment Positions for 2000: Country and Industry Detail," SURVEY 81 (July 2001): 23-25.

increase in net lending to affiliates in finance (except depository institutions) and insurance boosted the positions in the Netherlands and the United Kingdom. Acquisitions of beverage makers also boosted the position in the United Kingdom.

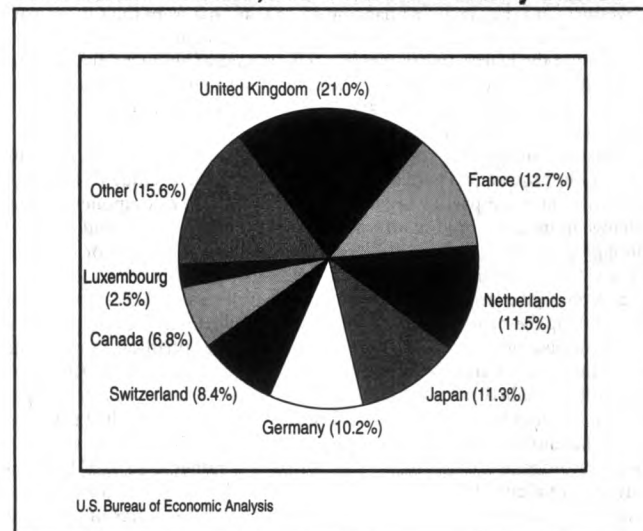
The increase in the position in Canada was boosted by acquisitions of computer and electronic products manufacturers and of mining companies and by increased lending to transportation equipment manufacturers.

The decreases in the position in Latin America and Other Western Hemisphere were largest in Panama, Argentina, and Brazil. A negative valuation adjustment in finance (except depository institutions) and insurance more than accounted for the decrease in Panama. In Argentina and Brazil, the decreases in the positions were more than accounted for by negative currency-translation adjustments resulting from the strengthening of the U.S. dollar against these countries' currencies.

### Foreign Direct Investment in the United States

The FDIUS position valued at historical cost—the book value of foreign direct investors' equity in, and net outstanding loans to, their U.S. affiliates—was \$1,348.0 billion at the end of 2002 (table A and chart 1). The largest position remained that of the United Kingdom (\$283.3 billion, or 21 percent of the total position), but the positions of both France (\$170.6 billion, or 13 percent) and the Netherlands (\$154.8 billion, or 11 percent) surpassed that of Japan (\$152.0 billion, or 11 percent), which fell to fourth largest (table 2 and chart 3).

**Chart 3. Foreign Direct Investment Position in the United States, 2002: Parent-Country Shares**



In 2002, the FDIUS position decreased for the first time since at least 1946 when the data were first compiled on an annual basis—falling \$7.1 billion, or 1 percent (table D). Capital inflows decreased substantially in 2002, falling to \$30.0 billion from \$144.0 billion in 2001. In 2002, equity capital inflows were partly offset by outflows on intercompany debt and by negative re-invested earnings.

Equity capital inflows were \$70.3 billion, about half as much as in 2001. Equity capital increases of \$84.1 billion were partly offset by equity capital decreases of \$13.8 billion. Equity capital increases were half those in 2001, reflecting the slowdown in cross-border merger and acquisition activity.<sup>4</sup> Equity capital increases result from acquisitions of U.S. businesses by foreigners and contributions of equity to existing U.S. affiliates. The largest acquisitions in 2002 were in beverage manufacturing, advertising (classified in professional, scientific, and technical services), utilities (classified in “other industries”), and motion picture and video industries (classified in information).<sup>5</sup> In 2002, several of the contributions of equity capital to existing affiliates were transactions in which debt owed to foreign parents by U.S. affiliates was converted into equity capital. Because the equity capital inflows associated with these transactions were largely offset by intercompany debt outflows, they had little impact on the overall capital flows. Equity capital decreases reflected selloffs of affiliates by, and returns of capital to, foreign direct investors (transactions that are reported as U.S. capital outflows).

4. According to preliminary data from BEA's survey of new foreign direct investment, total outlays to acquire or establish U.S. businesses, including those financed by capital inflows from foreign parents, decreased 64 percent to \$52.6 billion in 2002 from \$147.1 billion in 2001. See Thomas W. Anderson, “Foreign Direct Investment in the United States: New Investment in 2002,” *SURVEY* 83 (June 2003): 55–62. These data cover only transactions involving U.S. businesses newly acquired or established by foreign direct investors, and they include financing other than that from the foreign parent, such as local borrowing by existing U.S. affiliates. In contrast, the changes in the FDIUS position reflect transactions of both new and existing U.S. affiliates with their foreign parents or other members of their foreign parent groups and valuation adjustments, and they exclude financing not provided by the foreign parent group.

Notwithstanding these differences, the two types of data are related. Any outlays to acquire or establish U.S. businesses that are funded by foreign parent groups are part of capital inflows for FDIUS, a component of the change in the position. Data from the new investments survey indicate that foreign parent groups funded 71 percent of outlays to acquire or establish new U.S. affiliates in 2002, compared with 54 percent in 2001.

5. A few of the larger acquisitions were accomplished by U.S. shareholders exchanging their stock in the acquired firms for shares in the foreign firms. These transactions resulted in large, but offsetting, financial flows in the U.S. international transactions accounts: The large inflows on direct investment that resulted from the foreign investors' acquisitions of U.S. companies were offset by the outflows on foreign securities that resulted from the U.S. shareholders receiving the stock of the foreign firms. The outflows were recorded as foreign securities transactions rather than as U.S. direct investment abroad because the exchanges of stock did not result in any single U.S. investor owning as much as 10 percent of the shares of a foreign firm.

Intercompany debt shifted \$80.8 billion, to outflows of \$37.4 billion in 2002. This shift reflected a drop in foreign parents' debt financing of new and existing affiliates in the United States and the reduction in the

**Table D. Change in the Foreign Direct Investment Position in the United States by Account**

[Billions of dollars]

	2001	2002
Total .....	98.2	-7.1
Capital inflows .....	144.0	30.0
Equity capital .....	137.3	70.3
Increases .....	168.6	84.1
Decreases .....	31.3	13.8
Intercompany debt .....	43.4	-37.4
Reinvested earnings .....	-36.7	-2.6
Valuation adjustments .....	-45.7	-37.2
Currency translation .....	-1.9	0.6
Other .....	-43.9	-37.7

### Revisions

The revised estimates of the U.S. Direct Investment Abroad (USDIA) position for 1999–2001 incorporate the results of BEA's 1999 USDIA benchmark survey. Previously, these estimates had been linked to the 1994 benchmark survey. Benchmark surveys are conducted once every 5 years and cover virtually the entire universe of direct investment (in terms of value). In nonbenchmark years, a quarterly survey with higher exemption levels is used. BEA derives estimates for the affiliates that are not required to be reported in the quarterly surveys by extrapolating forward from the benchmark survey using sample data from the quarterly surveys. Because of the more comprehensive coverage of the benchmark surveys, a number of previously unreported affiliates were identified in the 1999 survey and were added to the affiliate universe. In addition, a number of other affiliates that had been carried forward from the 1994 benchmark survey were discovered to have been subsequently sold or liquidated and were removed from the universe. Overall, a net addition of affiliates to the universe is reflected in the change in the USDIA position from 1998 to 1999. Additional information on the incorporation of the 1999 benchmark survey results into the USDIA estimates will be provided in “U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 2002” in the September 2003 issue of the *SURVEY OF CURRENT BUSINESS*. The revised estimates also incorporate new or adjusted data from BEA's quarterly sample surveys of USDIA.

The revisions to the estimates of the foreign direct investment in the United States (FDIUS) position for 2000–2001 incorporate new and adjusted data from the quarterly surveys of FDIUS.

For details, see table 3 in “Annual Revision of the U.S. International Accounts, 1992–2002” in this issue.



debt position with affiliates that acquired new businesses in earlier years. To the extent that U.S. affiliates' borrowing from their foreign parents is used to fund acquisitions in the United States, the sharp reduction in acquisitions in 2002 slowed borrowing for this purpose. The shift to outflows was also the result of existing affiliates reducing the debt owed to their foreign parents. Much of this debt was incurred in the past few years to fund acquisitions of new businesses. The debt reduction was accomplished either through repaying loans or through the debt-to-equity capital conversions discussed above.

Reinvested earnings were  $-\$2.8$  billion in 2002, compared with  $-\$36.7$  billion in 2001. Reinvested earnings remained negative despite improved earnings of U.S. affiliates, which shifted to profits of  $\$16.7$  billion in 2002 from losses of  $\$11.4$  billion in 2001, because U.S. affiliates distributed an even larger amount— $\$19.6$  billion—to their foreign parents.

The capital inflows were more than offset by negative valuation adjustments of  $\$37.2$  billion. Capital losses contributed to the negative "other" valuation adjustment (see the box "Key Terms"). A new accounting rule, Financial Accounting Standard 142, may have contributed to an increase in capital losses in 2002. Under the new rule, companies are no longer required to amortize acquired goodwill (the amount paid for a company in excess of the fair market values of the recognized assets acquired and the liabilities assumed) and certain other intangible assets, but they are required to periodically test for impairment in the value of these assets. If the assets are deemed to have permanently declined in value, the reduction in value must be written off at once and not spread over many years. BEA treats these writeoffs as capital losses. This accounting rule will likely result in increased volatility in "other" valuation adjustments. In 2002, U.S. affiliates that had purchased technology and communications companies in the late 1990s were particularly affected by this new rule because they were required to take charges for the reduction in the value of goodwill from these acquisitions.

### Changes by area and by country

In 2002, affiliates with parents in Canada and in Latin America and Other Western Hemisphere more than accounted for the decrease in the FDIUS position. These decreases were partly offset by small increases for parents in Asia and Pacific and in Europe. By country, the largest dollar decreases in position were for parents in Germany, Canada, Belgium, and Switzer-

land. The largest dollar increases were for parents in France and the United Kingdom.

Table E presents major changes in position from 2001 to 2002 by area and by country. The largest decreases were in the positions of Germany, Canada, Belgium, Switzerland, and Bermuda. The German position fell largely as a result of negative valuation adjustments in the information sector, and the Canadian position fell largely as a result of selloffs of affiliates in the information sector. The positions of Belgium and Switzerland fell because of a shift to intercompany debt outflows for affiliates in manufacturing. For Bermuda, the position fell as a result of negative reinvested earnings.

**Table E. Change in the Foreign Direct Investment Position in the United States by Country of Foreign Parent, 2002**  
(Billions of dollars)

All countries .....	-7.1
Canada .....	-10.1
Europe .....	0.9
Of which:	
Germany .....	-27.0
Belgium .....	-7.2
Switzerland .....	-5.2
Netherlands .....	-2.8
Hungary .....	3.5
United Kingdom .....	14.0
France .....	22.3
Latin America and Other Western Hemisphere .....	-1.8
Of which:	
Bermuda .....	-3.6
Asia and Pacific .....	3.3
Of which:	
Australia .....	2.2
Japan .....	2.0

In contrast, the positions of France, the United Kingdom, Hungary, and Australia increased. Equity capital inflows related to acquisitions boosted the positions of France, the United Kingdom, and Australia. For France, the acquisitions were in information and in professional, technical, and scientific services; for the United Kingdom, they were in manufacturing; and for Australia, they were in real estate and rental and leasing. Some of the acquisitions by French investors were of existing U.S. affiliates owned by investors in other countries, so this portion of the increase in the position of France was offset by decreases in the positions of the countries of the former foreign parents. The intercompany debt position of Hungary increased; in many cases, the U.S. affiliates were owned by foreign parents in other countries, but the intercompany debt increases involved Hungarian members of the affiliates' foreign parent groups (see the box "Key Terms").

*Tables 1 and 2 follow.*

Table 1. U.S. Direct Investment Position Abroad on a Historical-Cost Basis, 1999–2002

(Millions of dollars)

	1999 <sup>r</sup>	2000 <sup>r</sup>	2001 <sup>r</sup>	2002 <sup>p</sup>		1999 <sup>r</sup>	2000 <sup>r</sup>	2001 <sup>r</sup>	2002 <sup>p</sup>
<b>All countries, all industries.....</b>	<b>1,215,960</b>	<b>1,316,247</b>	<b>1,383,225</b>	<b>1,520,965</b>	<b>Africa.....</b>	<b>13,118</b>	<b>11,891</b>	<b>13,411</b>	<b>15,066</b>
<b>By country of foreign affiliate</b>					Egypt.....	2,210	1,998	2,537	2,959
Canada.....	119,590	132,472	141,789	152,522	Nigeria.....	233	470	788	1,761
Europe.....	627,754	687,320	716,901	796,913	South Africa.....	3,474	3,562	3,088	3,428
Austria.....	3,848	2,872	3,629	3,988	Other.....	7,202	5,861	6,998	6,919
Belgium.....	21,756	17,973	19,395	24,122	<b>Middle East.....</b>	<b>10,950</b>	<b>10,863</b>	<b>12,351</b>	<b>14,154</b>
Czech Republic.....	1,038	1,228	1,058	1,345	Israel.....	4,777	3,735	4,864	5,207
Denmark.....	3,846	5,270	4,615	7,688	Saudi Arabia.....	3,336	3,661	3,527	3,687
Finland.....	1,379	1,342	1,421	1,397	United Arab Emirates.....	540	683	847	1,398
France.....	43,120	42,628	40,839	43,978	Other.....	2,298	2,784	3,113	3,862
Germany.....	53,399	55,508	65,800	64,739	<b>Asia and Pacific.....</b>	<b>190,621</b>	<b>207,125</b>	<b>216,445</b>	<b>269,947</b>
Greece.....	760	795	842	1,056	Australia.....	35,386	34,838	32,574	36,337
Hungary.....	2,409	1,920	1,989	2,460	China.....	9,401	11,140	11,387	10,294
Ireland.....	25,157	35,903	35,712	41,636	Hong Kong.....	22,759	27,447	32,089	35,764
Italy.....	17,889	23,484	25,015	28,499	India.....	2,390	2,379	2,775	3,678
Luxembourg.....	22,148	27,849	29,940	35,727	Indonesia.....	8,402	8,904	8,227	7,546
Netherlands.....	121,315	115,429	126,076	145,474	Japan.....	55,120	57,091	58,233	65,676
Norway.....	5,944	4,379	5,659	7,348	Korea, Republic of.....	7,474	8,968	10,524	12,192
Poland.....	3,281	3,884	4,272	4,750	Malaysia.....	6,222	7,910	7,748	8,576
Portugal.....	2,188	2,664	2,852	3,394	New Zealand.....	4,852	4,271	4,395	4,383
Russia.....	1,678	1,147	709	617	Philippines.....	3,517	3,638	3,279	4,097
Spain.....	19,970	21,236	20,514	23,884	Singapore.....	20,665	24,133	26,749	61,361
Sweden.....	10,624	25,959	17,356	18,999	Taiwan.....	6,744	7,836	9,109	10,091
Switzerland.....	40,532	55,377	60,675	70,051	Thailand.....	5,500	5,824	6,444	6,883
Turkey.....	1,792	1,826	1,698	1,888	Other.....	2,190	2,746	2,911	3,068
United Kingdom.....	216,638	230,782	238,773	255,391	<b>Addenda:</b>				
Other.....	7,042	7,885	8,060	8,482	Eastern Europe <sup>1</sup> .....	14,441	14,989	15,118	16,572
<b>Latin America and Other Western Hemisphere.....</b>	<b>253,928</b>	<b>266,576</b>	<b>282,328</b>	<b>272,363</b>	European Union (15) <sup>2</sup> .....	564,037	609,674	632,781	699,970
South America.....	83,477	84,220	82,799	74,694	OPEC <sup>3</sup> .....	23,479	28,545	26,745	30,831
Argentina.....	18,865	17,488	15,799	11,303	<b>By industry of affiliate</b>				
Brazil.....	37,184	36,717	35,523	31,715	Mining.....	72,526	72,111	78,319	80,976
Chile.....	10,177	10,052	12,026	11,625	Utilities.....	22,472	21,964	23,214	20,932
Colombia.....	3,775	3,693	3,603	3,735	Manufacturing.....	327,282	343,899	365,924	392,553
Ecuador.....	1,116	832	480	1,082	Of which:				
Peru.....	3,148	3,130	3,127	3,237	Food.....	23,268	23,497	24,681	28,240
Venezuela.....	7,385	10,531	10,632	10,819	Chemicals.....	81,727	75,807	93,779	99,371
Other.....	1,828	1,778	1,608	1,177	Primary and fabricated metals.....	21,569	21,644	22,699	24,359
Central America.....	73,761	73,841	84,659	81,199	Machinery.....	21,501	22,229	21,292	22,025
Costa Rica.....	1,493	1,716	1,677	1,602	Computers and electronic products.....	46,783	59,909	65,559	69,208
Honduras.....	347	399	242	184	Electrical equipment, appliances, and components.....	8,212	10,005	10,118	10,166
Mexico.....	37,151	39,352	56,554	58,074	Transportation equipment.....	43,322	49,887	44,210	48,378
Panama.....	33,493	30,758	25,170	20,003	Wholesale trade.....	86,313	93,936	102,322	114,895
Other.....	1,277	1,618	1,015	1,336	Information.....	50,062	52,345	50,492	53,841
Other Western Hemisphere.....	96,690	108,515	114,870	116,470	Depository credit intermediation (banking).....	40,879	40,152	52,681	52,935
Barbados.....	3,030	2,141	1,435	1,487	Finance (except depository institutions) and insurance.....	198,749	217,086	225,556	244,480
Bermuda.....	50,847	60,114	66,144	68,856	Professional, scientific, and technical services.....	29,968	32,868	34,704	38,307
Dominican Republic.....	968	1,143	1,233	1,123	Other industries.....	387,709	441,886	450,013	522,047
United Kingdom Islands, Caribbean.....	29,762	33,451	30,242	29,252					
Other.....	12,083	11,665	15,815	15,751					

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

<sup>1</sup> "Eastern Europe" comprises Albania, Armenia, Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Poland, Romania, Russia, Slovakia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

<sup>2</sup> The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

<sup>3</sup> OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

Table 2. Foreign Direct Investment Position in the United States on a Historical-Cost Basis, 1999–2002

[Millions of dollars]

	1999	2000 <sup>r</sup>	2001 <sup>r</sup>	2002 <sup>p</sup>		1999	2000 <sup>r</sup>	2001 <sup>r</sup>	2002 <sup>p</sup>
<b>All countries, all industries</b> .....	<b>955,726</b>	<b>1,256,867</b>	<b>1,355,114</b>	<b>1,347,994</b>	<b>Middle East</b> .....	<b>4,362</b>	<b>6,506</b>	<b>6,145</b>	<b>6,766</b>
<b>By country of foreign parent</b>					Israel .....	2,485	3,012	2,945	3,205
<b>Canada</b> .....	<b>90,559</b>	<b>114,309</b>	<b>102,127</b>	<b>92,041</b>	Kuwait .....	850	908	964	989
<b>Europe</b> .....	<b>639,923</b>	<b>887,014</b>	<b>1,005,606</b>	<b>1,006,530</b>	Lebanon .....	-1	1	1	1
Austria .....	3,216	3,007	2,878	3,439	Saudi Arabia .....	945	( <sup>(c)</sup> )	( <sup>(c)</sup> )	( <sup>(c)</sup> )
Belgium .....	11,011	14,787	16,796	9,608	United Arab Emirates .....	13	64	45	68
Denmark .....	5,215	4,025	1,736	1,924	Other .....	71	( <sup>(c)</sup> )	( <sup>(c)</sup> )	( <sup>(c)</sup> )
Finland .....	4,816	8,875	7,615	7,212	<b>Asia and Pacific</b> .....	<b>178,749</b>	<b>192,647</b>	<b>184,757</b>	<b>188,023</b>
France .....	89,945	125,740	148,282	170,619	Australia .....	15,616	18,775	22,289	24,470
Germany .....	112,126	122,412	164,017	137,036	Hong Kong .....	885	1,493	1,542	2,189
Ireland .....	14,958	25,523	24,958	26,179	Japan .....	153,815	159,690	150,008	152,032
Italy .....	4,444	6,576	6,629	6,695	Korea, Republic of .....	2,691	3,110	3,218	2,439
Liechtenstein .....	287	319	248	259	Malaysia .....	71	310	327	358
Luxembourg .....	35,644	58,930	34,111	34,349	New Zealand .....	425	395	426	546
Netherlands .....	125,010	138,894	157,596	154,753	Philippines .....	101	47	28	31
Norway .....	2,854	2,665	2,570	3,416	Singapore .....	1,365	5,087	3,490	2,902
Spain .....	2,749	5,068	4,640	4,739	Taiwan .....	3,021	3,174	2,537	2,311
Sweden .....	18,954	21,991	22,011	21,989	Other .....	761	566	893	744
Switzerland .....	52,973	64,719	118,447	113,232	<b>Addenda:</b>				
United Kingdom .....	153,797	277,613	269,321	283,317	European Union (15) <sup>1</sup> .....	582,006	814,033	861,314	862,630
Other .....	1,927	5,869	23,751	27,763	OPEC <sup>2</sup> .....	1,896	4,330	7,211	7,923
<b>Latin America and Other Western Hemisphere</b> .....	<b>40,771</b>	<b>53,691</b>	<b>54,082</b>	<b>52,291</b>	<b>By industry of affiliate</b>				
South and Central America .....	8,340	13,384	16,338	16,917	Manufacturing .....	406,415	480,561	484,042	470,893
Brazil .....	735	882	598	971	<i>Of which:</i>				
Mexico .....	1,999	7,462	7,336	7,857	Food .....	15,015	18,073	15,240	15,113
Panama .....	5,275	3,819	4,391	5,668	Chemicals .....	96,614	120,413	123,748	112,602
Venezuela .....	-65	792	3,954	4,447	Primary and fabricated metals .....	18,831	24,184	19,217	18,482
Other .....	396	429	59	-2,027	Machinery .....	30,462	32,283	32,924	35,502
Other Western Hemisphere .....	32,431	40,307	37,744	35,374	Computers and electronic products .....	62,566	92,782	58,053	54,040
Bahamas .....	1,581	1,254	1,153	1,332	Electrical equipment, appliances, and components .....	13,413	43,109	61,103	53,834
Bermuda .....	14,798	18,336	4,611	977	Transportation equipment .....	52,809	55,750	60,881	61,570
Netherlands Antilles .....	3,153	3,807	4,255	4,680	Wholesale trade .....	106,745	173,991	177,396	188,819
United Kingdom Islands, Caribbean .....	11,573	15,191	26,200	25,502	Retail trade .....	22,387	26,703	28,323	28,341
Other .....	1,327	1,719	1,526	2,884	Information .....	78,035	146,856	199,809	185,408
<b>Africa</b> .....	<b>1,361</b>	<b>2,700</b>	<b>2,397</b>	<b>2,344</b>	Depository credit intermediation (banking) .....	61,972	64,236	71,628	80,726
South Africa .....	236	704	555	540	Finance (except depository institutions) and insurance .....	132,203	167,007	174,109	162,853
Other .....	1,125	1,996	1,843	1,804	Real estate and rental and leasing .....	47,816	49,985	49,828	50,769
					Professional, scientific, and technical services .....	11,682	30,492	41,659	40,245
					Other industries .....	88,473	117,037	128,320	139,939

<sup>p</sup> Preliminary.<sup>r</sup> Revised.<sup>c</sup> Suppressed to avoid disclosure of data of individual companies.

1. The European Union (15) comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy,

Luxembourg, Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

2. OPEC is the Organization of Petroleum Exporting Countries. Its members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

## Annual Revision of the U.S. International Accounts, 1992–2002

By Christopher L. Bach

AS is customary each June, the estimates of U.S. international transactions and of the U.S. international investment position have been revised to incorporate definitional, statistical, methodological, and presentational revisions. This year, like last year, several improvements have been implemented as part of continuing efforts by the Bureau of Economic Analysis (BEA) to address gaps in coverage. In large part, the gaps have arisen because of the dynamic nature of international markets. In addition, a major definitional change has been made to the estimates of insurance services. Estimates of international transactions are revised for 1992–2002, and estimates of international investment positions are revised for 1998–2001.

This year, the major revisions are as follows:

- “Other” private service receipts and “other” private service payments are revised for 1992–2002 to incorporate a definitional change in the measurement of insurance services. The new measure is conceptually superior to the earlier measure, and it is less sensitive than the earlier measure to sharp swings in losses paid or recovered.
- U.S. transactions in foreign stocks and bonds and related dividend and interest receipts are revised for 1998–2002 to incorporate the results of the U.S. Treasury Department’s Benchmark Survey of U.S. Portfolio Investment Abroad as of December 31, 2001. In addition, results from the survey led to revisions in U.S. holdings of foreign stocks and bonds for 1998–2001.
- U.S. direct investment abroad financial flows, income, affiliated royalties and license fees, and affiliated “other” private services are revised for 1999–2002 to incorporate the results of BEA’s Benchmark Survey of U.S. Direct Investment Abroad for 1999. In addition, the financial flow and income data are now presented on the North American Industry Classification System basis. Finally, estimates of U.S. direct investment abroad positions are revised for 1999–2001.
- Bank and nonbank income receipts and payments, which are components of “other” private income receipts and “other” private income payments, respectively, are revised for 2001–2002. The revision is partly as a result of new details available from the U.S. Treasury Department’s statistical collection system, which contains new information on banking and nonbanking transactions.
- New estimates of emigrants’ transfers and more complete estimates of immigrants’ transfers are introduced into the capital account for 1992–2002.
- New estimates of emigrants’ remittances are introduced into the private remittances and other current transfers account for 1992–2002.
- New estimates of earnings and expenditures of U.S. residents temporarily working abroad are introduced into the compensation receipts account and the “other” private services payments account, respectively, for 1992–2002.
- Estimates of commissions received from foreign trading on U.S. futures exchanges, which are a component of “other” private services receipts, are based on an improved methodology for 2000–2002.
- Changes made to the Treasury Department’s statistical collection system significantly expand coverage and provide new details of financial transactions for banks and nonbanks, beginning with data for the first quarter of 2003. This improvement has led to an updating and expansion of BEA’s presentation of details of financial account transactions for banks, nonbanks, and securities.

The definitional change, newly available benchmark survey data, new methodologies, and improved coverage of the accounts are discussed in the remaining sections of this article. In addition to these major changes, revisions to the transactions accounts result from the incorporation of regularly available data from BEA’s annual and quarterly surveys, from the U.S. Treasury Department’s and Federal Reserve System’s quarterly and monthly surveys, and from other U.S. Government agencies and private sources. These revisions affect the estimates for 1999–2002.

For 2002, as a result of all the changes, the current-account deficit is reduced \$22.6 billion, to \$480.9



Table 2. Major Sources of Revisions, International Transactions Accounts, 1992-2002

(Millions of dollars)

(Credits +; debits -) <sup>1</sup>	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>Current account</b>											
<b>Royalties and license fees receipts (line 9):</b>											
Revised.....								39,670	43,233	41,098	44,142
Changes due to 1999 U.S. direct investment benchmark survey.....								2,768	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Revisions due to updated source data.....								( <sup>2</sup> )	3,626	2,430	1,183
Previously published.....								36,902	39,607	38,668	42,959
<b>Other private services receipts (line 10):</b>											
Revised.....	49,864	53,023	60,209	64,386	72,615	83,349	91,158	103,523	107,361	116,139	122,594
Changes due to 1999 U.S. direct investment benchmark survey.....								4,245	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Changes due to insurance services.....	-92	-509	-1,268	-708	-1,243	-1,107	-160	1,072	437	2,552	-288
Changes due to futures trading commissions.....									-230	-192	-243
Revisions due to updated source data.....								48	2,447	5,670	5,785
Previously published.....	49,956	53,532	61,477	65,094	73,858	84,456	91,318	98,158	104,707	108,109	117,340
<b>Direct investment income receipts (line 14):</b>											
Revised.....								131,626	151,839	124,333	142,933
Changes due to 1999 U.S. direct investment benchmark survey.....								3,170	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Revisions due to updated source data.....								( <sup>2</sup> )	2,162	-1,663	14,865
Previously published.....								128,456	149,677	125,996	128,068
<b>Other private income receipts (line 15):</b>											
Revised.....								148,647	152,627	188,243	146,378
Previously published.....								149,868	156,673	197,133	151,832
<b>Interest on foreign bonds:</b>											
Revised.....								34,986	36,026	35,706	29,302
Changes due to 2001 Treasury outward benchmark survey.....								-4,260	-4,295	-6,929	-10,603
Revisions due to updated source data.....											1
Previously published.....								39,246	40,321	42,637	39,904
<b>Dividends on foreign stocks:</b>											
Revised.....								26,507	29,950	33,295	33,970
Changes due to 2001 Treasury outward benchmark survey.....								3,040	-655	-2,452	8,788
Revisions due to updated source data.....										-1	5
Previously published.....								23,467	30,605	35,748	25,177
<b>Other:</b>											
Revised.....								86,651	119,240	83,106	43,742
Changes due to improvements in bank income.....										-1,682	-1,604
Changes due to improvements in nonbank income.....										-1,905	-1,238
Revisions due to updated bank and nonbank source data.....								904	492	-58	-302
Previously published.....								85,747	118,748	86,751	46,886
<b>Compensation of employees receipts (line 17):</b>											
Revised.....	1,796	1,820	1,943	2,179	2,181	2,270	2,437	2,748	2,933	3,090	3,163
Changes due to earnings of U.S. residents temporarily working abroad.....	371	389	408	427	447	474	508	540	583	598	611
Revisions due to updated source data.....		-3	-8	-9	-22	-6	-5	-2	9	110	89
Previously published.....	1,425	1,434	1,543	1,761	1,756	1,802	1,934	2,210	2,341	2,382	2,463
<b>Royalties and license fees payments (line 26):</b>											
Revised.....								-13,107	-16,468	-16,713	-19,258
Changes due to 1999 U.S. direct investment benchmark survey.....								-498	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Revisions due to updated source data.....								( <sup>2</sup> )	-353	-354	641
Previously published.....								-12,609	-16,115	-16,359	-19,899
<b>Other private services payments (line 27):</b>											
Revised.....	-23,931	-26,129	-29,629	-33,222	-37,758	-41,657	-45,513	-53,007	-57,793	-63,387	-69,436
Changes due to 1999 U.S. direct investment benchmark survey.....								-2,529	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Changes due to insurance services.....	-1,561	209	824	2,088	285	1,890	3,942	-3,682	526	-7,287	727
Changes due to expenditures of U.S. residents temporarily working abroad.....	-148	-156	-163	-171	-179	-189	-203	-216	-233	-239	-244
Revisions due to updated source data.....	74	79	96	110	111	124	136	-267	-2,833	-1,273	9,460
Previously published.....	-22,296	-26,261	-30,386	-35,249	-37,975	-43,482	-49,388	-46,313	-55,253	-54,588	-79,379
<b>Other private income payments (line 32):</b>											
Revised.....								-137,149	-179,854	-160,042	-127,735
Changes due to improvements in bank income.....										-3,012	-2,846
Changes due to improvements in nonbank income.....										-1,199	-518
Revisions due to updated source data.....								-694	-637	-1,445	171
Previously published.....								-136,455	-179,217	-156,784	-124,542
<b>Private remittances and other transfers (line 38):</b>											
Revised.....	-12,791	-15,973	-18,049	-20,547	-18,995	-24,629	-30,860	-28,575	-34,260	-29,300	-36,631
Changes due to emigrants' remittances.....	204	218	234	249	263	286	302	327	353	375	393
Changes due to insurance transactions.....	1,655	306	443	-1,380	956	-784	-3,783	2,612	-961	4,736	-440
Revisions due to updated source data.....								-445	-936	-1,736	-2,606
Previously published.....	-14,650	-16,497	-18,726	-19,416	-20,214	-24,131	-26,934	-30,577	-31,916	-32,037	-33,978
<b>Capital account</b>											
<b>Capital account transactions, net (line 39):</b>											
Revised.....	-557	-1,299	-1,723	-927	-654	-1,044	-740	-4,843	-799	-1,062	-1,285
Changes due to emigrants' transfers.....	-1,279	-1,323	-1,369	-1,416	-1,466	-1,516	-1,568	-1,627	-1,745	-2,006	-2,123
Changes due to immigrants' transfers.....	110	112	115	117	119	122	124	127	131	135	136
Revisions due to updated source data.....								-3	-22	-17	-6
Previously published.....	612	-88	-469	372	693	350	704	-3,340	837	826	708
<b>Financial account</b>											
<b>U.S. direct investment abroad (line 51):</b>											
Revised.....								-224,934	-159,212	-119,963	-137,836
Changes due to 1999 U.S. direct investment benchmark survey.....								-36,033	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Revisions due to updated source data.....								( <sup>2</sup> )	19,082	7,877	-14,308
Previously published.....								-188,901	-178,294	-127,840	-123,528
<b>Foreign Securities (line 52):</b>											
Revised.....								-124,204	-116,236	-121,908	-84,637
Previously published.....								-136,135	-128,436	-127,502	-94,662
<b>Foreign bonds:</b>											
Revised.....								-22,842	-1,925	-15,194	24,465
Changes due to 2001 Treasury outward benchmark survey.....								12,200	12,200	8,650	12,200
Revisions due to updated source data.....								-191		14	117
Previously published.....								-34,851	-14,125	-23,858	12,148
<b>Foreign stocks:</b>											
Revised.....								-101,362	-114,311	-106,714	-109,102
Changes due to 2001 Treasury outward benchmark survey.....									-3,150		
Revisions due to updated source data.....								-78	80	-2,292	926
Previously published.....								-101,284	-114,311	-103,644	-108,603

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

2. Revisions due to the benchmark surveys are not separately identifiable for this period.

3. Revisions due to updated source data other than the benchmark survey are not separately identifiable for this period. Note: Line numbers refer to table 1 of the article on U.S. international transactions in this issue of the Survey.

For 2001, as a result of all the changes, the net international investment position with direct investment at current cost is revised from a negative \$1,948.1 billion to a negative \$1,979.9 billion: U.S. assets abroad are revised from \$6,196.1 billion to \$6,187.4 billion, and foreign assets in the United States are revised from \$8,144.3 billion to \$8,167.3 billion. On an alternative valuation basis, the position with direct investment at market value is revised from a negative \$2,309.1 billion to a negative \$2,314.3 billion: U.S. assets abroad are revised from \$6,862.9 billion to \$6,891.3 billion, and foreign assets in the United States are revised from \$9,172.1 billion to \$9,205.5 billion. Details on revisions to individual series are shown in table 3.

### Insurance

A definitional change in the measurement of insurance services is introduced. The new measure is conceptually superior to the earlier measure and it is less sensitive than the earlier measure to losses paid or recovered. This definitional change is consistent with that discussed in "Preview of the Comprehensive Revision of the National Income and Product Accounts" in the June 2003 issue of the SURVEY OF CURRENT BUSINESS unless otherwise noted.

Insurance services were previously measured as premiums less actual losses paid or recovered. The rationale for this treatment was that the portion of premiums remaining after provision had been made

for losses could serve as a proxy for operating costs (and profits)—that is, output—associated with insurance activity. The view of the insurance company that justified this measure was that of a risk-pool administrator, and premiums less losses provided a rough proxy for the financial intermediation and administrative costs (and profits) associated with this activity. Under this view, only the portion of premiums not paid out in losses was treated as output of the insurance industry. The amount used for loss settlements simply reflected funds that, with the help of insurance companies, flowed from all policy holders to those policy holders who suffered losses.

A major shortcoming of the premiums less actual losses measure is that losses can fluctuate from period to period in a way that bears little relation to the services provided. The fact that unusually large claims may be paid in a particular period does not reduce the value of the services provided (or turn it negative), nor do unusually small claims raise the value of services provided. Hurricanes, floods, oil spills, and—most recently—terrorist attacks are perils whose presence or absence may cause large fluctuations in claims that do not appear to correspond to changes in the services provided or received.

In order to deal with fluctuating loss settlements, rather than measuring insurance services as premiums less actual losses, the new estimates are now measured as premiums less "normal" losses, where normal losses

**Table 3. Major Sources of Revisions, International Investment Position at Yearend, 1998–2002**

[Millions of dollars]

	1998	1999	2000	2001	2002
<b>U.S. private assets:</b>					
<b>U.S. direct investment abroad (lines 17 and 18):</b>					
Revised:					
At current cost.....	1,196,021	1,414,355	1,529,725	1,598,072	1,751,852
At market value.....		2,839,639	2,694,014	2,301,913	2,036,223
Changes due to 1999 U.S. direct investment benchmark survey:					
At current cost.....		37,092	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>2</sup> )
At market value.....		34,420	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>2</sup> )
Revisions due to updated source data:					
At current cost.....	-186	( <sup>2</sup> )	14,446	-25,050	( <sup>3</sup> )
At market value.....		( <sup>2</sup> )	19,807	11,987	( <sup>3</sup> )
Previously published:					
At current cost.....	1,196,207	1,377,263	1,515,279	1,623,122	( <sup>3</sup> )
At market value.....		2,805,219	2,674,207	2,289,926	( <sup>3</sup> )
<b>Foreign Securities (lines 19):</b>					
Revised.....	2,052,995	2,525,346	2,385,360	2,114,734	1,846,976
Previously published.....	2,052,929	2,583,326	2,389,427	2,110,520	( <sup>3</sup> )
<b>Bonds (line 20):</b>					
Revised.....	578,009	521,620	532,504	502,061	501,784
Changes due to 2001 Treasury outward benchmark survey.....	1,455	-35,070	-24,529	-43,839	( <sup>3</sup> )
Revisions due to updated source data.....	-191	2	14	118	( <sup>3</sup> )
Previously published.....	576,745	556,688	557,019	545,782	( <sup>3</sup> )
<b>Corporate stocks (line 21):</b>					
Revised.....	1,474,986	2,003,726	1,852,856	1,612,673	1,345,192
Changes due to 2001 Treasury outward benchmark survey.....	-1,120	-22,912	20,378	50,227	( <sup>3</sup> )
Revisions due to updated source data.....	-78		70	-2,292	( <sup>3</sup> )
Previously published.....	1,476,184	2,026,638	1,832,408	1,564,738	( <sup>3</sup> )

1. Revisions due to the benchmark surveys are not separately identifiable for this period.  
2. Revisions due to updated source data other than the benchmark survey are not separately identifiable for this period.

3. Estimates were not previously published.  
Note: Line numbers refer to table 1 of the article on the U.S. international investment position in this issue of the Survey.

are inferred from the relationship between actual losses and premiums averaged over several years. Normal, or anticipated, losses are a key factor in the determination of premiums: Insurance firms maximize expected profits by setting premiums that cover anticipated losses and other costs.<sup>1</sup> In a practical sense, because no information is available on what companies anticipate, an indicator of anticipations must be employed. A readily available indicator is the average of past actual losses in relation to premiums.

**Regularly occurring losses and catastrophic losses.**

Normal losses are comprised of losses that occur regularly and a share of catastrophic losses that occur at infrequent intervals. Separate estimates are made for these two types of losses. For regularly occurring losses, the average of past actual losses in relation to premiums is calculated based on annual data that are averaged over a 6-year period using an arithmetic moving average. Because comprehensive source data for insurance begin in 1986, a 6-year average begins in 1992. Data for the current period are not included in the average in order to achieve an *ex ante* concept of regularly occurring losses.

Catastrophic losses occur with much lower frequency than regularly occurring losses. Insurance companies realize and expect that catastrophes will occur occasionally and allow for this in setting premiums. Because the possibility of catastrophes is a part of insurance company plans, catastrophes do affect premiums, expectations of losses, and the volume of services. However, because catastrophic losses occur much less frequently than regularly occurring losses, they are assumed to affect loss expectations over a much longer period. Under the new methodology, catastrophic losses are added in equal increments to the estimate of regularly occurring losses over the 20 years following their occurrence to derive an estimate of normal losses. Thus, only a small fraction of catastrophic losses are factored into each year's estimate of insurance services.

**Primary insurance and reinsurance.** Separate estimates of normal losses are calculated for primary insurance and for reinsurance. There is reason to think that the relationship between premiums and losses would vary systematically by type of insurance (primary insurance vs. reinsurance) because administrative and financial intermediation services likely vary by type of insurance. In contrast, normal losses expressed as a proportion of premiums are not allowed to vary by individual country or area because of the random na-

ture of exposure by reinsurers located in different countries. For example, the United Kingdom had a large reinsurance exposure to the World Trade Center attacks, but this does not necessarily indicate that it will have a large exposure to the next catastrophic event, which may be reinsured differently. Because it is not known until after the fact which reinsurance policies will experience losses, it is best to calculate normal losses at the global level and then to develop subglobal estimates proportionally, based on premiums.

Moreover, the risk environment in a country has little impact on the amount of insurance services provided to or by that country (other than marginally higher administrative costs required to process more settlement requests) because higher premiums, reflecting the higher risk, will offset higher losses. The different loss experience by an individual country or area reflects different financial flows (or loss settlements) under the terms of a financial contract, not differences in the amount of insurance services rendered.

**Investment income.** Just as charges for the services associated with checking accounts would be imposed, or would be higher, if banks could not lend or invest the funds of their depositors, insurance premiums would be higher if insurance companies were unable to earn income on funds held in reserve against future claims. In recognition of this fact, the 1993 System of National Accounts (SNA) included income on technical reserves in its recommended measure of output for the insurance industry. The income is treated as accruing to the policyholders, who pay it back to insurers as supplements to premiums. However, the data necessary to make this estimate for the international transactions accounts are not currently available.<sup>2</sup>

**Auxiliary insurance and insurance commissions.** In addition to the above changes, services auxiliary to insurance are now incorporated into the insurance services estimates by combining them with services on primary insurance. Auxiliary services cover items such as agents' commissions, actuarial services, insurance brokering and agency services, and salvage administration services. BEA collected the full range of these services as a single distinct category on its surveys for the first time in 2001. Moreover, insurance commissions are now included in services auxiliary to insurance, rather than being subtracted from premiums, as was the case previously.

1. As discussed later, investment income earned on insurance companies' reserves would also be considered in setting premiums.

2. When results of the 2003 comprehensive revision of the national income and products accounts are released in December 2003, income on technical reserves is expected to be included in the estimates of insurance industry output. This methodology will be reviewed for possible use in the 2004 annual revision of the international transactions accounts.



**Offsetting entries.** Because adoption of the new methodology introduces a difference between actual and normal losses, an amount equal to the difference must be entered in the international accounts. At the present time, this difference is entered as a current unilateral transfer (on a net basis), according to guidance provided by the 1993 SNA and the International Monetary Fund's Balance of Payments Manual. However, this international guideline is being reexamined.

**Comparison of new and previous estimates.** Table A shows the differences between the new and previous estimates of insurance services for 1992–2002. Services payments are affected to a much greater extent than services receipts, reflecting the fact that much U.S. insurance is reinsured with companies abroad while a relatively small amount of foreign insurance is reinsured with companies in the United States. In addition, much of the impact in the new estimates is on reinsurance transactions because they are large relative to primary insurance.

In general, the new estimates of insurance services are lower in earlier years and higher in later years than the previous estimates. This pattern reflects the fact that the upward-trending loss settlements, as a proportion of premiums, are incorporated into the estimates with a considerable lag based on their computation as a 6-year moving average. The new estimates also reflect the new treatment of catastrophic losses, especially those related to the World Trade Center attacks in 2001; as a result, considerably larger imports of insurance services are recorded in 2001 than under the old method, which had included a large amount of losses recovered.

Table 3 of the standard presentation of the U.S. international transactions accounts, which presents detailed information on all services transactions, has

been changed to incorporate the new estimates of insurance services. Insurance services receipts and payments are shown as single lines in the appropriate sections of the body of the table. Supplemental details on insurance transactions are presented in the memorandum section of the table, which shows premiums, the estimated share of premiums that is for (attributed to) insurance services, and the estimated share of premiums that is for (attributed to) loss settlements. Also shown are the actual losses paid and recovered for each year.

### Table redesign, reclassification of broker-type transactions, and expanded coverage

BEA has completely redesigned its presentation of the financial account. This redesign was made possible by the adoption of the 1997 North American Industry Classification System (NAICS) for direct investment transactions and by a review of the comprehensiveness and completeness of coverage of the Treasury International Capital (TIC) Reporting System, which forms the basis for reporting banking, nonbanking, and securities transactions in the international accounts. This review was a joint undertaking by the U.S. Department of the Treasury, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, and the Bureau of Economic Analysis.

As a result of these changes, the presentation of the estimates in the tables previously numbered 5 through 9 in the quarterly articles on U.S. international transactions has changed in many ways. For the table on direct investment (previously table 5), estimates on the old and new basis are presented for 1997–1999 and on the new basis beginning in 1999. For the tables on banking, nonbanking, and securities transactions (previously tables 6–9), estimates on both the old and new

**Table A. Insurance Services**

[Millions of dollars]

	1992	1993	1994	1995	1996	1997	1998	1999	2000 <sup>1</sup>	2001 <sup>1</sup>	2002 <sup>1</sup>
<b>Receipts</b>											
Revised:											
Premiums received .....	3,853	3,982	4,921	5,491	5,928	6,119	7,278	6,760	8,455	8,531	11,937
For services (table 3, line 21) <sup>2</sup> .....	588	506	408	588	926	1,367	2,065	2,083	2,486	2,399	2,839
For loss settlement .....	3,265	3,476	4,513	4,903	5,002	4,752	5,213	4,678	5,969	6,133	9,098
Actual losses paid .....	3,170	2,962	3,244	4,195	3,762	3,645	5,055	5,750	6,405	8,594	8,619
Previously published:											
Insurance, net <sup>3</sup> .....	682	1,020	1,676	1,296	2,168	2,473	2,224	1,011	2,050	18	1,120
Premiums .....	3,853	3,982	4,921	5,491	5,928	6,119	7,278	6,760	8,458	8,658	9,223
Losses .....	3,170	2,962	3,244	4,195	3,762	3,645	5,055	5,750	6,408	8,640	8,103
<b>Payments</b>											
Revised:											
Premiums paid .....	11,739	12,094	14,076	15,284	14,522	15,212	20,399	20,857	26,888	40,382	47,156
For services (table 3, line 47) <sup>2</sup> .....	2,885	2,886	3,210	3,272	3,600	3,983	5,298	6,366	7,598	11,613	15,348
For loss settlement .....	8,854	9,208	10,867	12,012	10,922	11,229	15,101	14,491	19,290	28,769	31,808
Actual losses recovered .....	10,415	8,999	10,041	9,924	10,637	9,338	11,158	18,172	18,764	35,965	30,914
Previously published:											
Insurance, net <sup>3</sup> .....	1,324	3,095	4,034	5,360	3,885	5,873	9,240	2,684	8,175	4,906	27,496
Premiums .....	11,739	12,094	14,076	15,284	14,522	15,212	20,399	20,857	26,930	39,895	53,059
Losses .....	10,415	8,999	10,041	9,924	10,637	9,338	11,158	18,172	18,755	34,989	25,563

1. In addition to the definitional change, revised estimates for 2000, 2001, and 2002 incorporate new source data.

2. Currently published estimates of insurance services.

3. Previously published estimates of insurance services.

Note: Line numbers refer to table 3 of the article on U.S. international transactions in this issue of the Survey.

basis are presented for 1998–2002, and estimates on the new basis are presented beginning in the first quarter of 2003.

**Direct investment.** The new table 6 (previously table 5) includes a newly designed presentation of income and capital flows. The major building blocks for income—earnings, composed of distributed earnings and reinvested earnings, and interest—remain unchanged. However, the arrangement within the table has been altered to make the table easier to use. In addition, the presentation has been changed so that interest is shown before deduction of withholding taxes; this change also permits the industry-level detail for interest to be shown before deduction of withholding taxes. The most significant change is to the presentation of the industry composition of income and capital flows.

The industries shown in the new table 6 are now based on NAICS. (More information on NAICS is presented in the article “Direct Investment Positions for 2002: Country and Industry Detail” in this issue). The major industries shown are manufacturing; wholesale trade; finance (including depository institutions) and insurance; holding companies, except bank holding companies; and “other.” (Bank holding companies are included in finance). Each category consists of many subindustries, which are shown in full detail in various BEA releases of direct investment positions, capital flows, income, and financial and operating data. Holding companies are shown as a separate category for U.S. direct investment abroad because of their size relative to other categories. However, for foreign direct investment in the United States, holding companies are small compared with the other categories and therefore are not shown separately but are included in “other.”

In addition, various petroleum subindustries are no longer grouped in the major industry group “petroleum.” Instead, to improve the comparability of the direct investment data with other data sets, these subindustries are spread among the NAICS-based sectors; for example, oil and gas extraction is now included in mining, petroleum refining is in manufacturing, and gasoline stations are in retail trade.

With this annual revision, the industry presentation for both the U.S. direct investment abroad and foreign direct investment in the United States accounts has now been updated and brought into conformance with the classification system used for most other data on the U.S. economy.

#### **Securities, banking, and nonbanking transactions.**

The major review of the TIC reporting system for comprehensiveness and completeness of coverage permits an updating and redesign of the presentation of the financial transactions of banks and nonbanks and transactions in securities. The new table 7 (previously table 6) on securities transactions includes four major changes. First, gross purchases and gross sales, from which the net purchases and net sales entered in the accounts are derived, are shown in the table. Second, detailed transactions in U.S. Treasury bonds are now included, whereas previously, detail was not provided, or was commingled with other U.S. liabilities. Third, the presentation of bonds has been updated to reflect the current importance of some instruments, especially agency issues, that were not previously shown separately. Fourth, the limited presentation of geography has been updated and made similar across all tables that present financial transactions of banks and nonbanks and transactions in securities.

The new tables 9 and 10 (previously tables 8 and 9), which cover bank claims and liabilities, respectively, reflect a redesign of the U.S. Treasury Department’s bank and nonbank statistical collection system. The new system makes it possible to present substantially more information on financial instruments throughout the tables. The geographic presentation has been updated, and parallel changes have been made in the nonbanking and securities tables. The previous distinction between U.S.-owned and foreign-owned banks is maintained (though the detail within each category has been reduced), as has the distinction between banks’ own accounts and banks’ customers’ accounts and the distinction between dollar-denominated transactions and foreign-currency-denominated transactions.

In addition, transactions of U.S. securities brokers and dealers with their affiliates, previously included in the nonbanking accounts, have been reclassified to the banking accounts so that all transactions of U.S. securities brokers and dealers may be presented in one place. Consequently, the estimates of positions and transactions in nonbanking accounts are reduced, while those in the banking accounts are increased. This change is effective with data for the first quarter of 2003; it is not possible to make this adjustment for earlier time periods, because of the lack of appropriate source data.

Moreover, adoption of the NAICS classification system for direct investment permitted more detail in the classification of financial-intermediary-type transac-

tions, and it revealed more companies that should be classified as financial intermediaries than previously thought. This change is also effective with data for the first quarter of 2003.

The new table 8 (previously table 7) on nonbanking transactions has also been redesigned to make use of the additional instrument detail now provided by the TIC system. It also reflects the previously mentioned reclassification of broker-type transactions of nonbank financial intermediaries to the banking accounts presented in tables 9 and 10. This change considerably reduces the scope of coverage in table 8; only financial intermediaries that are neither banks nor securities dealers remain classified in the nonbanking accounts, beginning with the first quarter of 2003.

The more comprehensive reporting of banking and nonbanking transactions, combined with the reclassification of transactions by securities brokers, resulted in sizable changes in banks' and securities brokers' reported claims and liabilities positions in the first quarter of 2003. BEA estimates that coverage of claims denominated in dollars was \$171 billion higher than previously published. Banks' own claims were \$129 billion higher; claims on own foreign offices which were \$97 billion higher, claims on foreign official institutions were \$11 billion higher, and claims on unaffiliated banks and other foreigners were \$21 billion higher. In addition, banks' customers' claims denominated in dollars were \$42 billion higher, of which \$25 billion was in foreign deposits. Claims denominated in foreign currencies were not significantly affected by the more comprehensive reporting.

BEA estimates that coverage of liabilities denominated in dollars was \$146 billion higher than previously published. Liabilities to own foreign offices were \$109 billion higher, and liabilities to unaffiliated banks and other foreigners were \$37 billion higher. Liabilities to foreign official institutions, liabilities for customers' accounts, and liabilities denominated in foreign currencies were not significantly affected by the more comprehensive reporting.

The enhanced instrument details included in the redesigned TIC reporting show that about 65 percent of the additional claims and liabilities added to newly reported positions were repurchase agreements, reflecting the dominance of these instruments as a means used by securities brokers and dealers to borrow and lend money. Reporting by securities brokers and dealers indicate that 80–90 percent of their external claims on, and liabilities to, foreigners are in the form of repurchase agreements.

Included in the above position estimates are the re-

sults of a concerted effort to increase the coverage of brokerage balances. Part of the enhanced coverage of brokerage balances can be directly measured in U.S. brokers' liabilities to foreigners. As a result of new reporting, \$14.2 billion in brokerage balances is added to broker-reported liabilities, mainly to foreign nonbanks, that previously had not been captured by the reporting system. Newly reported brokerage balances are also included indistinguishably in other reported claims and liabilities categories. It is believed that coverage of these balances has been improved significantly.

A new table 4 presents in one table official transactions of the U.S. Government and transactions of foreign official agencies. Previously, these transactions were in separate tables. The previous table 4 on Selected U.S. Government Transactions becomes table 5. The previous tables 10 and 10A, which present bilateral transactions, become tables 11 and 12.

Finally, a set of newly developed reconciliation tables, which will be published once a year at the time of the annual revision in the July SURVEY, traces the relationships between source data from the TIC reporting system and the estimates included in BEA's accounts. These tables identify BEA's adjustments to align the data to international transactions accounts concepts and to close gaps in coverage. Separate tables are shown for securities transactions, for nonbanking transactions, and for banking transactions. (See "How BEA Aligns and Augments Source Data from the U.S. Treasury Department for Inclusion in the International Transactions Accounts" on pages 46–48 in this issue.)

### **Benchmark survey of U.S. holdings of foreign stocks and bonds**

BEA bases its estimates of transactions and positions in foreign securities for the international transactions accounts and the international investment position accounts on two sets of source data—monthly transactions data and data from once-every-5-year benchmark surveys. The monthly transactions data, collected by the Treasury International Capital (TIC) reporting system, provide aggregate (or summary) data on U.S. gross purchases and gross sales of foreign securities with an original maturity of more than 1 year by type of security (that is, stocks and bonds) that are reported by banks, brokers, dealers, and other financial intermediaries. The data provide timely information on financial flows that are published quarterly in the international transactions accounts. The once-every-5-year benchmark surveys of U.S. portfolio in-

vestment abroad, also conducted by the Department of the Treasury, provide a security-by-security enumeration of U.S. holdings of foreign securities that are reported by custodians, subcustodians, and issuers of securities. For the benchmark survey year, benchmark results are adjusted to reflect the yearend position and serve as the basis for successive annual estimates of the position until the next benchmark survey results are available. Both sets of source data have their strengths and weaknesses, but the benchmark surveys are considered more reliable than the transactions data.

The difference between results from the Treasury Department's Benchmark Survey of U.S. Portfolio Investment Abroad for December 2001 and BEA's previously estimated investment position for the same date are much smaller, both in absolute and percentage terms, than in previous benchmark years. Overall, U.S. holdings of foreign securities were \$2,114.7 billion, which is \$4.2 billion, or 0.2 percent, more than the BEA published estimate of \$2,110.5 billion. BEA underestimated U.S. holdings of foreign stocks by \$48.0 billion, or 3.0 percent, and overestimated U.S. holdings of foreign bonds by \$43.7 billion, or 8.7 percent.

**Stock transactions.** BEA's estimate of foreign stocks held by U.S. residents of \$1,564.7 billion in December 2001 underestimated the benchmark results of \$1,612.7 billion by \$48.0 billion, or 3.0 percent. BEA's adjustments for swap exchanges of stocks and for portfolio investment transactions that bypass the TIC reports because the transactions were not conducted through financial intermediaries were crucial to the closeness of the two estimates. Had BEA not made these adjustments, BEA would have underestimated the benchmark results by 17 percent. For 1998–2001, BEA added \$3.2 billion each quarter to net U.S. purchases of foreign stocks to account for undercoverage of the TIC reports. BEA will continue to add this amount each quarter until the results of the next survey of holdings of foreign securities are available. The next survey is planned for yearend 2003. BEA also plans to continue monitoring large mergers and acquisitions financed through stock swaps and to adjust the source data for transactions not captured.

**Stock positions.** BEA is modifying its measure of stock price changes used to advance stock position estimates. Previously, several Morgan Stanley Capital International (MSCI) indexes of stock prices for individual countries were used to adjust positions for changes in prices. However, the addition of more indexes to capture activity in developing countries placed a disproportionate emphasis on stock prices in developing countries relative to those in advanced

countries, which adversely affected the estimates of the stock position at a global level. Furthermore, application of a single country's index of price change to countries that serve as financial centers, such as the United Kingdom and certain Caribbean countries, incorrectly measures price changes for those countries.

The new methodology uses two weighted indexes of price changes, one from nine MSCI indexes for advanced countries and one from three MSCI area indexes for emerging markets. The price change for each of the nine advanced country indexes (the United Kingdom, France, Germany, Netherlands, Canada, Japan, Switzerland, other European countries, and other developed countries excluding the United States), stated in dollars, is assigned a weight based on the composition of stock holdings by country in the 2001 benchmark survey. The price change applied to the advanced countries is the weighted average of price changes computed for each of the nine MSCI advanced country indexes. A similar procedure is followed to compute the weighted average price change, stated in dollars, of the three emerging market MSCI indexes (Asia, Latin America, and Middle East/Eastern Europe). These weighted price changes for advanced countries and for emerging-market countries are applied to beginning positions by country and area and, along with the change in reported financial flows, are used to determine the ending positions. The weights will be updated when data from the yearend 2003 survey become available. The new methodology should more accurately gauge both global and individual country and area stock positions.

**Dividends.** BEA is adopting the use of the MSCI measures of dividend yields for estimating dividend receipts on foreign stock holdings. Weighted average dividend yields are computed for advanced countries and emerging-market countries using the same weights that are used to compute average price changes. The new methodology permits more accurate estimation of dividend income at the global level and by country and area. The new methodology also establishes a consistent and verifiable relationship between dividend and stock position estimates, which had the new procedures been in place, would have avoided large underestimates of dividend receipts in 2001–2002.

**Bond transactions.** BEA's estimate of foreign bonds held by U.S. residents of \$545.8 billion in December 2001 overestimated the benchmark results of \$502.1 billion by \$43.7 billion, or 8.7 percent. This is a marked shift from past surveys, when BEA underestimated holdings by 17 percent for the 1997 benchmark and by 20 percent for the 1994 benchmark. The earlier dis-

crepancies were attributed to incomplete coverage of portfolio investment transactions that bypassed the TIC reports because the transactions were not conducted through financial intermediaries. These earlier discrepancies prompted BEA to make quarterly adjustments to the accounts by adding \$3.55 billion to the financial flows each quarter since 1998. From 1998 through 2001, BEA added \$53.3 billion in outflows to the foreign bond account.

Had these adjustments not been made, BEA would have underestimated the 2001 position by only 2 percent instead of overestimating the position by 8.7 percent. Therefore, these adjustments are removed from financial flows for 1998–2002. The sharp downtrend in interest rates in 2000–2002 contrasted sharply with the strong uptrend in rates during much of the 1990s and may have had a significant influence on transactions and altered previous historical relationships upon which the adjustment had been based. A greatly reduced adjustment of \$0.5 billion is added to net U.S. purchases of foreign bonds each quarter, beginning in the first quarter of 2002. The decision to make this adjustment will be reviewed when results of the yearend 2003 survey are available.

**Bond positions.** BEA is improving its measure of bond price changes used to advance the bond position estimates by introducing six bond price indexes from Merrill Lynch. Previously, BEA had estimated separate positions for foreign bonds denominated in dollars and for foreign bonds denominated in foreign currencies. However, given the limited data on prices for some countries or regions and the crucial assumptions that had to be made, there were often large overestimates of holdings of foreign-dollar bonds and large underestimates of holdings of foreign-currency bonds that, when summed, led to inaccurate global position estimates.

The new indexes include one index for dollar-denominated (Yankee) foreign bonds and five indexes for major bond markets abroad (euro, yen, sterling, Canadian dollar, and other countries excluding the United States). The indexes are currency based, not country based as in the previous methodology, and include both sovereign and corporate bonds. The price increase, stated in dollars, derived from the indexes is weighted by each currency's share in foreign bond investments indicated in the 2001 benchmark survey. The weighted average price increase, along with reported financial transactions, is then used to advance the bond position estimates by country and area. The weights will be reevaluated when results of the yearend 2003 survey become available. It is appropriate to

weight the price change by the currency composition of bond holdings rather than by the country composition because basing the price change on country composition would incorrectly measure the price change for financial centers such as the United Kingdom.

**Interest.** BEA is adopting the use of Merrill Lynch measures of bond yields for estimating interest receipts on foreign bond holdings. Weighted average interest yields are computed for the six major bond markets using the same weights that are used to compute average price changes. The new methodology permits more accurate estimation of interest income at the global level and by country or area. The new methodology also establishes a consistent and verifiable relationship between interest and bond position estimates that, had the new procedures been in place, would have avoided much of the large overestimate of interest receipts in 2000–2002.

### **Bank and nonbank income receipts and payments**

BEA has modified the bank and nonbank income methodologies in response to significant changes to the TIC data for bank and nonbank balances. Estimates of income are based on average outstanding balances multiplied by yields, which are weighted averages of market interest rates. These income yields have been changed to correspond to the new categories in the TIC data that begin in 2003. BEA has reviewed the yields for all categories of bank and nonbank balances, both those that have changed and those that have not, to arrive at a methodology that best reflects current financial practices.

In many cases, the new TIC data provide more instrument detail than in the past, while in other cases, categories that were available in the past have been consolidated. The instruments specified by the new TIC forms are deposits (including brokerage balances), negotiable CD's, commercial paper, other short-term negotiable securities, and repurchase agreements. In general, the new data allow BEA to assign yields that are more instrument specific. For example, market CD rates can now be applied to negotiable CD balances, commercial paper rates can be applied to holdings of commercial paper and other short-term negotiable securities, and eurodollar deposit rates can be applied to deposit balances. Yields chosen for receipts and payments are nearly symmetrical. The use of instrument-based pricing, made possible by the additional detail provided in the TIC data, results in improved accuracy of the income estimates.

Transactions that do not fit into the above catego-

ries fall into a category that is comprised mostly of loans. Within this category, transactions determined to be interbank loans are now priced using LIBOR rates, the relevant rates for interbank lending. Transactions that are determined to be loans to nonbanks are now priced with the aid of Federal Reserve Board (FRB) surveys of business lending. Use of FRB data from quarterly business lending surveys allows BEA to make more accurate and more current adjustments for the risk and maturity of loans in the income yields. This method is an improvement from BEA's previous method of applying constant adjustments to yields to account for risk and maturity.

The new TIC data also provide expanded instrument detail for foreign-currency-denominated balances. BEA will now use yields based mostly on foreign-currency-denominated LIBOR rates with maturities similar to dollar-denominated transactions, as well as some other foreign money-market rates.

Yields chosen for nonbank transactions are now very similar to bank yields, an improvement that was made possible by the substantially expanded detail available in the new TIC data for nonbank transactions. Extensive use of the prime rate and of lagged interest rates in the nonbank yields has been discontinued.

Although the new TIC data does not begin until the first quarter of 2003, BEA has implemented the new yield methodology (as closely as possible given that the categories have changed) for 2001 and 2002.

The changes to the bank and nonbank income methodology result in downward revisions to "other" private receipts (table 1, line 15) of \$3.6 billion, or 2 percent, in 2001 and \$2.8 billion, or 3 percent, in 2002. The revisions are about evenly split between bank and nonbank income. For "other" private payments (table 1, line 32), upward revisions total \$1.8 billion, or 1 percent, in 2001 and \$3.4 billion, or 3 percent, in 2002. Revisions to payments are mostly attributable to bank income.

### **Benchmark Survey of U.S. Direct Investment Abroad**

Results of BEA's 1999 benchmark survey of U.S. direct investment abroad are incorporated into the accounts. For years after 1999, the estimates were revised by extrapolating forward the 1999 universe data using data collected in BEA's quarterly cutoff sample survey, which covers all U.S.-owned foreign businesses above a specified size-exemption level, and by incorporating new or adjusted data from the sample surveys for those years. Previously, the estimates for 1999 forward were extrapolated from the 1994 benchmark survey.

The 1999 benchmark survey covers the universe of foreign affiliates of U.S. direct investors. In nonbenchmark years, universe estimates of the direct investment position and related capital and income flows are derived from data reported quarterly by a sample of affiliates and from estimates for affiliates not in the sample. The estimates for affiliates not in the sample are derived by carrying forward (extrapolating) data from the benchmark survey using matched sample data as the basis for extrapolation.

**Direct investment financial flows.** Net financial outflows for U.S. direct investment abroad are revised for 1999–2002 to incorporate the results of BEA's 1999 benchmark survey of U.S. direct investment abroad and to incorporate new or adjusted data from sample surveys from those years. The revisions also reflected revised estimates of depreciation, depletion, and expensed exploration and development costs used to adjust the reinvested earnings component of capital to a current-cost basis. Net financial outflows are revised up \$36.0 billion for 1999, down \$19.1 billion for 2000, down \$7.9 billion for 2001, and up \$14.3 billion for 2002.

**Direct investment income.** Net receipts of income by U.S. parents from their foreign affiliates are revised for 1999–2002 to incorporate the results of BEA's 1999 benchmark survey of U.S. direct investment abroad and to incorporate new or adjusted data from sample surveys for those years. The revisions also reflected revised estimates of depreciation, depletion, and expensed exploration and development costs used to adjust the earnings component of direct investment income to a current-cost basis and related withholding tax adjustments. Net direct investment income receipts are revised up \$3.2 billion for 1999, up \$2.2 billion for 2000, down \$1.7 billion for 2001, and up \$14.9 billion for 2002.

**Royalties and license fees receipts and payments, affiliated.** Receipts and payments of royalties and license fees between U.S. parents and their foreign affiliates are revised for 1999–2002 to incorporate the results of BEA's 1999 benchmark survey of U.S. direct investment abroad and to incorporate new or adjusted data from sample surveys for those years. U.S. parents' receipts were revised up \$2.8 billion for 1999, \$3.7 billion for 2000, \$3.5 billion for 2001, and \$2.9 billion for 2002. U.S. parents' payments are revised up \$0.5 billion in each year for 1999–2002.

**"Other" private service receipts and payments, affiliated.** Receipts and payments of other private services between U.S. parents and their foreign affiliates are revised for 1999–2002 to incorporate the results of BEA's 1999 benchmark survey of U.S. direct invest-

ment abroad and to incorporate new or adjusted data from sample surveys from those years. U.S. parents' receipts were revised up \$4.2 billion for 1999, \$3.3 billion for 2000, \$3.5 billion for 2001, and \$3.3 billion for 2002. U.S. parents' payments are revised up \$2.5 billion for 1999, \$2.8 billion for 2000, \$3.3 billion for 2001, and \$2.4 billion for 2002.

### Migrants' transfers

**Emigrants' transfers (payments).** New estimates of the amount of wealth that emigrants take with them when they leave the United States are introduced for 1992–2002. Previously, the accounts did not cover these transactions. The estimates are based on the number of individuals emigrating from the United States each year and their median net worth.

Emigrants leaving the United States include both foreign-born and the native-born individuals. Foreign-born emigrants are individuals who previously immigrated to the United States and subsequently return to their countries of origin. Native-born emigrants are native U.S. citizens who leave the United States for permanent employment abroad or for retirement.

**Foreign-born emigrants.** The number of foreign-born emigrants is derived by applying an emigration rate to the number of immigrants. This emigration rate, which is derived from published U.S. Census Bureau research, depends on the number of years since arrival in the United States.<sup>3</sup> The emigration rate is applied first to the stock of the foreign-born in the United States and then to each subsequent year's immigration flow. Adding the number of emigrants from each year's immigration flow to the number of emigrants from the beginning stock of the foreign-born gives the total number of emigrants each year. The median net worth of these individuals is partly dependent on their ages. The immigration data provide the age of immigrants at the time of arrival in the United States, so it is necessary to age the immigrants over time to determine their age at departure.

Data on the stock of the foreign-born population in the United States by age and race are from U.S. Census Bureau and U.S. Bureau of Labor Statistics Current Population Reports.<sup>4</sup> Data on yearly immigration flows

by age, sex, and country of origin are from the U.S. Bureau of Citizenship and Immigration Services (formerly the Immigration and Naturalization Service).<sup>5</sup>

**Native-born emigrants.** The number of native-born emigrants from the United States is derived from a published U.S. Census Bureau study.<sup>6</sup> The study counts the number of U.S.-born persons residing abroad at a given point in time and applies a 10-year survival rate to determine the expected population 10 years later. The difference between the expected population and actual counts of U.S.-born persons residing abroad 10 years later represents net migration from the United States over the period by age and country of destination.

Median net worth, by age and race, of foreign-born and native-born emigrants comes from surveys by the U.S. Census Bureau of U.S. household net worth and asset ownership.<sup>7</sup> The total number of foreign-born and native-born individuals is converted into the number of households using data from a U.S. Census Bureau study of household composition.<sup>8</sup> In order to arrive at estimates of emigrants' transfers, the number of foreign-born and native-born emigrating households is multiplied by net worth estimates that are based on the age of the head of the household and race-specific characteristics. This gives total wealth outflows that arise from emigration.

Emigrants' transfers are \$2.2 billion in 2002, compared with immigrants' transfers of \$1.1 billion in 2002 (table B). Although the yearly flow of immigrants exceeds the yearly flow of emigrants, the average immi-

3. Bashir Ahmed and J. Gregory Robinson, "Estimates of Emigration of the Foreign-Born Population: 1980–1990," Population Division Working Paper No. 9, (Washington DC: U.S. Census Bureau, December 1994), <www.census.gov/population/www/techpap.html>.

4. *Current Population Survey*, (Washington DC: U.S. Bureau of Labor Statistics and U.S. Census Bureau, March 1996), <www.bls.census.gov/cps/cpsmain.htm>, tables 2.1 and 3.1.

5. *Statistical Yearbook of the Immigration and Naturalization Service*, (Washington DC: U.S. Department of Justice), <www.immigration.gov/graphics/shared/aboutus/statistics/index.htm>.

6. Edward J. Fernandez, "Estimation of the Annual Emigration of U.S. Born Persons by Using Foreign Censuses and Selected Administrative Data: Circa 1980," *Population Division Working Paper No. 10*, (Washington DC: U.S. Census Bureau, January 1995), www.census.gov/population/www/techpap.html>.

7. Michael E. Davern and Patricia J. Fisher, "Household Net Worth and Asset Ownership 1995," *Current Population Reports*, (Washington DC: U.S. Census Bureau, February 2001).

8. Steve W. Rawlings, "Households and Families," *Current Population Reports*, (Washington DC: U.S. Census Bureau, January 2001), <www.census.gov/population/www/pop-profile/hhfm.html>.

**Table B. Migrants' Transfers in 2002**

[Millions of dollars]

Migrants' transfers, net .....	-1,110
<b>Receipts</b>	
Immigrants' transfers .....	1,089
Foreign-born immigrants' transfers .....	953
Native-born immigrants' transfers (new) .....	136
<b>Payments</b>	
Emigrants' transfers .....	( <sup>1</sup> ) 2,199
Foreign-born emigrants' transfers (new) .....	1,457
Native-born emigrants' transfers (new) .....	742

1. Estimates for Canada were previously included in the accounts.

grant to the United States is younger and less wealthy than the average emigrant from the United States; therefore, emigrants' transfers exceed immigrants' transfers. The wealth transfers of emigrants are included in the capital account (table 1, line 39).

**Immigrants' transfers (receipts).** New estimates of the wealth that native-born immigrants bring with them when they return to the United States are introduced for 1992–2002. Previously, the accounts did not cover these estimates. The estimates are based on the number of native-born individuals returning to the United States each year and their median net worth.

Just as foreign-born emigrants are individuals who previously immigrated to the United States and subsequently return to their countries of origin, some native-born emigrants from the United States subsequently return to the United States. These native-born immigrants are not captured in immigration source data because they are U.S. citizens.

In order to estimate native-born immigrants' transfers, data from U.S. Census Bureau studies on native-born emigration from the United States<sup>9</sup> and U.S. household composition<sup>10</sup> were multiplied by U.S. Census Bureau data on median household net worth and asset ownership.<sup>11</sup> Native-born immigrants' transfers are \$0.1 billion in 2002 (table B). These new estimates of wealth transfers by native-born immigrants to the United States augment estimates of wealth transfers of foreign-born immigrants already included in the capital account (table 1, line 39).

## Emigrants' remittances

**Personal remittances received from U.S. emigrants living abroad.** New estimates of personal remittances sent to the United States by U.S. emigrants living abroad are introduced for 1992–2002. Remittances include cash gifts sent to the United States by U.S. emigrants who have lived abroad for more than 1 year. Personal remittances received from U.S. emigrants living abroad are the inward counterpart to outward personal remittances of the foreign-born population living in the United States, which are already included in the accounts. The new estimates are based on data on the number of U.S. emigrants living abroad, their average incomes, and the proportion of their incomes that is remitted.

The number of U.S. emigrants living abroad is based on data from the Social Security Administration and the U.S. State Department, as well as Census Bu-

reau estimates of the annual flow of U.S. emigrants. The Social Security Administration provides annual data on the number of emigrants over 65 (retirees) living abroad by country of residence.<sup>12</sup> The number of emigrants under 65 is based on the State Department's estimate of the number of U.S. emigrants living abroad in 1984.<sup>13</sup> From 1984 forward, this number is augmented by each year's emigrant outflow, as estimated by the Census Bureau; these flows are age and country specific.<sup>14</sup> The State Department and Census data are divided into age groups and each group is advanced in age over time.

Average income of the emigrant population comes from the Census Bureau, which provides data on mean incomes of U.S. households by age of the head of the household.<sup>15</sup> A proportion of average income is used to determine the dollar amount of remittances received from U.S. emigrants. This proportion is derived from data on dollar remittances of the foreign-born population living in the United States obtained from sample surveys of legalized aliens conducted by the Immigration and Naturalization Service (now the U.S. Bureau of Citizenship and Immigration Services) for 1987 and for 1992. It is assumed that the proportion of income remitted by U.S. emigrants living abroad is similar to the proportion of income remitted by immigrants living in the United States who are natives of the United Kingdom, Canada, and other developed countries because the economic profile of U.S.-born emigrants is similar in nature to that of immigrants from these advanced countries.

Total personal remittances received from U.S. emigrants living abroad are estimated by multiplying the number of U.S. emigrants by the average dollar amount of income that is remitted for each age group and income level. Personal remittances from abroad are \$0.4 billion in 2002. These estimates are included in private remittances and other transfers (table 1, line 38).

## U.S. Residents' Earnings Abroad

Coverage of compensation receipts of U.S. residents employed temporarily abroad is expanded for 1992–2002 to include earnings of U.S. residents employed temporarily in all countries. Previously, the accounts included only estimates of U.S. residents' earnings

9. Fernandez, 1995.

10. Rawlings, 2001.

11. Davern and Fisher, 2001.

12. *Social Security Bulletin: Annual Statistical Supplement*, (Washington DC: Social Security Administration).

13. Robert Warren and Ellen Percy Kraly, "The Elusive Exodus: Emigration from the United States," *Population Trends and Public Policy Paper No. 8*, (Washington DC: Population Reference Bureau, March 1985).

14. Fernandez, 1995.

15. Davern and Fisher, 2001.



from temporary employment in Canada, Germany, and the United Kingdom, based on estimates provided by those countries' statistical offices.

U.S. residents' earnings abroad are now estimated as a share of total foreign-earned income of U.S. taxpayers in each country. The estimates by country are based on data from the Internal Revenue Service (IRS).<sup>16</sup> Because the IRS data include earnings of U.S. taxpayers who are abroad both temporarily (for less than 1 year, and are therefore considered U.S. residents) and permanently (for 1 year or more, and are therefore not considered U.S. residents), data from selected countries are used to construct an average proportion of U.S. residents' earnings from temporary employment to total foreign-earned income of U.S. taxpayers from both temporary and permanent employment. This average proportion is applied to the IRS data by country to estimate U.S. residents' earnings from temporary employment abroad and then summed to a worldwide total. Receipts are gross of U.S. and foreign income taxes withheld. The estimates for Canada, Germany, and the United Kingdom continue to be those provided by those countries' statistical offices; these estimates are viewed as more reliable than those based on the IRS data. As a result of this expansion in coverage, estimates for compensation receipts are revised up \$0.6 billion for 2002. These estimates are included in compensation of employees (table 1, line 17).

A percentage of U.S. workers' earnings from temporary employment abroad is assumed to be spent abroad; corresponding adjustments reflecting the in-

creased coverage are made to the "other" private services payments account (table 1, line 27), where these expenditures are recorded. Estimates of workers' expenditures abroad are revised up \$0.2 billion in 2002.

### Commissions on U.S. futures trading

The methodology for estimating monthly and quarterly commissions received by U.S. companies from foreign trading on U.S. futures exchanges has been improved, beginning with the estimates for the first quarter of 2000. The previous methodology, based on monthend data supplied by the Commodity Futures Trading Commission (CFTC), applied commission rates to an indirect indicator of the number of contracts closed during a month. This procedure underestimated the volume of futures contracts closed and was based on outdated commission rates. The new methodology, based on new daily CFTC source data, uses more precise estimates of the number of closed futures contracts multiplied by actual average commission rates by type of futures contract that are charged institutional traders by the largest U.S. futures brokers. The new commission rates are from large U.S. futures brokers. The net result of this new methodology, which substantially increased the volume of closed contracts but also substantially lowered commission rates, is to reduce the total estimated dollar amount of commissions received from foreign trading on U.S. futures exchanges. For 2000, commissions receipts are revised down \$230 million; for 2001, they are revised down \$192 million; and for 2002, they are revised down \$243 million. These receipts of futures commissions are included in exports of U.S. financial services in "other" private services receipts (table 1, line 10).

16. Jeff Curry, Maureen Keenan Kahr, and Sarah E. Nutter, "Individual Foreign-Earned Income and Foreign Tax Credit, 1996," (Washington DC: U.S. Internal Revenue Service, date unknown).

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estimates of bank transactions. Sarah Michalopoulos prepared the new table on official asset transactions. Erin Engasser prepared the new estimates of migrants' transfers and of compensation receipts and expenditures from U.S. residents employed temporarily abroad. Nancy Bryan prepared the new estimates of emigrants' remittances. Rosaria Troia prepared the new estimates of commissions received from foreign trading on U.S. futures exchanges. The revised estimates on a NAICS basis of U.S. direct investment abroad based on the 1999 benchmark were prepared under the supervision of Mark New, and the revised estimates of foreign direct investment in the United States were prepared under the supervision of Gregory Fouch. Jeffrey Lowe oversaw the development of the new industry codes used to classify direct investment enterprises on a NAICS basis.

## How BEA Aligns and Augments Source Data From the U.S. Treasury Department for Inclusion in the International Transactions Accounts

As with all of the U.S. economic accounts produced by BEA, the estimates of financial-account flows in the international transactions accounts (ITA's) are built up from source data collected elsewhere—in this case by the U.S. Department of Treasury. Presentation of the adjustments undertaken by BEA to align and augment these data for inclusion in the financial account can help data users to have a clearer picture of what the financial-account flow estimates represent.

This note introduces three new tables that show the relationship between BEA's estimates of financial-account flows included in the ITA's and source data from the Treasury International Capital (TIC) Reporting System. These tables will be presented annually in the July issue of the *SURVEY OF CURRENT BUSINESS*, and they will be available in downloadable form on the BEA Web site.

Table 1 shows the relationship between ITA and TIC estimates of transactions in foreign long-term securities; in U.S. long-term securities, excluding U.S. Treasury securities; and in U.S. Treasury securities. Table 2 shows the relationship between ITA and TIC estimates of claims on and liabilities to foreigners as reported by U.S. non-banking concerns. Table 3 shows the relationship between ITA and TIC estimates of claims on and liabilities to foreigners as reported by U.S. banks.

These tables identify the numerous adjustments that BEA makes to the TIC source data in order to align the data with balance of payments concepts and to close gaps in coverage. The footnotes to the tables provide added detail on the nature of these BEA adjustments. The remainder of this note provides examples of both types of adjustments, with reference to selected line items in table 1.

**Aligning with balance of payments concepts.** Line A1 of table 1 shows gross U.S. purchases of foreign stocks and bonds as reported on TIC forms. These amounts

represent the cost of purchases plus commissions paid by the U.S. purchasers. For ITA purposes, BEA treats payments of commissions to foreigners as payments for financial services, which are included in the current account, and not as purchases of securities, which are included in the financial account. Therefore, BEA reduces gross purchases as reported on the TIC forms by an estimated amount for payments of commissions (line A3).

Line A6 shows U.S. sales of foreign stocks and bonds as reported on TIC forms. These amounts represent the proceeds from sales less the commissions paid by U.S. sellers. Because BEA treats payments of commissions to foreign brokers as payments for financial services and not as transactions in securities, BEA increases the sales data as reported on the TIC forms by an estimated amount for payments of commissions (line A7).

**Closing gaps in coverage.** U.S. brokers and dealers are the primary respondents to the TIC survey on securities transactions. Therefore, transactions that bypass U.S. brokers and dealers are sometimes not fully captured in the TIC estimates. An example of this type of transaction is the acquisition of U.S. companies by foreigners who finance their purchases through exchanges of stock. If stock is exchanged, U.S. persons who previously held securities in an acquired U.S. company become shareholders in the acquiring foreign corporation. The receipt of shares in the acquiring foreign corporation should be recorded in the ITA's as the acquisition (purchase) of foreign long-term securities, assuming that no single U.S. person receives a 10 percent or more ownership interest in the foreign acquirer (in this latter case, the receipt of shares should be recorded in the direct investment equity capital account). Table 1, line A2, "security swap transactions and other coverage adjustments," shows BEA's adjustment to TIC source data in order to account for security swaps and other transactions in foreign long-term securities that may not be fully captured in the TIC reporting system.

*Ralph H. Kozlow prepared this note.*

**Table 1. Relation of Transactions in Foreign Long-term Securities, U.S. Long-term Securities, excluding U.S. Treasury Securities, and U.S. Treasury Securities, in the U.S. International Transactions Accounts (ITA) to Treasury International Capital (TIC) Reporting System Data**

(Millions of dollars)

Line		2000	2001	2002
	<b>Foreign Long-term Securities</b>			
	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)			
A1	Gross U.S. purchases of foreign stocks and bonds, TIC .....	2,778,259	2,577,377	2,610,521
2	Plus: Security swap transactions and other coverage adjustments .....	107,780	73,917	21,171
3	Minus: Brokerage commissions .....	567	569	537
4	Plus: Underwriting and private placement fees .....	1,271	647	583
5	<b>Equals: Gross U.S. purchases of foreign stocks and bonds, ITA .....</b>	<b>2,886,743</b>	<b>2,651,372</b>	<b>2,631,738</b>
6	Gross U.S. sales of foreign stocks and bonds, TIC .....	2,761,117	2,557,766	2,637,298
7	Plus: Brokerage commissions .....	565	557	537
8	Plus: Coverage adjustment for redemptions .....	3,153	8,412	9,704
9	<b>Equals: Gross U.S. sales of foreign stocks and bonds, ITA .....</b>	<b>2,764,835</b>	<b>2,566,735</b>	<b>2,647,539</b>
10	Net U.S. purchases (-) or net sales (+) of foreign stocks and bonds, TIC (A6 - A1) .....	-17,142	-19,611	26,777
11	Plus: Coverage adjustments ((A7 + A8) - (A2 - A3 + A4)) .....	-104,766	-65,026	-10,976
12	<b>Net U.S. purchases (-) or net sales (+) of foreign long-term securities, ITA (A9 - A5) (table 1, line 52) .....</b>	<b>-121,908</b>	<b>-84,637</b>	<b>15,801</b>
	<b>U.S. Long-term Securities, Excluding U.S. Treasury Securities</b>			
	(Credits +; increase in U.S. liabilities. Debits -; decrease in U.S. liabilities.)			
B1	Gross foreign purchases of other U.S. long-term securities, TIC .....	4,813,582	4,994,022	5,752,732
2	Plus: Security swap transactions and other coverage adjustments .....	21,342	7,442	6,628
3	Minus: Brokerage commissions .....	1,669	1,636	1,935
4	Plus: Underwriting and private placement fees .....	1,154	762	290
5	<b>Equals: Gross foreign purchases of other U.S. long-term securities, ITA .....</b>	<b>4,834,409</b>	<b>5,000,590</b>	<b>5,757,715</b>
6	Gross foreign sales of other U.S. long-term securities, TIC .....	4,301,722	4,491,688	5,325,512
7	Plus: Brokerage commissions .....	1,526	1,491	1,823
8	Plus: Coverage adjustment for redemptions .....	31,807	74,132	104,903
9	<b>Equals: Gross foreign sales of other U.S. long-term securities, ITA .....</b>	<b>4,335,055</b>	<b>4,567,311</b>	<b>5,432,238</b>
10	Net foreign purchases (+) or net sales (-) of other U.S. long-term securities, TIC (B1 - B6) .....	511,860	502,334	427,220
11	Plus: Coverage adjustments ((B2 - B3 + B4) - (B7 + B8)) .....	-12,506	-69,055	-101,743
12	<b>Net foreign purchases (+) or net sales (-) of other U.S. long-term securities, ITA (B5 - B9) (table 1, line 59 + 62 + 66) .....</b>	<b>499,354</b>	<b>433,279</b>	<b>325,477</b>
13	Other U.S. Government securities, foreign official assets (table 1, line 59) .....	40,909	20,920	30,377
14	Other foreign official assets (table 1, line 62) .....	3,127	5,726	3,608
15	Other U.S. securities, other foreign assets (table 1, line 66) .....	455,318	406,633	291,492
	<b>U.S. Treasury Securities</b>			
	(Credits +; increase in U.S. liabilities. Debits -; decrease in U.S. liabilities.)			
C1	Gross foreign purchases of U.S. Treasury marketable bonds and notes, TIC .....	3,870,511	5,267,730	7,376,751
2	Minus: Brokerage commissions .....	278	389	545
3	<b>Equals: Gross foreign purchases of U.S. Treasury marketable bonds and notes, ITA .....</b>	<b>3,870,233</b>	<b>5,267,341</b>	<b>7,376,206</b>
4	Gross foreign sales of U.S. Treasury marketable bonds and notes, TIC .....	3,924,543	5,249,216	7,255,053
5	Plus: Brokerage commissions .....	279	390	545
6	Plus: Coverage adjustment for redemptions .....	24,000	24,000	24,000
7	<b>Equals: Gross foreign sales of U.S. Treasury marketable bonds and notes, ITA .....</b>	<b>3,948,822</b>	<b>5,273,606</b>	<b>7,279,598</b>
8	Net foreign purchases (+) or net sales (-) of U.S. Treasury marketable bonds and notes, TIC (C1 - C4) .....	-54,032	18,514	121,698
9	Plus: Coverage adjustments (-C2 - (C5 + C6)) .....	-24,557	-24,779	-25,090
10	<b>Net foreign purchases (+) or net sales (-) of U.S. Treasury marketable bonds and notes, ITA (C3 - C7) .....</b>	<b>-78,589</b>	<b>-6,265</b>	<b>96,608</b>
11	Plus: Non-marketable bonds and notes .....	-763	-1,938	-643
12	Plus: Short-term U.S. Treasury obligations <sup>1</sup> .....	-7,830	11,510	43,396
13	<b>Net foreign purchases (+) or net sales (-) of U.S. Treasury securities, ITA (C10 + C11+ C12) (table 1, line 58 + line 65) .....</b>	<b>-87,182</b>	<b>3,307</b>	<b>139,361</b>
14	U.S. Treasury securities, foreign official assets (table 1, line 58) .....	-10,233	10,745	43,144
15	U.S. Treasury securities, other foreign assets (table 1, line 65) .....	-76,949	-7,438	96,217

1. Computed from TIC quarterend position data.

**Table 2. Relation of Claims on and Liabilities to Unaffiliated Foreigners Reported by U.S. Nonbanking Concerns in the International Transactions Accounts (ITA) to Treasury International Capital (TIC) Reporting System Data**  
(Millions of dollars)

Line		2000	2001	2002
	<b>Claims</b> (Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)			
A1	Total claims outstanding, beginning of year, TIC .....	76,669	90,157	113,155
2	Total claims outstanding, end of year, TIC .....	90,157	113,155	102,398
3	Change in claims, TIC (A1 - A2) .....	-13,488	-22,998	10,757
4	Minus: Valuation adjustments including unrealized exchange rate gain or loss and other adjustments <sup>1</sup> .....	6,748	5,776	-13,301
5	Plus: Financial intermediaries' accounts <sup>2</sup> .....	-4,355	14,968	-1,937
6	Plus: Supplemental source data <sup>3</sup> .....	-126,326	-7,704	-59,261
7	Plus: Other coverage adjustments <sup>4</sup> .....	12,127	16,513	5,260
8	Equals: Claims on unaffiliated foreigners reported by U.S. nonbanking concerns, ITA (A3 - A4 + A5 + A6 + A7) (table 1, line 53) .....	-138,790	-4,997	-31,880
	<b>Liabilities</b> (Credits +; increase in U.S. liabilities. Debits -; decrease in U.S. liabilities.)			
B1	Total liabilities outstanding, beginning of year, TIC .....	53,044	73,904	66,718
2	Total liabilities outstanding, end of year, TIC .....	73,904	66,718	67,304
3	Change in liabilities, TIC (B2 - B1) .....	20,860	-7,186	586
4	Minus: Valuation adjustments including unrealized exchange rate gain or loss and other adjustments <sup>1</sup> .....	-1,492	-2,137	6,179
5	Plus: Financial intermediaries' accounts <sup>2</sup> .....	43,683	-27,624	6,954
6	Plus: Supplemental source data <sup>3</sup> .....	104,902	89,061	56,795
7	Plus: Other coverage adjustments <sup>5</sup> .....	-265	11,101	13,986
8	Equals: Liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns, ITA (B3 - B4 + B5 + B6 + B7) (table 1, line 68) .....	170,672	67,489	72,142

1. Includes only unrealized gains or losses on foreign-currency-denominated assets and liabilities; there were no breaks in series in 2000, 2001, or 2002.

2. Financial intermediaries' accounts represent transactions between firms in a direct investment relationship (that is, between U.S. parents and their foreign affiliates or between U.S. affiliates and their foreign parent groups), where both the U.S. and foreign firms are classified in a finance industry, but they are not banks.

3. Includes supplemental transactions from the Bank of England, the Bank for International Settlements, and the Federal Reserve Board.

4. Includes supplemental insurance transactions and adjustments to avoid double counting U.S. claims on foreigners.

5. Includes supplemental futures trading transactions and adjustments to avoid double counting U.S. liabilities to foreigners.

**Table 3. Relation of Claims on and Liabilities to Foreigners Reported by U.S. Banks in the International Transactions Accounts (ITA) to Treasury International Capital (TIC) Reporting System Data**  
(Millions of dollars)

Line		2000	2001	2002
	<b>Claims</b> (Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)			
A1	Total claims outstanding, beginning of year, TIC .....	1,033,128	1,176,786	1,350,682
2	Total claims outstanding, end of year, TIC .....	1,176,786	1,350,682	1,386,448
3	Change in claims, TIC (A1 - A2) .....	-143,658	-173,896	-35,766
4	Minus: Valuation adjustments including unrealized exchange rate gain or loss and other adjustments <sup>1</sup> .....	-15,207	-24,115	-10,548
5	Plus: Coverage adjustments including commercial paper and other adjustments <sup>2</sup> .....	-20,206	14,836	3,861
6	Equals: Claims on foreigners reported by U.S. banks, not included elsewhere, ITA (A3 - A4 + A5) (table 1, line 54) .....	-148,657	-134,945	-21,357
	<b>Liabilities</b> (Credits +; increase in U.S. liabilities. Debits -; decrease in U.S. liabilities.)			
B1	Total liabilities outstanding, beginning of year, TIC .....	1,527,622	1,621,972	1,717,241
2	Total liabilities outstanding, end of year, TIC .....	1,621,972	1,717,241	1,899,058
3	Change in liabilities, TIC (B2 - B1) .....	94,350	95,269	181,817
4	Minus: Valuation adjustments including unrealized exchange rate gain or loss and other adjustments <sup>1</sup> .....	3,420	19,239	9,879
5	Plus: Coverage adjustments including short-term U.S. Treasury obligations and other adjustments <sup>3</sup> .....	31,787	12,371	-63,218
6	Equals: Liabilities to foreigners reported by U.S. banks, not included elsewhere, ITA (B3 - B4 + B5) (table 1, lines 61 + 69) .....	122,717	88,401	108,720
7	Liabilities to foreign official agencies (table 1, line 61) .....	5,746	-29,978	17,594
8	Liabilities to other foreigners (table 1, line 69) .....	116,971	118,379	91,126

1. Includes adjustments for breaks in series and, in line A4, claims on foreigners written off by U.S. reporters.

2. Includes adjustments for supplemental transactions in foreign commercial paper and other instruments.

3. Includes adjustments for transactions that are included in other international transactions accounts, including transactions in short-term U.S. Treasury obligations and in other liabilities held in custody by U.S. reporters.

# U.S. International Transactions, First Quarter 2003

By Douglas B. Weinberg and Patricia E. Abaroa

The estimates presented in this article reflect an annual revision of the international transactions accounts. For more information, see "Annual Revision of the U.S. International Accounts, 1992–2002" in this issue.

The U.S. current-account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—increased to \$136.1 billion in the first quarter of 2003 from \$128.6 billion (revised from \$136.9 billion) in the fourth quarter of 2002 (table A, chart 1).<sup>1</sup> The deficit on goods accounted for half of the increase. In addition, the surplus on services decreased, net outflows for unilateral current transfers increased, and the surplus on income fell.

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—decreased to \$112.8 billion in the first quarter from \$152.5 billion in the fourth. Financial outflows for U.S.-owned assets abroad increased, and

financial inflows for foreign-owned assets in the United States decreased.

The following are highlights for the first quarter of 2003:

- Goods imports increased more than goods exports. Petroleum and petroleum products accounted for three-fourths of the increase in goods imports.
- Travel and passenger fare receipts decreased sharply as a result of a decline in the number of foreign travelers to the United States. Travel and passenger fare payments also decreased, but not as sharply.
- There were net foreign sales of U.S. stocks and of U.S. federally sponsored agency bonds for the first time in several years.
- Net U.S. purchases of foreign stocks were boosted by an increase in merger-related exchanges of stock.

The statistical discrepancy—errors and omissions in recorded transactions—was a positive \$23.7 billion in the first quarter.

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 11 in which transactions are included are indicated in ( ) (Credits +; debits -)	2001	2002	2001				2002				2003	Change: 2002 IV– 2003 I
				I	II	III	IV	I	II	III	IV		
<b>Current account</b>													
1	Exports of goods and services and income receipts (1) .....	1,284,942	1,229,649	348,355	331,765	309,601	295,222	297,074	307,616	313,939	311,015	311,914	899
2	Goods, balance of payments basis (3) .....	718,712	681,874	194,145	184,457	172,526	167,584	165,298	171,421	174,315	170,840	173,251	2,411
3	Services (4) .....	288,868	292,233	75,123	74,701	71,374	67,671	71,144	72,275	73,500	75,311	74,597	-714
4	Income receipts (12) .....	277,362	255,542	79,087	72,607	65,701	59,967	60,632	63,920	66,124	64,864	64,066	-798
5	Imports of goods and services and income payments (18) .....	-1,632,072	-1,651,657	-440,865	-420,408	-401,981	-368,820	-387,864	-416,962	-422,666	-424,165	-430,910	-6,745
6	Goods, balance of payments basis (20) .....	-1,145,927	-1,164,746	-306,871	-291,627	-278,847	-268,582	-271,331	-292,707	-297,627	-303,081	-309,248	-6,167
7	Services (21) .....	-219,472	-227,399	-55,837	-56,987	-54,096	-52,555	-55,168	-55,877	-57,168	-59,186	-60,167	-981
8	Income payments (29) .....	-266,673	-259,512	-78,157	-71,794	-69,038	-47,683	-61,365	-68,378	-67,871	-61,898	-61,495	403
9	Unilateral current transfers, net (35) .....	-46,615	-58,853	-11,494	-11,321	-11,256	-12,542	-15,938	-13,481	-13,997	-15,436	-17,116	-1,680
<b>Capital account</b>													
10	Capital account transactions, net (39) .....	-1,062	-1,285	-267	-260	-286	-249	-277	-286	-364	-358	-340	18
<b>Financial account</b>													
11	U.S.-owned assets abroad, net (increase/financial outflow (-)) (40) .....	-349,939	-178,985	-192,224	-92,213	37,353	-102,853	-35,227	-128,567	29,712	-44,902	-75,897	-30,995
12	U.S. official reserve assets, net (41) .....	-4,911	-3,681	190	-1,343	-3,559	-199	390	-1,843	-1,416	-812	83	895
13	U.S. Government assets, other than official reserve assets, net (46) .....	-486	-32	77	-783	77	143	133	42	-27	-180	37	217
14	U.S. private assets, net (50) .....	-344,542	-175,272	-192,491	-90,087	40,835	-102,797	-35,750	-126,766	31,155	-43,910	-76,017	-32,107
15	Foreign-owned assets in the United States, net (increase/ financial inflow (+)) (55) .....	765,531	706,983	313,923	213,471	24,084	214,051	146,813	221,242	141,478	197,448	188,652	-8,796
16	Foreign official assets in the United States, net (56) .....	5,104	94,860	4,290	-21,197	16,702	5,309	6,106	47,552	8,992	32,210	35,870	3,660
17	Other foreign assets in the United States, net (63) .....	760,427	612,123	309,633	234,668	7,382	208,742	140,707	173,690	132,486	165,238	152,782	-12,456
18	Statistical discrepancy (sum of above items with sign reversed) (70) .....	-20,785	-45,852	-17,428	-21,034	42,485	-24,809	-4,581	30,438	-48,102	-23,602	23,697	47,299
<b>Memoranda:</b>													
19	Balance on current account (76) .....	-393,745	-480,861	-104,004	-99,964	-103,636	-86,140	-106,728	-122,827	-122,724	-128,586	-136,112	-7,526
20	Net financial flows (40 and 55) .....	415,592	527,998	121,699	121,258	61,437	111,198	111,586	92,675	171,190	152,546	112,755	-39,791

<sup>2</sup> Preliminary.

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

In the first quarter, the U.S. dollar depreciated 5 percent on a nominal, trade-weighted quarterly average basis against a group of seven major currencies that are widely traded in international markets (table B, chart 2). Since reaching its peak value in early 2002, the dollar has depreciated 14 percent.

In the first quarter, U.S. economic activity remained modest, U.S. interest rates fell to new record lows, and Operation Iraqi Freedom began on March 19.

The dollar depreciated 7 percent against the euro, and in mid-March, it reached its lowest level against the euro since early 1999. The euro appreciated in recent quarters despite weak economic conditions among member nations, particularly Germany. In March, the European Central Bank cut interest rates 25 basis points to 2.5 percent.

The dollar depreciated 3 percent against the yen. The Bank of Japan intervened in foreign exchange markets several times, selling yen for euros and dollars in an attempt to weaken the yen and promote the re-

covery of Japanese exports.

The dollar depreciated 4 percent against the Canadian dollar. The relative strength of the Canadian economy and the favorable interest-rate differential on Canadian dollar assets pushed up the Canadian dollar. In early March, the Bank of Canada raised interest rates 25 basis points to 3 percent.

**Current Account**

**Goods and services**

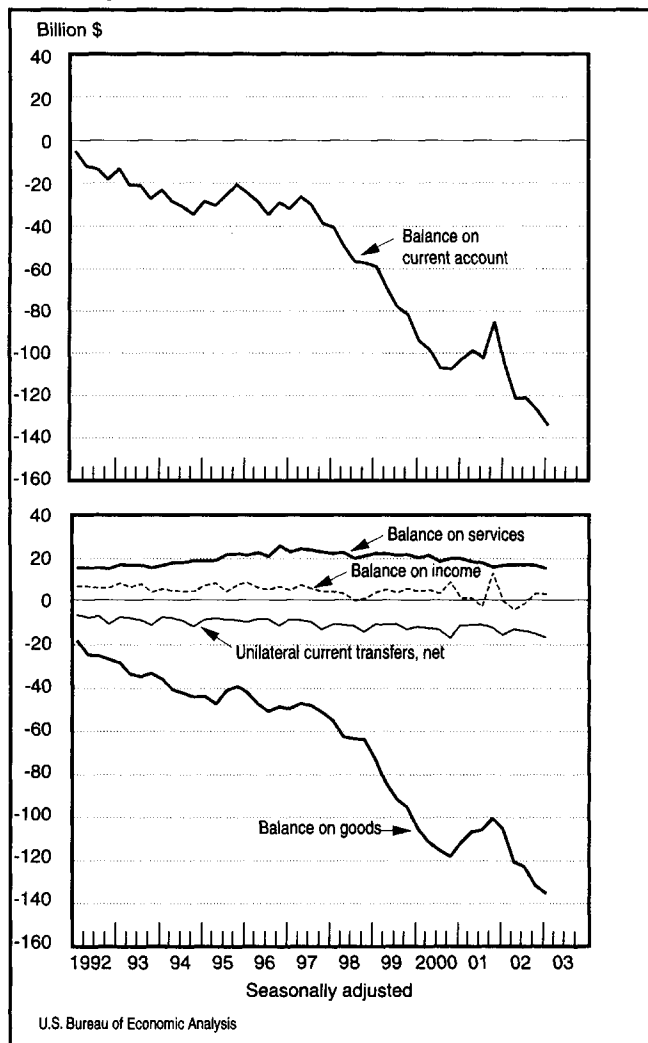
The deficit on goods and services increased to \$121.6 billion in the first quarter from \$116.1 billion in the fourth. The deficit on goods increased, and the surplus on services decreased.

**Goods**

The deficit on goods increased to \$136.0 billion in the first quarter from \$132.2 billion in the fourth, as imports increased more than exports.

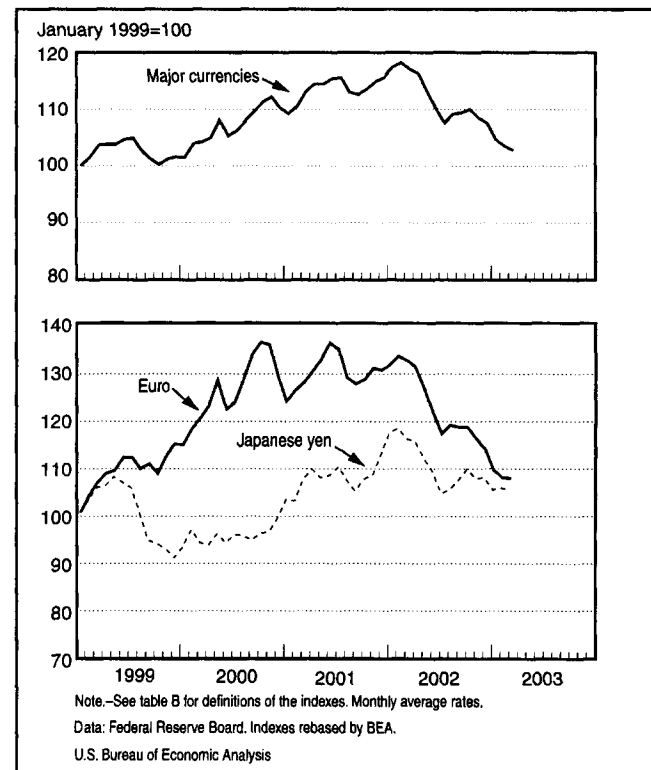
**Exports.** Goods exports increased \$2.4 billion, or 1 percent, to \$173.3 billion in the first quarter, following a decline in the fourth quarter. Real exports and export prices both increased less than 1 percent (table C).<sup>2</sup> In value, the largest increases in exports were to Western

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



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



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

Europe and to Canada.

Industrial supplies and materials increased \$2.1 billion, or 5 percent, accounting for most of the increase in total exports. Industrial supplies and materials have increased for four consecutive quarters, largely as a result of rising prices. Chemicals increased \$0.8 billion, largely to Western Europe and Canada. Energy products, mainly fuels and lubricants, increased \$0.6 billion, largely to Latin America, Canada, and Western Europe. Metals and nonmetallic products increased \$0.5 billion, mainly to Canada, the United Kingdom, and China.

Most other major end-use categories posted small gains. Foods, feeds, and beverages increased \$0.5 bil-

lion, or 4 percent, mostly in soybeans and in meat products and poultry. Consumer goods increased \$0.3 billion, or 1 percent; a \$0.5 billion increase in nondurable goods, resulting from an increase in medical, dental, and pharmaceutical preparations, was partly offset by a decrease in durable goods. Automotive vehicles, engines, and parts increased \$0.3 billion, or 2 percent; most of the increase was accounted for by exports of engines, engine parts, and other parts and accessories to Canada.

Capital goods decreased \$0.6 billion, or 1 percent. Civilian aircraft, engines, and parts decreased \$0.6 billion mostly as a result of a drop in completed civilian aircraft. Other categories of capital goods showed

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

	2002				2003	2002										2003		
	I	II	III	IV	I	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Nominal: <sup>1</sup>																		
Broad <sup>2</sup>	112.3	110.5	109.0	109.9	107.7	112.1	111.8	110.5	109.3	107.9	109.1	110.0	110.8	109.7	109.2	107.9	107.8	107.3
Major currencies <sup>3</sup>	117.7	113.3	108.7	108.7	103.6	117.2	116.4	113.2	110.3	107.6	109.1	109.4	110.0	108.5	107.5	104.6	103.5	102.7
Other important trading partners <sup>4</sup>	106.8	108.0	109.9	112.0	113.3	106.9	107.2	107.9	108.8	108.7	109.7	111.2	112.5	111.8	111.8	112.5	113.7	113.7
Real: <sup>1</sup>																		
Broad <sup>2</sup>	113.5	112.0	110.4	110.7	108.6	113.5	113.4	111.9	110.7	109.2	110.6	111.3	112.0	110.5	109.7	108.5	108.7	108.5
Major currencies <sup>3</sup>	121.6	117.1	112.5	112.2	107.5	121.3	120.5	117.0	113.9	111.2	112.9	113.3	113.8	112.1	110.8	108.2	107.5	106.8
Other important trading partners <sup>4</sup>	104.3	106.0	107.8	108.8	109.6	104.7	105.3	106.0	106.8	106.7	107.7	108.9	109.8	108.4	108.1	108.6	109.9	110.3
Selected currencies: (nominal) <sup>5</sup>																		
Canada	105.0	102.3	102.9	103.3	99.4	104.5	104.1	102.0	100.8	101.7	103.3	103.7	103.9	103.4	102.6	101.4	99.5	97.2
European currencies:																		
Euro area <sup>6</sup>	132.2	126.1	117.8	115.9	108.0	132.2	130.8	126.4	121.2	116.7	118.5	118.2	118.1	115.8	113.7	109.1	107.5	107.4
United Kingdom	115.7	112.8	106.5	105.0	103.0	115.9	114.3	107.4	106.0	105.9	106.0	105.9	105.0	104.0	102.0	102.6	104.3	104.3
Switzerland	121.3	115.1	107.4	105.8	98.6	120.8	119.4	114.7	111.1	106.2	108.1	107.8	107.8	105.8	103.9	99.3	98.2	98.3
Japan	116.9	111.9	105.3	108.1	105.0	115.7	115.4	111.6	108.8	104.1	105.0	106.9	109.4	107.3	107.6	104.9	105.3	104.8
Mexico	90.0	93.6	97.7	100.5	106.9	89.5	90.5	93.9	96.4	96.6	97.1	99.4	99.7	100.7	101.0	104.9	108.1	107.7
Brazil	157.6	165.6	207.3	242.9	231.2	155.1	153.6	163.7	179.5	194.5	205.6	221.9	251.1	237.6	239.9	227.3	237.8	228.6

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

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

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

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

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

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

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

**Table C. U.S. Trade in Goods, Current and Chained (1996) Dollars, and Percent Changes from Previous Period**  
[Balance of payments basis, millions of dollars, quarters seasonally adjusted]

	Current dollars								Chained (1996) dollars <sup>1</sup>							
	2001	2002	2002				2003	2001	2002	2002				2003		
			I	II	III	IV	I <sup>p</sup>			I	II	III	IV	I <sup>p</sup>		
Exports	718,712	681,874	165,298	171,421	174,315	170,840	173,251	769,334	733,356	179,399	184,980	186,533	182,385	183,412		
Agricultural products	54,889	54,513	13,723	13,506	13,557	13,727	14,224	70,497	68,821	18,012	17,549	16,698	16,637	17,100		
Nonagricultural products	663,823	627,361	151,575	157,915	160,758	157,113	159,027	699,276	665,141	161,784	167,656	169,863	165,818	166,433		
Imports	1,145,927	1,164,746	271,331	292,707	297,627	303,081	309,248	1,247,335	1,289,577	307,492	323,255	326,524	331,744	329,057		
Petroleum and products	103,588	103,491	19,140	27,052	27,913	29,386	34,082	89,223	87,084	20,543	22,172	21,554	22,485	21,825		
Nonpetroleum products	1,042,339	1,061,255	252,191	265,655	269,714	273,695	275,166	1,153,540	1,198,346	286,125	299,938	304,109	308,076	306,285		

	Percent change from previous period (current dollars)								Percent change from previous period (chained (1996) dollars)							
	2001	2002	2002				2003	2001	2002	2002				2003		
			I	II	III	IV	I <sup>p</sup>			I	II	III	IV	I <sup>p</sup>		
Exports	-6.9	-5.1	-1.4	3.7	1.7	-2.0	1.4	-6.3	-4.7	-1.1	3.1	0.8	-2.2	0.6		
Agricultural products	4.0	-0.7	-1.0	-1.6	0.4	1.3	3.6	3.2	-2.4	-0.2	-2.6	-4.8	-0.4	2.8		
Nonagricultural products	-7.7	-5.5	-1.4	4.2	1.8	-2.3	1.2	-7.0	-4.9	-1.2	3.6	1.3	-2.4	0.4		
Imports	-6.4	1.6	1.0	7.9	1.7	1.8	2.0	-3.6	3.4	1.6	5.1	1.0	1.6	-0.8		
Petroleum and products	-13.8	-0.1	-5.5	41.3	3.2	5.3	16.0	3.5	-2.4	-5.3	7.9	-2.8	4.3	-2.9		
Nonpetroleum products	-5.6	1.8	1.6	5.3	1.5	1.5	0.5	-4.3	3.9	2.1	4.8	1.4	1.3	-0.6		

<sup>p</sup> Preliminary.

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

mixed results. Semiconductors increased \$0.6 billion after a fourth-quarter decline. Telecommunications equipment decreased for the tenth consecutive quarter.

**Imports.** Goods imports increased \$6.2 billion, or 2 percent, to \$309.2 billion in the first quarter, the fifth consecutive quarterly increase. Real imports decreased 1 percent, and import prices increased 3 percent. The rise in import prices was largely a result of higher prices for energy products.

Petroleum and petroleum products increased \$4.7 billion, or 16 percent, accounting for over three-fourths of the increase in total imports (chart 3). Petroleum imports are volatile and can have a significant impact on the quarter-to-quarter change in total imports. Higher petroleum prices more than accounted for the first-quarter increase. The average price per barrel increased 19 percent to \$30.74 in the first quarter from \$25.73 in the fourth (chart 4). The average number of barrels imported daily decreased to 12.14 million from 12.49 million. Over 40 percent of the increase in imports was accounted for by OPEC members, but imports from Canada and Mexico also increased.

Nonpetroleum industrial supplies and materials increased \$2.1 billion, or 5 percent. Natural gas from Canada rose \$2.2 billion, or 71 percent. Natural gas prices increased strongly in the first quarter, partly as a result of the colder-than-average winter in the eastern United States.

Consumer goods increased \$1.2 billion, or 1 percent. The increase was the smallest since consumer goods began to recover in first quarter of 2002. In the first quarter of 2003, an increase in consumer goods from Western Europe was partly offset by declines

from China and Japan. Consumer nondurable goods increased \$1.6 billion, mostly in medical, dental, and pharmaceutical preparations and in apparel, footwear, and household goods. Consumer durable goods decreased \$0.4 billion as a decline in audio, visual, and recreational equipment more than offset an increase in household and kitchen appliances.

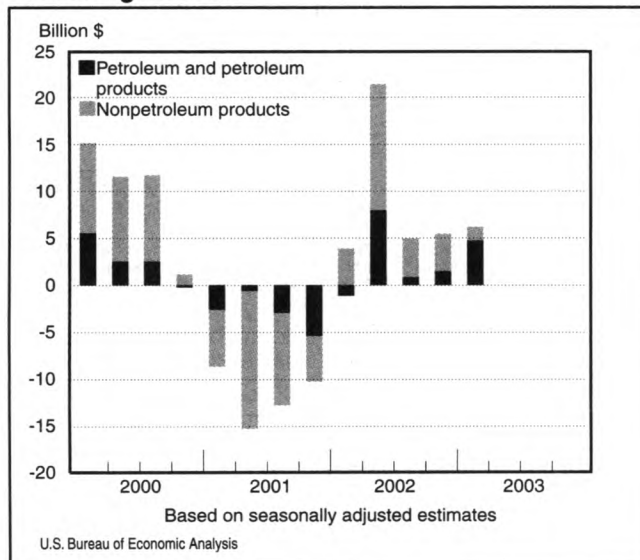
Automotive vehicles, engines, and parts decreased \$1.3 billion, or 2 percent, after four quarters of growth. Passenger cars from Japan and Germany more than accounted for the decrease. Trucks, buses, and special purpose vehicles also decreased, mostly from Canada and Mexico. Final sales of motor vehicles (both foreign and domestic) to U.S. domestic purchasers declined 5 percent in the first quarter.

Capital goods decreased \$0.6 billion, or 1 percent. Capital goods have been relatively flat over the last three quarters, following steep declines in 2001 and sharp increases in 1999 and 2000. In the first quarter, civilian aircraft, engines, and parts decreased \$0.7 billion, mostly from France and Germany. High technology products decreased \$0.6 billion: Computers, peripherals, and parts; telecommunications equipment; and semiconductors all decreased for the second consecutive quarter.

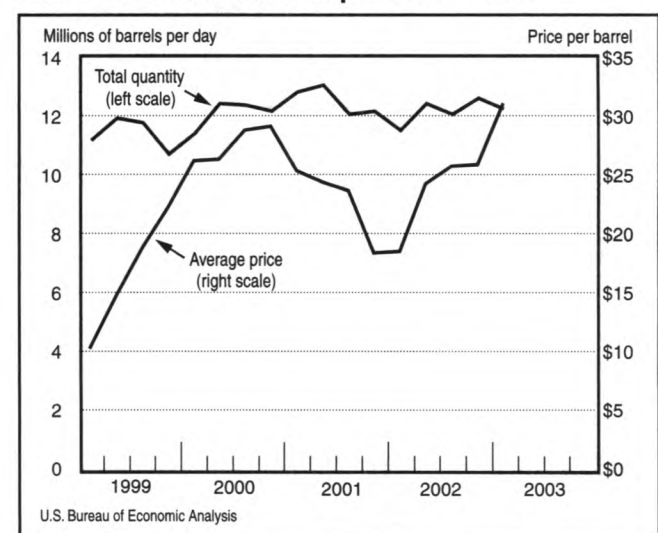
**Balances by area.** Canada, Mexico, and OPEC countries were the largest contributors to the increase in the goods deficit in the first quarter.<sup>3</sup> The deficit

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.)

**Chart 3. U.S. Goods Imports: Change from Preceding Quarter**



**Chart 4. U.S. Petroleum Imports and Price**





with Canada increased \$4.5 billion, as imports outpaced exports. Increased imports of natural gas were mostly responsible. The deficit with Mexico increased \$2.9 billion, as exports of all major commodity groups decreased and imports, particularly of petroleum products, increased. The deficit with OPEC countries increased \$2.7 billion, largely as a result of higher imports of petroleum products.

In contrast, the deficits with China, Western Europe, Japan, and Korea decreased, as exports increased and imports decreased.

### Services

The surplus on services decreased to \$14.4 billion in the first quarter from \$16.1 billion in the fourth. Service receipts decreased \$0.7 billion, to \$74.6 billion, after increasing for four consecutive quarters. Service payments increased \$1.0 billion, to \$60.2 billion, the fifth consecutive quarterly increase.

Travel accounted for more than half of the decrease in the services surplus, as a sharp decline in travel receipts was only partly offset by a decrease in travel payments. Uncertainty about the situation in Iraq, which intensified as the quarter progressed, and concerns about the severe acute respiratory syndrome (SARS) toward the end of the quarter contributed to the decreases in both travel receipts and payments. Travel receipts decreased \$1.6 billion, to \$16.4 billion, as a result of a decline in the number of foreign visitors to the United States to the lowest level since the period immediately following September 11, 2001. Travel payments decreased \$0.7 billion, to \$14.3 billion, as the number of U.S. residents traveling abroad declined.

Passenger fare receipts decreased \$0.5 billion, to \$3.8 billion, and passenger fare payments decreased \$0.3 billion, to \$5.1 billion. As with travel, the decrease in passenger fare receipts and payments reflected declines in the number of international travelers in response to the Iraq situation and SARS.

“Other” transportation receipts increased \$0.1 billion, to \$7.8 billion, as an increase in port services more than offset a decrease in freight services. Air port and ocean port services increased because of higher fuel prices (all airline and ship expenditures in ports—whether for goods or services—are classified as services transactions). “Other” transportation payments increased \$0.6 billion, to \$10.8 billion, as both freight and port services increased. Ocean freight accounted for most of the total increase, largely as a result of higher revenue earned by foreign-operated tanker vessels. Air port services also increased substantially.

“Other” private service receipts increased \$0.7 billion, to \$31.8 billion, as affiliated services and all categories of unaffiliated services increased. “Other” private service payments increased \$0.6 billion, to

\$18.6 billion, mostly from U.S. affiliates’ payments to their foreign parents and from insurance services payments.<sup>4</sup>

### Income

The surplus on income decreased to \$2.6 billion in the first quarter from \$3.0 billion in the fourth. Income receipts decreased \$0.8 billion, to \$64.1 billion, and income payments decreased \$0.4 billion, to \$61.5 billion.

Receipts of income on U.S. direct investment abroad edged down \$0.1 billion, to \$38.6 billion, after increasing for four consecutive quarters (chart 5). In the first quarter, earnings were virtually flat, as lower earnings by foreign affiliates in finance and insurance, in manufacturing, and in wholesale trade were almost entirely offset by higher earnings by affiliates in holding companies and in “other” industries.<sup>5</sup> Interest receipts fell slightly.

Payments of income on foreign direct investment in the United States increased \$1.6 billion, to \$14.1 billion. Earnings increased strongly as a result of higher earnings or smaller losses by U.S. affiliates in all major

4. Insurance services are now estimated by a new method (see “Annual Revision of the U.S. International Accounts, 1992–2002” in this issue).

5. Industry detail for the direct investment accounts is now presented on a North American Industry Classification System basis (see “Annual Revision of the U.S. International Accounts, 1992–2002” in this issue and see the box “New Industry Classifications” on page 26 in “Direct Investment Positions for 2002: Country and Industry Detail” in this issue).

### Revisions to the Estimates

The estimates presented in this article reflect an annual revision of the international transactions accounts, which incorporates definitional, presentational, methodological, and statistical improvements, including newly available source data. The estimates for goods have been revised for 2000–2002, the estimates for services have been revised for 1992–2002, the estimates for income have been revised for 1998–2002, the estimates for unilateral current transfers and for capital account transactions have been revised for 1992–2002, and the estimates for financial flows have been revised for 1998–2002. For more information, see “Annual Revision of the U.S. International Accounts, 1992–2002” in this issue.

For the fourth quarter of 2002, the current-account deficit was revised to \$128.6 billion from \$136.9 billion. The goods deficit was revised to \$132.2 billion from \$132.3 billion, the services surplus was revised to \$16.1 billion from \$12.0 billion, the balance on income was revised to a surplus of \$3.0 billion from a deficit of \$2.6 billion, and unilateral current transfers were revised to net outflows of \$15.4 billion from net outflows of \$14.1 billion. Net recorded financial inflows were revised to \$152.5 billion from \$144.1 billion.

industries except manufacturing. The largest increases were in wholesale trade, mostly reflecting higher earnings by wholesalers of petroleum and related products as a result of higher fuel prices and product margins, and in finance and insurance, which shifted to profits from losses. In contrast, interest payments decreased.

“Other” private income receipts decreased \$0.7 billion, to \$23.7 billion, and “other” private income payments decreased \$1.4 billion, to \$28.3 billion. As a result of falling interest rates, “other” private income receipts and payments have decreased in most of the quarters since the beginning of 2001. In the first quarter, interest receipts and payments decreased because of declines in both interest rates and amounts outstanding. Dividend receipts and payments increased because of rising dividend yields.

U.S. Government income receipts were virtually unchanged at \$0.9 billion. U.S. Government income pay-

ments decreased \$0.7 billion, to \$16.9 billion. As a result of falling bond yields, U.S. Government payments have declined in most of the quarters since the beginning of 2001.

### Unilateral current transfers

Unilateral current transfers were net outflows of \$17.1 billion in the first quarter, up from net outflows of \$15.4 billion in the fourth, almost entirely as a result of an increase in U.S. Government grants.

### Capital Account

Capital account transactions were virtually unchanged at net outflows of \$0.3 billion in the first quarter.

### 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 \$112.8 billion in the first quarter, down from \$152.5 billion in the fourth. Financial outflows for U.S.-owned assets abroad increased, and financial inflows for foreign-owned assets in the United States decreased.

### U.S.-owned assets abroad

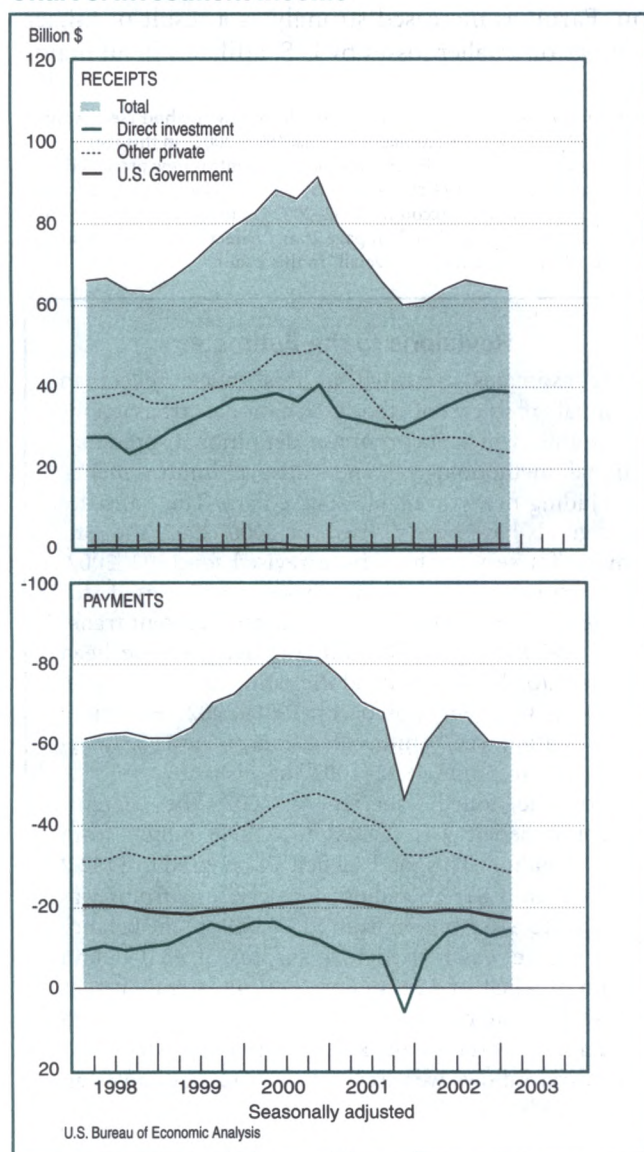
Net U.S.-owned assets abroad increased \$75.9 billion in the first quarter, following an increase of \$44.9 billion in the fourth. The acceleration was more than accounted for by a step-up in net U.S. purchases of foreign securities and by a larger increase in U.S. claims on foreigners reported by banks in the first quarter than in the fourth. In contrast, U.S. claims on foreigners reported by nonbanks decreased in the first quarter after increasing in the fourth, and net outflows for U.S. direct investment abroad slowed.

**U.S. official reserve assets.** U.S. official reserve assets decreased \$0.1 billion in the first quarter, in contrast to an increase of \$0.8 billion in the fourth. The shift was more than accounted for by U.S. holdings of special drawing rights, which decreased in the first quarter after increasing in the fourth.

**Claims reported by banks and by nonbanks.** U.S. claims on foreigners reported by U.S. banks and securities brokers increased \$24.4 billion in the first quarter, following an increase of \$5.0 billion in the fourth (chart 6).<sup>6</sup>

Claims for own accounts denominated in dollars increased \$7.9 billion, following an increase of \$16.7 billion. In the first quarter, banks’ claims on their own foreign offices and on unaffiliated foreign banks decreased, as foreign demand for U.S. bank credit weak-

Chart 5. Investment Income



6. Claims reported by banks and by nonbanks are now reported on a new basis (see “Annual Revision of the U.S. International Accounts, 1992–2002” in this issue).

ened amid a continued decline in syndicated lending and a rise in foreign borrowing through international securities markets. In contrast, securities brokers' and dealers' claims increased strongly, mostly as a result of lending to nonbank private foreigners in Caribbean financial centers.

Claims for customers' accounts denominated in dollars increased \$4.7 billion, following an increase of \$0.9 billion. The first-quarter increase was more than accounted for by an increase in negotiable certificates of deposit.

Claims reported by U.S. nonbanking concerns decreased \$3.1 billion, in contrast to an increase of \$1.9 billion.

**Foreign securities.** Net U.S. purchases of foreign securities were \$25.8 billion in the first quarter, up from \$5.4 billion in the fourth. Net U.S. purchases of foreign stocks were \$33.1 billion, up from \$12.9 billion, and net U.S. sales of foreign bonds were \$7.3 billion, down slightly from \$7.5 billion.

The step-up in net U.S. purchases of foreign stocks was largely attributable to an increase in merger-re-

lated exchanges of stock. Nonmerger-related net U.S. purchases also increased, despite continued weakness in most foreign economies and substantial declines in most foreign stock markets. Net U.S. purchases from the United Kingdom increased strongly as a result of merger-related exchanges of stock. Net U.S. purchases from Caribbean financial centers, from Japan, and from other Asian countries all increased moderately.

Net U.S. sales of foreign bonds fell slightly, as an increase in new foreign bond issues in the United States more than offset an increase in net U.S. sales of outstanding foreign bonds. New issues by foreign central governments were the strongest in more than a year, largely as a result of a step-up in borrowing by Western European and Latin American governments. The increase in net U.S. sales of outstanding foreign bonds mostly reflected a shift to net sales of Japanese bonds from large net purchases.

**Direct investment.** Net financial outflows for U.S. direct investment abroad were \$29.0 billion in the first quarter, down from \$31.7 billion in the fourth. A shift in intercompany debt to net inflows from net outflows and a small decrease in reinvested earnings were partly offset by a shift in equity capital to net outflows from net inflows. The shift in intercompany debt was largely attributable to transactions with foreign affiliates in the finance and insurance industries. The shift in equity capital largely resulted from a reduction in sales of equity interests in affiliates in the first quarter, following substantial sales in the fourth quarter.

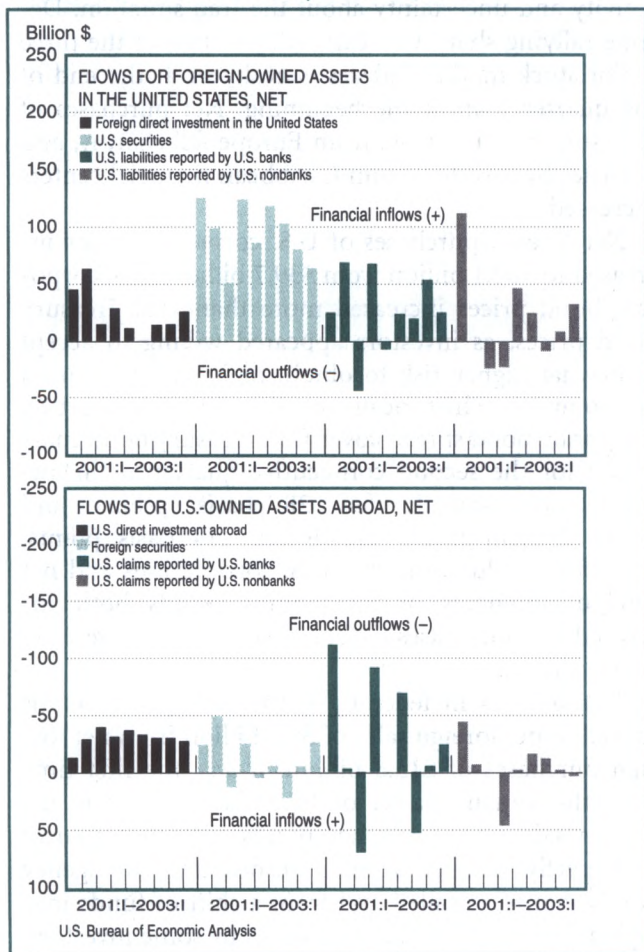
**Foreign-owned assets in the United States**

Net foreign-owned assets in the United States increased \$188.7 billion in the first quarter, following an increase of \$197.4 billion in the fourth. The slowdown was more than accounted for by a smaller increase in U.S. liabilities to foreigners reported by banks in the first quarter than in the fourth and by a slowdown in net foreign purchases of U.S. securities other than U.S. Treasury securities. In contrast, U.S. liabilities to foreigners reported by nonbanks increased more in the first quarter than in the fourth, and financial inflows for foreign direct investment in the United States strengthened.

**Foreign official assets.** Foreign official assets in the United States increased \$35.9 billion in the first quarter, following an increase of \$32.2 billion in the fourth. The pickup was more than accounted for by a much larger increase in the assets of Asian countries in the first quarter than in the fourth.

**Liabilities reported by banks and by nonbanks.** U.S. liabilities to foreigners reported by U.S. banks and securities brokers, excluding U.S. Treasury secu-

Chart 6. Financial Flows, 2001:I-2003:I



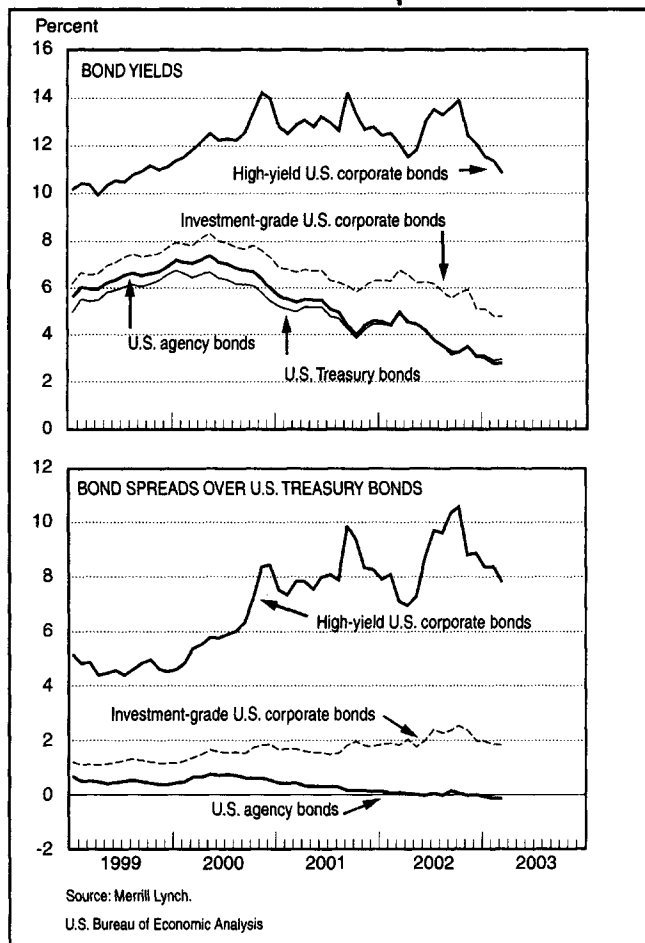
rities, increased \$25.0 billion in the first quarter, following an increase of \$54.2 billion in the fourth (chart 6).<sup>7</sup>

Liabilities for own accounts denominated in dollars increased \$28.1 billion, following an increase of \$61.9 billion. In the first quarter, banks' liabilities to their own foreign offices and to unaffiliated foreign banks decreased, partly as a result of a downturn in banks' international lending and a slowdown in their U.S. domestic lending. In contrast, securities brokers' and dealers' liabilities increased strongly, mostly in the form of repurchase agreements with foreigners in Caribbean financial centers.

Liabilities for customers' accounts denominated in dollars decreased \$8.9 billion, following a decrease of \$3.4 billion. Liabilities reported by U.S. nonbanking concerns increased \$32.6 billion, following an increase of \$8.9 billion.

7. Liabilities reported by banks and by nonbanks are now reported on a new basis (see "Annual Revision of the U.S. International Accounts, 1992–2002" in this issue).

**Chart 7. U.S. Bond Yields and Spreads**



**U.S. Treasury securities.** Net foreign purchases of U.S. Treasury securities were \$13.5 billion in the first quarter, up from \$12.7 billion in the fourth. It was the sixth consecutive quarter of net foreign purchases, following eight quarters of net foreign sales. Investors' demand for liquid, high-quality securities may have been boosted by heightened concerns about terrorism after September 11, 2001, by falling equity prices, and, in the first quarter, by uncertainty about the Iraq situation. In the first quarter, U.S. Treasury security prices increased, and yields decreased to new historical lows. Net purchases of U.S. Treasury securities by investors from Asian countries except Japan were particularly strong.

**Other U.S. securities.** Net foreign purchases of U.S. securities other than U.S. Treasury securities were \$50.9 billion in the first quarter, down from \$67.0 billion in the fourth.

Transactions in U.S. stocks shifted to net foreign sales of \$3.3 billion from net foreign purchases of \$11.9 billion. It was the first time since the third quarter of 1998 that there were net foreign sales of U.S. stocks. U.S. stock prices fell over much of the quarter, amid mixed indications about the strength of U.S. economic activity and uncertainty about the Iraq situation. Despite rallying sharply in early March, two of the three major stock market indexes were lower at the end of the quarter than at the beginning. Net purchases of U.S. stocks by investors from Europe fell sharply, and net sales by investors from Caribbean financial centers increased.

Net foreign purchases of U.S. corporate bonds increased to \$60.1 billion from \$39.7 billion. U.S. corporate bond prices increased more than U.S. Treasury bond prices, as investors appeared willing to accept somewhat higher risk to obtain higher returns in an environment of historically low interest rates (chart 7). Corporate bond spreads over U.S. Treasury bonds narrowed for the second consecutive quarter, as investment-grade spreads fell 28 basis points and noninvestment-grade spreads fell 114 basis points. New issues sold abroad by U.S. corporations and net foreign purchases of outstanding bonds both increased; net purchases by European investors were especially strong.

Transactions in federally sponsored agency bonds shifted to net foreign sales of \$5.8 billion from net foreign purchases of \$15.3 billion. It was the first time since the fourth quarter of 1998 that there were net foreign sales of U.S. agency bonds. The first-quarter shift partly resulted from a record level of agency bonds that were called and from a shift of funds into higher-yielding corporate securities by some investors.

An increase in new issues sold abroad by agencies was more than offset by a shift to net foreign sales of outstanding bonds.

#### Data Availability

Interactive access to the estimates that are presented in tables 1–12 of the U.S. international transactions accounts is available on BEA's Web site at <[www.bea.gov](http://www.bea.gov)>. You may view the most recent quarterly estimates (annual estimates for table 12) for an entire table with a single mouse click, or you may select the 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 in tables 1–12 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 on diskettes. For more information, call BEA's Order Desk at 1-800-704-0415 (outside the United States, call 202-606-9666).

**U.S. currency flows.** Net U.S. currency shipments to foreigners were \$4.9 billion in the first quarter, down from \$7.2 billion in the fourth.

**Direct investment.** Net financial inflows for foreign direct investment in the United States were \$25.8 billion in the first quarter, up from \$15.3 billion in the fourth. The increase was more than accounted for by a step-up in net equity capital inflows, largely resulting from foreign acquisitions of U.S. companies in the finance industry. Reinvested earnings also increased. In contrast, intercompany debt shifted to net outflows from net inflows.

*Tables 1 through 12 follow.*

#### New and Revised Tables

This article presents new and revised tables 1–12 that incorporate many improvements, largely resulting from improvements in the Treasury International Capital Reporting System and from the adoption of the North American Industry Classification System in the U.S. direct investment accounts. For more discussion of the new and revised tables, see "Annual Revision of the U.S. International Accounts, 1992–2002" in this issue.





Table 1. U.S. International  
(Millions)

Line	(Credits +; debits -) <sup>1</sup>	Not seasonally adjusted							
		1991				1992			
		I	II	III	IV	I	II	III	IV
<b>Current account</b>									
1	<b>Exports of goods and services and income receipts</b>	<b>180,793</b>	<b>182,608</b>	<b>179,128</b>	<b>185,028</b>	<b>185,641</b>	<b>188,061</b>	<b>185,127</b>	<b>190,052</b>
2	Exports of goods and services	138,434	145,535	144,126	150,248	151,690	153,659	153,174	157,931
3	Goods, balance of payments basis <sup>2</sup>	101,408	105,772	99,438	107,465	108,897	110,683	105,587	114,464
4	Services <sup>3</sup>	37,026	39,763	44,688	42,783	42,793	42,976	47,587	43,467
5	Transfers under U.S. military agency sales contracts <sup>4</sup>	2,688	2,748	2,586	3,112	3,399	3,006	3,158	2,824
6	Travel	9,544	12,033	14,736	12,072	12,283	13,680	15,977	12,802
7	Passenger fares	3,094	3,818	5,034	3,908	3,834	4,034	4,944	3,806
8	Other transportation	5,382	5,559	5,806	5,884	5,276	5,343	5,420	5,492
9	Royalties and license fees <sup>5</sup>	4,095	4,272	4,263	5,189	4,883	5,113	5,153	5,692
10	Other private services <sup>5</sup>	12,024	11,189	12,049	12,487	<sup>16</sup> 12,987	11,529	12,636	12,712
11	U.S. Government miscellaneous services	200	145	213	132	131	272	299	139
12	Income receipts	42,359	37,073	35,002	34,780	33,951	34,402	31,954	32,121
13	Income receipts on U.S.-owned assets abroad	42,041	36,754	34,677	34,452	33,521	33,964	31,498	31,649
14	Direct investment receipts	16,658	14,593	12,813	14,654	14,719	15,752	13,742	13,326
15	Other private receipts	22,679	20,486	19,821	18,200	17,083	16,678	15,771	16,445
16	U.S. Government receipts	2,704	1,675	2,043	1,597	1,719	1,534	1,984	1,878
17	Compensation of employees	318	319	325	328	430	438	456	472
18	<b>Imports of goods and services and income payments</b>	<b>-177,773</b>	<b>-182,335</b>	<b>-187,770</b>	<b>-186,686</b>	<b>-177,244</b>	<b>-190,271</b>	<b>-198,092</b>	<b>-198,134</b>
19	Imports of goods and services	-144,076	-150,126	-156,248	-159,029	-150,046	-161,629	-170,671	-172,293
20	Goods, balance of payments basis <sup>2</sup>	-116,412	-119,837	-124,527	-130,244	-122,902	-131,734	-138,225	-143,667
21	Services <sup>3</sup>	-27,664	-30,289	-31,721	-28,785	-27,144	-29,895	-32,446	-28,626
22	Direct defense expenditures	-5,169	-3,933	-3,597	-3,710	-3,714	-3,438	-3,309	-3,374
23	Travel	-6,770	-9,816	-10,862	-7,874	-7,772	-10,459	-11,787	-8,534
24	Passenger fares	-2,033	-2,641	-2,884	-2,455	-2,371	-2,716	-2,974	-2,542
25	Other transportation	-6,011	-6,181	-6,510	-6,273	-5,768	-5,715	-6,239	-6,045
26	Royalties and license fees <sup>5</sup>	-882	-1,006	-1,080	-1,067	-1,359	-1,106	-1,177	-1,177
27	Other private services <sup>5</sup>	-6,328	-6,224	-6,170	-6,869	<sup>16</sup> -5,669	-5,845	-6,033	-6,384
28	U.S. Government miscellaneous services	-472	-489	-537	-537	-491	-616	-584	-572
29	Income payments	-33,697	-32,209	-31,522	-27,657	-27,198	-28,643	-27,421	-25,840
30	Income payments on foreign-owned assets in the United States	-32,813	-31,277	-30,484	-26,485	-26,092	-27,504	-26,200	-24,554
31	Direct investment payments	1,186	-123	-424	1,626	1,032	-1,530	-1,424	-268
32	Other private payments	-23,549	-20,934	-19,794	-18,175	-17,333	-16,152	-14,996	-14,598
33	U.S. Government payments	-10,450	-10,220	-10,266	-9,936	-9,791	-9,822	-9,780	-9,688
34	Compensation of employees	-884	-932	-1,038	-1,172	-1,106	-1,139	-1,221	-1,286
35	<b>Unilateral current transfers, net</b>	<b>14,897</b>	<b>4,211</b>	<b>-2,721</b>	<b>-5,635</b>	<b>-6,874</b>	<b>-7,505</b>	<b>-7,342</b>	<b>-11,432</b>
36	U.S. Government grants <sup>4</sup>	19,445	8,285	1,730	-267	-3,040	-3,532	-3,161	-6,586
37	U.S. Government pensions and other transfers	-773	-680	-774	-1,548	-722	-1,008	-892	-1,421
38	Private remittances and other transfers <sup>6</sup>	-3,775	-3,394	-3,677	-3,820	-3,112	-2,965	-3,289	-3,425
<b>Capital and financial account</b>									
<b>Capital account</b>									
39	<b>Capital account transactions, net</b>	<b>-941</b>	<b>73</b>	<b>-3,786</b>	<b>175</b>	<b>-137</b>	<b>-175</b>	<b>-131</b>	<b>-114</b>
<b>Financial account</b>									
40	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b>	<b>-11,679</b>	<b>-1,015</b>	<b>-17,536</b>	<b>-34,159</b>	<b>-12,459</b>	<b>-17,838</b>	<b>-15,015</b>	<b>-29,098</b>
41	U.S. official reserve assets, net	-353	1,014	3,877	1,225	-1,057	1,464	1,952	1,542
42	Gold <sup>7</sup>	31	-190	6	-23	-172	-168	-173	2,829
43	Special drawing rights	-341	72	-114	17	111	1	-118	-2,685
44	Reserve position in the International Monetary Fund	-43	1,132	3,986	1,232	-996	1,631	2,243	1,398
45	Foreign currencies	619	-508	3,281	-469	-329	-372	-322	-644
46	U.S. Government assets, other than official reserve assets, net	-2,018	-1,061	-8,724	-1,077	-1,517	-1,247	-1,980	-2,664
47	U.S. credits and other long-term assets	2,700	755	12,442	890	1,256	1,014	1,429	2,108
48	Repayments on U.S. credits and other long-term assets <sup>8</sup>	-63	-202	-437	-272	-68	-139	229	-89
49	U.S. foreign currency holdings and U.S. short-term assets, net	-11,945	-1,520	-24,694	-34,916	-11,074	-18,930	-16,645	-29,995
50	U.S. private assets, net	-15,497	-2,904	-11,016	-8,472	-21,657	-11,801	-6,672	-8,136
51	Direct investment	-9,960	-12,021	-12,550	-11,142	-8,668	-8,196	-13,059	-19,243
52	Foreign securities	-40	7,902	3,341	-106	7,562	6,620	3,737	2,408
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	13,552	5,503	-4,469	-15,196	11,689	7,687	6,823	-5,024
54	U.S. claims reported by U.S. banks, not included elsewhere	8,118	13,274	33,793	55,624	30,776	50,768	36,118	53,001
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b>	<b>5,569</b>	<b>-4,914</b>	<b>3,854</b>	<b>12,879</b>	<b>20,988</b>	<b>20,879</b>	<b>-7,524</b>	<b>6,133</b>
56	Foreign official assets in the United States, net	126	-3,764	6,095	13,690	15,380	12,950	593	-6,520
57	U.S. Government securities	155	-3,545	5,621	12,615	14,916	11,251	-319	-7,394
58	U.S. Treasury securities <sup>9</sup>	-29	-219	474	1,075	464	1,699	912	874
59	Other <sup>10</sup>	769	253	771	-426	-73	518	607	1,138
60	Other U.S. Government liabilities <sup>11</sup>	3,908	-1,517	-3,107	-768	5,568	7,486	-7,724	11,241
61	U.S. liabilities reported by U.S. banks, not included elsewhere	766	115	95	383	113	-75	-1,000	274
62	Other foreign official assets <sup>12</sup>	2,549	18,188	29,939	42,745	9,787	29,888	43,642	46,868
63	Other foreign assets in the United States, net	3,847	13,975	-798	6,147	1,782	6,379	3,547	8,114
64	U.S. Treasury securities	4,739	13,461	-1,196	1,822	686	10,231	4,908	21,306
65	U.S. securities other than U.S. Treasury securities	5,023	14,872	10,310	4,939	4,569	10,467	2,531	12,476
66	U.S. currency	4,800	2,200	4,200	4,200	1,300	1,100	6,100	4,900
67	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-586	-2,549	4,761	-4,741	5,689	3,954	4,854	-924
68	U.S. liabilities reported by U.S. banks, not included elsewhere	-15,274	-23,771	12,661	30,378	-4,239	-2,243	21,702	996
69	Statistical discrepancy (sum of above items with sign reversed)	-13,415	-16,817	-1,109	-14,347	-19,702	-23,039	-665	-4,276
<b>Memoranda:</b>									
71	Balance on goods (lines 3 and 20)	-15,004	-14,065	-25,089	-22,779	-14,005	-21,051	-32,638	-29,203
72	Balance on services (lines 4 and 21)	9,362	9,475	12,967	13,998	15,649	13,082	15,140	14,841
73	Balance on goods and services (lines 2 and 19)	-5,642	-4,591	-12,122	-8,781	1,644	-7,969	-17,498	-14,362
74	Balance on income (lines 12 and 29)	8,663	4,864	3,481	7,123	6,753	5,759	4,533	6,281
75	Unilateral current transfers, net (line 35)	14,897	4,211	-2,721	-5,635	-6,874	-7,505	-7,342	-11,432
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup>	17,917	4,484	-11,362	-7,293	1,522	-9,715	-20,307	-19,513

See footnotes on pages 112-113.

















Table 2. U.S. Trade  
(Millions)

Line	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>A</b>	<b>Balance of payments adjustments to Census trade data:</b>													
	<b>EXPORTS</b>													
1	362,999	392,967	421,851	448,171	464,858	512,626	584,741	625,075	689,182	682,138	695,797	781,918	729,100	693,103
	Adjustments:													
2	683	913	1,046	1,224	1,181	866	779	751	685	648	647	511	458	380
3	544	740	225	398		88	38	264	22		27			
4	1,980													
5														
6														
7	-6,109	-7,137	-7,943	-8,531	-7,830	-8,922	-9,278	-12,354	-10,494	-10,855	-10,658	-8,086	-7,935	-7,974
	-181	-82	-1,096	-1,631	-1,267	-1,799	-1,076	-1,623	-1,030	-1,515	-1,848	-2,349	-2,911	-3,635
8	359,916	387,401	414,083	439,631	456,943	502,859	575,204	612,113	678,366	670,416	683,965	771,994	718,712	681,874
	<b>IMPORTS</b>													
9	473,385	495,269	487,128	532,665	580,526	663,256	743,543	795,289	869,704	911,896	1,024,618	1,218,022	1,140,999	1,161,366
	Adjustments:													
10	81	85	84	85	84	84	78	72	1	3	6	4	26	10
11	2,134	1,348	949	1,887	6,775	2,752	3,066	4,948	3,536	2,907	2,727	3,214	2,221	400
12	2,120	2,263	2,525	2,809	2,768	3,129	3,358	3,597	3,705	3,572	3,654	3,930	3,609	3,782
13														
14	-1,066	-1,050	-936	-871	-704	-546	-683	-751	-451	-1,218	-892	-744	-872	-671
15	1,031	520	1,270	-46	-55	15	12	-43	-10	-48	-126	-9	-57	-142
16	477,665	498,435	491,020	536,528	589,394	668,690	749,374	803,113	876,485	917,112	1,029,987	1,224,417	1,145,927	1,164,746
<b>B</b>	<b>Trade in goods, by area and country, adjusted to balance of payments basis, excluding military: <sup>7</sup></b>													
	<b>EXPORTS</b>													
1	359,916	387,401	414,083	439,631	456,943	502,859	575,204	612,113	678,366	670,416	683,965	771,994	718,712	681,874
2	98,052	110,478	115,856	114,638	111,284	115,418	132,505	136,902	152,410	159,320	162,728	178,731	171,420	153,377
3	84,303	95,604	100,581	100,679	95,205	100,672	121,728	124,825	138,489	146,297	149,040	162,520	155,788	140,366
4	8,394	10,303	10,625	9,871	9,293	11,017	12,823	12,681	13,993	14,410	13,264	14,212	13,846	13,623
5	11,509	13,428	15,123	14,433	13,109	13,499	14,117	14,374	15,859	17,510	18,518	20,199	19,716	18,869
6	16,947	18,201	20,557	20,510	18,465	18,745	21,914	22,884	23,811	26,171	26,359	28,921	29,363	26,024
7	7,115	7,871	8,481	8,619	6,362	7,030	8,753	8,687	8,916	8,922	9,878	10,951	9,716	9,810
8	11,240	12,819	13,368	13,522	12,760	13,464	16,388	16,566	19,817	18,878	19,342	21,715	19,328	18,108
9	20,398	22,731	21,284	22,458	25,859	26,244	28,229	30,448	35,763	38,385	37,657	40,724	39,701	32,091
10	9,900	10,251	11,133	11,266	9,357	10,673	19,504	19,185	20,330	22,021	24,022	25,798	24,118	21,841
11	13,749	14,874	15,275	13,959	16,079	14,746	10,777	12,077	13,921	13,023	13,688	16,211	15,632	13,011
12	79,888	83,359	85,878	91,103	100,702	114,650	127,388	134,288	151,899	156,735	166,713	178,877	163,259	160,895
13	43,996	48,005	47,327	46,961	47,020	52,433	63,619	66,476	64,384	56,477	56,072	63,473	55,879	49,664
14														
15	8,107	8,232	8,092	8,622	8,073	9,564	10,491	11,748	11,744	11,604	11,539	12,187	10,597	12,760
16	5,363	4,188	4,719	5,223	6,181	5,324	5,717	7,286	7,887	7,441	5,568	5,925	6,804	6,367
17	48,793	54,288	63,257	75,419	78,448	92,203	96,218	109,308	135,248	142,195	141,494	170,269	158,973	147,944
18	4,793	5,005	6,106	5,701	6,007	8,065	11,394	12,674	15,877	15,085	13,116	15,257	15,789	12,266
19	24,663	28,093	33,104	40,409	41,484	50,635	46,173	56,715	71,218	78,623	86,758	111,172	101,181	97,282
20	2,991	3,071	4,640	5,415	4,574	4,020	4,641	4,693	6,569	6,483	5,313	5,509	5,600	3,966
21	16,346	18,119	19,407	23,894	26,383	29,483	34,010	35,226	41,584	42,004	36,307	38,331	36,403	34,430
22	75,544	78,293	88,764	97,577	105,012	113,178	139,266	146,103	154,794	136,568	139,851	162,531	151,780	150,867
23	67,629	70,240	80,101	88,047	96,166	104,308	129,255	135,185	143,826	125,550	129,563	152,002	140,062	140,823
24	8,226	7,773	10,820	12,452	11,853	10,457	11,329	12,778	15,600	14,979	11,910	10,517	11,903	11,800
25	5,776	4,784	6,259	7,389	8,691	9,223	11,748	11,935	12,823	14,196	13,047	16,141	19,108	22,038
26	6,232	6,749	8,069	8,987	9,800	11,404	14,199	13,864	15,076	12,860	12,565	14,510	13,944	12,539
27	13,190	13,943	14,995	14,116	14,286	17,253	24,178	25,913	24,260	15,648	22,256	27,150	21,203	21,755
28	7,193	7,851	8,598	9,386	11,350	12,857	15,206	16,576	17,500	15,413	16,009	17,620	17,337	15,973
29	11,011	11,061	12,464	14,711	15,438	16,195	18,254	17,708	18,888	17,018	17,430	23,832	17,394	17,886
30	7,549	7,764	8,224	9,012	8,409	8,461	9,727	10,486	10,580	10,588	9,493	10,165	11,383	9,772
31	1,337	1,623	1,697	1,807	1,892	1,820	1,435	1,753	1,527	1,471	1,092	1,599	1,999	2,041
32	173	558	390	88	223	89			2		76			
	<b>Memoranda:</b>													
33	232,799	252,924	260,059	265,048	270,511	295,724	338,476	354,276	385,401	389,619	401,525	438,291	406,149	381,001
34											105,474	115,826	111,049	103,750
35	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	17,807
36	113,755	120,778	135,529	153,829	167,890	190,749	219,323	238,611	269,269	257,788	264,125	316,077	293,061	283,066

See footnotes on pages 112-113.



**in Goods**  
of dollars]

Not seasonally adjusted									Seasonally adjusted									Line	
2001			2002				2003			2001			2002				2003		
I	II	III	IV	I	II	III	IV	I <sup>P</sup>	I	II	III	IV	I	II	III	IV	I <sup>P</sup>		
195,282	190,280	169,954	173,604	166,457	177,951	171,800	176,895	173,664	196,502	187,105	175,201	170,292	167,971	174,370	177,100	173,662	175,829	1	
128	110	108	112	87	102	95	96	96	128	110	108	112	87	102	95	96	96	2	
																		3	
																		4	
																		5	
-1,771	-2,080	-2,012	-2,072	-2,039	-1,867	-2,031	-2,037	-1,876	-1,771	-2,080	-2,012	-2,072	-2,039	-1,867	-2,031	-2,037	-1,876	6	
-714	-679	-770	-748	-720	-1,184	-850	-881	-798	-714	-679	-770	-748	-720	-1,184	-850	-881	-798	7	
192,905	187,631	167,280	170,896	163,785	175,002	169,014	174,073	171,086	194,145	184,457	172,526	167,584	165,298	171,421	174,315	170,840	173,251	8	
297,045	288,532	280,837	274,585	259,999	290,955	302,178	308,234	297,396	305,143	289,696	278,166	267,994	270,588	291,792	296,732	302,244	308,597	9	
8	14	4		1	3	3	3	2	8	14	4		1	3	3	3	2	10	
1,012	1,198	5	6	6	150	151	93		1,012	1,198	5	6	6	150	151	93		11	
950	956	863	840	892	988	955	947	948	950	956	863	840	892	988	955	947	948	12	
																			13
-226	-219	-195	-232	-141	-168	-179	-183	-250	-226	-219	-195	-232	-141	-168	-179	-183	-250	14	
-16	-19	4	-26	-25	-58	-36	-23	-49	-16	-19	4	-26	-25	-58	-36	-23	-49	15	
298,773	290,463	281,518	275,173	260,732	291,870	303,073	309,071	298,047	306,871	291,627	278,847	268,582	271,331	292,707	297,627	303,081	309,248	16	
192,905	187,631	167,280	170,896	163,785	175,002	169,014	174,073	171,086	194,145	184,457	172,526	167,584	165,298	171,421	174,315	170,840	173,251	1	
47,724	45,842	37,586	40,268	39,388	38,649	35,907	39,433	40,198	48,137	44,962	38,685	39,636	39,796	37,767	36,977	38,837	40,763	2	
42,898	40,703	35,124	37,063	36,132	35,137	32,946	36,151	36,891	43,286	39,889	36,125	36,488	36,551	34,311	33,904	35,600	37,429	3	
3,624	3,677	3,440	3,105	3,147	3,348	3,601	3,527	3,827	3,654	3,605	3,529	3,058	3,186	3,268	3,696	3,473	3,895	4	
5,610	5,016	4,209	4,881	5,190	4,646	4,010	5,023	4,368	5,664	4,912	4,320	4,820	5,268	4,531	4,125	4,945	4,426	5	
8,213	7,373	6,873	6,904	6,607	6,290	6,270	6,857	7,244	8,284	7,210	7,069	6,800	6,676	6,139	6,453	6,756	7,334	6	
2,754	2,399	2,119	2,444	2,350	2,462	2,282	2,716	2,467	2,779	2,354	2,188	2,395	2,372	2,406	2,357	2,675	2,516	7	
5,488	4,955	4,132	4,753	4,606	4,797	4,295	4,410	4,889	5,533	4,872	4,250	4,673	4,645	4,696	4,421	4,346	4,947	8	
10,338	11,301	9,268	8,794	8,238	8,318	7,758	7,777	8,454	10,443	11,061	9,532	8,665	8,354	8,110	7,969	7,658	8,581	9	
6,871	5,982	5,083	6,182	5,994	5,276	4,730	5,841	5,642	6,929	5,875	5,237	6,077	6,050	5,161	4,883	5,747	5,730	10	
4,826	5,139	2,462	3,205	3,256	3,512	2,961	3,282	3,307	4,851	5,073	2,560	3,148	3,245	3,456	3,073	3,237	3,334	11	
42,517	44,505	37,840	38,397	38,330	42,888	38,834	40,843	41,120	42,838	43,738	38,955	37,728	38,764	41,996	39,963	40,172	41,697	12	
16,030	14,489	12,876	12,484	12,199	12,323	12,965	12,177	12,179	16,051	14,341	13,351	12,136	12,229	12,154	13,442	11,839	12,262	13	
2,698	2,640	2,574	2,685	2,833	3,228	3,368	3,331	2,765	2,720	2,581	2,647	2,649	2,859	3,134	3,479	3,288	2,816	14	
1,679	1,842	1,595	1,688	1,525	1,642	1,573	1,627	1,511	1,680	1,834	1,658	1,632	1,540	1,613	1,629	1,585	1,519	15	
41,167	40,440	38,780	38,586	34,638	37,421	37,544	38,341	35,022	41,456	39,745	39,965	37,807	35,034	36,646	38,699	37,565	35,538	16	
3,828	4,270	4,134	3,557	3,074	3,028	3,139	3,025	2,525	3,857	4,171	4,249	3,512	3,116	2,951	3,223	2,976	2,566	17	
26,642	25,263	24,366	24,910	22,520	24,832	24,777	25,153	22,638	26,855	24,835	25,091	24,400	22,808	24,311	25,524	24,639	22,996	18	
1,369	1,464	1,401	1,366	1,101	927	1,019	919	480	1,376	1,439	1,446	1,339	1,120	900	1,053	893	485	19	
9,328	9,443	8,879	8,753	7,943	8,634	8,609	9,244	9,379	9,368	9,300	9,179	8,556	7,990	8,484	8,899	9,057	9,491	20	
41,090	37,873	36,029	36,788	34,872	38,851	38,823	38,321	38,291	41,263	37,256	37,265	35,996	35,076	38,111	40,126	37,554	38,656	21	
38,189	34,883	33,222	33,768	32,257	36,290	36,424	35,852	36,096	38,340	34,307	34,331	33,084	32,456	35,577	37,632	35,158	36,451	22	
3,322	2,915	2,791	2,875	2,337	3,012	3,378	3,073	3,039	3,284	2,893	2,913	2,813	2,343	2,959	3,495	3,003	3,053	23	
4,313	4,771	4,823	5,201	4,702	5,499	5,689	6,148	6,467	4,205	4,974	5,127	4,751	5,386	5,876	6,025	6,479	24	24	
3,572	3,701	3,503	3,168	2,930	3,221	3,250	3,138	3,047	3,579	3,641	3,618	3,106	2,947	3,156	3,353	3,083	3,078	25	
6,095	4,846	5,297	4,965	4,929	5,691	5,603	5,532	5,899	6,123	4,761	5,474	4,845	4,955	5,591	5,794	5,415	5,966	26	
4,575	4,166	4,228	4,368	4,102	4,027	4,002	3,842	3,980	4,618	4,071	4,351	4,297	4,137	3,932	4,117	3,787	4,038	27	
5,086	4,341	4,131	3,836	3,812	4,693	5,128	4,253	3,757	5,125	4,271	4,271	3,727	3,820	4,596	5,319	4,151	3,803	28	
2,825	2,925	2,688	2,945	2,549	2,483	2,339	2,401	2,135	2,848	2,883	2,812	2,840	2,554	2,458	2,430	2,330	2,145	29	
603	498	460	438	466	649	426	500	301	610	491	479	419	467	643	447	484	300	30	
																			31
																			32
110,372	108,918	91,943	94,916	93,723	98,148	92,269	96,861	97,218	111,145	107,040	94,741	93,223	94,627	96,096	95,091	95,197	98,508	33	
30,941	28,153	24,763	27,192	26,649	25,705	24,087	27,309	27,248	31,216	27,601	25,468	26,764	26,941	25,113	24,802	26,894	27,648	34	
5,294	4,877	4,652	4,679	3,904	4,588	4,823	4,492	3,820	5,270	4,823	4,838	4,571	3,930	4,502	4,985	4,380	3,838	35	
77,239	73,836	70,685	71,301	66,158	72,266	71,922	72,720	70,048	77,730	72,594	72,947	69,790	66,741	70,833	74,229	71,263	70,905	36	













Table 3. Private

[Millions]

Line		2000	2001	2002	Not seasonally adjusted			
					2001			
					I	II	III	IV
1	<b>Exports of private services</b>	<b>283,484</b>	<b>275,498</b>	<b>279,495</b>	<b>69,981</b>	<b>69,600</b>	<b>71,438</b>	<b>64,479</b>
2	Travel (table 1, line 6)	82,400	71,893	66,547	18,303	20,265	20,178	13,147
3	Passenger fares (table 1, line 7)	20,687	17,926	17,046	4,684	4,849	5,076	3,317
4	Other transportation (table 1, line 8)	29,803	28,442	29,166	7,125	7,263	7,401	6,653
5	Freight	12,547	11,731	12,330	2,893	2,971	2,908	2,959
6	Port services	17,256	16,711	16,836	4,232	4,292	4,493	3,694
7	Royalties and license fees (table 1, line 9)	43,233	41,098	44,142	10,133	10,240	9,754	10,971
8	Affiliated	30,479	29,023	32,218	7,009	7,202	6,781	8,031
9	U.S. parents' receipts	28,255	27,030	29,066	6,572	6,810	6,399	7,249
10	U.S. affiliates' receipts	2,224	1,993	3,152	437	392	382	782
11	Unaffiliated	12,754	12,075	11,924	3,124	3,038	2,973	2,940
12	Industrial processes <sup>1</sup>	4,662	4,226	3,900	1,118	1,073	1,033	1,002
13	Other <sup>2</sup>	8,093	7,849	8,024	2,006	1,965	1,940	1,938
14	Other private services (table 1, line 10)	107,361	116,139	122,594	29,736	26,983	29,029	30,391
15	Affiliated services	35,857	39,780	43,500	9,007	9,267	9,826	11,660
16	U.S. parents' receipts	23,107	24,759	25,194	5,805	6,005	6,037	6,912
17	U.S. affiliates' receipts	12,750	15,001	18,306	3,202	3,262	3,789	4,748
18	Unaffiliated services	71,504	76,379	79,094	20,729	17,716	19,203	18,731
19	Education	10,348	11,478	12,759	4,543	1,431	3,100	2,404
20	Financial services	15,522	15,228	15,859	4,060	3,936	3,541	3,691
21	Insurance services	2,486	2,399	2,839	594	586	595	623
22	Telecommunications	3,883	4,504	4,137	1,083	1,134	1,140	1,147
23	Business, professional, and technical services	25,318	28,611	28,799	6,966	7,125	7,230	7,289
24	Other unaffiliated services <sup>3</sup>	13,948	14,160	14,700	3,483	3,504	3,597	3,576
25	<b>Imports of private services</b>	<b>204,665</b>	<b>201,615</b>	<b>205,234</b>	<b>47,515</b>	<b>54,922</b>	<b>53,275</b>	<b>45,903</b>
26	Travel (table 1, line 23)	64,705	60,200	58,044	13,542	18,471	17,203	10,984
27	Passenger fares (table 1, line 24)	24,274	22,633	19,969	5,219	6,772	6,551	4,091
28	Other transportation (table 1, line 25)	41,425	38,682	38,527	9,960	9,979	9,582	9,161
29	Freight	27,388	25,736	25,973	6,753	6,614	6,188	6,181
30	Port services	14,037	12,946	12,554	3,207	3,365	3,394	2,980
31	Royalties and license fees (table 1, line 26)	16,468	16,713	19,258	4,007	3,966	4,031	4,709
32	Affiliated	12,536	13,310	15,132	3,151	3,111	3,182	3,866
33	U.S. parents' payments	2,469	2,541	2,958	562	591	669	719
34	U.S. affiliates' payments	10,067	10,769	12,174	2,589	2,520	2,513	3,147
35	Unaffiliated	3,932	3,403	4,126	856	855	849	843
36	Industrial processes <sup>1</sup>	1,692	1,796	1,935	428	444	457	467
37	Other <sup>2</sup>	2,241	1,607	2,192	427	411	393	376
38	Other private services (table 1, line 27)	57,793	63,387	69,436	14,787	15,734	15,908	16,958
39	Affiliated services	28,776	30,053	32,367	6,802	7,522	7,382	8,347
40	U.S. parents' payments	16,267	16,774	17,529	3,939	4,093	4,007	4,735
41	U.S. affiliates' payments	12,509	13,279	14,838	2,863	3,429	3,375	3,612
42	Unaffiliated services	29,017	33,334	37,069	7,985	8,212	8,526	8,611
43	Education	2,034	2,269	2,466	433	565	741	529
44	Financial services	4,564	4,049	3,665	1,151	1,088	889	921
45	Insurance services	7,598	11,613	15,348	2,603	2,722	3,008	3,281
46	Telecommunications	5,428	4,756	4,180	1,239	1,205	1,172	1,140
47	Business, professional, and technical services	8,769	10,034	10,732	2,408	2,481	2,562	2,584
48	Other unaffiliated services <sup>3</sup>	624	613	679	152	151	154	157
<b>Supplemental detail on insurance transactions:</b>								
49	Premiums received	8,455	8,531	11,937	2,061	2,093	2,156	2,221
50	For insurance services <sup>4</sup> (line 21)	2,486	2,399	2,839	594	586	595	623
51	For loss settlement <sup>5</sup>	5,969	6,133	9,098	1,467	1,507	1,561	1,598
52	Actual losses paid <sup>5</sup>	6,405	8,594	8,619	1,997	2,141	2,222	2,235
53	Premiums paid	26,888	40,382	47,156	8,962	9,854	10,539	11,027
54	For insurance services <sup>4</sup> (line 45)	7,598	11,613	15,348	2,603	2,722	3,008	3,281
55	For loss settlement <sup>5</sup>	19,290	28,769	31,808	6,360	7,132	7,531	7,746
56	Actual losses recovered <sup>5</sup>	18,764	35,965	30,914	5,025	5,403	19,076	6,462
<b>Memoranda:</b>								
57	Balance on goods (table 1, line 71)	-452,423	-427,215	-482,872	-105,868	-102,832	-114,238	-104,277
58	Balance on private services (line 1 minus line 25)	78,819	73,883	74,261	22,466	14,678	18,163	18,576
59	Balance on goods and private services (lines 57 and 58)	-373,604	-353,332	-408,611	-83,402	-88,154	-96,075	-85,701

See footnotes on pages 112-113.



## Services Transactions

of dollars]

Not seasonally adjusted					Seasonally adjusted										Line
2002				2003	2001				2002				2003		
I	II	III	IV	I P	I	II	III	IV	I	II	III	IV	I P		
66,848	67,752	73,234	71,661	70,039	72,160	70,952	67,826	64,561	68,164	69,325	69,882	72,121	71,332	1	
14,479	16,732	18,829	16,507	14,578	20,735	19,619	17,374	14,165	16,295	16,030	16,217	18,005	16,424	2	
3,872	4,281	4,831	4,062	3,487	5,100	4,865	4,507	3,454	4,224	4,279	4,288	4,255	3,754	3	
6,784	7,104	7,646	7,632	7,439	7,477	7,234	7,050	6,681	7,102	7,075	7,307	7,682	7,794	4	
2,879	2,926	3,134	3,391	3,196	2,945	2,960	2,915	2,911	2,934	2,918	3,140	3,338	3,257	5	
3,905	4,178	4,512	4,241	4,243	4,532	4,274	4,135	3,770	4,168	4,157	4,167	4,344	4,537	6	
10,139	11,012	11,168	11,823	11,270	10,370	10,406	9,922	10,401	10,373	11,221	11,389	11,157	11,606	7	
7,200	8,050	8,173	8,795	8,210	7,246	7,368	6,949	7,461	7,434	8,259	8,394	8,129	8,546	8	
6,881	7,236	7,199	7,750	7,227	6,738	6,902	6,531	6,860	7,066	7,313	7,357	7,329	7,427	9	
319	814	974	1,045	983	508	466	418	601	368	946	1,037	800	1,119	10	
2,939	2,962	2,995	3,028	3,060	3,124	3,038	2,973	2,940	2,939	2,962	2,995	3,028	3,060	11	
981	974	972	973	976	1,118	1,073	1,033	1,002	981	974	972	973	976	12	
1,958	1,988	2,023	2,055	2,084	2,006	1,965	1,940	1,938	1,958	1,988	2,023	2,055	2,084	13	
31,574	28,623	30,760	31,637	33,265	28,478	28,828	28,973	29,860	30,170	30,720	30,681	31,022	31,754	14	
9,465	10,389	10,988	12,658	11,212	9,459	9,687	10,036	10,577	9,992	10,897	11,195	11,415	11,855	15	
5,793	6,167	6,207	7,027	6,566	6,042	6,092	6,209	6,416	6,035	6,262	6,380	6,517	6,836	16	
3,672	4,222	4,781	5,631	4,646	3,417	3,595	3,827	4,161	3,957	4,635	4,815	4,898	5,019	17	
22,109	18,234	19,772	18,979	22,053	19,019	19,141	18,937	19,283	20,178	19,823	19,486	19,607	19,899	18	
5,095	1,584	3,471	2,610	5,607	2,747	2,829	2,908	2,994	3,082	3,150	3,253	3,274	3,364	19	
4,083	4,126	3,842	3,808	3,871	4,060	3,936	3,541	3,691	4,083	4,126	3,842	3,808	3,871	20	
663	701	735	740	742	594	586	595	623	663	701	735	740	742	21	
1,092	1,045	1,009	992	1,043	1,083	1,134	1,140	1,147	1,092	1,045	1,009	992	1,043	22	
7,599	7,146	6,993	7,062	7,082	6,966	7,125	7,230	7,289	7,599	7,146	6,993	7,062	7,082	23	
3,578	3,632	3,723	3,767	3,709	3,569	3,531	3,522	3,538	3,660	3,654	3,654	3,731	3,797	24	
46,360	52,365	54,978	51,531	49,862	51,801	52,814	49,660	47,543	50,033	50,484	51,453	53,264	53,722	25	
12,430	15,806	16,930	12,878	12,316	15,885	16,725	14,611	12,979	14,453	14,252	14,314	15,025	14,330	26	
4,422	5,475	5,430	4,642	4,584	5,798	6,136	5,895	4,804	4,874	4,874	4,829	5,392	5,078	27	
8,420	9,577	10,138	10,392	10,257	10,447	10,014	9,144	9,080	8,891	9,580	9,787	10,271	10,824	28	
5,594	6,428	6,806	7,145	6,910	7,091	6,669	5,875	6,102	5,924	6,456	6,579	7,016	7,305	29	
2,826	3,149	3,332	3,247	3,347	3,356	3,345	3,269	2,978	2,967	3,124	3,208	3,255	3,519	30	
4,607	4,765	4,941	4,945	4,798	4,132	4,087	4,145	4,349	4,728	4,902	5,036	4,592	4,936	31	
3,242	3,691	4,106	4,093	3,933	3,276	3,232	3,296	3,506	3,363	3,828	4,201	3,740	4,071	32	
598	718	843	799	772	562	591	669	719	598	718	843	799	772	33	
2,644	2,973	3,263	3,294	3,161	2,714	2,641	2,627	2,787	2,765	3,110	3,358	2,941	3,299	34	
1,365	1,074	835	852	865	856	855	849	843	1,365	1,074	835	852	865	35	
474	480	487	494	504	428	444	457	467	474	480	487	494	504	36	
891	594	349	358	362	427	411	393	376	891	594	349	358	362	37	
16,481	16,742	17,539	18,674	17,907	15,339	15,852	15,865	16,331	17,087	16,876	17,487	17,984	18,554	38	
7,616	7,496	8,053	9,202	8,231	7,237	7,641	7,505	7,670	8,094	7,631	8,183	8,457	8,750	39	
3,749	4,181	4,607	4,992	4,122	4,245	4,178	4,055	4,296	4,062	4,287	4,657	4,522	4,480	40	
3,867	3,315	3,446	4,210	4,109	2,992	3,463	3,450	3,374	4,032	3,344	3,526	3,935	4,270	41	
8,865	9,246	9,486	9,472	9,676	8,102	8,211	8,360	8,661	8,993	9,245	9,304	9,527	9,804	42	
471	615	807	573	510	550	564	575	579	597	612	624	627	639	43	
975	999	834	857	911	1,151	1,088	889	921	975	999	834	857	911	44	
3,533	3,756	3,948	4,111	4,250	2,603	2,722	3,008	3,281	3,533	3,756	3,948	4,111	4,250	45	
1,112	1,050	1,023	996	985	1,239	1,205	1,172	1,140	1,112	1,050	1,023	996	985	46	
2,613	2,658	2,702	2,759	2,841	2,408	2,481	2,562	2,584	2,613	2,658	2,702	2,759	2,841	47	
161	169	173	176	180	152	151	154	157	161	169	173	176	180	48	
2,649	2,916	3,124	3,248	3,265	2,061	2,093	2,156	2,221	2,649	2,916	3,124	3,248	3,265	49	
663	701	735	740	742	594	586	595	623	663	701	735	740	742	50	
1,986	2,215	2,389	2,508	2,523	1,467	1,507	1,561	1,598	1,986	2,215	2,389	2,508	2,523	51	
2,199	2,158	2,131	2,131	2,176	1,997	2,141	2,222	2,235	2,199	2,158	2,131	2,131	2,176	52	
11,416	11,663	11,902	12,175	12,472	8,962	9,854	10,539	11,027	11,416	11,663	11,902	12,175	12,472	53	
3,533	3,756	3,948	4,111	4,250	2,603	2,722	3,008	3,281	3,533	3,756	3,948	4,111	4,250	54	
7,882	7,907	7,954	8,064	8,222	6,360	7,132	7,531	7,746	7,882	7,907	7,954	8,064	8,222	55	
7,123	7,658	8,003	8,130	8,026	5,025	5,403	19,076	6,462	7,123	7,658	8,003	8,130	8,026	56	
-96,947	-116,868	-134,059	-134,998	-126,961	-112,726	-107,170	-106,321	-100,998	-106,033	-121,286	-123,312	-132,241	-135,997	57	
20,488	15,387	18,256	20,130	20,177	20,559	18,138	18,166	17,018	18,131	18,841	18,429	18,857	17,610	58	
-76,459	-101,481	-115,803	-114,868	-106,784	-92,167	-89,032	-88,155	-83,980	-87,902	-102,445	-104,883	-113,384	-118,387	59	

**Table 4. U.S. Official Reserve Assets and Foreign**  
[Millions]

Line	(Credits +; decrease in U.S. assets or increase in foreign assets. Debits -; increase in U.S. assets or decrease in foreign assets.)	1998	1999	2000	2001	2002	Not seasonally adjusted			
							1998			
							I	II	III	IV
A1	<b>U.S. official reserve assets, net (table 1, line 41)</b> .....	<b>-6,783</b>	<b>8,747</b>	<b>-290</b>	<b>-4,911</b>	<b>-3,681</b>	<b>-444</b>	<b>-1,945</b>	<b>-2,025</b>	<b>-2,369</b>
2	Gold (table 1, line 42).....									
3	Special drawing rights (table 1, line 43).....	-147	10	-722	-630	-475	-182	73	189	-227
4	Reserve position in the International Monetary Fund (table 1, line 44).....	-5,119	5,484	2,308	-3,600	-2,632	-85	-1,032	-2,078	-1,924
5	Foreign currencies (table 1, line 45).....	-1,517	3,253	-1,876	-681	-574	-177	-986	-136	-218
B1	<b>Foreign official assets in the United States, net (table 1, line 56)</b> .....	<b>-19,903</b>	<b>43,543</b>	<b>37,724</b>	<b>5,104</b>	<b>94,860</b>	<b>11,072</b>	<b>-10,235</b>	<b>-46,640</b>	<b>25,900</b>
	By instrument:									
2	U.S. Treasury securities (table 1, line 58).....	-9,921	12,177	-10,233	10,745	43,144	11,336	-20,305	-32,823	31,871
3	Bills and certificates.....	-14,124	22,000	-3,167	2,709	28,656	5,034	-18,998	-6,190	6,030
4	Bonds and notes, marketable.....	4,123	-9,861	-6,302	9,974	15,131	6,186	-1,426	-26,755	26,118
5	Bonds and notes, nonmarketable.....	80	38	-764	-1,938	-643	116	119	122	-277
6	Other U.S. Government securities (table 1, line 59).....	6,332	20,350	40,909	20,920	30,377	2,610	254	1,906	1,562
7	Other U.S. Government liabilities (table 1, line 60).....	-3,326	-2,863	-1,825	-2,309	137	-954	-760	-281	-1,331
8	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 61).....	-9,501	12,964	5,746	-29,978	17,594	-964	9,744	-12,948	-5,333
9	Banks' liabilities for own account <sup>1</sup> .....	-21,772	17,359	-626	-12,992	6,998	1,734	-1,438	-17,258	-4,810
10	Repurchase agreements.....									
11	Deposits and brokerage balances <sup>2</sup> .....	-11,201	-226	7,242	-16,687	-2,039	-1,697	-3,512	-7,136	1,144
12	Other liabilities.....	-10,571	17,585	-7,868	3,695	9,037	3,431	2,074	-10,122	-5,954
13	Banks' customers' liabilities <sup>1</sup> .....	12,271	-4,395	6,372	-16,986	10,596	-2,698	11,182	4,310	-523
14	Negotiable certificates of deposit and other short-term instruments.....	11,802	-3,771	6,184	-17,818	11,602	-3,023	11,049	4,416	-640
15	Other liabilities.....	469	-624	188	832	-1,006	325	133	-106	117
16	Other foreign official assets (table 1, line 62).....	-3,487	915	3,127	5,726	3,608	-956	832	-2,494	-869
	By area:									
17	Europe.....	3,217	-11,755	8,601	1,943	30,096	-3,955	5,440	-6,550	8,282
18	Canada.....	512	1,959	-133	-286	-2,333	1,499	-873	-3,227	3,113
19	Latin America and Caribbean.....	-17,477	-6,022	3,193	332	-7,815	433	2,859	-21,087	318
20	Asia.....	-2,620	60,510	22,964	3,530	70,798	13,287	-19,324	-13,045	16,462
21	Africa.....	432	-2,210	1,570	485	-130	1,582	104	231	-1,485
22	Other.....	-3,967	1,061	1,529	-900	4,244	-1,774	1,559	-2,962	-790

See footnotes on pages 112-113.

**Official Assets in the United States**  
of dollars]

Not seasonally adjusted																	Amounts outstanding March 31, 2003	Line
1999				2000				2001				2002				2003		
I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I P		
4,068	1,159	1,951	1,569	-554	2,020	-346	-1,410	190	-1,343	-3,589	-199	390	-1,843	-1,416	-812	83	156,434	A1
562	-190	-184	-178	-180	-180	-182	-180	-189	-156	-145	-140	-109	-107	-132	-127	897	87,576	2
3	1,413	2,288	1,800	-237	2,328	1,300	-1,083	574	-1,015	-3,242	83	652	-1,607	-1,136	-541	-644	22,858	3
3,503	-64	-133	-53	-137	-128	-1,464	-147	-195	-172	-172	-142	-153	-129	-148	-144	-170	34,608	4
4,381	-757	12,625	27,294	22,542	6,548	12,952	-4,318	4,290	-21,197	16,702	5,309	6,106	47,552	8,992	32,210	35,870	1,165,391	B1
800	-6,708	12,963	5,122	16,204	-4,000	-9,001	-13,436	-1,027	-20,798	15,810	16,760	-1,039	15,138	1,415	27,630	18,099	726,944	2
7,764	-3,423	13,939	3,720	8,604	-7,591	-1,692	-2,488	-3,806	-16,009	14,704	7,820	-843	14,810	9,501	5,188	15,778	206,153	3
-7,081	-3,076	-1,093	1,389	7,977	3,586	-6,816	-11,049	3,142	-4,885	2,151	9,566	56	487	-8,144	22,732	2,268	517,969	4
117	-209	117	13	-377	5	-493	101	-363	96	-1,045	-626	-252	-159	58	-290	53	2,822	5
5,993	5,792	1,835	6,730	8,107	10,334	14,272	8,196	3,574	9,932	-216	7,630	7,296	6,568	10,885	5,628	9,380	197,233	6
-1,244	-1,085	-767	233	-430	-899	-185	-311	-801	-1,154	-205	-349	-587	365	464	-95	-694	16,450	7
-1,273	1,761	-1,617	14,093	-2,270	209	7,554	253	1,341	-10,205	-675	-20,439	-280	24,575	-4,607	-2,094	7,759	148,778	8
-3,259	1,685	-1,293	20,226	-10,121	1,612	6,882	1,001	227	2,950	1,531	-17,700	-4,139	13,394	3,519	-5,776	4,456	95,278	9
-5,576	2,579	-1,070	3,841	373	3,824	5,481	-2,436	-7,885	3,744	-183	-12,363	-5,147	-707	-902	4,717	2,931	64,993	10
2,317	-894	-223	16,385	-10,494	-2,212	1,401	3,437	8,112	-794	1,714	-5,337	1,008	14,101	4,421	-10,493	-7,421	23,560	11
1,986	76	-324	-6,133	7,851	-1,403	672	-748	1,114	-13,155	-2,206	-2,739	3,859	11,181	-8,126	3,682	3,303	6,725	12
2,221	408	-949	-5,451	7,537	-1,108	440	-685	1,010	-13,411	-1,757	-3,660	3,716	11,372	-8,048	4,562	2,482	53,500	13
-235	-332	625	-682	314	-295	232	-63	104	256	-449	921	143	-191	-78	-880	821	52,615	14
105	-517	211	1,116	931	904	312	980	1,003	1,028	1,988	1,707	726	906	835	1,141	1,326	885	15
-2,385	-12,304	-922	3,856	6,986	2,288	4,467	-5,140	-3,414	1,372	10,200	-6,215	-1,254	11,977	6,920	12,453	3,979	75,986	16
2,905	-598	331	-679	1,167	-150	-711	-439	-1,992	1,162	-275	819	868	-3,199	-995	993	-1,246	294,756	17
-6,684	3,975	-2,201	-1,112	3,677	-5,897	6,584	-1,171	2,348	-194	-3,477	1,655	-4,488	-2,071	-2,299	1,043	-280	10,065	18
10,574	8,378	16,031	25,527	10,187	10,205	1,316	1,256	7,774	-23,151	10,213	8,694	10,516	40,138	5,439	14,705	36,194	66,310	19
-38	-1,398	-27	-747	443	-170	594	703	33	-109	1,175	-614	-2,345	1,291	-1,051	1,975	-330	768,967	20
9	1,190	-587	449	82	272	702	473	-459	-277	-1,134	970	2,809	-584	978	1,041	-2,447	14,594	21
																	10,699	22

Table 5. Selected U.S.  
(Millions)

Line	1998	1999	2000	2001	2002	Not seasonally adjusted							
						1998				1999			
						I	II	III	IV	I	II	III	IV
<b>A1</b>	<b>17,828</b>	<b>20,651</b>	<b>21,949</b>	<b>15,900</b>	<b>23,007</b>	<b>3,585</b>	<b>3,392</b>	<b>4,048</b>	<b>6,804</b>	<b>4,019</b>	<b>5,379</b>	<b>4,564</b>	<b>6,689</b>
	<b>By category</b>												
2	13,294	13,841	16,743	11,541	17,290	2,371	2,209	2,899	5,815	2,582	3,100	2,852	5,307
3	13,270	13,774	16,714	11,517	17,097	2,365	2,209	2,882	5,814	2,574	3,097	2,847	5,256
4	4,152	3,911	7,098	1,673	5,818	621	369	591	2,571	506	662	630	2,113
5	9,118	9,862	9,616	9,843	11,279	1,744	1,840	2,292	3,244	2,068	2,434	2,217	3,143
6													
7	22	69	29	25	193	5		17		9	3	6	51
8	4,678	6,175	5,182	4,431	5,611	1,192	1,156	1,286	1,044	1,314	2,167	1,595	1,099
9	1,580	1,451	1,500	1,704	1,485	385	444	413	338	394	456	329	272
10	2,434	3,999	3,682	2,727	4,125	648	610	628	549	736	1,544	1,094	626
11	-3	-3	-1	(*)		(*)	-7	2	1	-6	1	2	1
12	667	728				159	109	243	157	191	167	170	201
13	-145	634	24	-72	105	22	26	-138	-55	122	112	117	283
14	22	-24	5	5	6	5	-5	38	-17	7	-38	4	2
	Receipts from:												
15													
16	43	2	(*)	2	1	4	4	4	30	1	1		
17	22	15	6	3	5	11	3	6	2	8	2	2	3
18													
19													
	Less currencies disbursed for:												
20	2					(*)	(*)	1					
21													
22	42	42	1		(*)	10	12	-29	49	2	41	-2	1
23	44	328	-17	44	73	-1	11	(*)	34	19	139	96	74
24	(*)					(*)	(*)	(*)	(*)				
25													
26	-210	330	37	-120	27	18	21	-176	-72	96	11	17	206
	<b>By program</b>												
27	1,580	1,451	1,500	1,704	1,485	385	444	413	338	394	456	329	272
28	1,144	2,003	1,539	1,585	2,426	180	194	298	471	497	571	502	432
29	11,617	11,575	15,552	9,705	15,663	2,100	1,909	2,493	5,116	1,964	2,458	2,496	4,657
30	1,530	1,636	1,499	1,679	1,460	388	512	244	385	192	269	750	425
31	325	1,806	436	31	712	140	6	147	33	467	1,204	80	55
32	1,150	1,147	1,383	1,313	1,227	209	202	347	393	211	282	215	439
33	65	18	6	5	6	16	7	10	32	10	3	2	3
34	42	42	1		(*)	10	12	-29	49	2	41	-2	1
35	457	1,058	37	-120	27	176	130	66	85	287	178	186	407
	<b>By disposition<sup>3</sup></b>												
36	11,446	13,705	16,773	10,757	17,319	2,318	2,084	2,608	4,437	2,581	3,803	3,220	4,101
37	5,536	5,655	8,246	4,289	7,658	786	943	925	2,882	818	992	1,504	2,342
38	3,061	3,203	4,289	3,889	4,590	670	726	836	829	727	874	831	771
39	2,381	2,644	3,458	1,924	2,361	661	378	631	711	527	648	776	693
40	215	264	422	517	328	66	37	68	44	48	24	182	9
41													
42	2,166	2,380	3,036	1,407	2,033	595	341	564	667	478	624	594	683
43	391	1,858	496	505	2,417	161	13	187	30	493	1,191	11	164
44	133	407	376	170	321	51	45	3	34	20	142	110	135
45	(*)					(*)	(*)	(*)	(*)				
46													
47	14	20	90	22	28	2	9	2	1	1	3	13	3
48	42	42	1		(*)	10	12	-29	49	2	41	-2	1
49	6,382	6,946	5,176	5,143	5,688	1,267	1,308	1,440	2,367	1,438	1,576	1,344	2,588
<b>B1</b>	<b>4,111</b>	<b>9,559</b>	<b>4,265</b>	<b>3,873</b>	<b>5,684</b>	<b>1,134</b>	<b>689</b>	<b>1,336</b>	<b>942</b>	<b>1,554</b>	<b>1,887</b>	<b>1,026</b>	<b>5,092</b>
2	3,362	4,862	4,265	3,872	5,684	949	578	1,090	746	1,359	1,701	848	954
3	302	366	512	601	1,849	32	30	106	134	52	31	106	178
4	1,509	1,672	1,913	1,662	1,703	535	276	471	227	574	370	475	253
5	927	1,066	1,243	1,219	1,695	223	238	246	220	252	208	233	372
6	375	1,604	175	218	561	159	32	153	32	473	1,089	26	16
7	249	154	422	172	77	(*)	3	113	133	8	3	8	136
8	748	4,697	(*)	(*)		186	121	246	196	186	186	178	4,138
<b>C1</b>	<b>-3,326</b>	<b>-2,863</b>	<b>-1,825</b>	<b>-2,309</b>	<b>137</b>	<b>-954</b>	<b>-760</b>	<b>-281</b>	<b>-1,331</b>	<b>-1,244</b>	<b>-1,085</b>	<b>-767</b>	<b>233</b>
2	-3,315	-2,857	-1,806	-2,305	113	-1,009	-705	-289	-1,333	-1,242	-1,086	-765	235
3													
4	12,486	10,427	10,494	7,132	10,024	3,036	3,166	2,446	3,838	1,730	1,917	2,860	3,921
5	809	748	634	735	916	342	105	274	87	289	84	278	97
6	-32	-748	1,335	-1,912	-586	-195	-327	-922	1,412	-791	-981	171	852
7	2,381	2,644	3,458	1,924	2,361	661	378	631	711	527	648	776	693
8	215	264	422	517	328	66	37	68	44	48	24	182	9
9	2,166	2,380	3,036	1,407	2,033	595	341	564	667	478	624	594	683
10	17,406	15,928	13,790	12,539	11,943	4,558	4,471	3,994	4,383	4,000	4,547	3,951	3,430
11	(*)					(*)	(*)	(*)	(*)				
12	-10	-6	-18	-4	24	54	-55	-12	2	-3	1	-2	-2
13	-11					62	-53	-20					
14	3	-7	-6	(*)	11	-4	-1	2	6	-3	-2	-1	-1
15	-2		-12	-4	14	-4	-1	6	-4			-1	-1

See footnotes on pages 112-113.

**Government Transactions**  
of dollars)

Not seasonally adjusted													Line
2000				2001				2002				2003	
I	II	III	IV	I	II	III	IV	I	II	III	IV	I <sup>P</sup>	
4,345	4,609	4,807	8,189	3,427	3,839	3,919	4,715	7,263	3,827	4,636	7,281	7,381	A1
2,889	3,178	3,655	7,021	2,433	2,483	2,878	3,747	6,402	3,303	3,157	4,429	5,914	2
2,884	3,173	3,637	7,020	2,426	2,479	2,867	3,745	6,397	3,075	4,338	4,338	5,865	3
999	659	1,251	4,190	333	294	354	693	3,504	617	319	1,378	3,010	4
1,886	2,514	2,386	2,830	2,093	2,185	2,513	3,052	2,893	2,671	2,756	2,959	2,856	5
5	5	18	1	8	4	11	2	5	15	82	91	49	6
1,750	1,371	1,051	1,010	1,094	1,330	1,011	996	853	565	1,375	2,818	1,420	8
343	410	335	412	521	498	359	327	446	368	364	308	397	9
1,409	961	715	597	573	446	652	669	408	197	1,011	2,510	1,023	10
-2	1	1	1				(*)				(*)		11
-294	59	101	158	-100	26	30	-28	8	-41	104	34	48	12
4	-1	1			2		3		2	(*)	4		13
													14
					1		1		(*)		1		15
4		1			1		2		2	(*)	3		16
													17
													18
													19
													20
	1												21
													22
-220	40	115	49	13	30	29	-28	10	-23	92	-6	8	23
													24
-78	21	-15	110	-113	-5	1	-3	-2	-20	12	37	40	25
													26
343	410	335	412	521	498	359	327	446	368	364	308	397	27
507	374	343	314	317	313	342	613	291	239	383	1,514	347	28
2,739	2,700	3,561	6,552	1,832	1,969	2,893	3,011	6,030	2,794	2,963	3,936	5,472	29
562	246	321	371	446	772	93	369	230	118	636	477	674	30
44	355	27	11	15	5	8	3	3	10	15	685	37	31
224	505	234	420	410	288	224	392	266	377	263	321	213	32
4		1			2		3		2	(*)	4		33
-78	21	-15	110	-113	-5	1	-3	-2	-20	12	37	40	34
													35
3,326	3,141	3,628	6,678	2,154	2,545	2,719	3,339	5,813	2,404	3,249	5,853	5,948	36
1,261	1,011	1,570	4,405	814	1,299	796	1,380	4,058	711	1,107	1,782	3,867	37
1,007	1,245	919	1,118	767	872	1,002	1,248	1,228	1,023	1,109	1,230	1,288	38
729	657	971	1,100	324	320	828	453	345	616	634	767	633	39
67	34	295	27	2	29	476	11	6	4	317	1	10	40
662	623	676	1,074	322	291	352	442	339	612	317	766	622	41
282	157	54	3	179	24	61	241	141	41	285	1,949	152	42
49	111	126	89	71	32	49	19	46	17	131	128	16	43
													44
													45
1	40	12	37		2	17	3	5	4	17	3	8	46
	1								(*)				47
1,019	1,468	1,179	1,511	1,273	1,294	1,200	1,376	1,450	1,423	1,387	1,428	1,434	48
1,329	860	1,266	810	1,071	573	1,118	1,111	994	566	1,452	2,672	1,505	B1
1,329	860	1,266	810	1,071	573	1,118	1,111	994	566	1,452	2,672	1,505	2
174	25	124	189	99	13	173	316	47	39	161	1,401	88	3
715	385	587	225	486	251	553	373	509	254	569	370	847	4
384	266	498	95	366	270	262	322	340	219	635	501	441	5
48	49	49	30	65	37	75	42	91	52	87	331	125	6
8	136	8	271	56	2	56	59	6	2	(*)	69	5	7
							(*)						8
-430	-899	-185	-311	-601	-1,154	-205	-349	-597	365	464	-95	-694	C1
-425	-890	-177	-315	-599	-1,155	-203	-348	-602	363	450	-99	-711	2
2,107	2,171	2,444	3,772	1,238	1,872	1,747	2,276	2,649	2,190	2,695	2,491	3,062	3
174	73	296	91	224	88	261	162	204	91	254	367	346	4
-241	-106		1,682	-806	-289	-817		607	-400	-793	1	997	5
729	657	971	1,100	324	320	828	453	345	616	634	767	633	6
67	34	295	27	2	29	476	11	6	4	317	1	10	7
662	623	676	1,074	322	291	352	442	339	612	317	766	622	8
3,328	3,751	3,296	3,415	2,741	3,548	3,334	2,916	2,785	2,751	3,418	2,989	3,063	9
													10
-5	-10	-7	4	-2	1	-2	-1	5	2	14	4	17	11
													12
	-3	-5	1		2	-2	(*)	3	2	5	1	17	13
-5	-7	-2	2	-2	-1	-1	(*)	2		9	3		14
													15

Table 6a. Direct Investment: Income, Capital, Royalties and (Millions)

Table with columns: Line, (Credits +; debits -), 1999, 2000, 2001, 2002, Not seasonally adjusted (1999, 2000, 2001, 2002), and 1, II, III, IV for each year.

See footnotes on pages 112-113.









Table 6b. Direct Investment: Income, Capital, Royalties and  
(Millions)

Line	(Credits +; debits -)	1997	1998	1999	Not seasonally adjusted			
					1998			
					I	II	III	IV
<b>U.S. direct investment abroad:</b>								
1	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 14)	115,323	103,963	131,626	27,734	27,606	23,108	25,515
2	Earnings	113,208	100,905	126,785	27,092	26,863	22,300	24,650
3	Distributed earnings	55,196	56,742	62,536	11,353	10,997	12,013	22,379
4	Reinvested earnings	58,012	44,162	64,249	15,738	15,866	10,287	2,271
5	Interest <sup>1</sup>	2,115	3,060	4,841	643	743	809	865
6	U.S. parents' receipts	4,866	5,658	8,078	1,280	1,379	1,465	1,534
7	U.S. parents' payments	-2,751	-2,599	-3,237	-637	-636	-657	-669
8	Less: Current-cost adjustment	9,034	11,640	15,543	2,625	2,809	3,005	3,201
9	Less: Withholding taxes	1,495	1,648	1,735	274	270	398	706
10	Equals: Income without current-cost adjustment, after deduction of withholding taxes <sup>2</sup>	104,794	90,675	114,348	24,835	24,527	19,705	21,608
11	Petroleum	12,507	7,228	10,340	2,544	2,279	1,799	608
12	Manufacturing	38,468	29,682	34,875	8,234	8,422	6,163	6,863
13	Other	53,817	53,766	69,134	14,057	13,828	11,744	14,137
14	Capital with current-cost adjustment (table 1, line 51)	-104,803	-142,644	-224,934	-45,257	-46,885	-22,958	-27,544
15	Equity capital	-40,792	-72,447	-98,929	-23,074	-16,093	-15,497	-17,783
16	Increases in equity capital <sup>3</sup>	-63,516	-96,817	-142,258	-27,851	-21,372	-21,366	-26,228
17	Decreases in equity capital <sup>4</sup>	22,724	24,370	43,329	4,777	5,279	5,869	8,445
18	Reinvested earnings	-58,012	-44,162	-64,249	-15,738	-15,866	-10,287	-2,271
19	Intercompany debt	-5,999	-26,035	-61,756	-6,445	-14,926	2,826	-7,490
20	U.S. parents' receivables	-16,995	-43,289	-82,389	-6,572	-15,421	-3,948	-17,348
21	U.S. parents' payables	10,995	17,255	20,633	127	495	6,774	9,859
22	Less: Current-cost adjustment (line 8 with sign reversed)	-9,034	-11,640	-15,543	-2,625	-2,809	-3,005	-3,201
23	Equals: Capital without current-cost adjustment <sup>2</sup>	-95,769	-131,004	-209,391	-42,632	-44,076	-19,953	-24,343
24	Equity capital (line 15)	-40,792	-72,447	-98,929	-23,074	-16,093	-15,497	-17,783
25	Petroleum	-4,904	-7,320	-4,200	-3,084	-2,042	-462	-1,732
26	Manufacturing	-7,570	-15,403	-17,780	-3,540	-3,392	-6,137	-2,334
27	Other	-28,318	-49,725	-76,950	-16,450	-10,659	-8,899	-13,717
28	Reinvested earnings without current-cost adjustment (line 18 less line 22)	-48,978	-32,522	-48,706	-13,113	-13,057	-7,282	930
29	Petroleum	-4,194	-512	-1,230	-1,061	-450	1,718	
30	Manufacturing	-18,590	-10,091	-14,942	-4,620	-3,968	-1,589	86
31	Other	-26,196	-21,919	-32,537	-7,775	-8,028	-5,242	-874
32	Intercompany debt (line 19)	-5,999	-26,035	-61,756	-6,445	-14,926	2,826	-7,490
33	Petroleum	-2,456	339	209	-788	1,090	1,090	-172
34	Manufacturing	-2,167	2,371	8,098	-969	1,570	1,243	527
35	Other	-1,376	-28,745	-47,516	-4,687	-16,706	492	-7,844
36	Royalties and license fees, before deduction of withholding taxes, net	21,712	22,580	25,265	5,309	5,499	5,340	6,432
37	U.S. parents' receipts (table 1, part of line 9)	23,091	24,362	27,575	5,710	5,887	5,835	6,930
38	U.S. parents' payments (table 1, part of line 26)	-1,379	-1,782	-2,310	-401	-388	-495	-498
39	Other private services, before deduction of withholding taxes, net	8,277	7,720	6,742	2,221	1,957	1,737	1,805
40	U.S. parents' receipts (table 1, part of line 10)	17,288	18,135	22,222	4,406	4,496	4,301	4,932
41	U.S. parents' payments (table 1, part of line 27)	-9,012	-10,415	-15,480	-2,185	-2,539	-2,563	-3,128
<b>Foreign direct investment in the United States:</b>								
42	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 31)	-42,950	-38,418	-53,437	-8,786	-10,730	-9,193	-9,709
43	Earnings	-33,770	-28,055	-38,034	-6,399	-8,189	-6,601	-6,866
44	Distributed earnings	-18,801	-25,214	-33,906	-4,582	-5,107	-4,851	-10,674
45	Reinvested earnings	-14,968	-2,842	-4,128	-1,817	-3,082	-1,750	3,807
46	Interest <sup>1</sup>	-9,182	-10,362	-15,403	-2,387	-2,541	-2,592	-2,842
47	U.S. affiliates' payments	-10,984	-12,188	-17,043	-2,741	-2,994	-3,023	-3,430
48	U.S. affiliates' receipts	1,802	1,825	1,639	354	453	431	587
49	Less: Current-cost adjustment	-2,204	-4,611	-6,068	-936	-1,093	-1,233	-1,349
50	Less: Withholding taxes	-802	-1,404	-985	-146	-145	-248	-865
51	Equals: Income without current-cost adjustment, after deduction of withholding taxes <sup>2</sup>	-39,944	-32,403	-46,384	-7,704	-9,492	-7,712	-7,495
52	Petroleum	-4,138	-1,443	-4,511	-426	-383	-500	-134
53	Manufacturing	-17,029	-19,319	-24,673	-4,573	-5,601	-3,793	-5,352
54	Other	-18,778	-11,640	-17,199	-2,705	-3,507	-3,419	-2,009
55	Capital with current-cost adjustment (table 1, line 64)	105,603	179,045	289,444	20,060	21,047	25,124	112,814
56	Equity capital	59,499	147,091	221,562	13,921	11,954	16,945	104,271
57	Increases in equity capital <sup>3</sup>	71,213	185,217	254,783	17,617	15,333	29,255	123,012
58	Decreases in equity capital <sup>4</sup>	-11,716	-38,126	-33,221	-3,696	-3,379	-12,310	-18,741
59	Reinvested earnings	14,968	2,842	4,128	1,817	3,082	1,750	-3,807
60	Intercompany debt	31,136	29,111	63,754	4,322	6,010	6,429	12,350
61	U.S. affiliates' payables	36,688	43,964	66,465	3,209	5,300	7,034	28,421
62	U.S. affiliates' receivables	-5,553	-14,853	-2,712	1,113	710	-605	-16,071
63	Less: Current-cost adjustment (line 49 with sign reversed)	2,204	4,611	6,068	936	1,093	1,233	1,349
64	Equals: Capital without current-cost adjustment <sup>2</sup>	103,399	174,434	283,376	19,124	19,954	23,891	111,465
65	Equity capital (line 56)	59,499	147,091	221,562	13,921	11,954	16,945	104,271
66	Petroleum	746	57,337	218	-215	-186	-1,549	59,287
67	Manufacturing	19,208	59,666	44,536	3,478	5,041	16,556	34,591
68	Other	39,544	30,087	176,808	10,658	7,099	1,938	10,392
69	Reinvested earnings without current-cost adjustment (line 59 less line 63)	12,764	-1,769	-1,940	881	1,989	517	-5,156
70	Petroleum	1,416	-661	2,644	-269	-36	48	-404
71	Manufacturing	5,193	545	-4,453	1,208	1,949	556	-3,168
72	Other	6,155	-1,654	-130	-58	76	-87	-1,585
73	Intercompany debt (line 60)	31,136	29,111	63,754	4,322	6,010	6,429	12,350
74	Petroleum	1,079	2,247	1,917	2,211	-28	1,322	-1,258
75	Manufacturing	11,195	23,196	29,768	7,014	2,388	4,702	9,092
76	Other	18,861	3,670	32,071	-4,902	3,651	405	4,516
77	Royalties and license fees, before deduction of withholding taxes, net	-3,995	-4,814	-6,364	-1,045	-1,273	-1,290	-1,206
78	U.S. affiliates' payments (table 1, part of line 26)	-5,370	-6,765	-8,064	-1,405	-1,620	-1,656	-2,084
79	U.S. affiliates' receipts (table 1, part of line 9)	1,374	1,951	1,700	360	347	366	878
80	Other private services, before deduction of withholding taxes, net	1,207	1,018	276	296	93	419	210
81	U.S. affiliates' payments (table 1, part of line 27)	-8,613	-9,022	-10,310	-1,919	-2,243	-2,356	-2,504
82	U.S. affiliates' receipts (table 1, part of line 10)	9,819	10,041	10,587	2,216	2,336	2,775	2,714

See footnotes on pages 112-113.



Table 7a. Transactions in (Millions)

Table with 10 columns (Line, 1998, 1999, 2000, 2001, 2002, 1998 I, 1998 II, 1998 III, 1998 IV) and multiple rows detailing foreign securities, stocks, bonds, and U.S. Treasury securities transactions.

See footnotes on pages 112-113.



Table 7b. Securities  
[Millions]

Line	(Credits +, debits -)	1998	1999	2000	2001	2002	Not seasonally adjusted			
							1998			
							I	II	III	IV
A1	<b>Foreign securities, net U.S. purchases (-), (table 1, line 52 or lines 2 + 13 below)</b>	<b>-124,204</b>	<b>-116,236</b>	<b>-121,908</b>	<b>-84,637</b>	<b>15,801</b>	<b>-17,951</b>	<b>-41,461</b>	<b>9,283</b>	<b>-74,075</b>
2	<b>Stocks, net U.S. purchases</b>	<b>-101,362</b>	<b>-114,311</b>	<b>-106,714</b>	<b>-109,102</b>	<b>-17,677</b>	<b>-6,902</b>	<b>-13,185</b>	<b>1,256</b>	<b>-82,531</b>
3	New issues in the United States	-11,608	-8,772	-15,526	-4,583	-3,429	-1,144	-4,856	-2,707	-2,901
4	Of which: Western Europe	-3,949	(D)	-2,924	(D)	(D)	-138	-1,963	-1,679	-169
5	Canada	-531	(D)	-1,665	(D)	(D)	-48	-109	-374	
6	Latin America	-174	(D)	-1,477	(D)	(D)		-174		
7	Transactions in outstanding stocks, net	-89,754	-105,539	-91,188	-104,519	-14,248	-5,758	-8,329	3,963	-79,630
8	Western Europe	-70,514	-43,656	-57,809	-51,460	-12,284	339	285	8,587	-79,725
9	Of which: United Kingdom	-44,483	-45,251	-43,464	-27,389	-14,577	104	5,701	2,836	-53,124
10	Canada	3,779	-2,441	-17,996	-4,986	4,489	-102	283	2,536	1,062
11	Japan	-1,538	-46,027	16,820	-19,822	-921	-2,671	2,744	357	-1,968
12	Other	-21,481	-13,415	-32,203	-28,251	-5,532	-3,324	-11,641	-7,517	1,001
13	<b>Bonds, net U.S. purchases</b>	<b>-22,842</b>	<b>-1,925</b>	<b>-15,194</b>	<b>24,465</b>	<b>33,478</b>	<b>-11,049</b>	<b>-28,276</b>	<b>8,027</b>	<b>8,456</b>
14	New issues in the United States	-58,295	-34,775	-54,273	-39,511	-20,777	-13,658	-24,270	-10,702	-9,665
	By issuer:									
15	Central governments and their agencies and corporations	-8,701	-11,439	-15,548	(D)	-9,294	-300	-7,142	-984	-275
16	Other governments and their agencies and corporations <sup>1</sup>	-2,764	-1,450	-1,595	(D)	(D)		-1,971	-500	-293
17	Private corporations	-46,420	-21,886	-36,899	-23,969	-9,751	-13,358	-15,157	-9,218	-8,687
18	International financial institutions <sup>2</sup>	-410		-231	(D)	(D)				-410
	By area:									
19	Western Europe	-17,474	-8,797	-26,745	(D)	(D)	-6,196	-5,756	-3,907	-1,615
20	Canada	-9,940	-4,794	-2,662	-9,108	(D)	-775	-2,335	-3,141	-3,689
21	Japan	-2,271	-50	-2,000	(D)		-2,271			
22	Latin America	-13,011	-12,834	-17,894	-14,286	-6,001	-1,999	-5,965	-2,466	-2,581
23	Other countries	-14,984	-8,300	-4,972	-10,547	(D)	-2,217	-10,209	-1,188	-1,370
24	International financial institutions <sup>2</sup>	-615			(D)		-200	-5		-410
25	Redemptions of U.S.-held foreign bonds <sup>3</sup>	17,522	18,532	20,886	33,441	35,326	3,102	5,580	4,605	4,235
26	Western Europe	3,682	4,151	3,561	9,774	10,487	1,065	886	1,057	674
27	Canada	3,135	4,273	6,927	6,240	7,985	890	1,018	590	637
28	Other countries	9,974	7,565	8,757	13,929	14,925	1,047	3,532	2,731	2,664
29	International financial institutions <sup>2</sup>	731	2,543	1,641	3,498	1,929	100	144	227	260
30	Other transactions in outstanding bonds, net <sup>3</sup>	17,931	14,318	18,193	30,535	18,929	-493	-9,586	14,124	13,886
31	Western Europe	-1,373	2,568	-14,501	-1,461	14,062	-755	-11,478	157	10,703
32	Of which: United Kingdom	-4,195	3,658	-22,342	-11,888	11,488	-1,153	-8,992	-3,047	8,997
33	Canada	1,632	333	649	4,000	-2,684	-3	-790	3,768	-1,343
34	Japan	3,241	2,222	5,608	147	-8,687	-2,836	-2,857	3,158	5,776
35	Other	14,431	9,195	26,437	27,849	16,238	3,101	5,539	7,041	-1,250
B1	<b>U.S. securities, excluding Treasury securities and transactions of foreign official agencies, net foreign purchases (+), (table 1, line 86 or lines 2 + 10 below)</b>	<b>156,315</b>	<b>298,834</b>	<b>455,318</b>	<b>406,633</b>	<b>291,492</b>	<b>63,237</b>	<b>56,146</b>	<b>6,628</b>	<b>30,304</b>
2	<b>Stocks, net foreign purchases</b>	<b>45,647</b>	<b>112,917</b>	<b>192,492</b>	<b>119,455</b>	<b>55,183</b>	<b>30,695</b>	<b>13,127</b>	<b>-6,618</b>	<b>8,443</b>
	By area:									
3	Western Europe	62,194	91,931	181,271	86,671	31,507	27,390	20,436	11,865	2,503
4	Of which: Germany	9,067	13,371	31,605	8,282	3,640	1,912	3,290	225	
5	Switzerland	4,836	5,384	11,736	3,335	2,444	3,730	4,049	-195	-2,748
6	United Kingdom	21,776	40,587	71,780	37,326	14,375	10,686	3,878	3,183	4,029
7	Canada	-5,634	11,679	7,704	11,707	12,130	-175	-1,971	-889	-2,599
8	Japan	-1,680	5,119	1,898	6,604	12,214	-3,212	-87	530	1,089
9	Other	-9,233	4,188	1,619	14,473	-668	6,692	-5,251	-18,124	7,450
10	<b>Corporate and other bonds, net foreign purchases</b>	<b>110,668</b>	<b>185,917</b>	<b>262,826</b>	<b>287,178</b>	<b>236,309</b>	<b>32,542</b>	<b>43,019</b>	<b>13,246</b>	<b>21,861</b>
	By type:									
11	New issues sold abroad by U.S. corporations	53,977	41,843	64,965	63,113	57,786	15,629	15,664	13,314	9,170
12	U.S. federally sponsored agency bonds, net	4,721	43,097	96,423	85,161	76,323	9,596	6,853	-6,673	-5,055
13	Other outstanding bonds, net	51,970	100,977	101,438	138,904	102,200	7,117	20,502	6,605	17,746
	By area:									
14	Western Europe	92,124	105,958	146,728	180,545	109,650	16,732	28,102	19,401	27,889
15	Of which: Germany	4,431	6,502	2,656	7,940	3,039	860	1,720	1,134	717
16	Switzerland	3,564	4,178	2,736	3,993	5,677	368	1,793	1,285	118
17	United Kingdom	71,956	82,134	123,443	159,457	87,053	13,221	21,329	14,394	23,012
18	Canada	5,541	4,183	10,375	516	-3,471	1,793	1,456	1,455	837
19	Japan	-1,361	12,082	36,869	18,060	37,016	-1,626	1,679	-3,468	2,054
20	Other countries	14,117	63,244	69,043	88,189	93,291	15,617	11,530	-4,031	-8,999
21	International financial institutions <sup>2</sup>	247	450	-189	-132	-177	26	252	-111	80
	<b>Memoranda:</b>									
	Other foreign transactions in marketable, long-term U.S. securities included elsewhere in international transactions accounts:									
	Foreign official assets in the United States (lines in table 9):									
1	U.S. Treasury marketable bonds (line A4)	4,123	-9,861	-6,302	9,974	15,131	6,186	-1,426	-26,755	26,118
2	Other U.S. Government securities (line A6)	6,332	20,350	40,909	20,920	30,377	2,610	254	1,906	1,562
3	U.S. corporate and other bonds (part of line A14)	202	1,543	2,019	3,762	5,593	97	802	-608	-89
4	U.S. stocks (part of line A14)	-3,689	-628	1,108	1,964	-1,985	-1,053	30	-1,886	-780
5	Other foreign transactions in U.S. Treasury bonds and notes (table 9, line B4)	24,202	-24,679	-72,286	-16,239	81,477	167	25,168	-2,651	1,518

See footnotes on pages 112-113.



**Table 8a. Claims on and Liabilities to Unaffiliated Foreigners**  
[Millions]

Line	(Credits +; decrease in U.S. assets or increase in U.S. liabilities. Debits -; increase in U.S. assets or decrease in U.S. liabilities.)	1998	1999	2000	2001	2002	Not seasonally adjusted			
							1998			
							I	II	III	IV
A1	<b>Claims, total (table 1, line 53)</b> .....	<b>-38,204</b>	<b>-97,704</b>	<b>-138,790</b>	<b>-4,997</b>	<b>-31,880</b>	<b>-7,822</b>	<b>-20,363</b>	<b>-15,658</b>	<b>5,639</b>
2	<b>Financial claims</b> .....	<b>-38,179</b>	<b>-92,477</b>	<b>-138,110</b>	<b>-10,264</b>	<b>-32,513</b>	<b>-8,290</b>	<b>-20,221</b>	<b>-15,793</b>	<b>6,125</b>
3	Denominated in U.S. dollars.....	-35,161	-76,847	-119,344	-16,238	-25,016	-2,590	-17,264	-11,505	-3,802
4	Denominated in foreign currencies.....	-3,018	-15,630	-18,766	5,974	-7,497	-5,700	-2,957	-4,288	9,927
	By instrument: <sup>3</sup>									
5	Resale agreements.....									
6	Negotiable certificates of deposit.....									
7	Other short-term instruments (including money market instruments).....									
8	Deposits.....	-6,779	-41,239	-133,093	-21,668	-31,630	18,595	-18,653	-24,384	17,663
9	Other claims.....	-31,400	-51,238	-5,017	11,424	-883	-26,885	-1,568	8,591	-11,538
10	Of which: Financial intermediaries' accounts <sup>4</sup> .....	-30,558	-46,767	-4,355	14,968	-1,937	-25,696	-1,705	7,450	-10,607
	By area:									
11	Europe.....	-28,754	-68,115	-47,832	-25,073	-22,421	-14,279	-17,507	-4,499	7,531
	Of which:									
12	United Kingdom.....	-3,093	-43,910	-25,104	-18,334	-13,940	-12,421	-6,994	-305	16,627
13	Germany.....	-9,334	-10,494	-16,814	-16,645	-451	7,703	-4,107	-4,080	-8,850
14	Caribbean financial centers <sup>5</sup> .....	-13,417	-11,897	-83,241	21,434	-10,357	5,623	-1,959	-14,490	-2,591
15	Other.....	3,992	-12,465	-7,037	-6,625	265	366	-755	3,196	1,185
16	<b>Commercial claims</b> .....	<b>-25</b>	<b>-5,227</b>	<b>-680</b>	<b>5,267</b>	<b>633</b>	<b>468</b>	<b>-142</b>	<b>135</b>	<b>-486</b>
17	Denominated in U.S. dollars.....	-258	-4,650	838	3,943	2,925	86	-374	808	-778
18	Denominated in foreign currencies.....	233	-577	-1,518	1,324	-2,292	382	232	-673	292
	By instrument:									
19	Trade receivables.....	334	-5,427	-475	5,518	1,133	648	124	434	-872
20	Advance payments and other claims.....	-359	200	-205	-251	-500	-180	-266	-299	386
	By area:									
21	Europe.....	-1,124	-3,140	447	1,906	-190	-729	-28	-579	212
22	Canada.....	51	-132	-737	655	69	-220	105	490	-324
23	Asia.....	1,521	-1,973	-477	1,787	515	1,075	271	143	32
24	Other.....	-473	18	87	919	239	342	-490	81	-406
B1	<b>Liabilities, total (table 1, line 68)</b> .....	<b>23,140</b>	<b>76,247</b>	<b>170,672</b>	<b>67,489</b>	<b>72,142</b>	<b>39,833</b>	<b>30,722</b>	<b>14,976</b>	<b>-62,391</b>
2	<b>Financial liabilities</b> .....	<b>27,147</b>	<b>77,910</b>	<b>158,472</b>	<b>59,451</b>	<b>67,193</b>	<b>40,366</b>	<b>29,854</b>	<b>14,940</b>	<b>-58,013</b>
3	Denominated in U.S. dollars.....	41,324	84,782	139,158	57,801	50,829	40,003	16,104	13,462	-28,245
4	Denominated in foreign currencies.....	-14,177	-6,872	19,314	1,650	16,364	363	13,750	1,478	-29,768
	By instrument: <sup>3</sup>									
5	Repurchase agreements.....									
6	Short-term instruments.....									
7	Other liabilities.....	27,147	77,910	158,472	59,451	67,193	40,366	29,854	14,940	-58,013
8	Of which: Financial intermediaries' accounts <sup>4</sup> .....	12,994	76,164	43,683	-27,624	6,954	19,523	7,552	8,887	-22,968
	By area:									
9	Europe.....	18,016	96,403	113,007	40,018	40,526	32,765	28,708	7,726	-51,183
	Of which:									
10	United Kingdom.....	23,292	59,531	67,114	17,108	28,327	29,684	29,173	11,916	-47,481
11	Germany.....	6,828	7,140	17,516	18,184	4,248	-999	5,329	582	1,916
12	Caribbean financial centers <sup>5</sup> .....	12,492	-21,773	38,622	26,955	30,191	7,615	1,343	8,839	-5,305
13	Other.....	-3,361	3,280	6,843	-7,522	-3,524	-14	-197	-1,625	-1,525
14	<b>Commercial liabilities</b> .....	<b>-4,007</b>	<b>-1,663</b>	<b>12,200</b>	<b>8,038</b>	<b>4,949</b>	<b>-533</b>	<b>868</b>	<b>36</b>	<b>-4,378</b>
15	Denominated in U.S. dollars.....	-3,433	-1,984	10,735	9,350	4,578	-241	1,094	-243	-4,043
16	Denominated in foreign currencies.....	-574	321	1,465	-1,312	371	-292	-226	279	-335
	By instrument:									
17	Trade payables.....	74	1,879	1,436	-2,473	2,519	-797	-570	739	702
18	Advance receipts and other liabilities.....	-4,081	-3,542	10,764	10,511	2,430	264	1,438	-703	-5,080
	By area:									
19	Europe.....	169	1,717	3,689	3,664	-5,778	285	1,346	-5	-1,457
20	Canada.....	-233	-377	6,327	3,755	3,220	-321	71	1,269	-1,252
21	Asia.....	-2,977	-2,715	2,070	306	6,256	-279	-1,067	-648	-983
22	Other.....	-966	-288	114	313	1,251	-218	518	-580	-686

See footnotes on pages 112-113.



Reported by U.S. Nonbanking Concerns Except Securities Brokers <sup>1</sup>

of dollars]

Not seasonally adjusted																	Amounts outstanding March 31, 2003	Line
1999				2000				2001				2002				2003		
I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	1 <sup>2</sup>		
-47,211	-27,021	-13,663	-9,809	-79,800	-25,287	-14,121	-19,582	-43,929	-7,404	-101	46,437	-1,886	-16,210	-11,862	-1,922	3,134	594,584	A1
-47,578	-25,934	-11,903	-7,062	-79,772	-25,329	-14,051	-18,958	-47,608	-5,277	-1,621	44,242	-3,374	-17,772	-12,622	1,255	3,134	563,335	2
-40,271	-24,051	-8,931	-3,594	-70,373	-26,616	-3,795	-18,560	-35,353	-5,548	-9,577	34,240	1,969	-22,847	-4,279	141	3,134	450,642	3
-7,307	-1,883	-2,972	-3,468	-9,399	1,287	-10,256	-398	-12,255	271	7,956	10,002	-5,343	5,075	-8,343	1,114		112,693	4
																		5
																		6
																		7
-14,734	-19,266	-13,473	6,234	-52,601	-31,907	241	-48,826	-38,796	22,335	-28,255	23,028	6,170	-6,716	-25,191	-5,893	9,334	457,293	8
-32,844	-6,668	1,570	-13,296	-27,171	6,578	-14,292	29,868	-8,812	-27,612	26,634	21,214	-9,544	-11,056	12,569	7,148	-6,200	106,042	9
-32,467	-6,129	2,720	-10,891	-27,078	7,537	-15,683	30,869	-4,731	-27,943	24,191	23,451	-10,280	-11,435	13,487	6,291	-6,200	90,406	10
																		11
-59,768	-11,923	16,359	-12,783	-38,253	-6,374	-24,828	21,623	-47,933	-22,228	803	44,285	-30,744	5,643	-15,962	18,642		320,176	11
-35,938	-12,795	15,220	-10,397	-24,466	-7,854	-7,983	15,199	-35,592	-21,247	9,045	29,460	-25,234	12,904	-19,476	17,866		150,403	12
453	1,810	-7,838	-4,919	-2,953	-2,977	-5,099	-5,785	-6,470	-9,184	-11,759	10,768	1,837	-1,147	-1,810	669		84,619	13
10,668	-12,380	-23,118	12,933	-45,055	-12,799	18,559	-43,946	3,659	18,597	-6,188	5,366	27,986	-24,994	2,687	-16,036	10,624	205,421	14
1,522	-1,631	-5,144	-7,212	3,536	-6,156	-7,782	3,365	-3,334	-1,646	3,764	-5,409	-616	1,579	653	-1,351	-7,490	37,738	15
367	-1,087	-1,760	-2,747	-28	42	-70	-624	3,679	-2,127	1,520	2,195	1,488	1,562	760	-3,177		31,249	16
107	-1,100	-926	-2,731	1,003	-1,323	200	958	3,132	-2,205	1,152	1,864	2,831	1,731	149	-1,786		26,553	17
260	13	-834	-76	-1,031	1,365	-270	-1,582	547	78	368	331	-1,343	-169	611	-1,391		4,696	18
																		19
478	-1,067	-1,606	-3,232	1,186	160	-247	-1,574	4,146	-1,673	1,303	1,742	1,968	1,355	772	-2,962		26,453	19
-111	-20	-154	485	-1,214	-118	177	950	-467	-454	217	453	-480	207	-12	-215		4,796	20
																		21
457	-169	-1,406	-2,022	271	179	-551	548	2,167	-717	102	354	1,326	847	-137	-2,226		14,266	21
-364	130	219	-117	-329	-160	299	-547	112	-76	356	263	97	10	131	-169		2,798	22
89	-588	-925	-549	64	-71	186	-656	657	-524	802	852	340	206	531	-562		7,340	23
185	-460	352	-59	-34	94	-4	31	743	-810	260	726	-275	499	235	-220		6,885	24
51,307	16,928	-8,777	16,789	72,433	28,796	16,914	52,529	111,565	752	-22,623	-22,205	46,771	24,610	-8,102	8,863	32,636	486,949	B1
54,458	17,078	-8,771	15,145	72,351	26,815	14,408	44,898	105,887	258	-26,251	-20,443	41,686	21,655	-8,079	11,931	32,636	459,206	2
49,831	22,779	-8,541	20,713	66,796	23,325	12,921	36,116	90,302	13,085	-21,397	-24,189	35,645	11,109	-1,752	5,827	32,636	380,434	3
4,627	-5,701	-230	-5,568	5,555	3,490	1,487	8,782	15,585	-12,827	-4,854	3,746	6,041	10,546	-6,327	6,104		78,772	4
																		5
																		6
54,458	17,078	-8,771	15,145	72,351	26,815	14,408	44,898	105,887	258	-26,251	-20,443	41,686	21,655	-8,079	11,931	32,636	459,206	7
43,549	10,284	3,464	18,867	46,745	-19,417	6,596	9,759	14,020	9,866	-17,491	-34,019	24,586	3,543	-26,299	5,124	4,201	131,302	8
																		9
48,065	27,584	-3,670	24,424	71,680	640	12,069	28,618	92,158	-5,353	-16,884	-29,903	39,712	10,738	-26,981	17,057		322,990	9
34,991	13,159	-5,027	16,408	46,547	-250	9,950	10,867	77,596	-9,221	-15,332	-35,935	18,983	7,446	-8,168	10,066		185,437	10
-2,066	3,960	1,922	3,324	2,612	1,831	1,959	11,114	11,023	1,874	2,125	3,162	8,812	-538	-3,791	-235		63,095	11
3,562	-12,344	-2,477	-10,514	-3,001	20,873	3,207	17,543	16,960	6,267	-4,925	8,653	2,154	11,599	18,429	-1,991	-1,139	107,182	12
2,831	1,838	-2,624	1,235	3,672	5,302	-868	-1,263	-3,231	-656	-4,442	807	-180	-682	473	-3,135	33,775	29,034	13
-3,151	-150	-6	1,644	82	1,981	2,506	7,631	5,678	494	3,628	-1,762	5,085	2,955	-23	-3,068		27,743	14
-3,532	-201	-46	1,795	-128	2,125	2,452	6,286	5,957	975	3,579	-1,161	4,810	3,119	285	-3,636		25,883	15
381	51	40	-151	210	-144	54	1,345	-279	-481	49	-601	275	-164	-308	568		1,860	16
																		17
-979	936	1,716	206	-456	1,363	154	375	-1,812	646	-1,387	80	3,052	-913	-401	781		14,339	17
-2,172	-1,086	-1,722	1,438	538	618	2,352	7,256	7,490	-152	5,015	-1,842	2,033	3,868	378	-3,849		13,404	18
																		19
-624	154	-463	2,650	-387	-1,443	556	4,963	2,344	987	-710	1,043	686	269	-3,159	-3,574		8,298	19
-513	47	243	-154	229	2,157	1,319	2,622	3,001	-754	3,113	-1,605	375	1,822	1,296	-273		1,384	20
-1,852	-504	351	-710	53	1,533	415	69	644	-99	749	-988	2,716	1,312	1,411	817		13,126	21
-162	153	-137	-142	187	-266	216	-23	-311	360	476	-212	1,308	-448	429	-38		4,935	22

**Table 8b. Claims on and Liabilities to Unaffiliated**  
 (Millions)

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.)	1998	1999	2000	2001	2002	Not seasonally adjusted			
							1998			
							I	II	III	IV
<b>A1</b>	<b>Claims, total (table 1, line 53)</b>	<b>-38,204</b>	<b>-97,704</b>	<b>-138,790</b>	<b>-4,997</b>	<b>-31,880</b>	<b>-7,822</b>	<b>-20,363</b>	<b>-15,658</b>	<b>5,639</b>
2	Financial claims	-38,179	-92,477	-138,110	-10,264	-32,513	-8,290	-20,221	-15,793	6,125
3	<i>Denominated in U.S. dollars</i>	-35,161	-76,847	-119,344	-16,238	-25,016	-2,590	-17,264	-11,505	-3,802
4	<i>Denominated in foreign currencies</i>	-3,018	-15,630	-18,766	5,974	-7,497	-5,700	-2,957	-4,288	9,927
5	By type: Deposits <sup>2</sup>	-6,779	-41,239	-133,093	-21,688	-31,630	18,595	-18,653	-24,384	17,663
6	Financial intermediaries' accounts	-30,558	-46,767	-4,355	14,968	-1,937	-25,696	-1,705	7,450	-10,607
7	Other claims <sup>2,3</sup>	-842	-4,471	-662	-3,544	1,054	-1,189	137	1,141	-931
8	By area: Industrial countries <sup>4</sup>	-25,046	-78,495	-50,298	-27,496	-24,676	-11,669	-19,957	-1,748	8,328
9	Of which: United Kingdom	-3,093	-43,910	-25,104	-18,334	-13,940	-12,421	-6,994	-305	16,627
10	Canada	5,030	-5,022	-1,890	2,216	511	166	-1,233	3,484	2,613
11	Caribbean banking centers <sup>5</sup>	-13,484	-11,918	-83,235	22,871	-11,111	5,576	-1,968	-14,476	-2,616
12	Other	351	-2,064	-4,577	-5,639	3,274	-2,197	1,704	431	413
13	Commercial claims	-25	-5,227	-680	5,267	633	468	-142	135	-486
14	<i>Denominated in U.S. dollars</i>	-258	-4,650	838	3,943	2,925	86	-374	808	-778
15	<i>Denominated in foreign currencies</i>	233	-577	-1,518	1,324	-2,292	382	232	-673	292
16	By type: Trade receivables	334	-5,427	-475	5,518	1,133	648	124	434	-872
17	Advance payments and other claims	-359	200	-205	-251	-500	-180	-266	-299	386
18	By area: Industrial countries <sup>4</sup>	-581	-4,006	-876	3,071	-826	-548	56	-112	23
19	Members of OPEC <sup>6</sup>	230	-501	657	440	-9	282	-237	190	-5
20	Other	326	-720	-461	1,756	1,468	734	39	57	-504
<b>B1</b>	<b>Liabilities, total (table 1, line 68)</b>	<b>23,140</b>	<b>76,247</b>	<b>170,672</b>	<b>67,489</b>	<b>72,142</b>	<b>39,833</b>	<b>30,722</b>	<b>14,976</b>	<b>-62,391</b>
2	Financial liabilities	27,147	77,910	158,472	59,451	67,193	40,366	29,854	14,940	-58,013
3	<i>Denominated in U.S. dollars</i>	41,324	84,782	139,158	57,801	50,829	40,003	16,104	13,462	-28,245
4	<i>Denominated in foreign currencies</i>	-14,177	-6,872	19,314	1,650	16,364	363	13,750	1,478	-29,788
5	By type: Financial intermediaries' accounts	12,994	76,164	43,683	-27,624	6,954	19,523	7,552	8,887	-22,968
6	Other liabilities	14,153	1,746	114,789	87,075	60,239	20,843	22,302	6,053	-35,045
7	By area: Industrial countries <sup>4</sup>	15,129	98,134	117,804	35,813	37,599	31,089	27,900	6,965	-50,825
8	Of which: United Kingdom	23,292	59,531	67,114	17,108	28,327	29,684	29,173	11,916	-47,481
9	Caribbean banking centers <sup>5</sup>	12,621	-21,677	36,888	27,832	30,161	7,758	1,380	8,819	-5,336
10	Other	-603	1,453	3,780	-4,194	-567	1,519	574	-844	-1,852
11	Commercial liabilities	-4,007	-1,663	12,200	8,038	4,949	-533	868	36	-4,378
12	<i>Denominated in U.S. dollars</i>	-3,433	-1,984	10,735	9,350	4,578	-241	1,094	-243	-4,043
13	<i>Denominated in foreign currencies</i>	-574	321	1,465	-1,312	371	-292	-226	279	-335
14	By type: Trade payables	74	1,879	1,436	-2,473	2,519	-797	-570	739	702
15	Advance receipts and other liabilities	-4,081	-3,542	10,764	10,511	2,430	264	1,438	-703	-5,080
16	By area: Industrial countries <sup>4</sup>	-1,473	-1,151	10,569	8,289	1,216	-634	820	735	-2,394
17	Members of OPEC <sup>6</sup>	-354	-176	297	-327	1,134	-71	53	391	-727
18	Other	-2,180	-336	1,334	76	2,599	172	-5	-1,090	-1,257

See footnotes on pages 112-113.

Foreigners Reported by U.S. Nonbanking Concerns

of dollars]

Not seasonally adjusted																Line
1999				2000				2001				2002				
I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
-47,211	-27,021	-13,663	-9,809	-79,800	-25,287	-14,121	-19,582	-43,929	-7,404	-101	46,437	-1,886	-16,210	-11,862	-1,922	A1
-47,578	-25,934	-11,903	-7,062	-79,772	-25,329	-14,051	-18,958	-47,608	-5,277	-1,621	44,242	-3,374	-17,772	-12,622	1,255	2
-40,271	-24,051	-8,931	-3,594	-70,373	-26,616	-3,795	-18,560	-35,353	-5,548	-9,577	34,240	1,969	-22,847	-4,279	141	3
-7,307	-1,883	-2,972	-3,468	-9,399	1,287	-10,256	-398	-12,255	271	7,956	10,002	-5,343	5,075	-8,343	1,114	4
-14,734	-19,266	-13,473	6,234	-52,601	-31,907	241	-48,826	-38,796	22,335	-28,255	23,028	6,170	-6,716	-25,191	-5,893	5
-32,467	-6,129	2,720	-10,891	-27,078	7,537	-15,683	30,869	-4,731	-27,943	24,191	23,451	-10,280	-11,435	13,487	6,291	6
-377	-539	-1,150	-2,405	-93	-959	1,391	-1,001	-4,081	331	2,443	-2,237	736	379	-918	857	7
-57,149	-13,329	12,226	-20,243	-33,046	-11,253	-32,339	26,340	-50,168	-20,584	3,531	39,725	-30,690	5,410	-16,327	16,931	8
-35,938	-12,795	15,220	-10,397	-24,466	-7,854	-7,983	15,199	-35,592	-21,247	9,045	29,460	-25,234	12,904	-19,476	17,866	9
-3,480	582	-31	-2,093	944	360	-3,881	687	3,187	386	-3,023	1,666	2,288	1,367	-4,675	1,531	10
10,659	-12,390	-22,622	12,435	-45,057	-12,778	18,552	-43,952	5,371	17,267	-4,285	4,518	27,324	-24,905	3,142	-16,672	11
-1,088	-215	-1,507	746	-1,669	-1,298	-264	-1,346	-2,811	-1,960	-867	-1	-8	1,723	563	996	12
367	-1,087	-1,760	-2,747	-28	42	-70	-624	3,679	-2,127	1,520	2,195	1,488	1,562	760	-3,177	13
107	-1,100	-926	-2,731	1,003	-1,323	200	958	3,132	-2,205	1,152	1,864	2,831	1,731	149	-1,786	14
260	13	-834	-16	-1,031	1,365	-270	-1,582	547	78	368	331	-1,343	-169	611	-1,391	15
478	-1,067	-1,606	-3,232	1,186	160	-247	-1,574	4,146	-1,673	1,303	1,742	1,968	1,355	772	-2,962	16
-111	-20	-154	485	-1,214	-118	177	950	-467	-454	217	453	-480	207	-12	-215	17
47	-139	-1,444	-2,470	-78	287	-356	-729	2,360	-1,395	1,119	987	1,211	789	41	-2,867	18
25	-352	-48	-126	150	109	-37	435	163	-6	64	219	140	-185	51	-15	19
295	-596	-268	-151	-100	-354	323	-330	1,156	-726	337	989	137	958	668	-295	20
51,307	16,928	-8,777	16,789	72,433	28,796	16,914	52,529	111,565	752	-22,623	-22,205	46,771	24,610	-8,102	8,863	B1
54,458	17,078	-8,771	15,145	72,351	26,815	14,408	44,898	105,887	258	-26,251	-20,443	41,686	21,655	-8,079	11,931	2
49,831	22,779	-8,541	20,713	66,796	23,325	12,921	36,116	90,302	13,085	-21,397	-24,189	35,645	11,109	-1,752	5,827	3
4,627	-5,701	-230	-5,568	5,555	3,490	1,487	8,782	15,585	-12,827	-4,854	3,746	6,041	10,546	-6,327	6,104	4
43,549	10,284	3,464	18,867	46,745	-19,417	6,596	9,759	14,020	9,866	-17,491	-34,019	24,586	3,543	-26,299	5,124	5
10,909	6,794	-12,235	-3,722	25,606	46,232	7,812	35,139	91,867	-9,608	-8,760	13,576	17,100	18,112	18,220	6,807	6
49,159	27,390	-4,756	26,341	73,244	2,772	9,864	31,924	92,148	-7,590	-19,470	-29,275	40,338	8,672	-27,111	15,700	7
34,991	13,159	-5,027	16,408	46,547	-250	9,950	10,867	77,596	-9,221	-15,332	-35,935	18,983	7,446	-8,168	10,066	8
3,585	-12,318	-2,451	-10,493	-2,997	19,893	3,006	16,986	16,960	7,643	-4,511	7,740	2,278	11,809	18,467	-2,393	9
1,714	2,006	-1,564	-703	2,104	4,150	1,538	-4,012	-3,221	205	-2,270	1,092	-930	1,174	565	-1,376	10
-3,151	-150	-6	1,644	82	1,981	2,506	7,631	5,678	494	3,628	-1,762	5,085	2,955	-23	-3,068	11
-3,532	-201	-46	1,795	-128	2,125	2,452	6,286	5,957	975	3,579	-1,161	4,810	3,119	285	-3,636	12
381	51	40	-151	210	-144	54	1,345	-279	-481	49	-601	275	-164	-308	568	13
-979	936	1,716	206	-456	1,363	154	375	-1,812	646	-1,387	80	3,052	-913	-401	781	14
-2,172	-1,086	-1,722	1,438	538	618	2,352	7,256	7,490	-152	5,015	-1,842	2,033	3,868	378	-3,849	15
-2,714	383	-751	1,931	-451	588	1,938	8,494	5,121	452	2,747	-31	3,224	3,148	-1,105	-4,051	16
-482	-248	688	-134	-325	1,303	260	-941	563	-334	-18	-538	633	-42	611	-88	17
45	-285	57	-153	858	90	308	78	-6	376	899	-1,193	1,228	-151	471	1,051	18

**Table 9a. Claims on Foreigners Reported by**  
(Millions)

Line	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)	1998	1999	2000	2001	2002	Not seasonally adjusted			
							1998			
							I	II	III	IV
1	<b>Claims reported by U.S. banks and securities brokers, total (table 1, line 54)</b> .....	<b>-35,572</b>	<b>-76,263</b>	<b>-148,657</b>	<b>-134,945</b>	<b>-21,357</b>	<b>-4,797</b>	<b>-28,187</b>	<b>-28,329</b>	<b>25,741</b>
2	<b>Claims for own accounts</b> .....	<b>-18,741</b>	<b>-49,907</b>	<b>-104,207</b>	<b>-146,314</b>	<b>-15,091</b>	<b>15,656</b>	<b>-30,178</b>	<b>-26,390</b>	<b>22,171</b>
3	Denominated in dollars .....	-26,772	-58,144	-111,503	-122,851	-25,257	15,857	-43,979	-29,076	30,426
	By instrument: <sup>2</sup>									
4	Resale agreements .....									
5	Negotiable certificates of deposit .....									
6	Other short-term instruments (including money market instruments) .....									
7	Deposits and brokerage balances .....									
8	Other claims (including loans) .....									
	By foreign borrower:									
	Claims on:									
9	Own foreign offices .....	-52,852	-45,147	-100,454	-86,069	-38,074	24,512	-36,220	-39,935	-1,209
10	Unaffiliated foreign banks .....	3,024	9,020	1,943	-9,251	18,921	1,505	-43	-1,054	2,616
11	Foreign official institutions <sup>3</sup> .....	-2,961	-11,548	-2,818	-11,775	654	-7,535	295	1,160	3,119
12	Other foreigners .....	26,017	-10,469	-10,174	-15,756	-6,758	-2,625	-8,011	10,753	25,900
	By type of U.S. reporting institution: <sup>4</sup>									
	U.S.-owned banks' claims on:									
13	Own foreign offices and unaffiliated foreign banks .....	5,463	-13,528	-33,517	-30,195	22,127	25,791	-18,642	16,376	-18,062
14	Foreign official institutions and other foreigners .....	-5,366	70	4,085	16,413	3,923	2,499	-2,493	5,352	-10,724
	Foreign-owned banks' claims on:									
15	Own foreign offices and unaffiliated foreign banks .....	-51,986	-21,162	-66,485	-63,233	-44,001	8,243	-20,876	-56,029	16,676
16	Foreign official institutions and other foreigners .....	-1,838	-7,175	-6,954	-16,561	1,480	-4,728	-3,915	-4,832	11,637
	Brokers' and dealers' claims on:									
17	Own foreign offices and unaffiliated foreign banks .....	-3,305	-1,437	1,491	-1,892	2,721	-8,017	3,255	-1,336	2,793
18	Foreign official institutions and other foreigners .....	30,260	-14,912	-10,123	-27,383	-11,507	-7,931	-1,308	11,393	28,106
	Denominated in foreign currencies .....	8,031	8,237	7,296	-23,463	10,166	-201	13,801	2,686	-8,255
	By instrument: <sup>2</sup>									
19	Deposits and brokerage balances .....									
20	Other claims (including loans) .....									
21	Deposits and brokerage balances .....									
22	Other claims (including loans) .....									
22	<b>Claims for customers' accounts</b> .....	<b>-16,831</b>	<b>-26,356</b>	<b>-44,450</b>	<b>11,369</b>	<b>-6,266</b>	<b>-20,453</b>	<b>1,991</b>	<b>-1,939</b>	<b>3,570</b>
23	Denominated in dollars .....	-4,305	-32,005	-40,865	4,589	-4,299	-20,718	1,419	-840	15,834
	By instrument: <sup>2</sup>									
24	Commercial paper <sup>5</sup> .....	-8,563	-13,102	-39,645	16,720	-21,554	-12,797	2,005	1,770	459
25	Negotiable certificates of deposit .....									
26	Other short-term instruments (including money market instruments) <sup>6</sup> .....	6,581	-11,247	-7,433	-15,828	-6,324	4,638	-3,100	1,586	3,457
27	Deposits and brokerage balances (including sweep accounts) <sup>7</sup> .....	-6,253	-8,643	6,310	6,784	14,053	-12,296	-602	-3,806	10,451
28	Other claims .....	3,930	967	-97	-3,087	9,526	-263	3,116	-390	1,467
29	Denominated in foreign currencies .....	-12,526	5,649	-3,585	6,780	-1,967	265	572	-1,099	-12,264
	By instrument: <sup>2</sup>									
30	Deposits and brokerage balances .....									
31	Other claims .....									
	<b>Claims, total (line 1), by area:</b>									
32	Europe .....	-48,787	-99,891	-105,125	-62,677	-20,676	-16,765	-24,983	-8,142	1,103
	Of which:									
33	United Kingdom .....	-14,984	-28,586	-52,305	-31,665	-8,034	6,555	-23,122	11,730	-10,147
34	Switzerland .....	-14,486	-27,377	-3,435	-11,145	-31,168	1,186	-2,535	-19,881	6,744
35	Canada .....	-22,068	19,106	-1,941	-19,269	-5,239	-500	718	-15,066	-7,220
36	Caribbean financial centers <sup>8</sup> .....	-13,318	-37,164	-31,444	-47,416	1,933	-14,056	-26,476	-445	27,659
37	Latin America, excluding Caribbean financial centers .....	906	8,220	-3,483	6,066	16,218	-5,205	681	5,497	-67
38	Asia .....	52,704	31,087	-2,432	-14,696	-12,557	34,811	22,016	-6,835	2,712
39	Of which: Japan .....	36,548	21,113	-6,190	-5,574	-11,830	20,937	19,297	-8,229	4,543
40	Africa .....	700	991	268	-162	133	21	1,417	-581	-157
41	Other .....	-5,709	1,388	-4,500	3,209	-1,169	-3,103	-1,560	-2,757	1,711
	<b>Memoranda:</b>									
1	International banking facilities' (IBF's) own claims, denominated in dollars (in lines 1-16 above) .....	39,271	-26,380	-37,869	-25,429	-9,155	24,228	-7,469	6,663	15,849
	By bank ownership: <sup>4</sup>									
2	U.S.-owned IBF's .....	-1,120	-10,682	3,717	-13,474	16,519	174	-2,456	-3,401	4,563
3	Foreign-owned IBF's .....	40,391	-15,698	-41,586	-11,955	-25,674	24,054	-5,013	10,064	11,286

See footnotes on pages 112-113.

U.S. Banks and Securities Brokers <sup>1</sup>

of dollars]

Not seasonally adjusted																	Amounts outstanding March 31, 2003	Line	
1999				2000				2001				2002				2003			
I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	P			
23,037	-36,016	-10,476	-52,808	-68,210	4,491	-1,651	-83,287	-110,566	-3,173	69,577	-90,783	-148	-69,254	52,999	-4,954	-24,392	1,671,928	1	
29,286	-23,505	-14,101	-41,587	-27,389	-26,250	-5,664	-44,904	-103,556	-21,751	40,758	-61,765	-9,115	-52,766	51,730	-4,940	-15,322	1,292,629	2	
35,039	-42,719	-9,843	-40,621	-29,946	-21,020	-11,387	-49,150	-83,001	-16,226	28,920	-52,544	-6,731	-48,238	46,433	-16,721	-7,907	1,211,387	3	
																	-13,308	287,043	4
																	-151	2,621	5
																	-10,708	21,296	6
																	-503	371,168	7
																	16,763	529,259	8
26,950	-21,764	-272	-50,061	-36,525	-8,814	-17,647	-37,468	-42,215	-21,285	24,089	-46,658	-3,653	-39,375	59,834	-54,880	38,255	849,095	9	
12,044	-10,483	2,339	5,120	7,210	1,274	1,914	-8,455	-10,766	10,194	-925	-7,754	4,197	3,347	-2,097	13,474	11,140	23,214	10	
-10,069	-3,078	2,271	-672	-1,075	-4,640	787	2,110	-11,494	-3,075	5,490	-2,696	-6,075	4,228	-10,048	12,549	8,364	51,034	11	
6,114	-7,394	-14,181	4,992	444	-8,840	3,559	-5,337	-18,526	-2,060	266	4,564	-1,200	-16,438	-1,256	12,136	-65,666	288,044	12	
18,779	8,779	-10,811	-30,275	7,354	-23,629	-729	-16,513	-5,922	11,077	-21,531	-13,819	13,944	-5,798	12,004	1,977	30,774	252,489	13	
5,498	-1,512	-1,417	-2,499	1,933	3,170	-467	-551	18,024	4,470	-15,900	9,819	-4,972	3,010	11,134	-5,249	41,169	56,789	14	
15,695	-35,052	14,551	-16,356	-41,313	17,992	-16,529	-26,635	-47,979	-21,426	45,897	-39,725	-13,070	-32,795	49,835	-47,971	30,579	563,432	15	
-5,708	-868	471	-1,070	1,463	-3,244	22	-5,195	-22,849	-5,941	14,189	-1,960	-641	1,936	-7,725	7,910	-42,826	98,614	16	
4,520	-5,974	-1,673	1,690	4,644	-1,903	1,525	-2,775	920	-742	-1,202	-668	-330	2,565	-4,102	4,588	-11,958	56,388	17	
-3,745	-8,092	-10,964	7,889	-4,027	-13,406	4,791	2,519	-25,195	-3,664	7,467	-5,991	-1,662	-17,156	-14,713	22,024	-55,645	183,675	18	
-5,753	19,214	-4,258	-966	2,557	-5,230	5,723	4,246	-20,555	-5,525	11,838	-9,221	-2,384	-4,528	5,297	11,781	-7,415	81,242	19	
																	-19,041	54,194	20
																	11,626	27,048	21
-6,249	-12,511	3,625	-11,221	-40,821	30,741	4,013	-38,383	-7,010	18,578	28,819	-29,018	8,967	-16,488	1,269	-14	-9,070	379,299	22	
-15,928	-76	-8,315	-7,686	-39,893	27,790	4,333	-33,095	-10,316	18,617	28,560	-32,272	7,978	-17,282	5,896	-891	-4,706	351,593	23	
-3,367	5,248	-2,939	-12,044	-15,702	240	-9,527	-14,656	11,521	1,493	4,576	-870	78	-7,758	-6,115	-7,759	-1,274	139,367	24	
																	-10,393	87,925	25
82	-5,951	-7,449	2,071	-1,935	7,161	-8,097	-4,562	-10,226	2,340	-4,549	-3,393	3,884	-8,356	4,672	-6,524	487	8,553	26	
-13,668	-1,611	5,853	783	-22,880	23,459	18,715	-12,984	-10,974	17,667	22,119	-22,028	891	-1,455	7,267	7,350	5,621	98,891	27	
1,025	2,238	-3,780	1,504	624	-3,070	3,242	-893	-637	-2,883	6,414	-5,981	3,125	287	72	6,042	853	16,857	28	
9,679	-12,435	11,940	-3,535	-928	2,951	-320	-5,288	3,306	-39	259	3,254	989	794	-4,627	877	-4,364	27,706	29	
																	2,979	5,065	30
																	-7,343	22,641	31
-7,340	-74,122	-10,654	-7,775	-83,209	23,533	-7,965	-37,484	-89,727	-18,406	71,045	-25,589	-34,553	-23,168	34,695	2,350	3,380	828,714	32	
5,865	-36,509	-1,986	4,044	-12,167	-12,591	-6,915	-20,632	-30,154	-2,311	1,969	-1,169	3,688	-15,313	-4,680	8,271	-11,415	420,920	33	
-3,136	-25,995	-14,601	16,355	-35,692	24,516	-9,957	17,698	-23,857	-12,917	45,233	-19,604	-26,235	176	12,247	-17,356	20,214	116,260	34	
9,242	9,434	1,107	-677	-6,075	-2,104	7,816	-1,578	-6,143	-5,881	1,936	-9,181	-3,133	-6,721	1,689	2,926	3,123	88,070	35	
6,016	11,184	-12,166	-42,198	17,672	-4,657	1,238	-45,697	-4,393	15,734	-6,016	-52,741	34,714	-32,927	26,987	-26,841	-28,519	544,490	36	
4,142	2,660	4,101	-2,683	3,442	-1,036	-1,685	-4,204	1,806	-639	-861	5,760	590	3,162	7,217	5,249	475	60,666	37	
11,454	16,981	103	2,549	1,624	-8,253	-1,501	5,698	-13,396	4,216	2,111	-7,627	3,264	-10,500	-18,613	13,272	-1,652	127,259	38	
5,815	15,101	487	-290	962	-5,111	-3,224	1,183	-7,732	4,803	2,094	-4,739	4,578	-5,291	-8,031	-3,086	-7,503	65,473	39	
508	-56	303	236	362	-496	-50	452	-212	-48	305	-207	7	5	116	5	1,892	40		
-985	-2,097	6,730	-2,260	-2,026	-2,496	496	-474	1,499	1,851	1,057	-1,198	-1,057	895	908	-1,915	-1,168	20,837	41	
18,188	-7,122	-25,501	-11,945	-30,500	13,210	-16,311	-4,268	-12,840	-18,786	31,183	-24,986	-3,036	-13,004	22,103	-15,218	13,224	302,312	1	
3,559	-4,594	-7,515	-2,132	8,933	-5,780	5,199	-4,635	8,967	-6,030	-3,440	-12,971	19,808	-1,484	-1,490	-315	5,297	67,624	2	
14,629	-2,528	-17,986	-9,813	-39,433	18,990	-21,510	367	-21,807	-12,756	34,623	-12,015	-22,844	-11,520	23,593	-14,903	7,927	234,688	3	

Table 9b. Claims on Foreigners  
[Millions]

Line	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)	1998	1999	2000	2001	2002	Not seasonally adjusted			
							1998			
							I	II	III	IV
1	<b>Total (table 1, line 54)</b> .....	<b>-35,572</b>	<b>-76,263</b>	<b>-148,657</b>	<b>-134,945</b>	<b>-21,357</b>	<b>-4,797</b>	<b>-28,187</b>	<b>-28,329</b>	<b>25,741</b>
2	By type:									
3	Banks' own claims.....	-18,741	-49,907	-104,207	-146,314	-15,091	15,656	-30,178	-26,390	22,171
3	Payable in dollars.....	-26,772	-58,144	-111,503	-122,851	-25,257	15,857	-43,979	-29,076	30,426
	By borrower:									
	Claims on:									
4	own foreign offices.....	-52,852	-45,147	-100,454	-86,069	-38,074	24,512	-36,220	-39,935	-1,209
5	unaffiliated foreign banks.....	3,024	9,020	1,943	-9,251	18,921	1,505	-43	-1,054	2,616
6	foreign public borrowers <sup>1</sup> .....	-2,961	-11,548	-2,818	-11,775	654	-7,535	295	1,160	3,119
7	other private foreigners.....	26,017	-10,469	-10,174	-15,756	-6,758	-2,625	-8,011	10,753	25,900
	By type of reporting institution: <sup>2</sup>									
	U.S.-owned banks' claims on:									
8	own foreign offices.....	4,430	-5,082	-35,407	-21,958	10,831	18,572	-12,020	11,153	-13,275
9	unaffiliated foreign banks.....	1,033	-8,446	1,890	-8,237	11,296	7,219	-6,622	5,223	-4,787
10	other foreigners.....	-5,366	70	4,085	16,413	3,923	2,499	-2,493	5,352	-10,724
	Foreign-owned banks' claims on:									
11	own foreign offices.....	-57,282	-40,065	-65,047	-64,111	-48,905	5,940	-24,200	-51,088	12,066
12	unaffiliated foreign banks.....	5,296	18,903	-1,438	878	4,904	2,303	3,324	-4,941	4,610
13	other foreigners.....	-1,838	-7,175	-6,954	-16,561	1,480	-4,728	-3,915	-4,832	11,637
	Brokers' and dealers' claims on:									
14	unaffiliated foreign banks.....	-3,305	-1,437	1,491	-1,892	2,721	-8,017	3,255	-1,336	2,793
15	other foreigners.....	30,260	-14,912	-10,123	-27,383	-11,507	-7,931	-1,308	11,393	28,106
16	Payable in foreign currencies.....	8,031	8,237	7,296	-23,463	10,166	-201	13,801	2,686	-8,255
17	Banks' domestic customers' claims.....	-16,831	-26,356	-44,450	11,369	-6,266	-20,453	1,991	-1,939	3,570
18	Payable in dollars.....	-4,305	-32,005	-40,865	4,589	-4,299	-20,718	1,419	-840	15,834
19	Deposits.....	-6,253	-8,643	6,310	6,784	14,053	-12,296	-602	-3,806	10,451
20	Foreign commercial paper <sup>3</sup> .....	-8,563	-13,102	-39,645	16,720	-21,554	-12,797	2,005	1,770	459
21	Other negotiable and readily transferable instruments <sup>4</sup> .....	6,581	-11,247	-7,433	-15,828	-6,324	4,638	-3,100	1,586	3,457
22	Outstanding collections and other.....	3,930	987	-97	-3,087	9,526	-263	3,116	-390	1,467
23	Payable in foreign currencies.....	-12,526	5,649	-3,585	6,780	-1,967	265	572	-1,099	-12,264
	By area:									
24	Industrial countries <sup>5</sup> .....	-36,776	-57,919	-118,782	-84,617	-40,046	3,752	-6,783	-32,620	-1,125
25	Western Europe.....	-50,296	-99,944	-105,918	-82,342	-20,406	-17,186	-25,308	-9,085	1,283
26	Of which: United Kingdom.....	-14,984	-28,586	-52,305	-31,665	-8,034	6,555	-23,122	11,730	-10,147
27	Canada.....	-22,068	19,106	-1,941	-19,269	-5,239	-500	718	-15,066	-7,220
28	Japan.....	36,548	21,113	-6,189	-5,574	-11,830	20,937	19,297	-8,229	4,543
29	Other.....	-960	1,806	-4,734	2,568	-2,571	501	-1,490	-240	269
30	Caribbean banking centers <sup>6</sup> .....	-13,944	-33,735	-30,187	-47,821	4,933	-12,760	-25,398	2,120	22,094
31	Other areas.....	15,148	15,391	312	-2,507	13,756	4,211	3,994	2,171	4,772
32	Of which: Members of OPEC, included below <sup>7</sup> .....	-7,917	2,348	7,397	1,900	-1,491	2,238	1,997	-4,874	-7,278
33	Latin America.....	1,587	4,624	-4,598	6,747	13,077	-6,543	-460	2,777	5,813
34	Asia.....	16,156	9,974	3,756	-8,644	-873	13,879	2,728	1,504	-1,955
35	Africa.....	508	937	-68	254	17	-220	1,511	-588	-195
36	Other <sup>8</sup> .....	-3,103	-144	1,222	-864	1,535	-2,905	215	-1,522	1,109
	<b>Memoranda:</b>									
1	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above).....	39,271	-26,380	-37,869	-25,429	-9,155	24,228	-7,469	6,663	15,849
	By borrower:									
	Claims on:									
2	own foreign offices.....	32,970	-34,374	-51,599	-27,619	-28,357	17,547	-9,595	9,867	15,151
3	unaffiliated foreign banks.....	5,582	5,495	10,965	-2,837	12,615	7,531	2,860	-3,084	-1,725
4	foreign public borrowers.....	-163	451	445	1,414	1,234	-164	-590	966	-375
5	all other foreigners.....	882	2,048	2,320	3,613	5,353	-686	-144	-1,086	2,798
	By bank ownership: <sup>2</sup>									
6	U.S.-owned IBF's.....	-1,120	-10,682	3,717	-13,474	16,519	174	-2,456	-3,401	4,563
7	Foreign-owned IBF's.....	40,391	-15,698	-41,586	-11,955	-25,674	24,054	-5,013	10,064	11,286
8	Banks' dollar acceptances payable by foreigners.....	5,104	-33	304	1,661	138	2,129	896	531	1,548
9	Resale agreements <sup>9</sup> (in lines 1 through 15 above).....					-23,606				

See footnotes on pages 112-113.

Reported by U.S. Banks  
of dollars]

Not seasonally adjusted																Line
1999				2000				2001				2002				
I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
23,037	-36,016	-10,476	-52,808	-68,210	4,491	-1,651	-83,287	-110,566	-3,173	69,577	-90,783	-148	-69,254	52,999	-4,954	1
29,286	-23,505	-14,101	-41,587	-27,389	-26,250	-5,664	-44,904	-103,556	-21,751	40,758	-61,765	-9,115	-52,766	51,730	-4,940	2
35,039	-42,719	-9,843	-40,621	-29,946	-21,020	-11,387	-49,150	-83,001	-16,226	28,920	-52,544	-6,731	-48,238	46,433	-16,721	3
26,950	-21,764	-272	-50,061	-36,525	-8,814	-17,647	-37,468	-42,215	-21,285	24,089	-46,658	-3,653	-39,375	59,834	-54,880	4
12,044	-10,483	2,339	5,120	7,210	1,274	1,914	-8,455	-10,766	10,194	-925	-7,754	4,197	3,347	-2,097	13,474	5
-10,069	-3,078	2,271	-672	-1,075	-4,640	787	2,110	-11,494	-3,075	5,490	-2,696	-6,075	4,228	-10,048	12,549	6
6,114	-7,394	-14,181	4,992	444	-8,840	3,559	-5,337	-18,526	-2,060	266	4,564	-1,200	-16,438	-1,256	12,136	7
21,093	8,391	-13,390	-21,176	1,178	-21,894	-522	-14,169	4,105	793	-20,704	-6,152	11,673	-9,114	12,364	-4,092	8
-2,314	388	2,579	-9,099	6,176	-1,735	-207	-2,344	-10,027	10,284	-827	-7,667	2,271	3,316	-380	6,069	9
5,498	-1,512	-1,417	-2,499	1,933	3,170	-467	-551	18,024	4,470	-15,900	9,819	-4,972	3,010	11,134	-5,249	10
5,857	-30,155	13,118	-28,885	-37,703	13,080	-17,125	-23,299	-46,320	-22,078	44,793	-40,506	-15,326	-30,261	47,470	-50,788	11
9,838	-4,897	1,433	12,529	-3,610	4,912	596	-3,336	-1,659	652	1,104	781	2,256	-2,534	2,365	2,817	12
-5,708	-868	471	-1,070	1,463	-3,244	22	-5,195	-22,849	-5,941	14,189	-1,960	-641	1,936	-7,725	7,910	13
4,520	-5,974	-1,673	1,690	4,644	-1,903	1,525	-2,775	920	-742	-1,202	-868	-330	2,565	-4,102	4,588	14
-3,745	-8,092	-10,964	7,889	-4,027	-13,406	4,791	2,519	-25,195	-3,664	7,467	-5,991	-1,662	-17,156	-14,713	22,024	15
-5,753	19,214	-4,258	-966	2,557	-5,230	5,723	4,246	-20,555	-5,525	11,838	-9,221	-2,384	-4,528	5,297	11,781	16
-6,249	-12,511	3,625	-11,221	-40,821	30,741	4,013	-38,383	-7,010	18,578	28,819	-29,018	8,967	-16,488	1,269	-14	17
-15,928	-76	-8,315	-7,886	-39,893	27,790	4,333	-33,095	-10,316	18,617	28,560	-32,272	7,978	-17,282	5,896	-891	18
-13,668	-1,611	5,853	783	-22,880	23,459	18,715	-12,984	-10,974	17,667	22,119	-22,028	891	-1,455	7,267	7,350	19
-3,367	5,248	-2,939	-12,044	-15,702	240	-9,527	-14,656	11,521	1,493	4,576	-870	78	-7,758	-6,115	-7,759	20
82	-5,951	-7,449	2,071	-1,935	7,161	-8,097	-4,562	-10,226	2,340	-4,549	-3,393	3,884	-8,356	4,672	-6,524	21
1,025	2,238	-3,780	1,504	624	-3,070	3,242	-893	-637	-2,883	6,414	-5,981	3,125	287	72	6,042	22
9,679	-12,435	11,940	-3,535	-928	2,951	-320	-5,288	3,306	-39	259	3,254	989	794	-4,627	877	23
8,783	-53,422	-3,041	-10,239	-91,364	13,720	-2,997	-38,141	-102,662	-16,756	76,201	-41,400	-32,602	-36,614	27,251	1,919	24
-6,433	-74,949	-10,404	-8,158	-84,149	23,531	-8,043	-37,257	-88,921	-19,232	71,392	-25,581	-33,869	-23,990	34,433	3,020	25
5,865	-36,509	-1,986	4,044	-12,167	-12,591	-6,915	-20,632	-30,154	-2,311	1,969	-1,169	3,688	-15,313	-4,680	8,271	26
9,242	9,434	1,107	-677	-6,075	-2,104	7,816	-1,578	-6,143	-5,881	1,936	-9,181	-3,133	-6,721	1,689	2,926	27
5,815	15,101	487	-290	962	-5,111	-3,224	1,184	-7,732	4,803	2,094	-4,739	4,578	-5,291	-8,031	-3,086	28
159	-3,008	5,769	-1,114	-2,102	-2,596	454	-490	134	3,554	779	-1,899	-178	-612	-840	-941	29
5,827	12,703	-9,038	-43,227	17,542	-6,494	1,625	-42,860	-5,835	14,064	-3,910	-52,140	35,331	-29,105	28,633	-29,926	30
8,427	4,703	1,603	658	5,612	-2,735	-279	-2,286	-2,069	-481	-2,714	2,757	-2,877	-3,535	-2,885	23,053	31
6,019	3,026	-4,028	-2,669	5,621	-457	1,537	696	286	464	512	638	-2,369	-859	863	874	32
4,198	1,152	697	-1,423	3,560	692	-1,910	-6,940	3,114	1,162	-3,210	5,681	-83	-617	5,542	8,235	33
5,639	1,883	-387	2,839	661	-3,142	1,924	-5,664	-239	-216	-2,525	-1,584	-5,144	-10,450	16,305	34	
656	-147	105	323	121	-142	-477	430	39	261	27	58	-96	56	-1	35	
-2,066	1,815	1,188	-1,081	1,270	-143	184	-89	442	-1,331	451	-426	-1,268	2,322	1,967	-1,486	36
18,188	-7,122	-25,501	-11,945	-30,500	13,210	-16,311	-4,268	-12,840	-18,786	31,183	-24,986	-3,036	-13,004	22,103	-15,218	1
10,721	-8,683	-25,358	-11,054	-37,857	9,300	-18,840	-4,202	-15,552	-22,009	32,557	-22,615	-8,982	-15,272	21,154	-25,257	2
7,453	344	-401	-1,901	6,614	3,902	386	63	330	1,156	-943	-3,380	4,692	355	-685	8,253	3
298	380	-351	124	75	-399	796	-27	353	468	138	455	-191	529	599	297	4
-284	837	609	886	668	407	1,347	-102	2,029	1,599	-569	554	1,445	1,384	1,035	1,489	5
3,559	-4,594	-7,515	-2,132	8,933	-5,780	5,199	-4,635	8,967	-6,030	-3,440	-12,971	19,808	-1,484	-1,490	-315	6
14,629	-2,528	-17,986	-9,813	-39,433	18,990	-21,510	367	-21,807	-12,756	34,623	-12,015	-22,844	-11,520	23,593	-14,903	7
34	30	-76	-21	89	-592	229	578	1,256	-61	586	-120	449	-217	3	-97	8
									4,390	17,550	-25,836	14,780	-35,585	-7,784	4,983	9

Table 10a. Liabilities to Foreigners, except Foreign Official

[Millions]

Line	(Credits +; increase in U.S. liabilities. Debits -; decrease in U.S. liabilities.)	1998	1999	2000	2001	2002	Not seasonally adjusted							
							1998				1999			
							I	II	III	IV	I	II	III	IV
1	<b>Liabilities reported by U.S. banks and securities brokers, total (table 1, part of line 65 and table 1, line 69)</b>	44,148	34,414	112,308	127,180	105,866	-55,644	30,514	72,883	-3,605	-11,700	18,988	3,432	23,694
2	U.S. Treasury bills and certificates (table 1, part of line 65)	4,379	-19,818	-4,663	8,801	14,740	-6,702	-3,354	-2,431	16,866	1,734	-10,092	-4,236	-7,224
3	<b>Other U.S. liabilities, total (table 1, line 69)</b>	39,769	54,232	116,971	118,379	91,126	-48,942	33,868	75,314	-20,471	-13,434	29,080	7,668	30,918
4	<b>Liabilities for own accounts</b>	1,944	57,722	109,924	94,850	76,091	-56,251	28,855	50,484	-21,144	-3,811	35,976	996	24,561
5	Denominated in dollars	23,730	69,238	116,726	84,948	86,132	-40,501	41,464	48,434	-25,667	-8,095	45,218	-3,553	35,668
	By instrument: <sup>2</sup>													
6	Repurchase agreements													
7	Deposits and brokerage balances													
8	Other liabilities (including loans)													
	By foreign holder:													
	Liabilities to:													
9	Own foreign offices	77,788	46,311	85,808	73,524	60,180	-44,966	37,747	64,153	20,854	-29,749	48,145	-11,780	39,695
10	Unaffiliated foreign banks	-43,179	6,124	17,006	-13,484	-4,697	-10,827	9,055	-10,714	-30,693	2,975	4,781	6,001	-7,633
11	Other foreigners and international organizations	-10,879	16,803	13,912	24,908	30,649	15,292	-5,338	-5,005	-15,828	18,679	-7,708	2,226	3,606
	By type of U.S. reporting institution: <sup>3</sup>													
	U.S.-owned banks' liabilities to:													
12	Own foreign offices and unaffiliated foreign banks	17,638	48,554	111,918	17,035	4,104	-8,205	11,205	9,129	5,509	-11,481	31,548	7,443	21,044
13	Other foreigners and international organizations	8,444	14,140	-20,284	-16,642	-17,754	-5,212	5,671	1,940	6,045	-364	-4,261	4,938	13,827
	Foreign-owned banks' liabilities to:													
14	Own foreign offices and unaffiliated foreign banks	16,129	3,862	-2,007	42,139	42,322	-51,332	37,398	42,574	-12,511	-17,342	16,726	-10,836	15,314
15	Other foreigners and international organizations	-4,823	8,590	8,892	21,647	14,482	5,740	-2,194	-255	-8,114	9,133	3,201	-1,755	-1,989
	Brokers' and dealers' liabilities to:													
16	Own foreign offices and unaffiliated foreign banks	842	19	-7,097	866	9,057	3,744	-1,801	1,736	-2,837	2,049	4,652	-2,386	-4,296
17	Other foreigners and international organizations	-14,500	-5,927	25,304	19,903	33,921	14,764	-8,815	-6,690	-13,759	9,910	-6,648	-957	-8,232
18	Denominated in foreign currencies	-21,786	-11,516	-6,802	9,902	-10,041	-15,750	-12,609	2,050	4,523	4,284	-9,242	4,549	-11,107
	By instrument: <sup>2</sup>													
19	Deposits and brokerage balances													
20	Other liabilities (including loans)													
21	<b>Liabilities for customers' accounts</b>	37,825	-3,490	7,047	23,529	15,035	7,309	5,013	24,830	673	-9,623	-6,896	6,672	6,357
22	Denominated in dollars	37,825	-3,490	7,047	23,529	15,035	7,309	5,013	24,830	673	-9,623	-6,896	6,672	6,357
	By instrument: <sup>2</sup>													
23	Negotiable certificates of deposit and other short-term instruments	36,256	-5,311	7,039	9,457	12,342	5,761	5,158	25,178	159	-10,609	-8,804	7,754	6,348
24	Other liabilities (including loans)	1,569	1,821	8	14,072	2,693	1,548	-145	-348	514	986	1,908	-1,082	9
25	Denominated in foreign currencies													
	By instrument: <sup>2</sup>													
26	Negotiable certificates of deposit and other short-term instruments													
27	Other liabilities (including loans)													
	<b>Other U.S. liabilities, total (line 3), by area:</b>													
28	Europe	-8,559	10,721	11,973	46,002	63,426	-31,085	11,472	38,696	-27,642	-7,052	14,983	12,122	-9,332
29	Canada	430	7,098	-4,003	-7,810	-424	-2,811	1,882	1,880	-521	1,065	776	-81	5,338
30	Caribbean financial centers <sup>4</sup>	11,549	59,632	116,189	57,203	37,550	-14,940	38,905	5,979	-18,395	6,099	29,124	2,379	22,030
31	Latin America, excluding Caribbean financial centers	5,305	9,564	813	-168	-871	6,471	-630	-118	-418	4,037	4,861	-2,041	2,707
32	Asia	31,785	-37,246	-4,932	22,642	-16,102	-11,662	-14,428	28,209	29,666	-19,806	-23,173	-5,949	11,662
33	Africa	-843	769	309	-499	753	272	-732	148	-531	-298	76	-169	1,160
34	Other	102	3,694	-3,378	1,009	6,794	4,813	-2,601	520	-2,630	2,521	2,433	1,407	-2,667
	<b>Memoranda:</b>													
1	International banking facilities' (IBF's) own liabilities, denominated in dollars (in lines 3-15 above)	-36,911	-6,604	20,722	5,552	17,111	-33,779	-10,985	32,720	-24,867	-23,310	8,335	4,624	3,747
	By bank ownership: <sup>3</sup>													
2	U.S.-owned IBF's	-6,147	16,178	-3,004	2,448	-9,639	-4,667	2,781	2,307	-6,568	-1,809	2,886	6,041	9,060
3	Foreign-owned IBF's	-30,764	-22,782	23,726	3,104	26,750	-29,112	-13,766	30,413	-18,299	-21,501	5,449	-1,417	-5,313

See footnotes on pages 112-113.



**Agencies, Reported by U.S. Banks and Securities Brokers <sup>1</sup>**  
of dollars]

Not seasonally adjusted													Amounts Outstanding March 31, 2003	Line
2000				2001				2002				2003		
I	II	III	IV	I	II	III	IV	I	II	III	IV	I <sup>P</sup>		
-9,139	47,521	23,724	50,202	26,688	69,971	-41,212	71,733	-2,271	28,902	25,469	53,766	24,418	1,719,651	1
678	-6,326	-4,732	5,717	1,234	698	3,070	3,799	5,175	4,954	5,021	-410	-585	38,551	2
-9,817	53,847	28,456	44,485	25,454	69,273	-44,282	67,934	-7,446	23,948	20,448	54,176	25,003	1,681,100	3
2,036	55,795	32,738	19,355	26,348	43,363	-45,510	70,649	-13,310	23,605	8,243	57,553	33,896	1,425,090	4
3,443	54,219	37,637	21,427	7,885	23,643	-25,257	78,677	-8,562	16,879	15,946	61,869	28,074	1,336,507	5
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	45,351	273,438	6
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,974	731,332	7
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	-21,251	331,737	8
6,591	25,179	37,774	16,264	-17,390	15,717	-10,945	86,142	-11,820	15,492	-7,765	64,273	-12,154	928,874	9
-5,031	9,924	1,090	11,023	15,760	-5,667	-4,825	-18,752	2,534	-8,174	-6,133	7,076	-33,685	34,871	10
1,883	19,116	-1,227	-5,860	9,515	13,593	-9,487	11,287	724	9,561	29,844	-9,480	73,913	372,762	11
6,655	65,708	22,849	16,706	-60,062	18,172	5,059	53,866	-37,257	17,793	-13,700	37,268	-59,735	390,708	12
-14,693	-5,661	-1,371	1,441	-13,244	-3,268	5,216	-5,346	-4,512	-3,346	-10,883	987	28,849	69,393	13
-271	-29,926	15,484	12,706	53,300	-7,042	-19,933	15,814	20,495	-10,175	-6,319	38,321	-10,699	470,900	14
5,175	10,172	-2,730	-3,725	12,772	11,305	-6,535	4,105	3,845	-359	10,823	173	26,728	99,421	15
-4,824	-679	531	-2,125	5,132	-1,090	-896	-2,290	7,476	-900	6,121	-4,240	24,595	102,137	16
11,401	14,605	2,874	-3,576	9,987	5,556	-8,168	12,528	1,391	13,266	29,904	-10,640	18,336	203,948	17
-1,407	1,576	-4,899	-2,072	18,463	19,720	-20,253	-8,028	-4,748	6,726	-7,703	-4,316	5,822	88,583	18
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,934	50,582	19
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,888	38,001	20
-11,853	-1,948	-4,282	25,130	-894	25,910	1,228	-2,715	5,864	343	12,205	-3,377	-8,893	256,010	21
-11,853	-1,948	-4,282	25,130	-894	25,910	1,228	-2,715	5,864	343	12,205	-3,377	-8,893	255,689	22
-12,484	-1,137	-4,287	24,947	-12,071	23,057	1,553	-3,082	7,106	-1,803	9,560	-2,521	3,564	117,182	23
631	-811	5	183	11,177	2,853	-325	367	-1,242	2,146	2,645	-856	-12,457	138,507	24
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	321	25
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	16	26
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	305	27
5,493	7,323	15,908	-16,751	19,999	33,936	-68,882	60,949	-1,024	3,064	20,268	41,118	-23,298	605,303	28
920	1,562	-3,626	-2,859	-5,499	-1,425	-722	-164	71	-195	440	-740	6,531	32,401	29
9,324	34,316	25,694	46,855	9,028	26,047	15,825	6,303	-19,356	33,081	8,585	15,240	54,750	779,806	30
-1,460	2,730	-1,890	1,433	-4,274	3,891	3,100	-2,885	1,838	-3,953	-101	1,345	-446	79,368	31
-25,981	4,549	-1,036	17,538	4,583	2,258	7,334	8,467	12,052	-13,109	-8,471	-6,574	-9,796	155,409	32
-724	100	441	492	85	101	-281	-404	385	74	-68	362	-155	6,682	33
2,611	3,267	-7,033	-2,223	1,532	4,465	-656	-4,332	-1,412	4,986	-205	3,425	-2,583	22,131	34
-10,261	9,435	31,144	-9,596	-23,791	18,932	-36,811	47,222	11,771	3,968	-19,065	20,437	-64,673	341,702	1
-11,414	8,566	-4,699	4,543	-7,912	6,534	-13,053	16,879	-17,753	3,257	5,166	-309	-4,692	63,778	2
1,153	869	35,843	-14,139	-15,879	12,398	-23,758	30,343	29,524	711	-24,231	20,746	-59,981	277,924	3

Table 10b. Foreign Official Assets and Other Foreign

(Millions)

Table with 12 columns: Line, Description, 1998, 1999, 2000, 2001, 2002, and Not seasonally adjusted (1998 and 1999) with sub-columns I and II. Rows include Foreign official assets in the United States, net; Other foreign assets in the United States, net; Industrial countries; Western Europe; and Memoranda.

See footnotes on pages 112-113.

**Assets in the United States Reported by U.S. Banks**  
 of dollars]

Not seasonally adjusted														Line
1999		2000				2001				2002				
III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
12,625	27,294	22,542	6,548	12,952	-4,318	4,290	-21,197	16,702	5,309	6,106	47,552	8,992	32,210	A1
12,963	5,122	16,204	-4,000	-9,001	-13,436	-1,027	-20,798	15,810	16,760	-1,039	15,138	1,415	27,630	2
13,939	3,720	8,604	-7,591	-1,692	-2,488	-3,806	-16,009	14,704	7,820	-843	14,810	9,501	5,188	3
-1,093	1,389	7,977	3,586	-6,816	-11,049	3,142	-4,885	2,151	9,566	56	487	-8,144	22,732	4
117	13	-377	5	-493	101	-363	96	-1,045	-626	-252	-159	58	-290	5
1,835	6,730	8,107	10,334	14,272	8,196	3,574	9,932	-216	7,630	7,296	6,568	10,885	5,628	6
-767	233	-430	-899	-185	-311	-601	-1,154	-205	-349	-597	365	464	-95	7
-1,617	14,093	-2,270	209	7,554	253	1,341	-10,205	-675	-20,439	-280	24,575	-4,607	-2,094	8
-1,293	20,226	-10,121	1,612	6,882	1,001	227	2,950	1,531	-17,700	-4,139	13,394	3,519	-5,776	9
-20	409	-960	506	2,326	-1,261	-433	-1,046	573	-50	-337	-944	193	635	10
-1,050	3,432	1,333	3,318	3,155	-1,175	-7,452	4,790	-756	-12,313	-4,810	237	-1,095	4,082	11
-223	16,385	-10,494	-2,212	1,401	3,437	8,112	-794	1,714	-5,337	1,008	14,101	4,421	-10,493	12
-324	-6,133	7,851	-1,403	672	-748	1,114	-13,155	-2,206	-2,739	3,859	11,181	-8,126	3,682	13
211	1,116	931	904	312	980	1,003	1,028	1,988	1,707	726	906	835	1,141	14
11,353	7,475	-25,016	27,367	9,446	28,225	20,834	54,585	-57,332	92,854	4,343	38,166	77,953	66,881	B1
3,685	-23,443	-15,199	-26,480	-19,010	-16,260	-4,620	-14,688	-13,050	24,920	11,789	14,218	57,505	12,705	2
-4,236	-7,224	678	-6,326	-4,732	5,717	1,234	698	3,070	3,799	5,175	4,954	5,021	-410	3
7,921	-16,219	-15,877	-20,154	-14,278	-21,977	-5,854	-15,386	-16,120	21,121	6,614	9,264	52,484	13,115	4
7,668	30,918	-9,817	53,847	28,456	44,485	25,454	69,273	-44,282	67,934	-7,446	23,948	20,448	54,176	5
996	24,561	2,036	55,795	32,738	19,355	26,348	43,363	-45,510	70,649	-13,310	23,605	8,243	57,553	6
-3,553	35,668	3,443	54,219	37,637	21,427	7,885	23,643	-25,257	78,677	-8,562	16,879	15,946	61,869	7
-11,780	39,695	6,591	25,179	37,774	16,264	-17,390	15,717	-10,945	86,142	-11,820	15,492	-7,765	64,273	8
-3,370	13,118	-12,859	957	-1,078	2,850	1,160	-37	2,352	-2,134	3,205	-927	-2,766	2,611	9
2,263	5,792	-140	12,388	-2,275	7,659	2,445	-4,889	-1,024	-9,000	-5,587	-12,631	-9,522	7,716	10
9,334	-22,937	9,851	15,695	3,216	-5,346	21,670	12,852	-15,640	3,669	5,640	14,945	35,999	-12,731	11
-11,780	39,695	6,591	25,179	37,774	16,264	-17,390	15,717	-10,945	86,142	-11,820	15,492	-7,765	64,273	12
6,001	-7,633	-5,031	9,924	1,090	11,023	15,760	-5,667	-4,825	-18,752	2,534	-8,174	-6,133	7,076	13
-651	8,128	-2,100	16,168	4,721	-2,660	9,755	12,010	-9,083	14,196	76	9,330	29,969	-10,919	14
2,877	-4,522	3,983	2,948	-5,948	-3,200	-240	1,583	-404	-2,909	648	231	-125	1,439	15
4,586	10,960	10,071	64,782	23,813	9,920	-63,071	13,835	9,939	57,960	-41,897	23,145	-11,207	32,792	16
2,857	10,084	-3,416	926	-964	6,786	3,009	4,337	-4,880	-4,094	4,640	-5,352	-2,493	4,476	17
4,938	13,827	-14,693	-5,661	-1,371	1,441	-13,244	-3,268	5,216	-5,346	-4,512	-3,346	-10,883	987	18
-16,366	28,735	-3,480	-39,603	13,961	6,344	45,681	1,882	-20,884	28,182	30,077	-7,653	3,442	31,481	19
5,530	-13,421	3,209	9,677	1,523	6,362	7,619	-8,924	951	-12,368	-9,582	-2,522	-9,761	6,840	20
-1,755	-1,989	5,175	10,172	-2,730	-3,725	12,772	11,305	-6,535	4,105	3,845	-359	10,823	173	21
-2,386	-4,296	-4,824	-679	531	-2,125	5,132	-1,080	-896	-2,290	7,476	-300	6,121	-4,240	22
-957	-8,232	11,401	14,605	2,874	-3,576	9,987	5,556	-8,168	12,528	1,391	13,266	29,904	-10,640	23
4,549	-11,107	-1,407	1,576	-4,899	-2,072	18,463	19,720	-20,253	-8,028	-4,748	6,726	-7,703	-4,316	24
6,672	6,357	-11,853	-1,948	-4,282	25,130	-894	25,910	1,228	-2,715	5,864	343	12,205	-3,377	25
7,754	6,348	-12,484	-1,137	-4,287	24,947	-12,071	23,057	1,553	-3,082	7,106	-1,803	9,560	-2,521	26
-2,780	-12,933	-28,636	-9,525	-3,099	-31,758	10,171	30,751	-86,599	79,443	17,073	-5,388	56,170	24,861	27
-1,128	-12,741	-9,819	-14,250	2,734	-37,074	15,283	22,194	-84,759	60,282	10,158	2,070	42,165	39,282	28
4,108	5,224	2,286	3,411	-3,607	-4,547	-5,733	1,569	-1,300	56	-800	-1,651	-1,927	-235	29
-5,760	-5,416	-21,103	1,314	-2,226	9,863	621	6,988	-540	19,105	7,715	-5,807	15,932	-14,186	30
9,492	9,594	7,253	34,032	21,810	52,821	11,788	17,448	20,834	4,004	-23,163	31,931	3,318	28,712	31
4,641	10,814	-3,633	2,860	-9,265	7,162	-1,125	6,386	8,433	9,407	10,433	11,623	18,465	13,308	32
820	5,222	-4,265	1,887	3,980	2,295	-1,847	-624	-1,564	1,842	1,465	1,488	-948	-226	33
-924	-958	-193	-1,116	-1,960	2,229	-1,733	3,923	5,493	383	3,672	8,106	8,156	-1,206	34
3,968	15,115	-6,145	1,312	-352	7,786	-2,154	-2,971	2,361	12,909	5,555	-646	8,240	10,023	35
16	222	433	-19	160	143	321	176	-331	-380	696	515	263	52	36
1,581	-3,565	2,272	2,683	-7,113	-2,996	2,441	5,258	910	-3,505	510	3,648	1,806	4,439	37
4,624	3,747	-10,261	9,435	31,144	-9,596	-23,791	18,932	-36,811	47,222	11,771	3,968	-19,065	20,437	1
-334	10,125	-20,267	-7,672	29,745	-17,855	-21,232	19,132	-33,742	78,562	23,038	11,061	-4,035	16,044	2
8,943	-6,082	2,899	11,914	-917	9,426	3,796	-5,488	-4,157	-13,617	-9,430	-5,023	-10,113	5,431	3
-3,601	1,503	5,346	1,367	851	821	-5,654	8,023	1,103	-17,584	-2,142	2,054	-4,738	2,132	4
-384	-1,799	1,761	3,826	1,465	-1,988	-701	-2,735	-15	-139	305	-4,124	-179	-3,170	5
6,041	9,060	-11,414	8,566	-4,699	4,543	-7,912	6,534	-13,053	16,879	-17,753	3,257	5,166	-309	6
-1,417	-5,313	1,153	869	35,843	-14,139	-15,879	12,398	-23,758	30,343	29,524	711	-24,231	20,746	7
1,798	5,978	-2,289	-1,484	-124	7,769	-9,694	366	-1,656	-2,788	2,868	5,635	757	-3,616	8
.....	.....	.....	.....	.....	.....	.....	.....	-3,161	-14,577	39,338	-18,593	33,496	47,126	9





Table 11. U.S. International  
(Millions)

Line	(Credits +; debits -) <sup>1</sup>	Eastern Europe								Canada				
		2000	2001	2002	2002				2003	2000	2001	2002	2002	
					I	II	III	IV					I	II
<b>Current account</b>														
1	<b>Exports of goods and services and income receipts</b>	13,102	13,801	13,456	3,380	3,359	3,577	3,140	3,278	232,458	209,852	204,732	48,971	54,027
2	Exports of goods and services	10,092	11,383	11,023	2,703	2,793	2,764	2,763	2,763	203,453	187,972	185,364	44,522	49,175
3	Goods, balance of payments basis <sup>2</sup>	5,925	6,804	6,367	1,525	1,642	1,573	1,627	1,511	178,877	163,259	160,895	38,330	42,888
4	Services <sup>3</sup>	4,167	4,579	4,656	1,178	1,151	1,191	1,136	1,252	24,576	24,713	24,469	6,192	6,287
5	Transfers under U.S. military agency sales contracts <sup>4</sup>	418	498	503	119	155	121	108	135	102	97	87	20	25
6	Travel	1,336	1,248	1,206	240	339	345	282	240	7,188	6,595	6,268	1,664	1,834
7	Passenger fares	89	60	52	12	14	12	14	11	1,640	1,788	1,717	458	411
8	Other transportation	314	263	225	53	51	56	65	62	2,641	2,478	2,624	580	680
9	Royalties and license fees <sup>5</sup>	268	322	390	86	94	95	115	101	2,801	2,871	3,091	730	791
10	Other private services <sup>5</sup>	1,702	2,131	2,239	660	487	551	541	695	10,130	10,832	10,596	2,720	2,544
11	U.S. Government miscellaneous services	40	57	41	8	11	11	11	8	74	72	86	20	22
12	Income receipts	3,010	2,418	2,433	677	566	813	377	515	29,005	21,880	19,368	4,449	4,852
13	Income receipts on U.S.-owned assets abroad	2,958	2,359	2,377	663	552	799	363	501	28,924	21,799	19,285	4,428	4,832
14	Direct investment receipts	1,379	1,271	1,420	346	377	507	190	247	16,311	11,975	11,208	2,272	2,715
15	Other private receipts	1,084	797	631	179	166	148	138	131	12,613	9,824	8,077	2,156	2,117
16	U.S. Government receipts	495	291	326	138	9	144	35	123					
17	Compensation of employees	52	59	56	14	14	14	14	14	81	81	83	21	20
18	<b>Imports of goods and services and income payments</b>	-21,626	-20,138	-21,443	-3,895	-5,639	-5,765	-6,144	-6,038	-260,120	-237,098	-234,543	-55,219	-60,996
19	Imports of goods and services	-18,708	-16,949	-17,865	-3,130	-4,801	-4,747	-5,187	-5,174	-251,547	-236,634	-230,434	-54,249	-59,837
20	Goods, balance of payments basis <sup>2</sup>	-16,101	-14,341	-14,884	-2,559	-3,820	-3,927	-4,578	-4,597	-233,678	-218,737	-211,761	-50,619	-55,093
21	Services <sup>3</sup>	-2,607	-2,608	-2,981	-571	-981	-820	-609	-577	-17,869	-17,897	-18,673	-3,630	-4,744
22	Direct defense expenditures	-119	-142	-175	-36	-47	-43	-49	-35	-70	-77	-83	-18	-18
23	Travel	-1,274	-1,167	-1,333	-216	-536	-386	-195	-213	-6,284	-6,345	-6,489	-966	-1,627
24	Passenger fares	-365	-384	-425	-75	-151	-123	-76	-78	-795	-685	-594	-124	-179
25	Other transportation	-255	-197	-173	-34	-42	-46	-51	-38	-3,700	-3,337	-3,589	-818	-929
26	Royalties and license fees <sup>5</sup>	-70	-74	-90	-33	-17	-18	-22	-19	-977	-1,160	-1,048	-197	-287
27	Other private services <sup>5</sup>	-462	-584	-728	-162	-174	-190	-202	-179	-5,809	-6,072	-6,693	-1,462	-1,660
28	U.S. Government miscellaneous services	-62	-60	-57	-15	-14	-14	-14	-15	-234	-221	-177	-45	-44
29	Income payments	-2,918	-3,189	-3,578	-765	-838	-1,018	-957	-964	-8,573	-464	-4,109	-970	-1,159
30	Income payments on foreign-owned assets in the United States	-2,868	-3,125	-3,513	-746	-824	-1,005	-938	-945	-8,341	-167	-3,804	-892	-1,085
31	Direct investment payments	-132	-345	-1,343	-241	-284	-427	-391	-374	-937	5,612	1,213	397	256
32	Other private payments	-995	-1,024	-698	-168	-178	-186	-166	-119	-5,671	-4,076	-3,804	-928	-993
33	U.S. Government payments	-1,741	-1,756	-1,472	-337	-362	-392	-381	-352	-1,733	-1,703	-1,213	-361	-348
34	Compensation of employees	-50	-64	-65	-19	-14	-13	-19	-19	-232	-297	-305	-78	-74
35	<b>Unilateral current transfers, net</b>	-3,736	-3,617	-4,414	-1,030	-1,136	-1,186	-1,062	-1,227	-846	-843	-590	-182	-127
36	U.S. Government grants <sup>4</sup>	-1,807	-1,511	-1,821	-382	-515	-507	-417	-540					
37	U.S. Government pensions and other transfers	-48	-59	-56	-19	-14	-14	-15	-12	-498	-528	-537	-133	-134
38	Private remittances and other transfers <sup>5</sup>	-1,881	-2,047	-2,537	-635	-607	-665	-630	-675	-347	-315	-53	-49	7
<b>Capital and financial account</b>														
<b>Capital account</b>														
39	Capital account transactions, net	-154	-179	-199	-49	-49	-52	-49	-52	83	107	133	30	24
<b>Financial account</b>														
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	869	1,451	-1,042	-1,081	839	-790	-10	-180	-36,215	-36,090	-12,746	-7,845	-5,705
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	-433	140	102	45	-21	15	63	49					
47	U.S. credits and other long-term assets	-855	89	-291	-6	-40	-237	-8	-12					
48	Repayments on U.S. credits and other long-term assets <sup>8</sup>	420	229	393	51	19	252	71	61					
49	U.S. foreign currency holdings and U.S. short-term assets, net	2												
50	U.S. private assets, net	1,302	1,311	-1,144	-1,126	860	-805	-73	-229	-36,215	-36,090	-12,746	-7,845	-5,705
51	Direct investment	718	-110	-2,114	-940	-445	-515	-214	40	-16,901	-15,512	-12,889	-7,377	-4,270
52	Foreign securities	-88	1,602	1,123	465	357	-550	851	137	-14,746	-4,182	4,801	280	3,909
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-111	140	70	35	80	-47	2		-2,627	2,873	581	2,385	1,377
54	U.S. claims reported by U.S. banks, not included elsewhere	783	-321	-223	-686	868	307	-712	-406	-1,941	-19,269	-5,239	-3,133	-6,721
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b>	17,940	16,863	18,337	1,209	8,979	6,992	1,157	6,494	49,307	22,948	2,219	9,233	-5,317
56	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	-133	-286	-2,333	868	-3,199
57	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)	(17)	(17)	(17)
58	U.S. Treasury securities <sup>9</sup>	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)	(17)	(17)	(17)
59	Other <sup>10</sup>	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)	(17)	(17)	(17)
60	Other U.S. Government liabilities <sup>11</sup>	334	29	140	32	56	38	14	18	-24	1	28		14
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)	(17)	(17)	(17)
62	Other foreign official assets <sup>12</sup>	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)	(17)	(17)	(17)
63	Other foreign assets in the United States, net									49,440	23,234	4,552	8,365	-2,118
64	Direct investment	3,153	12,713	3,423	261	1,706	2,075	-619	-983	27,257	12,956	-3,576	496	-4,946
65	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)	(17)	(17)	(17)
66	U.S. securities other than U.S. Treasury securities	970	-1,227	-2,341	-183	-402	-599	-1,157	-1,254	18,078	12,223	8,659	6,947	2,760
67	U.S. currency													
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-129	-147	20	126	206	-328	16		6,582	3,463	4,082	1,722	1,719
69	U.S. liabilities reported by U.S. banks, not included elsewhere	<sup>18</sup> 13,612	<sup>18</sup> 5,495	<sup>18</sup> 17,095	<sup>18</sup> 973	<sup>18</sup> 7,413	<sup>18</sup> 5,806	<sup>18</sup> 2,903	<sup>18</sup> 8,713	(17)	(17)	(17)	(17)	(17)
70	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	-6,395	-8,181	-4,695	1,466	-6,353	-2,776	2,968	-2,275	15,333	41,124	40,795	5,012	18,094
<b>Memoranda:</b>														
71	Balance on goods (lines 3 and 20)	-10,176	-7,537	-8,517	-1,034	-2,178	-2,354	-2,951	-3,086	-54,801	-55,478	-50,866	-12,289	-12,205
72	Balance on services (lines 4 and 21)	1,580	1,971	1,675	607	170	371	527	675	6,707	6,816	5,796	2,562	1,543
73	Balance on goods and services (lines 2 and 19)	-8,616	-5,566	-6,842	-427	-2,008	-1,983	-2,424	-2,411	-48,094	-48,662	-45,070	-9,727	-10,662
74	Balance on income (lines 12 and 29)	92	-771	-1,145	-88	-272	-205	-590	-349	20,432	21,416	15,259	3,479	3,693
75	Unilateral current transfers, net (line 35)	-3,736	-3,617	-4,414	-1,030	-1,136	-1,186	-1,062	-1,227	-846	-843	-590	-182	-127
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup>	-12,260	-9,954	-12,401	-1,545	-3,416	-3,374	-4,066	-3,987	-28,508	-28,089	-30,401	-6,430	-7,096

See footnotes on pages 112-113.

Transactions, by Area—Continued  
of dollars]

Canada			Latin America and Other Western Hemisphere									Japan						Line		
2002		2003	2000	2001	2002	2002				2003	2000	2001	2002	2002					2003	
III	IV	I <sup>P</sup>				I	II	III	IV					I <sup>P</sup>	I	II	III			IV
49,827	51,907	52,807	303,146	273,149	241,300	57,136	60,871	62,312	60,981	57,415	112,278	97,908	92,656	22,848	22,701	24,621	22,486	22,498	1	
44,833	46,834	47,727	225,490	214,290	200,795	47,454	50,331	51,241	51,769	47,765	97,198	86,411	80,057	19,376	19,543	21,261	19,877	19,545	2	
38,834	40,843	41,120	170,269	158,973	147,944	34,638	37,421	37,544	38,341	35,022	63,473	55,879	49,664	12,199	12,323	12,965	12,177	12,179	3	
5,999	5,991	6,607	55,221	55,317	52,851	12,816	12,910	13,697	13,428	12,743	33,725	30,532	30,393	7,177	7,220	8,296	7,700	7,366	4	
29	13	13	816	787	379	107	88	94	90	114	517	407	617	97	148	170	202	205	5	
1,447	1,323	1,837	22,134	20,352	18,236	4,170	4,409	5,029	4,628	4,098	10,238	8,902	8,492	1,879	1,949	2,503	2,161	1,879	6	
443	405	546	5,963	5,382	4,726	1,152	1,152	1,257	1,165	1,042	3,777	2,798	2,809	611	694	889	615	510	7	
674	710	667	3,537	3,235	3,296	821	791	832	852	820	3,322	2,913	2,825	655	670	724	776	751	8	
767	803	795	3,646	3,621	3,739	852	939	1,021	927	875	6,620	6,291	6,349	1,550	1,575	1,604	1,620	1,573	9	
2,617	2,715	2,728	18,976	21,774	22,306	5,672	5,489	5,422	5,723	5,750	9,188	9,150	9,210	2,360	2,162	2,384	2,304	2,422	10	
22	22	21	149	166	169	42	42	42	43	44	63	71	91	25	22	22	22	22	11	
4,994	5,073	5,080	77,656	58,859	40,505	9,682	10,540	11,071	9,212	9,650	15,080	11,497	12,599	3,472	3,158	3,360	2,609	2,953	12	
4,973	5,052	5,057	77,456	58,659	40,300	9,631	10,489	11,019	9,161	9,597	15,014	11,429	12,528	3,455	3,140	3,342	2,591	2,935	13	
2,978	3,243	3,261	20,139	19,032	16,990	3,624	4,354	5,092	3,920	4,664	6,150	4,860	6,898	2,103	1,715	1,852	1,228	1,501	14	
1,995	1,809	1,796	56,924	39,228	22,939	5,936	6,027	5,843	5,133	4,845	8,842	6,543	5,629	1,351	1,425	1,490	1,363	1,433	15	
21	21	23	393	399	371	71	108	84	108	88	22	26	1	1	1	1	1	1	16	
-59,273	-59,055	-61,443	-318,623	-294,284	-290,261	-67,768	-73,840	-75,507	-73,146	-71,845	-202,173	-174,643	-173,212	-38,797	-43,155	-44,711	-46,549	-40,380	17	
-58,412	-57,936	-60,470	-247,660	-238,767	-245,465	-55,774	-61,778	-64,026	-63,887	-61,652	-165,294	-144,496	-140,366	-32,992	-34,616	-35,295	-37,463	-33,547	19	
-52,403	-53,646	-56,429	-210,179	-199,610	-205,014	-45,964	-51,700	-53,840	-53,510	-51,380	-146,497	-126,484	-121,428	-28,566	-29,956	-30,387	-32,519	-28,884	20	
-6,009	-4,290	-4,041	-37,481	-39,157	-40,451	-9,810	-10,078	-10,186	-10,377	-10,272	-18,779	-18,012	-18,938	-4,426	-4,660	-4,908	-4,944	-4,663	21	
-19	-28	-18	-279	-358	-343	-60	-92	-104	-104	-90	-1,320	-1,327	-1,487	-367	-365	-379	-376	-365	22	
-2,788	-1,108	-970	-18,014	-17,019	-17,314	-4,451	-4,070	-4,350	-4,443	-4,428	-2,897	-2,674	-2,874	-626	-823	-695	-730	-617	23	
-172	-119	-95	-3,050	-2,930	-2,665	-591	-681	-696	-697	-643	-944	-1,015	-1,051	-240	-278	-270	-263	-250	24	
-939	-903	-907	-3,687	-3,450	-3,407	-823	-898	-842	-844	-886	-5,377	-4,411	-4,169	-914	-1,001	-1,114	-1,140	-1,142	25	
-332	-232	-206	-1,184	-991	-1,555	-226	-587	-397	-345	-329	-3,954	-4,492	-4,997	-1,257	-1,123	-1,393	-1,224	-1,233	26	
-1,715	-1,856	-1,780	-10,766	-13,911	-14,652	-3,526	-3,622	-3,688	-3,816	-3,762	-4,157	-3,964	-4,221	-973	-1,040	-1,027	-1,181	-1,007	27	
-44	-44	-45	-501	-498	-515	-133	-128	-126	-128	-134	-148	-129	-139	-49	-30	-30	-49	-49	28	
-861	-1,119	-973	-70,963	-55,517	-44,796	-11,994	-12,062	-11,481	-9,259	-10,193	-36,879	-29,967	-32,846	-5,805	-8,539	-9,416	-9,086	-8,833	29	
-788	-1,039	-889	-64,559	-48,899	-37,945	-10,428	-10,368	-9,711	-7,437	-8,575	-36,815	-29,896	-32,767	-5,782	-8,522	-9,401	-9,062	-8,809	30	
490	70	201	-2,440	3,522	254	-862	-396	26	1,486	230	-5,440	-170	-7,521	369	-1,815	-3,067	-3,008	-1,056	31	
-997	-886	-915	-53,743	-43,589	-29,038	-7,447	-7,626	-7,344	-6,621	-6,653	-9,616	-9,083	-7,005	-1,573	-2,147	-1,698	-1,587	-1,311	32	
-281	-223	-175	-8,376	-8,832	-9,161	-2,119	-2,347	-2,393	-2,302	-2,152	-21,759	-20,643	-18,241	-4,578	-4,560	-4,636	-4,467	-4,442	33	
-73	-80	-84	-6,404	-6,618	-6,851	-1,566	-1,693	-1,770	-1,822	-1,618	-64	-71	-79	-23	-17	-15	-24	-24	34	
-154	-127	-161	-18,312	-19,960	-23,288	-5,488	-5,607	-6,014	-6,189	-6,254	396	-125	492	-3	195	128	172	146	35	
-135	-135	-158	-1,902	-2,041	-1,882	-480	-454	-469	-475	-475	-114	-122	-131	-32	-33	-33	-33	-26	36	
-19	8	-3	-15,654	-17,069	-20,597	-4,803	-4,972	-5,350	-5,472	-5,589	510	-3	623	29	228	161	205	172	37	
41	38	28		-36	-8	-2	5	-13	2	-7	34	15	19	4	5	5	5	5	6	39
-4,202	5,006	3,020	-173,235	-62,102	-880	61,873	-58,682	33,746	-37,817	-33,580	12,612	-30,893	-25,871	-764	-9,080	-2,126	-13,901	-8,544	40	
											4,137	-458	-1	-1						41
																				42
																				43
																				44
																				45
			138	258	173	43	44	107	-21	99	39	-2	-6	1	-7	6	-6	-6	46	
			-678	-516	-545	-99	-106	-172	-91	-91									47	
			904	804	737	149	142	305	141	191									48	
			-88	-30	-19	-7	8	-30	10	-1	39	-2	-6	1	-7	6	-6	-6	49	
-4,202	5,006	3,020	-173,373	-62,360	-1,053	61,830	-58,726	33,639	-37,796	-33,679	8,436	-30,433	-25,864	-764	-9,073	-2,132	-13,895	-8,538	50	
-2,726	1,484	-4,478	-23,213	-26,151	-8,610	-1,695	-3,082	-3,225	-608	-3,623	-4,295	-2,323	-4,481	-1,941	-1,369	-399	-772	-539	51	
1,378	-766	4,375	-30,916	-16,889	-958	-262	-1,121	-314	739	-12,636	21,078	-19,997	-9,006	-3,028	3,000	-8,613	-496	52		
-4,543	1,362		-84,317	22,030	-9,636	28,483	-24,758	2,974	-16,335	10,624	-2,158	-2,539	-547	-373	-2,048	3,298	-1,424		53	
1,689	2,926	3,123	-34,927	-41,350	18,151	35,304	-29,765	34,204	-21,592	-28,044	-6,189	-5,574	-11,830	4,578	-5,291	-8,031	-3,086	-7,503	54	
-400	-1,297	6,044	205,749	151,493	133,419	-5,529	67,705	31,357	39,886	60,443	58,047	48,493	84,068	-384	38,358	39,993	6,101	27,712	55	
-995	993	-1,246	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	56
(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	57
(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	58
(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	59
3	11	20	-42	-291	45	6	17	-7	27	-2	-164	-113	-282	-114	-59	80	-189	-228	60	
(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	61
(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	62
595	-2,290	7,290	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	63
773	101	100	12,740	3,433	-1,191	861	-5,471	-639	4,058	-971	7,816	-4,002	4,968	-5,306	2,099	3,953	4,222	-809	64	
(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	65
933	-1,981	827	35,023	61,085	52,685	14,250	25,292	4,261	8,882	-1,701	38,766	24,663	49,230	-3,628	22,494	16,608	13,756	5,379	66	
																				67
816	-175		40,247	24,637	30,207	3,082	10,321	18,503	-1,699	-1,139	6,064	-3,631	-339	1,386	-1,393	1,582	-1,914		68	
(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	69
14,161	3,528	-295	1,275	-48,260	-60,272	-40,222	9,548	-45,881	16,283	-6,172	18,806	59,065	21,848	17,096						

Table 11. U.S. International  
(Millions)

Line	(Credits +; debits -) <sup>1</sup>	Australia							
		2000	2001	2002	2002				2003
					I	II	III	IV	
<b>Current account</b>									
1	<b>Exports of goods and services and income receipts</b>	<b>24,385</b>	<b>19,628</b>	<b>22,653</b>	<b>5,105</b>	<b>5,572</b>	<b>6,096</b>	<b>5,880</b>	<b>5,447</b>
2	Exports of goods and services	18,083	15,672	18,149	4,089	4,569	4,802	4,709	4,070
3	Goods, balance of payments basis <sup>2</sup>	12,187	10,597	12,760	2,833	3,228	3,368	3,331	2,765
4	Services <sup>3</sup>	5,896	5,075	5,389	1,236	1,341	1,434	1,378	1,305
5	Transfers under U.S. military agency sales contracts <sup>4</sup>	347	196	176	43	43	42	48	49
6	Travel	1,656	1,382	1,473	298	385	420	370	298
7	Passenger fares	530	361	339	104	91	77	67	87
8	Other transportation	282	291	292	65	73	74	80	72
9	Royalties and license fees <sup>5</sup>	747	723	834	182	200	235	217	193
10	Other private services <sup>5</sup>	2,125	2,114	2,264	542	546	583	583	604
11	U.S. Government miscellaneous services	9	8	11	2	3	3	3	2
12	Income receipts	6,302	3,956	4,504	1,036	1,003	1,294	1,171	1,377
13	Income receipts on U.S.-owned assets abroad	6,278	3,932	4,480	1,030	997	1,288	1,165	1,370
14	Direct investment receipts	3,436	1,718	2,612	555	515	809	733	946
15	Other private receipts	2,842	2,214	1,868	475	482	479	432	424
16	U.S. Government receipts								
17	Compensation of employees	24	24	24	6	6	6	6	7
18	<b>Imports of goods and services and income payments</b>	<b>-11,966</b>	<b>-12,937</b>	<b>-11,356</b>	<b>-2,386</b>	<b>-2,918</b>	<b>-3,014</b>	<b>-3,038</b>	<b>-2,831</b>
19	Imports of goods and services	-10,017	-10,260	-9,539	-2,205	-2,371	-2,508	-2,455	-2,287
20	Goods, balance of payments basis <sup>2</sup>	-6,422	-6,463	-6,446	-1,385	-1,668	-1,753	-1,640	-1,415
21	Services <sup>3</sup>	-3,595	-3,797	-3,093	-820	-703	-755	-815	-872
22	Direct defense expenditures	-61	-112	-119	-24	-29	-34	-32	-24
23	Travel	-1,473	-1,549	-997	-300	-207	-244	-246	-296
24	Passenger fares	-620	-762	-641	-188	-147	-142	-164	-196
25	Other transportation	-247	-221	-192	-55	-47	-45	-45	-45
26	Royalties and license fees <sup>5</sup>	-96	-86	-76	-14	-17	-16	-29	-27
27	Other private services <sup>5</sup>	-1,044	-1,035	-1,029	-230	-246	-264	-289	-275
28	U.S. Government miscellaneous services	-34	-32	-39	-9	-10	-10	-10	-9
29	Income payments	-1,949	-2,677	-1,817	-181	-547	-506	-583	-544
30	Income payments on foreign-owned assets in the United States	-1,943	-2,664	-1,805	-178	-544	-503	-580	-540
31	Direct investment payments	-395	-1,499	-777	52	-300	-227	-302	-280
32	Other private payments	-1,020	-722	-594	-132	-140	-160	-162	-155
33	U.S. Government payments	-528	-443	-434	-98	-104	-116	-116	-105
34	Compensation of employees	-6	-13	-12	-3	-3	-3	-3	-4
35	<b>Unilateral current transfers, net</b>	<b>-343</b>	<b>-428</b>	<b>-238</b>	<b>-62</b>	<b>-62</b>	<b>-59</b>	<b>-55</b>	<b>-55</b>
36	U.S. Government grants <sup>4</sup>								
37	U.S. Government pensions and other transfers	-43	-47	-52	-13	-13	-13	-13	-12
38	Private remittances and other transfers <sup>6</sup>	-300	-381	-186	-49	-49	-46	-42	-43
<b>Capital and financial account</b>									
<b>Capital account</b>									
39	<b>Capital account transactions, net</b>	<b>-20</b>	<b>-24</b>	<b>-24</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>
<b>Financial account</b>									
40	<b>U.S.-owned assets abroad, net (increase/financial outflow (-))</b>	<b>-3,437</b>	<b>-1,448</b>	<b>-5,165</b>	<b>-4,618</b>	<b>-626</b>	<b>2,358</b>	<b>-2,279</b>	<b>-133</b>
41	U.S. official reserve assets, net								
42	Gold <sup>7</sup>								
43	Special drawing rights								
44	Reserve position in the International Monetary Fund								
45	Foreign currencies								
46	U.S. Government assets, other than official reserve assets, net	1							
47	U.S. credits and other long-term assets								
48	Repayments on U.S. credits and other long-term assets <sup>8</sup>								
49	U.S. foreign currency holdings and U.S. short-term assets, net	1							
50	U.S. private assets, net	-3,438	-1,448	-5,165	-4,618	-626	2,358	-2,279	-133
51	Direct investment	-889	391	-3,728	-3,188	239	106	-883	-634
52	Foreign securities	871	-3,266	457	-203	-370	904	126	379
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	833	-1,422	-2,880	-2,071	504	993	-2,306	
54	U.S. claims reported by U.S. banks, not included elsewhere	-4,253	2,849	984	844	-999	355	784	122
55	<b>Foreign-owned assets in the United States, net (increase/financial inflow (+))</b>	<b>8,861</b>	<b>1,103</b>	<b>19,574</b>	<b>7,194</b>	<b>4,980</b>	<b>5,380</b>	<b>2,020</b>	<b>-4,261</b>
56	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
57	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
58	U.S. Treasury securities <sup>9</sup>	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	Other <sup>10</sup>	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
60	Other U.S. Government liabilities <sup>11</sup>	-110	92	99	34	30	29	6	
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
62	Other foreign official assets <sup>12</sup>	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
63	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
64	Direct investment	4,936	5,670	4,262	650	3,018	1,114	-520	585
65	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
66	U.S. securities other than U.S. Treasury securities	1,625	-2,155	7,703	2,148	936	4,124	495	-2,309
67	U.S. currency								
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-1,072	456	314	150	688	-794	270	
69	U.S. liabilities reported by U.S. banks, not included elsewhere	18,328	18,296	18,719	18,421	18,308	18,907	18,169	18,257
70	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	<b>-17,480</b>	<b>-5,894</b>	<b>-25,444</b>	<b>-5,227</b>	<b>-6,940</b>	<b>-10,755</b>	<b>-2,522</b>	<b>1,839</b>
<b>Memoranda:</b>									
71	Balance on goods (lines 3 and 20)	5,765	4,134	6,314	1,448	1,560	1,615	1,691	1,350
72	Balance on services (lines 4 and 21)	2,301	1,278	2,296	416	638	679	563	433
73	Balance on goods and services (lines 2 and 19)	8,066	5,412	8,610	1,864	2,198	2,294	2,254	1,783
74	Balance on income (lines 12 and 29)	4,353	1,279	2,587	855	456	788	588	833
75	Unilateral current transfers, net (line 35)	-343	-428	-238	-62	-62	-59	-55	-55
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) <sup>13</sup>	12,076	6,263	11,059	2,657	2,592	3,023	2,787	2,561

See footnotes on pages 112-113.









## Footnotes to U.S. International Transactions Tables 1–12

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

### Table 1:

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

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

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

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

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

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

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

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

8. Includes sales of foreign obligations to foreigners.

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

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

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

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

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

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

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

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

16. Break in series. See Technical Notes in the June 1989–90, 1992–95, and July 1996–2003 issues of the SURVEY.

### Table 2:

1. Exports, Census basis, represent transactions values, f.a.s. U.S. port of exportation, for all years; imports, Census basis, represent Customs values (see Technical Notes in the June 1982 SURVEY), except for 1974–81, when they represent transactions values, f.a.s. foreign port of exportation (see July issues of the SURVEY for historical data). From 1983 forward, both unadjusted and seasonally adjusted data have been prepared by BEA from "actual" and "revised statistical" monthly data supplied by the Census Bureau (see Technical Notes in the December 1985 SURVEY). Seasonally adjusted data reflect the application of seasonal factors developed jointly by Census and BEA. The seasonally adjusted data are the sum of seasonally adjusted five-digit end-use categories (see technical Notes in the June 1980 SURVEY, in the June 1988 SURVEY, and in the June 1991 SURVEY). Prior to 1983, annual data are as published by the Census Bureau, except that for 1975–80 published Census data are adjusted to include trade between the U.S. Virgin Islands and foreign countries.

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

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

4. Addition of electrical energy; deduction of exposed motion picture film for rental rather than sale; net change in stock of U.S.-owned grains in storage in Canada; coverage adjustments for special situations in which shipments were omitted from Census data; deduction of the value of repairs and alterations to foreign-owned equipment shipped to

the United States for repair; and the inclusion of fish exported outside of U.S. customs area. Also includes deduction of exports to the Panama Canal Zone before October 1, 1979, and for 1975–82, net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another (see July issues of the SURVEY for historical data).

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

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

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

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

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

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

### Table 3:

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

2. Includes royalties, license fees, and other fees associated with the use of copyrights, trademarks, franchises, rights to broadcast live events, software licensing fees, and other intangible property rights.

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

4. Includes charges for auxiliary insurance services.

5. Beginning in 1992, the net result of (line 51 – line 52) – (line 55 – line 56) is recorded in "private remittances and other transfers" (table 1, line 38).

### Table 4:

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

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

### Table 5:

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

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

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

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

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

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

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

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

**Table 6a:**

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

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

**Table 6b:**

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

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

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

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

**Table 7a:**

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

2. Includes all redemptions and early retirements.

**Table 7b:**

1. Primarily provincial, regional, and municipal.

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

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

**Table 8a:**

1. Securities brokers' claims on and liabilities to their foreign affiliates are included from 1998–2002 and excluded beginning with 2003.

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

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

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

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

**Table 8b:**

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

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

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

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

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

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

**Table 9a:**

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

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

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

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

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

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

7. Prior to 2003, includes only deposits.

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

**Table 9b:**

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

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

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

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

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

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

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

8. Includes Eastern Europe and international and regional organizations.

9. Estimates first available for the second quarter of 2001.

**Table 10a:**

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

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

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

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

**Table 10b:**

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

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

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

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

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

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

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

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

9. Includes Eastern Europe and international and regional organizations.

10. Estimates first available for the second quarter of 2001.

**Table 11:**

For footnotes 1–13, see table 1.

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

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

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

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

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

**Table 12:**

For footnotes 1–13, see table 1.

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

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

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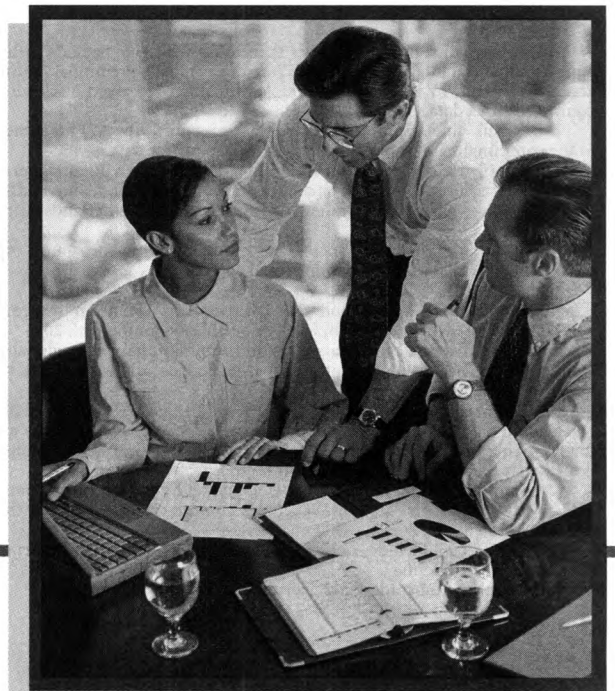
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# BEA Current and Historical Data

## 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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★The tables in sections F and G and the charts in section I are not included in this issue because of the publication of the annual revision of the international transactions accounts. The annual revision is described in "Annual Revision of the U.S. International Accounts, 1992-2002," and the estimates are presented in "U.S. International Transactions, First Quarter 2003." See also "The International Investment Position of the United States at Yearend 2002" and "Direct Investment Positions for 2002: Country and Industry Detail."

## 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 June 26, 2003 and include the "final" estimates for the first quarter of 2003. Also included are revised estimates of wages and salaries and affected income-side series for the fourth 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 available within minutes of the time of release, and the "Selected NIPA Tables" are available later that day, on BEA's Web site <www.bea.gov>.

The "Selected NIPA Tables" are also available on printouts or diskettes from BEA. To order, 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				
			2002				2003
			I	II	III	IV	I
<b>Gross domestic product..</b>	<b>.3</b>	<b>2.4</b>	<b>5.0</b>	<b>1.3</b>	<b>4.0</b>	<b>1.4</b>	<b>1.4</b>
<b>Personal consumption expenditures.....</b>	<b>2.5</b>	<b>3.1</b>	<b>3.1</b>	<b>1.8</b>	<b>4.2</b>	<b>1.7</b>	<b>2.0</b>
Durable goods.....	6.0	7.3	-6.3	2.0	22.8	-8.2	-2.0
Nondurable goods.....	2.0	3.2	7.9	-1	1.0	5.1	6.1
Services.....	2.0	2.2	2.9	2.7	2.3	2.2	.9
<b>Gross private domestic investment.....</b>	<b>-10.7</b>	<b>1.0</b>	<b>18.2</b>	<b>7.9</b>	<b>3.6</b>	<b>6.3</b>	<b>-5.3</b>
Fixed investment.....	-3.8	-3.1	-5	-1.0	-3	4.4	-1
Nonresidential.....	-5.2	-5.7	-5.8	-2.4	-8	2.3	-4.4
Structures.....	-1.7	-16.4	-14.2	-17.6	-21.4	-9.9	-2.9
Equipment and software.....	-6.4	-1.7	-2.7	3.3	6.7	6.2	-4.8
Residential.....	.3	3.9	14.2	2.7	1.1	9.4	10.1
Change in private inventories.....							
<b>Net exports of goods and services.....</b>	<b>-5.4</b>	<b>-1.6</b>	<b>3.5</b>	<b>14.3</b>	<b>4.6</b>	<b>-5.8</b>	<b>-1.3</b>
Exports.....	-5.9	-3.6	-3.4	15.9	4.1	-11.5	1.9
Goods.....	-4.0	3.2	21.7	10.7	5.9	8.0	-8.0
Services.....	-2.9	3.7	8.5	22.2	3.3	7.4	-6.2
Imports.....	-3.3	3.9	3.7	27.9	3.4	6.2	-6.7
Goods.....	-5	2.1	35.7	-2.1	3.1	13.0	-4.0
Services.....							
<b>Government consumption expenditures and gross investment.....</b>	<b>3.7</b>	<b>4.4</b>	<b>5.6</b>	<b>1.4</b>	<b>2.9</b>	<b>4.6</b>	<b>.4</b>
Federal.....	4.8	7.5	7.4	7.5	4.3	11.0	.7
National defense.....	5.0	9.3	11.6	7.8	6.9	11.0	-3.3
Nondefense.....	4.5	4.3	.4	6.9	-3	11.1	8.4
State and local.....	3.1	2.8	4.6	-1.7	2.2	1.2	.2
<b>Addenda:</b>							
Final sales of domestic product.....	1.5	1.8	2.4	-1	3.4	1.1	2.3
Gross domestic purchases..	.4	3.0	5.6	2.6	3.9	2.9	.6
Final sales to domestic purchasers.....	1.6	2.4	3.0	1.3	3.3	2.6	1.4
Gross national product.....	.2	2.1	3.7	4	4.4	1.4	1.4
Disposable personal income	1.8	4.2	14.5	3.9	1.8	1.4	2.1

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

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
<b>Percent change at annual rate:</b>							
<b>Gross domestic product .....</b>	<b>.3</b>	<b>2.4</b>	<b>5.0</b>	<b>1.3</b>	<b>4.0</b>	<b>1.4</b>	<b>1.4</b>
<b>Percentage points at annual rates:</b>							
<b>Personal consumption expenditures.....</b>	<b>1.67</b>	<b>2.15</b>	<b>2.22</b>	<b>1.22</b>	<b>2.93</b>	<b>1.19</b>	<b>1.40</b>
Durable goods.....	.48	.59	-55	.16	1.74	-72	-17
Nondurable goods.....	.39	.64	1.57	-.02	.22	1.01	1.21
Services.....	.80	.92	1.20	1.08	.97	.90	.36
<b>Gross private domestic investment.....</b>	<b>-1.90</b>	<b>.15</b>	<b>2.53</b>	<b>1.16</b>	<b>.55</b>	<b>.93</b>	<b>-.83</b>
Fixed investment.....	-.65	-.50	-.07	-.15	-.03	.65	-.02
Nonresidential.....	-.66	-.68	-.66	-.27	-.08	.24	-.47
Structures.....	-.05	-.52	-.44	-.53	-.62	-.25	-.07
Equipment and software.....	-.61	-.15	-.22	.26	.53	.49	-.40
Residential.....	.01	.18	.60	.12	.05	.41	.45
Change in private inventories.....	-1.24	.65	2.60	1.31	.58	.28	-.82
<b>Net exports of goods and services.....</b>	<b>-.18</b>	<b>-.67</b>	<b>-.75</b>	<b>-1.40</b>	<b>-.01</b>	<b>-1.59</b>	<b>.78</b>
Exports.....	-.59	-.17	.33	1.29	.45	-.59	-.13
Goods.....	-.47	-.26	-.23	.99	.28	-.82	-.13
Services.....	-.13	.09	.56	.30	.17	.23	-.25
Imports.....	.42	-.50	-1.08	-2.69	-.47	-1.00	.91
Goods.....	.40	-.43	-.40	-2.74	-.40	-.71	.81
Services.....	.01	-.07	-.68	.05	-.07	-.30	.10
<b>Government consumption expenditures and gross investment.....</b>	<b>.65</b>	<b>.81</b>	<b>1.04</b>	<b>.27</b>	<b>.56</b>	<b>.85</b>	<b>.08</b>
Federal.....	.29	.47	.47	.47	.29	.70	.05
National defense.....	.19	.37	.46	.32	.29	.46	-.15
Nondefense.....	.10	.10	.01	.16	-.01	.25	.20
State and local.....	.36	.34	.56	-.21	.27	.15	.03

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				
			2002				2003
			I	II	III	IV	I
<b>Gross domestic product</b> .....	<b>10,082.2</b>	<b>10,446.2</b>	<b>10,313.1</b>	<b>10,376.9</b>	<b>10,506.2</b>	<b>10,588.8</b>	<b>10,688.4</b>
<b>Personal consumption expenditures</b> .....	<b>6,987.0</b>	<b>7,303.7</b>	<b>7,174.2</b>	<b>7,254.7</b>	<b>7,360.7</b>	<b>7,425.4</b>	<b>7,512.5</b>
Durable goods.....	835.9	871.9	859.0	856.9	897.8	873.9	861.2
Nondurable goods.....	2,041.3	2,115.0	2,085.1	2,108.2	2,116.9	2,150.0	2,206.8
Services.....	4,109.9	4,316.8	4,230.1	4,289.5	4,346.0	4,401.5	4,444.6
<b>Gross private domestic investment</b> .....	<b>1,586.0</b>	<b>1,593.2</b>	<b>1,559.4</b>	<b>1,588.0</b>	<b>1,597.3</b>	<b>1,628.1</b>	<b>1,611.2</b>
Fixed investment.....	1,646.3	1,589.3	1,589.4	1,584.6	1,579.7	1,603.6	1,610.7
Nonresidential.....	1,201.6	1,117.4	1,126.8	1,115.8	1,109.8	1,117.1	1,103.4
Structures.....	324.5	269.3	288.3	275.2	259.4	254.2	254.9
Equipment and software.....	877.1	848.1	838.5	840.7	850.4	863.0	848.6
Residential.....	444.8	471.9	462.6	468.7	469.9	486.5	507.3
Change in private inventories.....	-60.3	3.9	-29.9	3.4	17.6	24.5	.4
<b>Net exports of goods and services</b> .....	<b>-348.9</b>	<b>-423.6</b>	<b>-360.1</b>	<b>-425.6</b>	<b>-432.9</b>	<b>-476.0</b>	<b>-487.2</b>
Exports.....	1,034.1	1,014.9	977.5	1,018.1	1,038.6	1,025.4	1,031.8
Goods.....	733.5	703.6	679.8	709.4	722.6	702.6	711.9
Services.....	300.6	311.3	297.7	308.8	316.0	322.8	319.9
Imports.....	1,383.0	1,438.5	1,337.5	1,443.7	1,471.5	1,501.4	1,519.0
Goods.....	1,167.2	1,192.1	1,102.3	1,202.9	1,220.9	1,242.5	1,256.1
Services.....	215.8	246.4	235.2	240.8	250.6	258.9	262.9
<b>Government consumption expenditures and gross investment</b> .....	<b>1,858.0</b>	<b>1,972.9</b>	<b>1,939.5</b>	<b>1,959.8</b>	<b>1,981.1</b>	<b>2,011.3</b>	<b>2,052.0</b>
Federal.....	628.1	693.7	672.0	688.2	697.7	716.9	735.2
National defense.....	399.9	447.4	431.7	442.1	451.2	464.7	471.1
Nondefense.....	228.2	246.3	240.3	246.1	246.5	252.2	264.1
State and local.....	1,229.9	1,279.2	1,267.5	1,271.6	1,283.3	1,294.4	1,316.8

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				
			2002				2003
			I	II	III	IV	I
<b>Gross domestic product</b> .....	<b>9,214.5</b>	<b>9,439.9</b>	<b>9,363.2</b>	<b>9,392.4</b>	<b>9,485.6</b>	<b>9,518.2</b>	<b>9,552.0</b>
<b>Personal consumption expenditures</b> .....	<b>6,377.2</b>	<b>6,576.0</b>	<b>6,513.8</b>	<b>6,542.4</b>	<b>6,609.9</b>	<b>6,637.9</b>	<b>6,670.9</b>
Durable goods.....	931.9	999.9	975.9	980.7	1,032.4	1,010.6	1,005.4
Nondurable goods.....	1,869.8	1,929.5	1,921.4	1,920.9	1,925.8	1,950.0	1,978.9
Services.....	3,594.9	3,675.6	3,642.2	3,666.2	3,667.0	3,707.0	3,714.9
<b>Gross private domestic investment</b> .....	<b>1,574.6</b>	<b>1,589.6</b>	<b>1,554.0</b>	<b>1,583.9</b>	<b>1,598.0</b>	<b>1,622.4</b>	<b>1,600.4</b>
Fixed investment.....	1,627.4	1,577.3	1,576.4	1,572.6	1,571.6	1,588.5	1,587.9
Nonresidential.....	1,255.1	1,183.4	1,188.4	1,181.1	1,178.7	1,185.3	1,172.1
Structures.....	270.9	226.4	243.2	231.7	218.2	212.6	211.0
Equipment and software.....	988.2	971.1	953.7	961.4	977.2	992.1	979.9
Residential.....	373.5	388.2	383.6	386.1	387.1	395.9	405.5
Change in private inventories.....	-61.4	5.2	-28.9	4.9	18.8	25.8	4.8
<b>Net exports of goods and services</b> .....	<b>-415.9</b>	<b>-488.5</b>	<b>-446.6</b>	<b>-487.4</b>	<b>-488.0</b>	<b>-532.2</b>	<b>-510.3</b>
Exports.....	1,076.1	1,058.8	1,030.6	1,065.5	1,077.7	1,061.6	1,058.1
Goods.....	785.2	756.9	738.1	765.8	773.5	750.3	753.9
Services.....	292.0	301.5	292.2	299.7	304.0	310.0	303.5
Imports.....	1,492.0	1,547.4	1,477.1	1,552.9	1,566.7	1,593.8	1,568.4
Goods.....	1,270.5	1,320.1	1,250.0	1,329.2	1,340.3	1,360.8	1,337.4
Services.....	222.4	227.2	225.5	224.3	226.0	233.0	230.7
<b>Government consumption expenditures and gross investment</b> .....	<b>1,640.4</b>	<b>1,712.8</b>	<b>1,697.3</b>	<b>1,703.3</b>	<b>1,715.6</b>	<b>1,735.0</b>	<b>1,736.7</b>
Federal.....	570.6	613.3	597.8	608.7	615.1	631.4	632.5
National defense.....	366.0	400.0	388.5	395.8	402.5	413.2	409.7
Nondefense.....	204.4	213.3	209.3	212.9	212.7	218.3	222.8
State and local.....	1,069.4	1,099.7	1,099.3	1,094.7	1,100.6	1,104.0	1,104.6
Residual.....	22.6	19.9	20.2	25.1	12.1	22.2	25.2

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				
			2002				2003
			I	II	III	IV	
<b>Gross domestic product</b>	<b>10,082.2</b>	<b>10,446.2</b>	<b>10,313.1</b>	<b>10,376.9</b>	<b>10,506.2</b>	<b>10,588.8</b>	<b>10,588.4</b>
Plus: Income receipts from the rest of the world	316.9	278.0	264.7	276.0	287.3	284.2	281.3
Less: Income payments to the rest of the world	295.0	287.6	262.8	296.1	298.2	293.4	291.5
<b>Equals: Gross national product</b>	<b>10,104.1</b>	<b>10,436.7</b>	<b>10,314.9</b>	<b>10,356.8</b>	<b>10,495.3</b>	<b>10,579.7</b>	<b>10,678.2</b>
Less: Consumption of fixed capital	1,329.3	1,393.5	1,363.5	1,389.8	1,405.3	1,415.4	1,421.4
Private	1,106.8	1,163.9	1,136.9	1,161.2	1,174.8	1,182.7	1,185.9
Capital consumption allowances	1,168.4	1,320.0	1,324.0	1,322.0	1,317.9	1,315.9	1,323.5
Less: Capital consumption adjustment	61.6	156.1	187.0	160.8	143.1	133.3	137.6
Government	222.4	229.6	226.5	228.6	230.5	232.7	235.5
General government	187.7	195.0	192.5	194.1	195.7	197.6	200.0
Government enterprises	34.8	34.6	34.0	34.4	34.8	35.1	35.5
<b>Equals: Net national product</b>	<b>8,774.8</b>	<b>9,043.2</b>	<b>8,951.5</b>	<b>8,967.0</b>	<b>9,090.0</b>	<b>9,164.3</b>	<b>9,256.8</b>
Less: Indirect business tax and nontax liability	774.8	800.4	786.2	795.1	806.9	813.3	821.7
Business transfer payments	42.5	44.1	43.8	43.9	44.4	44.3	44.9
Statistical discrepancy	-117.3	-108.8	-110.0	-165.0	-82.1	-78.2	-91.4
Plus: Subsidies less current surplus of government enterprises	47.3	32.5	37.0	35.1	29.1	29.0	30.7
<b>Equals: National income</b>	<b>8,122.0</b>	<b>8,340.1</b>	<b>8,268.5</b>	<b>8,328.0</b>	<b>8,349.9</b>	<b>8,413.9</b>	<b>8,512.3</b>
Less: Corporate profits with inventory valuation and capital consumption adjustments	731.6	787.4	797.6	785.0	771.0	796.1	816.5
Net interest	649.8	684.2	672.8	678.1	687.6	698.3	703.3
Contributions for social insurance	726.1	746.5	740.4	746.1	748.8	750.9	764.1
Wage accruals less disbursements	.0	.0	.0	.0	.0	.0	1.4
Plus: Personal interest income	1,091.3	1,078.5	1,069.9	1,082.3	1,080.7	1,080.9	1,075.8
Personal dividend income	409.2	433.8	423.7	430.3	437.3	443.8	451.2
Government transfer payments to persons	1,137.0	1,252.9	1,217.4	1,247.7	1,263.1	1,283.5	1,304.9
Business transfer payments to persons	33.4	35.1	34.6	34.9	35.3	35.6	35.9
<b>Equals: Personal income</b>	<b>8,685.3</b>	<b>8,922.2</b>	<b>8,803.4</b>	<b>8,914.0</b>	<b>8,958.9</b>	<b>9,012.5</b>	<b>9,094.8</b>
<b>Addenda:</b>							
Gross domestic income	10,199.4	10,555.1	10,423.1	10,541.8	10,588.3	10,667.0	10,779.8
Gross national income	10,221.4	10,545.5	10,424.9	10,521.8	10,577.4	10,657.9	10,769.5
Net domestic product	8,752.9	9,052.8	8,949.6	8,987.0	9,101.0	9,173.4	9,267.0

**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				
			2002				2003
			I	II	III	IV	
<b>Gross domestic product</b>	<b>9,214.5</b>	<b>9,439.9</b>	<b>9,363.2</b>	<b>9,392.4</b>	<b>9,485.6</b>	<b>9,518.2</b>	<b>9,552.0</b>
Plus: Income receipts from the rest of the world	292.0	253.3	242.8	251.8	261.3	257.5	252.5
Less: Income payments to the rest of the world	269.2	260.3	239.2	268.2	269.5	264.2	260.4
<b>Equals: Gross national product</b>	<b>9,237.3</b>	<b>9,433.5</b>	<b>9,367.5</b>	<b>9,376.7</b>	<b>9,477.9</b>	<b>9,512.1</b>	<b>9,544.7</b>
Less: Consumption of fixed capital	1,320.8	1,399.9	1,357.9	1,390.9	1,417.0	1,433.7	1,448.7
Private	1,110.7	1,184.5	1,144.8	1,176.2	1,200.9	1,216.0	1,229.4
Government	210.9	216.6	214.0	215.8	217.5	219.1	220.8
General government	179.2	185.4	183.2	184.7	186.1	187.5	189.1
Government enterprises	31.7	31.2	30.9	31.1	31.3	31.6	31.7
<b>Equals: Net national product</b>	<b>7,928.1</b>	<b>8,049.7</b>	<b>8,022.0</b>	<b>8,001.6</b>	<b>8,078.2</b>	<b>8,097.2</b>	<b>8,116.2</b>
<b>Addenda:</b>							
Gross domestic income <sup>1</sup>	9,321.7	9,538.3	9,463.1	9,541.7	9,559.7	9,588.5	9,633.7
Gross national income	9,344.5	9,532.0	9,467.4	9,526.0	9,552.1	9,582.4	9,626.4
Net domestic product	7,905.4	8,055.8	8,017.7	8,017.0	8,085.5	8,103.0	8,123.2

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

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

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]

	2001	2002	2002	2002	2002	2002	2003
<b>Gross national product</b>	<b>9,237.3</b>	<b>9,433.5</b>	<b>9,367.5</b>	<b>9,376.7</b>	<b>9,477.9</b>	<b>9,512.1</b>	<b>9,544.7</b>
Less: Exports of goods and services and income receipts from the rest of the world	1,366.5	1,307.1	1,268.0	1,311.9	1,334.2	1,314.4	1,305.5
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	1,321.2	1,345.6	1,365.6	1,345.4	1,316.2
<b>Equals: Command-basis gross national product</b>	<b>9,280.9</b>	<b>9,470.8</b>	<b>9,420.6</b>	<b>9,410.3</b>	<b>9,509.3</b>	<b>9,543.1</b>	<b>9,555.4</b>
<b>Addendum:</b>							
Terms of trade <sup>2</sup>	103.2	102.8	104.2	102.6	102.4	102.4	100.8

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.





## 3. Government Current Receipts and Expenditures

Table 3.1. Government Current Receipts and Expenditures

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
<b>Current receipts</b> .....	<b>2,992.3</b>	<b>2,872.1</b>	<b>2,865.7</b>	<b>2,876.7</b>	<b>2,869.4</b>	<b>2,876.7</b>	<b>2,900.8</b>
Personal tax and nontax receipts.....	1,292.1	1,111.9	1,136.8	1,121.8	1,099.0	1,090.1	1,077.2
Corporate profits tax accruals.....	199.3	213.3	202.4	213.7	214.7	222.4	237.8
Indirect business tax and nontax accruals.....	774.8	800.4	786.2	795.1	806.9	813.3	821.7
Contributions for social insurance.....	726.1	746.5	740.4	746.1	748.8	750.9	764.1
<b>Current expenditures</b> .....	<b>2,951.6</b>	<b>3,126.2</b>	<b>3,067.3</b>	<b>3,117.4</b>	<b>3,134.6</b>	<b>3,185.6</b>	<b>3,243.0</b>
Consumption expenditures.....	1,522.2	1,621.0	1,584.0	1,611.6	1,629.4	1,659.0	1,698.4
Transfer payments (net).....	1,146.6	1,267.3	1,240.2	1,258.3	1,272.8	1,298.0	1,324.9
To persons.....	1,137.0	1,252.9	1,217.4	1,247.7	1,263.1	1,283.5	1,304.9
To the rest of the world (net).....	9.6	14.4	22.8	10.6	9.7	14.5	20.1
Net interest paid.....	236.0	205.8	206.6	212.8	203.8	200.1	190.8
Interest paid.....	341.1	314.1	312.7	319.5	312.2	311.8	303.9
To persons and business.....	260.4	241.0	238.7	244.9	239.4	241.2	236.0
To the rest of the world.....	80.7	73.0	74.0	74.7	72.8	70.7	67.9
Less: Interest received by government.....	105.1	108.2	106.2	106.7	108.4	111.7	113.1
Less: Dividends received by government.....	.4	.5	.4	.5	.5	.5	.5
Subsidies less current surplus of government enterprises.....	47.3	32.5	37.0	35.1	29.1	29.0	30.7
Subsidies.....	55.3	46.2	46.4	46.0	46.6	45.9	49.6
Less: Current surplus of government enterprises.....	8.0	13.7	9.4	11.0	17.5	17.0	18.8
Less: Wage accruals less disbursements.....	.0	.0	.0	.0	.0	.0	1.4
<b>Current surplus or deficit (-), national income and product accounts</b> .....	<b>40.7</b>	<b>-254.1</b>	<b>-201.6</b>	<b>-240.7</b>	<b>-265.2</b>	<b>-309.0</b>	<b>-342.2</b>
Social insurance funds.....	93.2	51.9	63.9	49.6	48.0	45.9	51.4
Other.....	-52.5	-306.0	-265.5	-290.3	-313.2	-354.9	-393.6
<b>Addenda:</b>							
Net lending or net borrowing (-).....	-46.9	-354.5	-305.6	-341.3	-362.1	-409.2	-437.9
Current surplus or deficit (-), national income and product accounts.....	40.7	-254.1	-201.6	-240.7	-265.2	-309.0	-342.2
Plus: Consumption of fixed capital.....	222.4	229.6	226.5	228.6	230.5	232.7	235.5
Plus: Capital transfers received (net).....	35.4	32.9	35.8	29.7	35.7	30.3	30.6
Less: Gross investment.....	335.8	351.9	355.5	348.2	351.7	352.2	353.6
Less: Net purchases of nonproduced assets.....	9.6	11.0	10.8	10.6	11.4	11.0	8.3

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
<b>Current receipts</b> .....	<b>2,008.4</b>	<b>1,873.3</b>	<b>1,884.7</b>	<b>1,883.7</b>	<b>1,864.1</b>	<b>1,860.8</b>	<b>1,869.8</b>
Personal tax and nontax receipts .....	1,010.9	845.8	874.8	856.6	831.3	820.5	803.3
Income taxes .....	1,000.3	836.4	864.8	847.0	822.3	811.4	794.1
Nontaxes .....	10.6	9.4	10.0	9.6	9.1	9.0	9.2
Corporate profits tax accruals .....	170.2	173.8	170.5	180.2	181.1	187.5	200.7
Federal Reserve banks .....	27.1	22.2	22.7	23.2	22.2	20.6	20.4
Other .....	143.2	157.6	147.8	157.0	158.8	166.9	180.3
Indirect business tax and nontax accruals .....	110.3	110.6	108.4	110.2	112.4	111.5	111.2
Excise taxes .....	66.3	69.6	68.4	69.9	69.8	70.3	69.5
Customs duties .....	20.6	20.3	18.8	19.4	22.4	20.6	20.9
Nontaxes .....	23.4	20.7	21.2	20.9	20.2	20.5	20.8
Contributions for social insurance .....	716.9	737.1	731.1	736.7	739.3	741.4	754.6
<b>Current expenditures</b> .....	<b>1,936.4</b>	<b>2,075.5</b>	<b>2,030.5</b>	<b>2,079.3</b>	<b>2,074.6</b>	<b>2,117.4</b>	<b>2,145.1</b>
Consumption expenditures .....	528.4	586.5	566.3	581.0	589.8	608.9	626.6
Transfer payments (net) .....	842.2	931.7	916.9	927.6	934.1	948.5	970.7
To persons .....	832.6	917.4	894.1	917.0	924.4	934.0	950.7
To the rest of the world (net) .....	9.6	14.4	22.8	10.6	9.7	14.5	20.1
Grants-in-aid to State and local governments .....	277.4	305.7	292.3	309.6	305.0	315.8	313.0
Net interest paid .....	238.1	207.8	208.5	214.9	205.8	202.1	192.7
Interest paid .....	257.8	228.9	228.3	234.6	226.8	225.9	217.5
To persons and business .....	177.2	155.9	154.2	159.9	154.0	155.3	149.7
To the rest of the world .....	80.7	73.0	74.0	74.7	72.8	70.7	67.9
Less: Interest received by government .....	19.7	21.1	19.8	19.7	21.0	23.9	24.9
Subsidies less current surplus of government enterprises ..	50.3	43.7	46.6	46.3	39.9	42.1	43.5
Subsidies .....	47.5	45.4	44.9	45.5	45.0	46.3	49.4
Less: Current surplus of government enterprises ..	-2.8	1.7	-1.7	-7	5.0	4.2	6.0
Less: Wage accruals less disbursements .....	0	0	0	0	0	0	1.4
<b>Current surplus or deficit (-), national income and product accounts</b> ..	<b>72.0</b>	<b>-202.1</b>	<b>-145.8</b>	<b>-195.6</b>	<b>-210.5</b>	<b>-256.6</b>	<b>-275.3</b>
Social insurance funds .....	93.3	52.0	64.1	49.7	48.1	46.0	51.5
Other .....	-21.3	-254.1	-209.9	-245.3	-258.6	-302.6	-326.8
<b>Addenda:</b>							
Net lending or net borrowing (-) .....	58.9	-226.7	-169.5	-223.2	-233.5	-280.6	-290.4
Current surplus or deficit (-), national income and product accounts .....	72.0	-202.1	-145.8	-195.6	-210.5	-256.6	-275.3
Plus: Consumption of fixed capital .....	98.7	101.9	100.6	101.3	102.2	103.6	104.7
Plus: Capital transfers received (net) .....	-12.9	-19.1	-18.3	-21.8	-16.8	-19.5	-13.9
Less: Gross investment ...	99.7	107.2	105.7	107.1	107.9	108.0	108.6
Less: Net purchases of nonproduced assets .....	-7	2	2	-1	6	1	-2.7

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
<b>Current receipts</b> .....	<b>1,261.3</b>	<b>1,304.5</b>	<b>1,273.3</b>	<b>1,302.5</b>	<b>1,310.3</b>	<b>1,331.6</b>	<b>1,344.0</b>
Personal tax and nontax receipts .....	281.2	266.1	262.0	265.3	267.7	269.6	273.9
Income taxes .....	218.7	200.3	197.4	199.9	201.4	202.4	205.2
Nontaxes .....	41.9	45.1	43.9	44.7	45.5	46.4	47.7
Other .....	20.6	20.7	20.7	20.7	20.7	20.8	20.9
Corporate profits tax accruals ..	29.1	33.5	32.0	33.5	33.7	34.9	37.2
Indirect business tax and nontax accruals .....	664.4	689.8	677.8	684.9	694.5	701.8	710.4
Sales taxes .....	321.2	333.5	327.4	330.6	337.2	338.6	342.3
Property taxes .....	257.4	267.8	263.5	265.9	268.6	273.2	278.0
Other .....	85.8	88.5	86.9	88.3	88.7	90.0	90.1
Contributions for social insurance .....	9.2	9.4	9.3	9.4	9.4	9.5	9.5
Federal grants-in-aid .....	277.4	305.7	292.3	309.6	305.0	315.8	313.0
<b>Current expenditures</b> .....	<b>1,292.6</b>	<b>1,356.4</b>	<b>1,329.1</b>	<b>1,347.6</b>	<b>1,365.0</b>	<b>1,384.0</b>	<b>1,410.9</b>
Consumption expenditures .....	993.7	1,034.5	1,017.7	1,030.6	1,039.6	1,050.1	1,071.8
Transfer payments to persons ..	304.4	335.6	323.4	330.7	338.7	349.5	354.2
Net interest paid .....	-2.1	-2.0	-1.9	-2.0	-2.0	-1.9	-1.8
Interest paid .....	83.3	85.2	84.5	84.9	85.4	85.9	86.4
Less: Interest received by government .....	85.4	87.1	86.4	87.0	87.4	87.8	88.2
Less: Dividends received by government .....	4	5	4	5	5	5	5
Subsidies less current surplus of government enterprises ..	-3.1	-11.2	-9.6	-11.2	-10.8	-13.2	-12.7
Subsidies .....	7.8	8	1.4	5	1.7	-4	2
Less: Current surplus of government enterprises ..	10.9	12.0	11.0	11.7	12.5	12.8	12.9
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>-52.0</b>	<b>-55.8</b>	<b>-45.1</b>	<b>-54.7</b>	<b>-52.4</b>	<b>-66.9</b>
Social insurance funds .....	-1	-1	-2	-1	-1	-1	-1
Other .....	-31.2	-51.9	-55.6	-44.9	-54.6	-52.3	-66.8
<b>Addenda:</b>							
Net lending or net borrowing (-) .....	-105.8	-127.8	-136.1	-118.1	-128.5	-128.6	-147.6
Current surplus or deficit (-), national income and product accounts .....	-31.3	-52.0	-55.8	-45.1	-54.7	-52.4	-66.9
Plus: Consumption of fixed capital .....	123.7	127.7	125.9	127.3	128.3	129.1	130.8
Plus: Capital transfers received (net) .....	48.3	52.0	54.1	51.5	52.5	49.8	44.5
Less: Gross investment ...	236.2	244.7	249.7	241.1	243.8	244.2	245.0
Less: Net purchases of nonproduced assets ....	10.3	10.8	10.6	10.7	10.9	10.9	11.0







## 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				
			2002				2003
			I	II	III	IV	
<b>Receipts from the rest of the world</b> .....	<b>1,351.1</b>	<b>1,292.9</b>	<b>1,242.2</b>	<b>1,294.1</b>	<b>1,325.9</b>	<b>1,309.6</b>	<b>1,313.1</b>
Exports of goods and services	1,034.1	1,014.9	977.5	1,018.1	1,038.6	1,025.4	1,031.8
Goods <sup>1</sup> .....	733.5	703.6	679.8	709.4	722.6	702.6	711.9
Durable.....	522.4	493.0	477.2	499.3	509.5	486.0	485.7
Nondurable.....	211.2	210.6	202.6	210.0	213.1	216.5	226.1
Services <sup>1</sup> .....	300.6	311.3	297.7	308.8	316.0	322.8	319.9
Income receipts.....	316.9	278.0	264.7	276.0	287.3	284.2	281.3
<b>Payments to the rest of the world</b> .....	<b>1,351.1</b>	<b>1,292.9</b>	<b>1,242.2</b>	<b>1,294.1</b>	<b>1,325.9</b>	<b>1,309.6</b>	<b>1,313.1</b>
Imports of goods and services	1,383.0	1,438.5	1,337.5	1,443.7	1,471.5	1,501.4	1,519.0
Goods <sup>1</sup> .....	1,167.2	1,192.1	1,102.3	1,202.9	1,220.9	1,242.5	1,256.1
Durable.....	754.4	771.1	732.4	781.6	783.8	786.6	769.7
Nondurable.....	412.8	421.0	369.9	421.3	437.2	455.9	486.4
Services <sup>1</sup> .....	215.8	246.4	235.2	240.8	250.6	258.9	262.9
Income payments.....	295.0	287.6	262.8	296.1	298.2	293.4	291.5
Transfer payments (net).....	49.8	55.7	63.5	51.5	51.8	55.9	62.5
From persons (net).....	31.1	32.3	31.5	31.9	32.9	32.8	33.4
From government (net).....	9.6	14.4	22.8	10.6	9.7	14.5	20.1
From business.....	9.1	9.0	9.2	9.0	9.2	8.7	9.0
Net foreign investment.....	-376.7	-488.9	-421.7	-497.2	-495.6	-541.0	-559.9

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

**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				
			2002				2003
			I	II	III	IV	
<b>Exports of goods and services</b> .....	<b>1,076.1</b>	<b>1,058.8</b>	<b>1,030.6</b>	<b>1,065.5</b>	<b>1,077.7</b>	<b>1,061.6</b>	<b>1,058.1</b>
Goods <sup>1</sup> .....	785.2	756.9	738.1	765.8	773.5	750.3	753.9
Durable.....	558.3	529.2	512.3	536.3	546.6	521.5	520.3
Nondurable.....	226.7	227.5	225.7	229.3	226.7	228.5	233.2
Services <sup>1</sup> .....	292.0	301.5	292.2	299.7	304.0	310.0	303.5
<b>Income receipts</b> .....	<b>292.0</b>	<b>253.3</b>	<b>242.8</b>	<b>251.8</b>	<b>261.3</b>	<b>257.5</b>	<b>252.5</b>
<b>Imports of goods and services</b> .....	<b>1,492.0</b>	<b>1,547.4</b>	<b>1,477.1</b>	<b>1,552.9</b>	<b>1,565.7</b>	<b>1,593.8</b>	<b>1,568.4</b>
Goods <sup>1</sup> .....	1,270.5	1,320.1	1,250.0	1,329.2	1,340.3	1,360.8	1,337.4
Durable.....	865.6	901.4	856.0	912.5	915.5	921.6	901.9
Nondurable.....	402.3	415.5	391.5	414.3	421.7	434.5	430.1
Services <sup>1</sup> .....	222.4	227.2	225.5	224.3	226.0	233.0	230.7
<b>Income payments</b> .....	<b>269.2</b>	<b>260.3</b>	<b>239.2</b>	<b>268.2</b>	<b>269.5</b>	<b>264.2</b>	<b>260.4</b>

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

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

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





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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
<b>Change in private inventories</b> .....	<b>-60.3</b>	<b>3.9</b>	<b>-29.9</b>	<b>3.4</b>	<b>17.6</b>	<b>24.5</b>	<b>.4</b>
Farm.....	1.6	.5	5.3	.4	-2.3	-1.5	.5
Construction, mining, and utilities.....	7.6	-9	1.6	-1.1	-2.5	-1.7	-14.2
Manufacturing.....	-35.9	-11.3	-31.1	-14.2	-2.7	2.8	-6.1
Durable goods industries.....	-29.3	-11.3	-25.4	-14.9	-10.2	5.4	-9.6
Nondurable goods industries.....	-6.5	.0	-5.8	.6	7.6	-2.6	3.5
Wholesale trade.....	-15.6	-3.7	-19.5	-9.0	7.1	6.6	-3.1
Durable goods industries.....	-19.7	-3.4	-16.2	-7.4	6.1	3.7	1.7
Nondurable goods industries.....	4.0	-3	-3.3	-1.6	.9	2.9	-4.7
Retail trade.....	-20.7	16.8	13.8	22.2	15.6	15.7	21.9
Motor vehicle dealers.....	-15.5	10.4	13.9	15.4	4.6	7.8	15.6
Food and beverage stores.....	.6	-1	-2.2	.1	1.7	-1	.5
General merchandise stores.....	-5	1.3	-4.5	.0	2.6	7.1	1.1
Other retail stores.....	-5.3	5.3	6.7	6.8	6.6	1.0	4.7
Other industries.....	2.7	2.5	.0	5.1	2.3	2.5	1.4
<b>Addenda:</b>							
Change in private inventories.....	-60.3	3.9	-29.9	3.4	17.6	24.5	.4
Durable goods industries.....	-65.0	1.1	-20.3	-4.8	4.8	24.5	11.6
Nondurable goods industries.....	4.7	2.8	-9.7	8.2	12.7	-1	-11.2
Nonfarm industries.....	-61.9	3.4	-35.3	3.0	19.8	26.0	-1
Nonfarm change in book value <sup>1</sup> .....	-75.5	14.1	-37.1	13.4	38.1	41.9	45.4
Nonfarm inventory valuation adjustment <sup>2</sup> .....	13.6	-10.7	1.8	-10.4	-18.2	-15.9	-45.5
Wholesale trade.....	-15.6	-3.7	-19.5	-9.0	7.1	6.6	-3.1
Merchant wholesale trade.....	-12.6	-4.2	-16.2	-8.4	3.9	4.0	.7
Durable goods industries.....	-16.8	-3.9	-14.2	-7.1	3.8	1.9	4.8
Nondurable goods industries.....	4.2	-3	-2.1	-1.3	.1	2.0	-4.0
Nonmerchant wholesale trade.....	-3.1	.5	-3.3	-6	3.2	2.7	-3.8

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				
			2002				2003
			I	II	III	IV	I
<b>Change in private inventories</b> .....	<b>-61.4</b>	<b>5.2</b>	<b>-28.9</b>	<b>4.9</b>	<b>18.8</b>	<b>25.8</b>	<b>4.8</b>
Farm.....	2.0	1.1	6.4	.8	-2.2	-8	1.0
Construction, mining, and utilities.....	6.4	-7	1.6	-1.0	-2.3	-1.1	-9.9
Manufacturing.....	-36.2	-11.5	-31.9	-14.1	-2.6	2.8	-6.1
Durable goods industries.....	-30.1	-11.4	-25.9	-15.0	-10.3	5.5	-9.8
Nondurable goods industries.....	-6.3	-1	-6.0	.8	7.4	-2.5	3.4
Wholesale trade.....	-16.5	-3.4	-19.8	-8.7	7.9	7.0	-2.2
Durable goods industries.....	-21.8	-3.6	-17.0	-7.7	6.5	3.8	2.1
Nondurable goods industries.....	4.3	.0	-3.2	-1.3	1.6	3.1	-3.8
Retail trade.....	-20.3	16.6	13.8	22.0	15.5	15.2	21.8
Motor vehicle dealers.....	-15.5	10.5	14.0	15.6	4.7	7.8	16.0
Food and beverage stores.....	.5	-1	-2.0	.1	1.6	-1	.4
General merchandise stores.....	-4	1.3	-4.4	.0	2.6	6.8	1.1
Other retail stores.....	-5.2	5.2	6.7	6.7	6.6	1.0	4.9
Other industries.....	2.6	2.5	.0	5.0	2.3	2.5	1.4
Residual.....	2.1	.5	.9	.9	.3	-2	-2.0
<b>Addenda:</b>							
Change in private inventories.....	-61.4	5.2	-28.9	4.9	18.8	25.8	4.8
Durable goods industries.....	-67.9	1.4	-20.3	-4.4	5.0	25.1	12.2
Nondurable goods industries.....	4.8	3.8	-8.8	9.0	13.6	1.4	-6.7
Nonfarm industries.....	-63.2	4.1	-35.1	4.2	20.8	26.5	3.8
Wholesale trade.....	-16.5	-3.4	-19.8	-8.7	7.9	7.0	-2.2
Merchant wholesale trade.....	-13.3	-3.9	-16.4	-8.2	4.6	4.2	1.8
Durable goods industries.....	-18.7	-4.1	-14.8	-7.5	4.0	1.9	5.5
Nondurable goods industries.....	4.5	.0	-2.0	-.9	.8	2.3	-3.2
Nonmerchant wholesale trade.....	-3.2	.5	-3.4	-.6	3.2	2.7	-3.7

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				
	2002				2003
	I	II	III	IV	I
<b>Private inventories</b> <sup>1</sup> .....	<b>1,429.4</b>	<b>1,438.1</b>	<b>1,446.9</b>	<b>1,462.9</b>	<b>1,488.9</b>
Farm.....	104.7	104.0	100.1	106.6	108.5
Construction, mining, and utilities.....	39.5	41.9	41.3	43.6	45.6
Manufacturing.....	447.0	445.7	447.9	449.1	455.0
Durable goods industries.....	275.8	273.2	270.2	271.1	270.2
Nondurable goods industries.....	171.2	172.5	177.7	178.0	184.8
Wholesale trade.....	334.5	335.1	341.2	342.4	347.3
Durable goods industries.....	194.5	193.6	195.1	196.0	197.4
Nondurable goods industries.....	140.0	141.6	146.1	146.4	149.9
Retail trade.....	392.4	398.0	402.3	406.3	414.9
Motor vehicle dealers.....	121.1	124.5	125.1	126.0	131.0
Food and beverage stores.....	33.1	32.9	33.4	33.5	33.9
General merchandise stores.....	62.6	62.7	63.3	65.4	65.8
Other retail stores.....	175.6	177.9	180.4	181.4	184.2
Other industries.....	111.4	113.4	114.1	115.1	117.6
<b>Addenda:</b>					
Private inventories.....	1,429.4	1,438.1	1,446.9	1,462.9	1,488.9
Durable goods industries.....	671.5	672.3	672.9	677.2	683.9
Nondurable goods industries.....	757.9	765.8	774.0	785.7	805.1
Nonfarm industries.....	1,324.7	1,334.1	1,346.8	1,356.4	1,380.4
Wholesale trade.....	334.5	335.1	341.2	342.4	347.3
Merchant wholesale trade.....	287.4	287.5	292.1	292.6	296.4
Durable goods industries.....	167.6	166.6	167.6	168.0	170.0
Nondurable goods industries.....	119.9	120.9	124.5	124.6	126.3
Nonmerchant wholesale trade.....	47.0	47.6	49.1	49.8	51.0
<b>Final sales of domestic business</b> <sup>2</sup> ....	<b>723.8</b>	<b>724.7</b>	<b>732.6</b>	<b>737.2</b>	<b>744.8</b>
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	<b>387.2</b>	<b>382.7</b>	<b>386.6</b>	<b>386.1</b>	<b>391.2</b>
<b>Ratios of private inventories to final sales of domestic business:</b>					
Private inventories to final sales.....	1.97	1.98	1.98	1.98	2.00
Nonfarm inventories to final sales.....	1.83	1.84	1.84	1.84	1.85
Nonfarm inventories to final sales of goods and structures.....	3.42	3.49	3.48	3.51	3.53

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				
	2002				2003
	I	II	III	IV	I
<b>Private inventories</b> <sup>1</sup> .....	<b>1,451.5</b>	<b>1,452.7</b>	<b>1,457.4</b>	<b>1,463.9</b>	<b>1,465.1</b>
Farm.....	107.6	107.8	107.2	107.1	107.3
Construction, mining, and utilities.....	40.4	40.2	39.6	39.3	36.8
Manufacturing.....	451.7	448.1	447.5	448.2	446.7
Durable goods industries.....	280.3	276.5	273.9	275.3	272.9
Nondurable goods industries.....	171.3	171.5	173.3	172.7	173.6
Wholesale trade.....	352.6	350.4	352.4	354.2	353.6
Durable goods industries.....	213.1	211.2	212.8	213.8	214.3
Nondurable goods industries.....	138.4	138.1	138.5	139.3	138.3
Retail trade.....	384.7	390.2	394.1	397.9	403.4
Motor vehicle dealers.....	122.4	126.3	127.5	129.4	133.4
Food and beverage stores.....	30.0	30.1	30.5	30.4	30.5
General merchandise stores.....	61.1	61.1	61.7	63.4	63.7
Other retail stores.....	171.1	172.8	174.4	174.7	175.9
Other industries.....	112.4	113.7	114.3	114.9	115.2
Residual.....	3.4	3.4	3.7	3.6	3.2
<b>Addenda:</b>					
Private inventories.....	1,451.5	1,452.7	1,457.4	1,463.9	1,465.1
Durable goods industries.....	696.5	695.4	696.6	702.9	706.0
Nondurable goods industries.....	752.3	754.6	758.0	758.3	756.7
Nonfarm industries.....	1,343.1	1,344.1	1,349.3	1,355.9	1,356.9
Wholesale trade.....	352.6	350.4	352.4	354.2	353.6
Merchant wholesale trade.....	304.4	302.3	303.5	304.5	305.0
Durable goods industries.....	184.0	182.1	183.1	183.6	184.9
Nondurable goods industries.....	119.4	119.2	119.4	120.0	119.2
Nonmerchant wholesale trade.....	48.3	48.2	49.0	49.6	48.7
<b>Final sales of domestic business</b> <sup>2</sup> ....	<b>665.3</b>	<b>664.6</b>	<b>670.6</b>	<b>672.0</b>	<b>676.0</b>
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	<b>373.3</b>	<b>369.2</b>	<b>373.3</b>	<b>372.0</b>	<b>376.1</b>
<b>Ratios of private inventories to final sales of domestic business:</b>					
Private inventories to final sales.....	2.18	2.19	2.17	2.18	2.17
Nonfarm inventories to final sales.....	2.02	2.02	2.01	2.02	2.01
Nonfarm inventories to final sales of goods and structures.....	3.60	3.64	3.61	3.64	3.61

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				
			2002				2003
			I	II	III	IV	
<b>National income without capital consumption adjustment</b> .....	<b>8,053.5</b>	<b>8,174.8</b>	<b>8,073.8</b>	<b>8,158.0</b>	<b>8,196.8</b>	<b>8,270.6</b>	<b>8,364.9</b>
<b>Domestic industries</b> .....	<b>8,031.5</b>	<b>8,184.4</b>	<b>8,071.9</b>	<b>8,178.1</b>	<b>8,207.7</b>	<b>8,279.8</b>	<b>8,375.1</b>
<b>Private industries</b> .....	<b>6,969.4</b>	<b>7,068.4</b>	<b>6,970.6</b>	<b>7,067.0</b>	<b>7,086.4</b>	<b>7,149.6</b>	<b>7,225.0</b>
Agriculture, forestry, and fishing .....	111.1	109.5	116.8	102.8	108.0	110.6	114.5
Mining .....	69.5	59.1	58.2	57.5	57.5	63.2	66.6
Construction .....	438.9	442.0	439.3	440.6	442.5	445.6	449.4
Manufacturing .....	1,132.2	1,122.2	1,092.9	1,126.8	1,131.3	1,137.8	1,154.3
Durable goods .....	640.5	628.4	610.3	634.2	634.5	634.6	638.1
Nondurable goods .....	491.8	493.8	482.6	492.6	496.8	503.2	516.3
Transportation and public utilities .....	529.9	514.3	508.5	514.3	512.2	522.3	523.0
Transportation .....	236.6	236.2	231.0	233.8	237.7	242.2	239.2
Communications .....	148.4	136.8	139.8	135.9	134.7	136.9	136.7
Electric, gas, and sanitary services .....	144.9	141.3	137.6	144.6	139.8	143.2	147.1
Wholesale trade .....	458.4	465.8	457.4	463.9	464.9	477.1	471.2
Retail trade .....	686.1	702.8	695.2	705.5	707.7	702.9	706.6
Finance, insurance, and real estate .....	1,571.1	1,635.8	1,613.2	1,649.0	1,639.7	1,641.2	1,662.4
Services .....	1,972.0	2,016.8	1,989.1	2,006.6	2,022.6	2,048.9	2,077.0
<b>Government</b> .....	<b>1,062.1</b>	<b>1,116.0</b>	<b>1,101.4</b>	<b>1,111.1</b>	<b>1,121.3</b>	<b>1,130.2</b>	<b>1,150.2</b>
<b>Rest of the world</b> .....	<b>21.9</b>	<b>-9.6</b>	<b>1.9</b>	<b>-20.0</b>	<b>-10.9</b>	<b>-9.2</b>	<b>-10.2</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				
			2002				2003
			I	II	III	IV	
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>731.6</b>	<b>787.4</b>	<b>797.6</b>	<b>785.0</b>	<b>771.0</b>	<b>796.1</b>	<b>816.5</b>
<b>Domestic industries</b> .....	<b>580.9</b>	<b>668.1</b>	<b>665.6</b>	<b>669.9</b>	<b>654.9</b>	<b>682.0</b>	<b>710.0</b>
Financial .....	173.5	209.7	213.2	210.7	207.3	207.6	223.5
Nonfinancial .....	407.4	458.4	452.4	459.3	447.6	474.4	486.5
<b>Rest of the world</b> .....	<b>150.8</b>	<b>119.3</b>	<b>132.0</b>	<b>115.1</b>	<b>116.1</b>	<b>114.1</b>	<b>106.5</b>
Receipts from the rest of the world .....	172.4	177.0	161.4	173.4	185.9	187.3	193.0
Less: Payments to the rest of the world .....	21.6	57.7	29.4	58.3	69.7	73.3	86.6
<b>Corporate profits with inventory valuation adjustment</b> .....	<b>675.1</b>	<b>658.3</b>	<b>641.3</b>	<b>652.2</b>	<b>653.4</b>	<b>686.4</b>	<b>701.2</b>
<b>Domestic industries</b> .....	<b>524.4</b>	<b>539.0</b>	<b>509.3</b>	<b>537.1</b>	<b>537.3</b>	<b>572.3</b>	<b>594.7</b>
Financial .....	190.6	217.3	218.2	218.5	216.1	216.5	230.3
Federal Reserve banks .....	27.9	22.8	23.4	23.9	22.9	21.2	20.9
Other .....	162.8	194.5	194.8	194.6	193.2	195.2	209.4
Nonfinancial .....	333.7	321.7	291.1	318.6	321.2	355.8	364.4
Manufacturing .....	83.4	92.6	68.9	91.9	100.5	108.9	122.0
Durable goods .....	9.9	17.0	2.5	17.8	22.8	24.6	28.0
Primary metal industries .....	-1.6	1.2	.5	.3	1.3	2.6	2.6
Fabricated metal products .....	9.0	5.8	5.2	5.8	4.7	7.3	6.0
Industrial machinery and equipment .....	-6	-2.5	-4.9	-2.9	-1	-2.2	-6
Electronic and other electric equipment .....	-3.2	.7	-6.2	-9	4.0	6.1	8.8
Motor vehicles and equipment .....	-9.4	-7.6	-11.8	-4.4	-6.6	-7.7	3.3
Other .....	15.7	19.4	19.7	20.0	19.5	18.5	7.8
Nondurable goods .....	73.5	75.6	66.4	74.1	77.6	84.3	94.0
Food and kindred products .....	16.6	20.1	18.9	19.2	21.0	21.1	22.8
Chemicals and allied products .....	15.2	16.9	15.1	16.7	17.0	18.9	20.9
Petroleum and coal products .....	25.7	16.9	14.1	15.4	17.4	20.7	36.5
Other .....	16.0	21.8	18.3	22.8	22.3	23.7	13.9
Transportation and public utilities .....	27.7	16.7	15.0	17.1	13.2	21.5	20.1
Transportation .....	1.2	.3	-5	-1.7	-3	3.6	-1.5
Communications .....	-5.8	-11.7	-9.3	-12.7	-13.1	-11.8	-11.3
Electric, gas, and sanitary services .....	32.2	28.1	24.8	31.4	26.5	29.6	33.0
Wholesale trade .....	44.8	47.3	41.2	44.8	44.5	58.9	51.4
Retail trade .....	79.1	81.2	81.4	86.0	82.5	75.1	74.8
Other .....	98.8	83.9	84.6	78.9	80.6	91.5	96.1
<b>Rest of the world</b> .....	<b>150.8</b>	<b>119.3</b>	<b>132.0</b>	<b>115.1</b>	<b>116.1</b>	<b>114.1</b>	<b>106.5</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				
			2002				2003
			I	II	III	IV	I
Chain-type quantity indexes							
<b>Private fixed investment</b> .....	<b>134.20</b>	<b>130.06</b>	<b>129.99</b>	<b>129.68</b>	<b>129.60</b>	<b>130.99</b>	<b>130.94</b>
<b>Nonresidential</b> .....	<b>139.55</b>	<b>131.57</b>	<b>132.13</b>	<b>131.32</b>	<b>131.05</b>	<b>131.79</b>	<b>130.32</b>
<b>Structures</b> .....	<b>120.43</b>	<b>100.62</b>	<b>108.09</b>	<b>102.97</b>	<b>96.97</b>	<b>94.47</b>	<b>93.79</b>
Nonresidential buildings, including farm.....	110.52	90.04	97.17	91.65	86.07	85.27	84.43
Utilities.....	139.52	131.34	141.04	134.15	126.53	123.65	119.78
Mining exploration, shafts, and wells.....	161.41	138.63	143.20	143.55	141.96	125.83	134.57
Other structures.....	149.20	89.29	101.75	100.97	80.03	74.39	67.94
<b>Equipment and software</b> .....	<b>146.51</b>	<b>143.98</b>	<b>141.41</b>	<b>142.55</b>	<b>144.88</b>	<b>147.09</b>	<b>145.28</b>
Information processing equipment and software.....	190.92	196.02	188.13	193.91	200.24	201.81	206.94
Computers and peripheral equipment <sup>1</sup> .....	338.61	400.31	369.90	383.36	420.05	427.94	450.31
Software <sup>2</sup> .....	191.35	195.21	188.10	193.67	199.09	199.97	202.37
Other.....	135.16	130.48	127.03	130.74	131.65	132.51	136.35
Industrial equipment.....	112.69	107.67	108.69	106.71	108.38	106.89	105.43
Transportation equipment.....	117.80	105.81	109.04	103.23	102.02	108.97	97.73
Other.....	125.83	124.61	120.36	125.33	125.47	127.28	124.85
<b>Residential</b> .....	<b>119.22</b>	<b>123.92</b>	<b>122.44</b>	<b>123.25</b>	<b>123.59</b>	<b>126.39</b>	<b>129.45</b>
<b>Structures</b> .....	<b>119.12</b>	<b>123.84</b>	<b>122.35</b>	<b>123.17</b>	<b>123.51</b>	<b>126.34</b>	<b>129.43</b>
Single family.....	121.05	125.99	123.91	124.70	125.53	129.80	134.96
Multifamily.....	120.21	129.37	132.84	131.98	129.14	123.51	132.88
Other structures.....	116.48	120.15	118.56	119.71	119.95	122.38	121.70
<b>Equipment</b> .....	<b>123.67</b>	<b>127.27</b>	<b>126.36</b>	<b>127.32</b>	<b>127.23</b>	<b>128.19</b>	<b>129.85</b>
Chain-type price indexes							
<b>Private fixed investment</b> .....	<b>101.16</b>	<b>100.76</b>	<b>100.82</b>	<b>100.76</b>	<b>100.52</b>	<b>100.95</b>	<b>101.44</b>
<b>Nonresidential</b> .....	<b>95.73</b>	<b>94.43</b>	<b>94.82</b>	<b>94.48</b>	<b>94.17</b>	<b>94.25</b>	<b>94.15</b>
<b>Structures</b> .....	<b>119.76</b>	<b>118.95</b>	<b>118.56</b>	<b>118.77</b>	<b>118.89</b>	<b>119.57</b>	<b>120.79</b>
Nonresidential buildings, including farm.....	121.05	123.06	122.43	122.97	122.92	123.91	125.41
Utilities.....	109.45	112.12	110.68	111.50	112.82	113.50	114.45
Mining exploration, shafts, and wells.....	125.45	104.34	106.93	104.41	103.41	102.63	102.86
Other structures.....	113.16	116.00	115.35	115.93	116.35	116.36	117.13
<b>Equipment and software</b> .....	<b>88.76</b>	<b>87.36</b>	<b>87.93</b>	<b>87.46</b>	<b>87.04</b>	<b>87.00</b>	<b>86.61</b>
Information processing equipment and software.....	73.72	71.04	71.96	71.31	70.76	70.12	69.30
Computers and peripheral equipment <sup>1</sup> .....	30.91	26.26	27.48	26.84	25.84	24.91	23.94
Software <sup>2</sup> .....	99.10	98.43	98.99	98.24	98.34	98.13	97.13
Other.....	91.37	90.23	90.68	90.39	90.10	89.75	89.82
Industrial equipment.....	103.40	103.56	103.42	103.33	103.67	103.83	104.14
Transportation equipment.....	101.32	101.26	101.73	101.25	100.03	102.05	102.05
Other.....	105.16	105.76	105.70	105.58	105.84	105.91	106.31
<b>Residential</b> .....	<b>119.09</b>	<b>121.57</b>	<b>120.61</b>	<b>121.40</b>	<b>121.38</b>	<b>122.88</b>	<b>125.10</b>
<b>Structures</b> .....	<b>119.61</b>	<b>122.16</b>	<b>121.16</b>	<b>121.98</b>	<b>121.98</b>	<b>123.51</b>	<b>125.82</b>
Single family.....	120.50	123.20	122.30	123.10	122.80	124.60	127.48
Multifamily.....	125.60	127.74	126.81	127.64	127.33	129.19	132.18
Other structures.....	117.49	119.90	118.76	119.62	120.04	121.18	122.57
<b>Equipment</b> .....	<b>98.50</b>	<b>98.17</b>	<b>98.66</b>	<b>98.14</b>	<b>97.91</b>	<b>97.97</b>	<b>96.96</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				
			2002				2003
			I	II	III	IV	I
Chain-type quantity indexes							
<b>Exports of goods and services</b> .....	<b>123.10</b>	<b>121.13</b>	<b>117.89</b>	<b>121.89</b>	<b>123.28</b>	<b>121.44</b>	<b>121.84</b>
Goods <sup>1</sup> .....	126.97	122.40	119.36	123.84	125.08	121.34	121.91
Durable.....	132.39	125.49	121.50	127.18	129.63	123.66	123.37
Nondurable.....	115.23	115.67	114.72	116.56	115.23	116.17	118.54
Services <sup>1</sup> .....	114.18	117.87	114.24	117.18	118.87	121.19	118.67
<b>Income receipts</b> .....	<b>118.90</b>	<b>103.17</b>	<b>98.87</b>	<b>102.55</b>	<b>106.41</b>	<b>104.85</b>	<b>102.83</b>
<b>Imports of goods and services</b> .....	<b>154.91</b>	<b>160.66</b>	<b>153.37</b>	<b>161.24</b>	<b>162.56</b>	<b>165.48</b>	<b>162.84</b>
Goods <sup>1</sup> .....	157.18	163.31	154.63	164.44	165.81	168.34	165.45
Durable.....	162.31	169.03	160.51	171.12	171.66	172.82	169.12
Nondurable.....	146.27	151.05	142.32	150.62	153.30	157.97	156.38
Services <sup>1</sup> .....	143.71	146.79	145.69	144.92	146.02	150.54	149.03
<b>Income payments</b> .....	<b>118.35</b>	<b>114.41</b>	<b>105.14</b>	<b>117.90</b>	<b>118.46</b>	<b>116.13</b>	<b>114.45</b>
Chain-type price indexes							
<b>Exports of goods and services</b> .....	<b>96.10</b>	<b>95.87</b>	<b>94.88</b>	<b>95.58</b>	<b>96.41</b>	<b>96.62</b>	<b>97.55</b>
Goods <sup>1</sup> .....	93.42	92.98	92.14	92.67	93.45	93.67	94.46
Durable.....	93.56	93.19	93.17	93.13	93.23	93.22	93.39
Nondurable.....	93.17	92.54	89.78	91.61	94.02	94.76	96.98
Services <sup>1</sup> .....	102.94	103.27	101.90	103.04	103.97	104.18	105.43
<b>Income receipts</b> .....	<b>108.55</b>	<b>109.74</b>	<b>109.02</b>	<b>109.61</b>	<b>109.95</b>	<b>110.39</b>	<b>111.40</b>
<b>Imports of goods and services</b> .....	<b>92.70</b>	<b>92.99</b>	<b>90.61</b>	<b>93.03</b>	<b>94.05</b>	<b>94.27</b>	<b>96.92</b>
Goods <sup>1</sup> .....	91.87	90.32	88.24	90.55	91.15	91.36	93.98
Durable.....	87.16	85.57	85.60	85.67	85.65	85.38	85.38
Nondurable.....	102.59	101.23	94.52	101.73	103.71	104.96	113.13
Services <sup>1</sup> .....	97.03	108.47	104.37	107.43	110.92	111.16	114.03
<b>Income payments</b> .....	<b>109.57</b>	<b>110.47</b>	<b>109.86</b>	<b>110.36</b>	<b>110.64</b>	<b>111.03</b>	<b>111.95</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				
			2002				2003			2002				2003
			I	II	III	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>119.37</b>	<b>119.79</b>	<b>120.65</b>	<b>122.02</b>	<b>122.14</b>	<b>113.27</b>	<b>115.18</b>	<b>114.27</b>	<b>115.06</b>	<b>115.47</b>	<b>115.92</b>	<b>118.15</b>
<b>Federal</b>	<b>107.33</b>	<b>115.37</b>	<b>112.46</b>	<b>114.50</b>	<b>115.71</b>	<b>118.79</b>	<b>118.99</b>	<b>110.09</b>	<b>113.11</b>	<b>112.42</b>	<b>113.07</b>	<b>113.44</b>	<b>113.53</b>	<b>116.23</b>
<b>National defense</b>	<b>102.51</b>	<b>112.04</b>	<b>108.82</b>	<b>110.87</b>	<b>112.74</b>	<b>115.74</b>	<b>114.76</b>	<b>109.27</b>	<b>111.86</b>	<b>111.14</b>	<b>111.71</b>	<b>112.12</b>	<b>112.46</b>	<b>114.98</b>
Consumption expenditures	102.17	111.46	108.05	110.42	111.80	115.56	114.22	111.50	114.71	113.89	114.56	115.04	115.37	118.33
Durable goods <sup>2</sup>	116.02	120.85	118.29	118.91	125.79	120.40	117.54	99.37	99.68	99.52	99.72	99.65	99.81	100.23
Nondurable goods	129.00	148.45	149.88	152.03	151.30	140.58	139.60	106.08	100.68	94.31	99.84	103.19	105.40	113.37
Services	100.50	109.80	106.22	108.71	109.77	114.49	113.24	112.61	116.41	115.74	116.26	116.67	116.95	119.94
Compensation of general government employees, except own-account investment <sup>3</sup>	91.09	92.73	91.99	93.03	93.44	92.44	94.28	118.58	125.09	124.71	125.19	125.33	125.13	131.58
Consumption of general government fixed capital <sup>4</sup>	99.03	99.35	99.06	99.22	99.42	99.70	100.13	101.84	102.63	102.30	102.37	102.60	103.25	103.35
Other services	118.09	148.01	136.73	143.65	146.55	165.10	156.80	111.79	114.20	113.04	113.84	114.66	115.25	116.24
Gross investment	104.87	115.94	113.93	113.83	119.04	116.96	118.42	96.77	96.01	95.88	95.89	95.95	96.31	96.48
Structures	68.01	65.07	63.21	66.47	66.30	64.31	66.62	118.80	121.72	120.94	121.56	121.89	122.47	123.96
Equipment and software	110.58	124.05	122.04	121.32	127.46	125.39	126.68	94.40	93.34	93.26	93.23	93.27	93.61	93.68
<b>Nondefense</b>	<b>117.10</b>	<b>122.18</b>	<b>119.91</b>	<b>121.93</b>	<b>121.83</b>	<b>125.07</b>	<b>127.62</b>	<b>111.64</b>	<b>115.46</b>	<b>114.79</b>	<b>115.61</b>	<b>115.89</b>	<b>115.53</b>	<b>118.54</b>
Consumption expenditures	112.76	117.42	114.99	116.48	117.48	120.74	123.94	114.18	119.12	118.21	119.31	119.70	119.25	123.05
Durable goods <sup>2</sup>														
Nondurable goods														
Commodity Credit Corporation inventory change														
Other nondurables	111.07	132.68	127.22	135.70	129.39	138.43	122.80	108.99	110.76	106.60	111.34	113.42	111.69	116.29
Services	111.72	116.17	113.95	114.83	116.35	119.54	123.46	114.75	119.92	119.16	120.07	120.42	120.05	123.84
Compensation of general government employees, except own-account investment <sup>3</sup>	103.40	105.63	103.95	103.75	105.28	109.52	109.58	120.51	129.23	128.03	129.63	130.11	129.14	136.01
Consumption of general government fixed capital <sup>4</sup>	155.81	167.02	162.56	165.47	168.46	171.61	175.06	102.45	102.48	102.68	102.44	102.34	102.46	102.52
Other services	109.87	116.07	113.63	115.97	116.86	117.80	130.10	110.27	112.56	111.93	112.39	112.79	113.14	114.08
Gross investment	137.77	144.80	143.43	148.22	142.28	145.28	144.26	101.39	101.15	101.39	101.18	101.04	101.00	101.02
Structures	80.33	93.17	101.08	91.85	84.94	94.81	89.36	116.73	118.72	117.97	118.42	118.91	119.60	120.84
Equipment and software	172.20	175.17	167.59	181.69	176.60	174.79	176.88	95.58	94.74	95.26	94.85	94.54	94.30	93.97
<b>State and local</b>	<b>120.11</b>	<b>123.51</b>	<b>123.47</b>	<b>122.95</b>	<b>123.62</b>	<b>123.99</b>	<b>124.06</b>	<b>115.01</b>	<b>116.33</b>	<b>115.29</b>	<b>116.17</b>	<b>116.60</b>	<b>117.24</b>	<b>119.21</b>
Consumption expenditures	117.93	121.28	120.56	121.04	121.54	121.99	122.21	115.99	117.40	116.19	117.19	117.72	118.49	120.70
Durable goods <sup>2</sup>	139.80	147.53	145.10	146.72	148.34	149.97	151.62	100.11	100.58	100.58	100.67	100.55	100.54	100.66
Nondurable goods	136.09	141.40	139.93	140.90	141.89	142.89	143.89	109.20	107.15	103.13	106.74	108.10	110.62	121.47
Services	115.40	118.45	117.84	118.25	118.68	119.04	119.15	117.18	119.12	118.31	118.94	119.36	119.88	120.83
Compensation of general government employees, except own-account investment <sup>3</sup>	108.72	110.96	110.53	110.79	111.13	111.40	111.40	118.80	121.95	120.79	121.53	122.33	123.16	123.94
Consumption of general government fixed capital <sup>4</sup>	129.92	135.67	133.88	135.17	136.31	137.31	138.32	107.64	107.98	107.94	108.04	107.99	107.94	108.59
Other services	231.02	246.72	245.08	246.56	247.35	247.89	248.47	114.44	105.86	107.45	107.86	104.98	103.16	106.42
Gross investment	129.86	133.43	136.57	131.41	132.83	132.90	132.20	111.00	111.95	111.62	111.97	112.02	112.17	113.13
Structures	121.33	126.48	130.10	123.97	125.67	126.16	125.53	119.49	121.51	120.81	121.47	121.74	122.04	123.48
Equipment and software	159.28	156.24	157.30	156.32	156.51	154.83	153.91	88.96	87.43	88.02	87.62	87.14	86.93	86.68
<b>Addenda:</b>														
Compensation of general government employees <sup>5</sup>	105.41	107.58	106.98	107.30	107.79	108.26	108.61	118.94	123.15	122.10	122.88	123.56	124.05	126.31
Federal	95.56	97.47	96.38	96.94	97.80	98.75	99.94	119.30	126.69	125.98	126.91	127.19	126.68	133.29
State and local <sup>5</sup>	109.21	111.47	111.06	111.29	111.63	111.92	111.91	118.80	121.96	120.80	121.53	122.34	123.16	123.94

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				
			2002				2003
			I	II	III	IV	I
Chain-type quantity indexes							
<b>Gross domestic product</b>	<b>117.94</b>	<b>120.82</b>	<b>119.84</b>	<b>120.21</b>	<b>121.41</b>	<b>121.82</b>	<b>122.26</b>
<b>Business</b> <sup>1</sup>	<b>119.56</b>	<b>122.53</b>	<b>121.52</b>	<b>121.86</b>	<b>123.17</b>	<b>123.55</b>	<b>123.97</b>
Nonfarm <sup>2</sup>	119.51	122.49	121.43	121.86	123.16	123.52	123.93
Nonfarm less housing	120.48	123.84	122.67	122.95	124.60	125.16	125.61
Housing	110.86	110.72	110.59	112.17	110.72	109.39	109.49
Farm	124.00	124.46	129.90	120.17	122.49	125.29	126.02
<b>Households and institutions</b>	<b>114.39</b>	<b>116.95</b>	<b>115.74</b>	<b>116.59</b>	<b>117.35</b>	<b>118.14</b>	<b>118.78</b>
Private households	84.25	73.59	72.41	73.19	73.92	74.82	75.75
Nonprofit institutions	115.49	118.53	117.31	118.17	118.93	119.71	120.34
<b>General government</b> <sup>3</sup>	<b>107.69</b>	<b>110.15</b>	<b>109.42</b>	<b>109.84</b>	<b>110.41</b>	<b>110.95</b>	<b>111.39</b>
Federal	99.77	101.90	100.78	101.39	102.24	103.18	104.36
State and local	111.40	114.01	113.46	113.79	114.22	114.57	114.67
Chain-type price indexes							
<b>Gross domestic product</b>	<b>109.42</b>	<b>110.66</b>	<b>110.14</b>	<b>110.48</b>	<b>110.76</b>	<b>111.25</b>	<b>111.90</b>
<b>Business</b> <sup>1</sup>	<b>108.23</b>	<b>109.04</b>	<b>108.65</b>	<b>108.89</b>	<b>109.08</b>	<b>109.53</b>	<b>109.98</b>
Nonfarm <sup>2</sup>	108.78	109.63	109.16	109.59	109.68	110.10	110.51
Nonfarm less housing	107.97	108.40	108.02	108.39	108.41	108.79	109.15
Housing	116.62	121.65	120.25	121.22	122.13	123.02	123.82
Farm	70.50	68.00	73.18	61.18	67.77	69.86	73.27
<b>Households and institutions</b>	<b>115.28</b>	<b>119.24</b>	<b>117.13</b>	<b>118.47</b>	<b>119.93</b>	<b>121.42</b>	<b>122.89</b>
Private households	117.43	121.68	120.48	121.29	122.18	122.75	123.45
Nonprofit institutions	115.20	119.16	117.03	118.38	119.85	121.36	122.85
<b>General government</b> <sup>3</sup>	<b>116.48</b>	<b>120.00</b>	<b>119.13</b>	<b>119.77</b>	<b>120.33</b>	<b>120.77</b>	<b>122.68</b>
Federal	114.23	119.51	118.97	119.60	119.83	119.63	124.23
State and local	117.47	120.26	119.25	119.90	120.59	121.31	122.07

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 7.16B. Implicit Price Deflators for Private Inventories by Industry**  
[Index numbers, 1996=100]

	Seasonally adjusted				
	2002				2003
	I	II	III	IV	I
<b>Private inventories</b> <sup>1</sup>	<b>98.48</b>	<b>98.99</b>	<b>99.28</b>	<b>99.94</b>	<b>101.63</b>
Farm	97.32	96.53	93.35	99.54	101.13
Construction, mining, and utilities	97.69	104.47	104.34	110.78	123.80
Manufacturing	98.96	99.45	100.10	100.20	101.88
Durable goods industries	98.41	98.81	98.65	98.46	99.04
Nondurable goods industries	99.93	100.57	102.52	103.07	106.47
Wholesale trade	94.85	95.62	96.80	96.67	98.22
Durable goods industries	91.26	91.66	91.68	91.69	92.11
Nondurable goods industries	101.16	102.50	105.46	105.11	108.41
Retail trade	102.00	101.98	102.08	102.10	102.86
Motor vehicle dealers	98.93	98.59	98.17	97.33	98.17
Food and beverage stores	110.32	109.41	109.59	110.19	111.12
General merchandise stores	102.59	102.62	102.67	103.13	103.32
Other retail stores	102.61	102.96	103.44	103.84	104.71
Other industries	99.07	99.71	99.86	100.19	102.02
<b>Addenda:</b>					
Private inventories	98.48	98.99	99.28	99.94	101.63
Durable goods industries	96.41	96.68	96.58	96.34	96.87
Nondurable goods industries	100.74	101.49	102.12	103.61	106.39
Nonfarm industries	98.63	99.25	99.81	100.03	101.74
Wholesale trade	94.85	95.62	96.80	96.67	98.22
Merchant wholesale trade	94.44	95.10	96.23	96.08	97.17
Durable goods industries	91.07	91.49	91.51	91.53	91.94
Nondurable goods industries	100.39	101.44	104.27	103.88	106.01
Nonmerchant wholesale trade	97.39	98.80	100.30	100.26	104.67

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 7.15. 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>1.037</b>	<b>1.036</b>	<b>1.035</b>	<b>1.037</b>	<b>1.039</b>
<b>Compensation of employees (unit labor cost)</b>	<b>.695</b>	<b>.680</b>	<b>.682</b>	<b>.680</b>	<b>.679</b>	<b>.678</b>	<b>.679</b>
<b>Unit nonlabor cost</b>	<b>.267</b>	<b>.270</b>	<b>.268</b>	<b>.269</b>	<b>.271</b>	<b>.271</b>	<b>.269</b>
Consumption of fixed capital	.127	.129	.128	.129	.130	.130	.129
Indirect business tax and nontax liability plus business transfer payments less subsidies	.102	.104	.103	.103	.104	.104	.104
Net interest	.038	.037	.037	.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>.086</b>	<b>.087</b>	<b>.084</b>	<b>.089</b>	<b>.090</b>
Profits tax liability	.024	.025	.023	.025	.025	.027	.028
Profits after tax with inventory valuation and capital consumption adjustments	.055	.062	.064	.062	.059	.062	.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 7.17. Chain-Type Quantity Indexes for Gross Domestic Product by Major Type of Product**  
[Index numbers, 1996=100]

	2001	2002	Seasonally adjusted				
			2002				2003
			I	II	III	IV	
<b>Gross domestic product..</b>	<b>117.94</b>	<b>120.82</b>	<b>119.84</b>	<b>120.21</b>	<b>121.41</b>	<b>121.82</b>	<b>122.26</b>
Final sales of domestic product.....	118.95	121.09	120.51	120.49	121.51	121.84	122.52
Change in private inventories.....							
<b>Goods .....</b>	<b>121.64</b>	<b>125.71</b>	<b>124.38</b>	<b>124.50</b>	<b>127.23</b>	<b>126.73</b>	<b>127.43</b>
Final sales.....	124.71	126.57	126.43	125.39	127.62	126.86	128.31
Change in private inventories.....							
Durable goods.....	129.90	134.92	131.84	132.10	138.60	137.15	138.17
Final sales.....	136.94	136.59	135.27	134.22	140.00	136.89	136.97
Change in private inventories.....							
Nondurable goods.....	114.62	117.99	117.90	117.93	117.98	118.15	120.01
Final sales.....	114.86	118.28	118.96	117.94	117.67	118.55	120.92
Change in private inventories.....							
<b>Services .....</b>	<b>115.16</b>	<b>118.35</b>	<b>117.00</b>	<b>118.01</b>	<b>118.74</b>	<b>119.65</b>	<b>119.83</b>
<b>Structures .....</b>	<b>118.88</b>	<b>115.51</b>	<b>118.86</b>	<b>115.51</b>	<b>113.88</b>	<b>114.60</b>	<b>115.62</b>
<b>Addenda:</b>							
Motor vehicle output.....	114.63	129.33	123.54	125.97	136.32	131.50	130.90
Gross domestic product less motor vehicle output.....	118.03	120.53	119.70	120.01	120.91	121.50	121.96

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

	2001	2002	Seasonally adjusted				
			2002				2003
			I	II	III	IV	
<b>Motor vehicle output...</b>	<b>114.63</b>	<b>129.33</b>	<b>123.54</b>	<b>125.97</b>	<b>136.32</b>	<b>131.50</b>	<b>130.90</b>
Auto output.....	89.86	93.97	95.00	93.02	97.86	90.01	83.13
Truck output <sup>1</sup> .....	135.17	158.50	147.17	153.18	168.04	165.62	170.00
<b>Final sales of domestic product.....</b>	<b>119.40</b>	<b>122.56</b>	<b>117.53</b>	<b>115.98</b>	<b>131.99</b>	<b>124.74</b>	<b>120.02</b>
<b>Personal consumption expenditures.....</b>	<b>143.85</b>	<b>152.48</b>	<b>146.80</b>	<b>146.73</b>	<b>164.00</b>	<b>152.39</b>	<b>148.50</b>
New motor vehicles.....	152.65	164.29	159.22	156.46	179.76	161.70	160.30
Autos.....	131.93	130.12	130.40	129.18	138.70	122.19	126.84
Light trucks.....	177.01	204.40	193.06	188.48	227.97	208.09	199.61
Net purchases of used autos.....	117.43	117.37	109.88	117.67	117.26	124.68	113.40
<b>Private fixed investment.....</b>	<b>106.83</b>	<b>103.02</b>	<b>95.86</b>	<b>100.72</b>	<b>106.73</b>	<b>108.75</b>	<b>97.22</b>
New motor vehicles.....	106.87	104.24	96.41	102.26	107.74	110.57	98.47
Autos.....	95.08	92.02	84.78	90.77	95.56	96.97	87.42
Trucks.....	118.27	116.04	107.62	113.36	119.50	123.67	109.15
Light trucks.....	137.74	135.69	126.81	132.07	136.71	147.17	132.33
Other.....	82.30	79.69	72.21	78.64	87.11	80.78	67.26
Net purchases of used autos.....	106.65	108.39	98.10	107.53	111.10	116.85	102.65
<b>Gross government investment.....</b>	<b>126.36</b>	<b>122.90</b>	<b>125.94</b>	<b>117.17</b>	<b>115.74</b>	<b>132.75</b>	<b>129.05</b>
Autos.....	97.37	97.51	101.19	92.55	87.91	108.40	100.75
New trucks.....	142.63	137.12	139.76	130.97	131.45	146.29	144.89
<b>Net exports.....</b>	<b>92.55</b>	<b>104.06</b>	<b>94.07</b>	<b>102.26</b>	<b>109.72</b>	<b>110.21</b>	<b>110.20</b>
Exports.....	101.19	115.49	104.95	116.09	121.85	119.06	119.00
Autos.....	77.15	83.66	74.65	77.57	88.05	94.36	94.45
Trucks.....	153.19	161.37	150.99	164.52	164.33	165.64	154.66
Imports.....	157.44	167.33	155.00	171.40	171.52	171.41	161.05
Autos.....	132.92	132.99	131.76	131.82	130.20	138.17	124.32
Trucks.....							
<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	127.60	129.04	141.60	135.90	129.20
Private fixed investment in new autos and new light trucks.....	112.41	109.78	101.87	107.57	112.31	117.36	105.66
Domestic output of new autos <sup>2</sup> .....	92.85	98.82	96.57	101.17	104.43	93.11	90.09
Sales of imported new autos <sup>3</sup> .....	152.80	157.39	151.28	153.87	166.84	157.56	153.19

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				
			2002				2003
			I	II	III	IV	I
<b>Percent change at annual rate:</b>							
<b>Gross domestic product</b> .....	.3	2.4	5.0	1.3	4.0	1.4	1.4
<b>Percentage points at annual rates:</b>							
<b>Personal consumption expenditures</b> .....	1.67	2.15	2.22	1.22	2.93	1.19	1.40
Durable goods.....	.48	.59	-.55	.16	1.74	-.72	-.17
Motor vehicles and parts.....	.24	.20	-1.18	-.03	1.46	-.93	-.29
Furniture and household equipment.....	.19	.30	.43	.20	.18	.17	.01
Other.....	.06	.10	.20	.00	.11	.04	.12
Nondurable goods.....	.39	.64	1.57	-.02	.22	1.01	1.21
Food.....	.09	.17	.65	-.09	-.05	.56	.83
Clothing and shoes.....	.08	.17	.40	-.03	.01	.22	.08
Gasoline, fuel oil, and other energy goods.....	.02	.07	.16	-.03	.05	.06	.01
Other.....	.21	.23	.37	.13	.22	.17	.30
Services.....	.80	.92	1.20	1.08	.97	.90	.36
Housing.....	.17	.17	.22	.21	.18	.17	.19
Household operation.....	.05	.02	.15	.06	.07	.21	-.05
Electricity and gas.....	-.03	.02	.14	.01	.09	.30	-.09
Other household operation.....	.08	.00	.01	.06	-.01	-.09	.04
Transportation.....	-.02	-.01	.10	-.03	-.02	.01	.00
Medical care.....	.43	.46	.40	.51	.45	.34	.45
Recreation.....	.08	.05	.04	.07	.00	.14	-.07
Other.....	.09	.23	.30	.26	.29	.02	-.16
<b>Gross private domestic investment</b> .....	-1.90	.15	2.53	1.16	.55	.93	-.83
<b>Fixed investment</b> .....	-.65	-.50	-.07	-.15	-.03	.65	-.02
Nonresidential.....	-.66	-.68	-.66	-.27	-.08	.24	-.47
Structures.....	-.05	-.52	-.44	-.53	-.62	-.25	-.07
Equipment and software.....	-.61	-.15	-.22	.26	.53	.49	-.40
Information processing equipment and software.....	-.26	.10	.25	.46	.50	.12	.39
Computers and peripheral equipment.....	-.02	.12	.21	.10	.26	.05	.15
Software <sup>1</sup> .....	-.02	.03	-.06	.20	.20	.03	.08
Other.....	-.22	-.05	.10	.16	.04	.04	.16
Industrial equipment.....	-.07	-.07	.15	-.11	.09	-.08	-.08
Transportation equipment.....	-.23	-.17	-.56	-.32	-.06	.37	-.60
Other.....	-.04	-.01	-.06	.23	.01	.08	-.11
Residential.....	.01	.18	.60	.12	.05	.41	.45
<b>Change in private inventories</b> .....	-1.24	.65	2.60	1.31	.58	.28	-.82
Farm.....	.04	-.01	.09	-.20	-.10	.05	.07
Nonfarm.....	-1.28	.66	2.51	1.51	.68	.24	-.88
<b>Net exports of goods and services</b> .....	-.18	-.67	-.75	-1.40	-.01	-1.59	.78
<b>Exports</b> .....	-.59	-.17	.33	1.29	.45	-.59	-.13
Goods.....	-.47	-.26	-.23	.99	.28	-.82	.13
Services.....	-.13	.09	.56	.30	.17	.23	-.25
<b>Imports</b> .....	.42	-.50	-1.08	-2.69	-.47	-1.00	.91
Goods.....	.40	-.43	-.40	-2.74	-.40	-.71	.81
Services.....	.01	-.07	-.68	.05	-.07	-.30	.10
<b>Government consumption expenditures and gross investment</b> .....	.65	.81	1.04	.27	.56	.85	.08
<b>Federal</b> .....	.29	.47	.47	.47	.29	.70	.05
National defense.....	.19	.37	.46	.32	.29	.46	-.15
Consumption expenditures.....	.16	.31	.34	.32	.19	.50	-.18
Gross investment.....	.02	.06	.12	.00	.11	-.04	.03
Nondefense.....	.10	.10	.01	.16	-.01	.25	.20
Consumption expenditures.....	.08	.08	.03	.10	.07	.21	.21
Gross investment.....	.01	.02	-.02	.06	-.07	.04	-.01
<b>State and local</b> .....	.36	.34	.56	-.21	.27	.15	.03
Consumption expenditures.....	.30	.28	.25	.16	.17	.14	.08
Gross investment.....	.07	.06	.32	-.37	.10	.00	-.05
<b>Addenda:</b>							
Goods.....	-.85	1.19	2.89	.14	3.10	-.55	.78
Services.....	1.11	1.52	1.60	1.91	1.43	1.71	.33
Structures.....	-.01	-.26	.56	-.80	-.50	.22	.32
Motor vehicle output.....	-.21	.39	.31	.25	1.06	-.49	-.06
Final sales of computers <sup>2</sup> .....	.08	.08	-.06	.08	.39	.17	.18

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				
			2002				2003
			I	II	III	IV	I
<b>Percent change at annual rate:</b>							
<b>Personal consumption expenditures</b> .....	2.5	3.1	3.1	1.8	4.2	1.7	2.0
<b>Percentage points at annual rates:</b>							
<b>Durable goods</b> .....	.71	.86	-.80	.23	2.49	-1.03	-.24
Motor vehicles and parts.....	.35	.29	-1.70	-.05	2.09	-1.32	-.41
Furniture and household equipment.....	.28	.43	.61	.29	.25	.24	.01
Other.....	.08	.14	.29	.00	.15	.06	.17
<b>Nondurable goods</b> .....	.58	.93	2.23	-.03	.32	1.45	1.73
Food.....	.13	.25	.92	-.13	-.08	.80	1.18
Clothing and shoes.....	.12	.25	.57	-.04	.01	.32	.11
Gasoline, fuel oil, and other energy goods.....	.03	.10	.22	-.04	.07	.09	.02
Gasoline and oil.....	.05	.10	.21	-.02	.05	-.01	.07
Fuel oil and coal.....	-.03	.00	.01	-.02	.02	.10	-.05
Other.....	.30	.33	.52	.19	.31	.25	.42
<b>Services</b> .....	1.17	1.33	1.69	1.56	1.38	1.29	.51
Housing.....	.25	.24	.30	.30	.25	.25	.27
Household operation.....	.07	.03	.21	.09	.11	.30	-.08
Electricity and gas.....	-.04	.02	.20	.01	.12	.42	-.13
Other household operation.....	.12	.00	.01	.08	-.02	-.12	.05
Transportation.....	-.03	-.01	.14	-.04	-.03	.02	.00
Medical care.....	.64	.66	.56	.73	.64	.49	.65
Recreation.....	.11	.07	.05	.10	.00	.21	-.10
Other.....	.13	.34	.41	.37	.41	.03	-.23
<b>Addenda:</b>							
Energy goods and services <sup>1</sup> .....	-.01	.12	.42	-.03	.19	.51	-.11
Personal consumption expenditures less food and energy.....	2.35	2.75	1.78	1.94	4.07	.41	.93

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				
			2002				2003
			I	II	III	IV	I
<b>Percent change at annual rate:</b>							
Private fixed investment .....	-3.8	-3.1	-5	-1.0	-3	4.4	-1
<b>Percentage points at annual rates:</b>							
Nonresidential .....	-3.88	-4.18	-4.29	-1.74	-58	1.63	-3.10
Structures .....	-31	-3.23	-2.83	-3.44	-4.05	-1.68	-46
Nonresidential buildings, including farm .....	-95	-2.46	-1.98	-2.75	-2.81	-40	-42
Utilities .....	-01	-20	.42	-.69	-.78	-.29	-.40
Mining exploration, shafts, and wells .....	.48	-.31	-1.28	.02	-.09	-.89	.47
Other structures .....	.16	-.26	.01	-.01	-.38	-.10	-.12
Equipment and software .....	-3.57	-.94	-1.46	1.70	3.47	3.31	-2.64
Information processing equipment and software .....	-1.54	.61	1.57	2.99	3.26	.82	2.56
Computers and peripheral equipment <sup>1</sup> .....	-.13	.71	1.32	.65	1.73	.36	.96
Software <sup>2</sup> .....	-.13	.22	-.41	1.31	1.28	.22	.56
Other .....	-1.27	-.32	.66	1.02	.25	.24	1.04
Industrial equipment .....	-.43	-.43	.95	-.70	.60	-.53	-.52
Transportation equipment .....	-1.37	-1.03	-3.56	-2.06	-.43	2.47	-3.96
Other .....	-.23	-.09	-.42	1.48	.04	.55	-.72
Residential .....	.07	1.10	3.79	.78	.32	2.73	2.96
Structures .....	.07	1.08	3.77	.76	.32	2.71	2.93
Single family .....	.11	.60	1.80	.38	.41	2.13	2.57
Multifamily .....	.11	.14	.62	-.06	-.19	-.37	.62
Other structures .....	-.15	.34	1.35	.43	.09	.94	-.26
Equipment .....	.00	.02	.02	.02	.00	.02	.03

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
<b>Percent change at annual rate:</b>							
Government consumption expenditures and gross investment <sup>1</sup> .....	3.7	4.4	5.6	1.4	2.9	4.6	.4
<b>Percentage points at annual rates:</b>							
Federal .....	1.61	2.54	2.53	2.52	1.50	3.76	.25
National defense .....	1.06	2.01	2.46	1.68	1.53	2.44	-.78
Consumption expenditures .....	.92	1.70	1.81	1.69	.98	2.65	-.93
Durable goods <sup>2</sup> .....	.09	.05	.13	.03	.29	-.23	-.12
Nondurable goods .....	.03	.08	.04	.03	-.01	-.17	-.02
Services .....	.80	1.56	1.65	1.63	.70	3.05	-.80
Compensation of general government employees, except own-account investment <sup>3</sup> .....	.05	.14	.30	.36	.14	-.33	.62
Consumption of general government fixed capital .....	-.01	.01	.01	.02	.03	.04	.06
Other services .....	.76	1.40	1.34	1.25	.53	3.34	-1.47
Gross investment .....	.14	.31	.65	-.01	.56	-.22	.15
Structures .....	-.01	-.01	-.12	.05	.00	-.03	.04
Equipment and software .....	.14	.32	.77	-.07	.56	-.18	.11
Nondefense .....	.55	.54	.07	.84	-.04	1.33	1.03
Consumption expenditures .....	.47	.42	.16	.52	.35	1.13	1.09
Durable goods <sup>2</sup> .....	.01	.01	.01	.00	.01	.03	.00
Nondurable goods .....	.13	.03	.07	.22	-.17	.04	-.19
Services .....	.34	.38	.08	.29	.51	1.06	1.27
Compensation of general government employees, except own-account investment <sup>3</sup> .....	-.03	.12	.11	-.04	.31	.85	.01
Consumption of general government fixed capital .....	.11	.11	.11	.11	.11	.12	.13
Other services .....	.26	.15	-.14	.22	.09	.09	1.14
Gross investment .....	.08	.12	-.10	.32	-.39	.20	-.06
Structures .....	-.04	.09	.34	-.25	-.19	.26	-.14
Equipment and software .....	.11	.03	-.43	.57	-.20	-.07	.08
State and local .....	2.05	1.87	3.03	-1.10	1.42	.85	.13
Consumption expenditures .....	1.66	1.52	1.33	.84	.89	.81	.39
Durable goods <sup>2</sup> .....	.06	.05	.06	.04	.04	.04	.04
Nondurable goods .....	.36	.24	.24	.17	.17	.18	.18
Services .....	1.24	1.22	1.03	.63	.67	.59	.16
Compensation of general government employees, except own-account investment <sup>3</sup> .....	.79	.78	.50	.36	.46	.40	-.01
Consumption of general government fixed capital <sup>4</sup> .....	.24	.23	.27	.20	.17	.15	.15
Other services .....	.21	.21	.26	.08	.04	.03	.03
Gross investment .....	.39	.35	1.70	-1.94	.53	.04	-.25
Structures .....	.23	.41	1.95	-1.87	.52	.15	-.19
Equipment and software .....	.16	-.06	-.25	-.07	.02	-.12	-.07

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 8.5. 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				
			2002				2003
			I	II	III	IV	I
<b>Percent change at annual rate:</b>							
Exports of goods and services .....	-5.4	-1.6	3.5	14.3	4.6	-5.8	-1.3
<b>Percentage points at annual rates:</b>							
Exports of goods <sup>1</sup> .....	-4.23	-2.55	-2.43	10.92	2.86	-8.25	1.29
Foods, feeds, and beverages .....	.13	-.10	.08	-.61	-.61	.08	.66
Industrial supplies and materials .....	-.58	.05	-.47	2.84	-.99	.34	1.16
Capital goods, except automotive .....	-3.21	-2.71	-1.79	4.48	3.21	-6.21	-.69
Automotive vehicles, engines, and parts .....	-.47	.27	-.25	2.73	.74	-2.04	.43
Consumer goods, except automotive .....	-.07	-.32	-.67	.96	.59	-.15	.45
Other .....	-.03	.26	.67	.54	-.07	-.26	-.72
Exports of services <sup>1</sup> .....	-1.14	.95	5.89	3.36	1.77	2.42	-2.62
<b>Percent change at annual rate:</b>							
Imports of goods and services .....	-2.9	3.7	8.5	22.2	3.3	7.4	-6.2
<b>Percentage points at annual rates:</b>							
Imports of goods <sup>1</sup> .....	-2.78	3.19	3.24	22.25	2.81	5.23	-5.55
Foods, feeds, and beverages .....	.14	.19	.18	.41	.12	.17	.42
Industrial supplies and materials, except petroleum and products .....	-.45	.39	.68	1.38	1.06	.76	-.79
Petroleum and products .....	.27	-.16	-1.25	2.13	-1.07	1.69	-1.11
Capital goods, except automotive .....	-2.73	-.38	2.40	3.77	-.63	.56	-.47
Automotive vehicles, engines, and parts .....	-.41	.98	.98	5.21	.57	-.67	-1.21
Consumer goods, except automotive .....	.33	1.89	2.42	7.03	2.07	2.30	1.37
Other .....	.07	.28	-2.16	2.32	.69	.43	-3.76
Imports of services <sup>1</sup> .....	-.08	.52	5.31	-1.10	.52	2.14	-.67

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 8.7. Selected Per Capita Product and Income Series in Current and Chained Dollars

[Dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	
<b>Current dollars:</b>							
Gross domestic product.....	35,398	36,340	35,996	36,147	36,509	36,706	36,970
Gross national product.....	35,475	36,307	36,002	36,077	36,471	36,674	36,935
Personal income.....	30,494	31,039	30,727	31,052	31,132	31,242	31,458
Disposable personal income.....	25,957	27,170	26,759	27,144	27,313	27,463	27,732
Personal consumption expenditures.....	24,531	25,408	25,040	25,271	25,579	25,740	25,985
Durable goods.....	2,935	3,033	2,998	2,985	3,120	3,029	2,979
Nondurable goods.....	7,167	7,358	7,278	7,344	7,356	7,453	7,633
Services.....	14,430	15,017	14,765	14,942	15,102	15,258	15,373
<b>Chained (1996) dollars:</b>							
Gross domestic product.....	32,352	32,839	32,681	32,718	32,962	32,995	33,039
Gross national product.....	32,432	32,817	32,696	32,663	32,936	32,974	33,014
Disposable personal income.....	23,692	24,463	24,296	24,479	24,527	24,551	24,625
Personal consumption expenditures.....	22,390	22,877	22,735	22,790	22,969	23,010	23,074
Durable goods.....	3,272	3,478	3,406	3,416	3,588	3,503	3,477
Nondurable goods.....	6,565	6,712	6,706	6,691	6,692	6,760	6,845
Services.....	12,622	12,787	12,712	12,771	12,812	12,850	12,849
Population (mid-period, thousands).....	284,822	287,456	286,507	287,072	287,770	288,475	289,109

Table 8.8B. Motor Vehicle Output

[Billions of dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	
<b>Motor vehicle output.....</b>							
Auto output.....	109.6	111.6	114.1	110.3	115.8	106.0	96.0
Truck output <sup>1</sup> .....	202.4	232.7	217.7	224.4	244.9	243.7	251.4
<b>Final sales of domestic product.....</b>	<b>329.3</b>	<b>330.8</b>	<b>320.4</b>	<b>312.6</b>	<b>353.8</b>	<b>336.6</b>	<b>321.9</b>
<b>Personal consumption expenditures.....</b>							
New motor vehicles.....	228.4	299.7	290.6	287.5	321.8	298.7	289.2
Autos.....	105.9	103.2	104.1	102.2	109.6	96.9	99.4
Light trucks.....	121.8	137.8	131.0	126.6	153.3	140.5	133.7
Net purchases of used autos.....	60.6	58.6	55.5	58.7	59.0	61.4	56.1
<b>Private fixed investment.....</b>							
Autos.....	127.7	122.5	114.9	119.9	125.0	130.2	116.3
Trucks.....	164.2	158.0	147.5	155.1	161.5	167.7	149.3
Light trucks.....	70.6	67.4	62.5	66.4	69.8	71.1	63.3
Other.....	93.6	90.5	85.0	88.7	91.8	96.7	86.0
Net purchases of used autos.....	70.2	67.1	64.0	65.7	66.0	72.6	65.8
Other.....	23.4	23.5	21.0	23.0	25.7	24.1	20.2
Net purchases of used autos.....	-36.5	-35.5	-32.6	-35.2	-36.6	-37.5	-33.0
<b>Gross government investment.....</b>							
Autos.....	13.7	13.3	13.7	12.7	12.4	14.3	13.9
Trucks.....	3.8	3.9	4.1	3.7	3.6	4.3	4.0
New trucks.....	9.9	9.4	9.7	9.0	8.9	10.0	10.0
<b>Net exports.....</b>							
Exports.....	-100.5	-104.6	-98.9	-107.5	-105.4	-106.7	-97.5
Autos.....	25.4	28.9	25.9	28.3	30.5	30.9	30.9
Trucks.....	17.8	20.5	18.6	20.6	21.6	21.4	21.4
Imports.....	7.6	8.4	7.4	7.7	8.8	9.5	9.6
Autos.....	125.9	133.5	124.8	135.8	135.9	137.5	128.4
Trucks.....	106.7	114.1	105.7	116.6	116.9	117.4	110.2
Net purchases of used autos.....	19.2	19.4	19.1	19.2	19.0	20.2	18.2
<b>Change in private inventories.....</b>							
Autos.....	-17.3	13.4	11.4	22.1	6.9	13.1	25.4
New.....	-6.1	7.4	7.6	10.5	5.7	5.9	-5.0
Domestic.....	-6.7	7.0	7.1	10.4	4.4	5.9	-5.6
Foreign.....	-7.4	5.7	6.9	9.1	7.9	-9	-3.9
Used.....	.7	1.2	.2	1.3	-3.4	6.8	-1.7
Trucks.....	.6	.5	.5	.1	1.3	.0	.7
<b>New trucks.....</b>							
Domestic.....	-11.3	6.0	3.8	11.6	1.2	7.2	30.4
Foreign.....	-10.7	4.3	2.4	11.6	2.2	1.0	28.1
Net purchases of used autos.....	-5	1.7	1.4	.1	-1.0	6.2	2.3
<b>Addenda:</b>							
Final sales of motor vehicles to domestic purchasers.....	429.8	435.5	419.3	420.1	459.2	443.3	419.4
Private fixed investment in new autos and new light trucks.....	140.8	134.5	126.5	132.1	135.8	143.6	129.1
Domestic output of new autos <sup>2</sup> .....	107.3	113.2	111.2	115.8	119.3	106.5	101.7
Sales of imported new autos <sup>3</sup> .....	82.9	84.4	81.6	82.3	89.1	84.5	81.2

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 8.9B. Real Motor Vehicle Output

[Billions of chained (1996) dollars]

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	
<b>Motor vehicle output.....</b>							
Auto output.....	113.4	118.5	119.8	117.3	123.4	113.5	104.9
Truck output <sup>1</sup> .....	202.0	236.9	220.0	229.0	251.2	247.5	254.1
<b>Final sales of domestic product.....</b>	<b>333.9</b>	<b>342.7</b>	<b>328.7</b>	<b>324.3</b>	<b>369.1</b>	<b>348.8</b>	<b>335.6</b>
<b>Personal consumption expenditures.....</b>							
New motor vehicles.....	229.2	307.4	295.9	295.8	330.6	307.2	299.3
Autos.....	108.0	106.5	106.8	105.8	113.6	100.0	103.8
Light trucks.....	120.9	139.6	131.8	128.7	155.6	142.1	136.3
Net purchases of used autos.....	60.4	60.4	56.5	60.5	60.3	64.1	58.3
<b>Private fixed investment.....</b>							
Autos.....	129.1	124.4	115.8	121.7	128.9	131.4	117.4
Trucks.....	165.8	161.8	149.6	158.7	167.2	171.6	152.8
Light trucks.....	71.9	69.6	64.1	68.7	72.3	73.4	66.1
Other.....	94.0	92.3	85.6	90.1	95.0	98.3	86.8
Net purchases of used autos.....	72.0	71.0	66.3	69.1	71.5	77.0	69.2
Other.....	22.4	21.7	19.7	21.4	23.7	22.0	18.3
Net purchases of used autos.....	-36.7	-37.3	-33.7	-37.0	-38.2	-40.2	-35.3
<b>Gross government investment.....</b>							
Autos.....	13.7	13.3	13.6	12.7	12.5	14.4	14.0
Trucks.....	3.7	3.7	3.9	3.5	4.4	4.2	3.9
New trucks.....	10.0	9.6	9.8	9.2	10.2	10.2	10.1
<b>Net exports.....</b>							
Exports.....	-97.8	-101.3	-95.7	-104.3	-102.2	-103.1	-94.4
Autos.....	24.0	27.0	24.4	26.6	28.5	28.6	28.6
Trucks.....	17.2	19.6	17.8	19.7	20.7	20.2	20.2
Imports.....	7.0	7.5	6.7	7.0	7.9	8.5	8.5
Autos.....	121.8	128.4	120.1	130.9	130.7	131.7	123.0
Trucks.....	103.7	110.2	102.1	112.9	113.0	112.9	106.1
Net purchases of used autos.....	18.2	18.2	18.0	18.0	17.8	18.9	17.0
<b>Change in private inventories.....</b>							
Autos.....	-15.9	12.1	10.2	20.1	6.3	11.7	22.7
New.....	-6.2	7.7	7.8	10.8	6.0	6.0	-5.2
Domestic.....	-6.8	7.1	7.2	10.7	4.6	5.9	-5.8
Foreign.....	-7.6	6.0	7.1	9.5	8.3	-1.0	-4.1
Used.....	.7	1.2	.2	1.2	-3.3	6.5	-1.6
Trucks.....	.6	.5	.5	.1	1.4	.1	.7
<b>New trucks.....</b>							
Domestic.....	-8.8	4.4	2.8	8.7	.9	5.3	21.6
Foreign.....	-8.3	3.2	1.7	8.6	1.6	.9	19.7
Net purchases of used autos.....	-5	1.4	1.3	.1	-9	5.3	1.9
Residual.....	-3.9	.7	.1	2.0	-6	1.1	7.9
<b>Addenda:</b>							
Final sales of motor vehicles to domestic purchasers.....	432.5	445.0	425.2	430.0	471.8	452.8	430.5
Private fixed investment in new autos and new light trucks.....	143.8	140.5	130.4	137.6	143.7	150.2	135.2
Domestic output of new autos <sup>2</sup> .....	108.4	115.3	112.7	118.1	121.9	108.7	105.1
Sales of imported new autos <sup>3</sup> .....	84.6	87.1	83.7	85.1	92.3	87.2	84.8

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.

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

Chain-type quantity indexes for the series in this table are shown in table 7.18B.

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

	2001	2002	Seasonally adjusted at annual rates				
			2002				2003
			I	II	III	IV	I
<b>Percent change at annual rate:</b>							
Gross domestic purchases .....	1.9	1.2	1.2	2.3	1.2	1.8	3.4
<b>Percentage points at annual rates:</b>							
<b>Personal consumption expenditures</b> .....	1.34	.92	.74	1.83	1.15	1.22	1.84
Durable goods .....	-.16	-.23	-.35	-.23	-.16	-.18	-.29
Motor vehicles and parts .....	.01	-.05	-.13	-.10	.03	-.01	-.06
Furniture and household equipment .....	-.17	-.17	-.20	-.12	-.16	-.16	-.16
Other .....	.01	-.01	-.02	-.01	-.02	-.01	-.07
Nondurable goods .....	.29	.08	.05	.89	.12	.24	.90
Food .....	.28	.19	.23	.05	.09	.17	.16
Clothing and shoes .....	-.06	-.08	-.06	-.04	-.11	-.01	-.15
Gasoline, fuel oil, and other energy goods .....	-.06	-.12	-.17	.72	.09	.18	.94
Other .....	.12	.09	.05	.16	.06	-.09	-.05
Services .....	1.21	1.07	1.05	1.18	1.19	1.17	1.23
Housing .....	.37	.38	.42	.33	.28	.28	.25
Household operation .....	.15	-.03	-.05	.00	.13	.09	.35
Electricity and gas .....	.15	-.08	-.10	.03	.01	.05	.29
Other household operation .....	.00	.05	.05	-.03	.12	.04	.06
Transportation .....	.05	.05	.07	.11	.04	.07	-.01
Medical care .....	.37	.28	.23	.27	.30	.33	.12
Recreation .....	.08	.08	.06	.11	.08	.08	.10
Other .....	.19	.32	.33	.35	.36	.32	.43
<b>Gross private domestic investment</b> .....	.19	-.08	-.22	-.06	-.16	.24	.19
<b>Fixed investment</b> .....	.19	-.06	-.22	-.03	-.14	.25	.28
Nonresidential .....	.02	-.15	-.22	-.15	-.14	.04	-.04
Structures .....	.15	-.02	-.10	.02	.01	.05	.09
Equipment and software .....	-.14	-.13	-.12	-.17	-.15	-.01	-.14
Information processing equipment and software .....	-.16	-.14	-.11	-.13	-.11	-.14	-.17
Computers and peripheral equipment .....	-.17	-.11	-.10	-.06	-.10	-.10	-.11
Software .....	.03	-.01	.00	-.05	.01	.01	-.07
Other .....	-.03	-.02	-.01	-.02	-.02	-.02	.00
Industrial equipment .....	.01	.00	-.01	-.01	.02	.01	.02
Transportation equipment .....	-.01	.00	.00	-.03	-.06	.11	.00
Other equipment .....	.02	.01	.01	-.01	.01	.00	.02
Residential .....	.17	.09	.00	.11	.00	.21	.32
<b>Change in private inventories</b> .....	.00	-.02	.00	-.03	-.03	-.01	-.09
Farm .....	.00	.00	.00	.00	.00	.00	.00
Nonfarm .....	.00	-.02	.00	-.03	-.02	-.01	-.09
<b>Government consumption expenditures and gross investment</b> .....	.41	.31	.64	.51	.26	.28	1.41
<b>Federal</b> .....	.10	.17	.50	.15	.08	.02	.62
National defense .....	.06	.09	.28	.08	.06	.05	.38
Consumption expenditures .....	.07	.10	.29	.08	.06	.04	.37
Gross investment .....	.00	.00	-.01	.00	.00	.01	.00
Nondefense .....	.04	.08	.22	.06	.02	-.03	.24
Consumption expenditures .....	.04	.08	.23	.07	.02	-.03	.24
Gross investment .....	.00	.00	.00	.00	.00	.00	.00
<b>State and local</b> .....	.31	.14	.13	.36	.18	.26	.79
Consumption expenditures .....	.26	.12	.13	.33	.17	.25	.71
Gross investment .....	.05	.02	.00	.03	.00	.01	.08
<b>Addenda:</b>							
Final sales of computers <sup>2</sup> .....	-.27	-.19	-.19	-.11	-.16	-.19	-.17
Gross domestic purchases less final sales of computers .....	2.21	1.34	1.35	2.39	1.41	1.94	3.61
Food .....	.28	.18	.23	.04	.06	.17	.17
Energy goods and services .....	.09	-.26	-.32	.93	.14	.31	1.64
Gross domestic purchases less food and energy .....	1.57	1.23	1.25	1.31	1.05	1.27	1.63

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.....	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 carriers.....	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	Insurance agents, brokers, and service.....	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
Nondurable 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.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.7. Compensation and Wage and Salary Accruals by Industry [Millions of dollars]

Table with columns for Compensation and Wage and salary accruals, broken down by year (1999, 2000, 2001) for various industries. Categories include Domestic industries (Agriculture, Mining, Construction, Manufacturing, Transportation and public utilities) and Services (Communications, Wholesale trade, Retail trade, Finance, Insurance, and real estate, etc.).

1. 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.
2. Reflects the reclassification of air couriers from trucking and warehousing to transportation by air.
3. Consists of museums, botanical and zoological gardens; engineering and management services; and services, not elsewhere classified.

4. Includes Coast Guard.
5. Includes estimates of foreign professional workers and undocumented Mexican migratory workers employed temporarily in the United States.

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



**Table B.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	81	Electric, gas, and sanitary services.....	863	857	860	860	851	857
Coal mining.....	86	79	82	85	77	86	<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	1,589	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
<b>Less: Intermediate goods and services purchased</b> .....	<b>132.3</b>	<b>136.5</b>	<b>140.7</b>	<b>137.2</b>	<b>133.3</b>	<b>134.6</b>
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>106.1</b>	<b>120.5</b>	<b>114.3</b>
<b>Less: Consumption of fixed capital</b> .....	<b>28.9</b>	<b>28.7</b>	<b>29.4</b>	<b>27.7</b>	<b>27.0</b>	<b>27.3</b>
<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>
<b>Less: Indirect business tax and nontax liability</b> .....	<b>5.3</b>	<b>5.4</b>	<b>5.6</b>			
<b>Plus: Subsidies to operators</b> .....	<b>18.4</b>	<b>19.5</b>	<b>17.7</b>			
<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
<b>Less: Intermediate goods and services consumed</b> .....	<b>116.9</b>	<b>116.3</b>	<b>138.4</b>	<b>105.5</b>	<b>101.3</b>	<b>115.9</b>
<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
<b>Less: Consumption of fixed capital</b> .....	<b>145.4</b>	<b>152.5</b>	<b>166.1</b>	<b>132.2</b>	<b>132.7</b>	<b>140.0</b>
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>
<b>Less: Indirect business tax and nontax liability plus business transfer payments</b> .....	<b>135.7</b>	<b>140.7</b>	<b>146.0</b>			
<b>Plus: Subsidies less current surplus of government enterprises</b> .....	<b>23.7</b>	<b>23.8</b>	<b>24.3</b>			
<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				
			May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
<b>Construction (monthly data seasonally adjusted at annual rates) <sup>4</sup></b>															
New construction put in place (billions of dollars) .....	842.5	846.1	847.1	833.7	837.8	829.8	832.2	840.0	850.5	856.7	875.3	873.5	864.8	862.6	.....
Private construction .....	650.0	642.2	642.2	634.6	635.7	627.1	626.5	636.8	643.8	650.0	664.3	666.5	664.1	661.4	.....
Residential buildings .....	388.7	415.5	413.5	410.8	414.0	409.3	412.2	418.0	427.2	440.2	450.0	452.2	451.4	449.9	.....
Nonresidential buildings .....	201.1	167.9	170.5	166.7	163.7	159.8	156.5	160.2	161.8	155.6	160.8	159.8	160.3	156.1	.....
Public construction .....	192.5	203.9	204.9	199.1	202.1	202.8	205.7	203.2	206.7	206.7	211.0	207.0	200.7	201.2	.....
Housing starts (thousands of units):															
Total .....	1,603	1,705	1,752	1,709	1,666	1,630	1,810	1,653	1,760	1,815	1,828	1,640	1,742	1,632	1,732
1-unit structures .....	1,273	1,359	1,389	1,359	1,329	1,249	1,449	1,366	1,403	1,462	1,509	1,312	1,398	1,358	1,378
New 1-family houses sold (thousands of units) .....	908	973	981	959	961	1025	1057	1005	1022	1052	1009	935	1018	1028	1157
<b>Manufacturing and trade, inventories and sales (millions of dollars, monthly data seasonally adjusted) <sup>4</sup></b>															
Inventories:															
Total manufacturing and trade .....	.....	.....	1,126,477	1,124,639	1,127,436	1,130,357	1,136,896	1,137,189	1,144,210	1,145,753	1,149,332	1,156,115	1,159,136	1,166,786	1,170,601
Manufacturing .....	.....	.....	431,434	430,153	428,592	428,230	427,996	428,574	429,385	429,074	428,220	430,951	431,311	433,227	432,500
Retail trade .....	.....	.....	410,401	411,707	416,352	418,394	423,139	422,377	427,879	430,960	434,693	436,317	439,120	443,879	447,163
Merchant wholesalers .....	.....	.....	284,642	282,779	282,492	283,733	285,761	286,238	286,946	285,719	286,419	288,847	288,705	289,680	290,938
Sales:															
Total manufacturing and trade .....	9,759,711	9,852,280	805,070	820,157	816,987	819,513	830,802	832,553	826,227	830,507	831,696	831,848	842,599	834,860	848,661
Manufacturing .....	3,897,730	3,855,872	315,593	322,962	323,736	320,810	326,101	323,729	322,608	326,339	322,863	321,016	327,265	322,601	327,745
Retail trade .....	3,153,315	3,245,407	265,947	270,022	266,146	269,762	274,476	276,318	271,307	271,703	273,570	277,100	278,356	274,066	280,369
Merchant wholesalers .....	2,708,666	2,751,001	223,530	227,173	227,105	228,941	230,225	232,506	232,312	232,465	235,263	233,732	236,978	238,193	240,547
Inventory-sales ratio:															
Total manufacturing and trade .....	.....	.....	1.40	1.37	1.38	1.38	1.37	1.37	1.38	1.38	1.38	1.39	1.38	1.40	1.38
Manufacturing .....	.....	.....	1.37	1.33	1.32	1.33	1.31	1.32	1.33	1.31	1.33	1.34	1.32	1.34	1.32
Retail trade .....	.....	.....	1.54	1.52	1.56	1.55	1.54	1.53	1.58	1.59	1.59	1.57	1.58	1.62	1.59
Merchant wholesalers .....	.....	.....	1.27	1.24	1.24	1.24	1.24	1.23	1.24	1.23	1.22	1.24	1.22	1.22	1.21
<b>Industrial production indexes and capacity utilization rates (monthly data seasonally adjusted) <sup>2</sup></b>															
Industrial production indexes, 1997=100:															
Total .....	111.2	110.8	110.4	110.8	111.6	111.3	111.2	110.6	110.8	109.9	110.7	110.7	110.1	109.4	109.6
Final products .....	109.0	108.1	107.1	107.5	107.9	107.6	107.4	106.6	107.1	106.0	107.1	107.2	106.8	106.2	106.2
Consumer goods .....	106.5	107.0	107.3	107.8	108.5	107.8	107.9	107.0	107.8	106.6	107.7	107.8	107.3	106.6	106.5
Business equipment .....	117.3	112.3	108.0	108.0	107.3	108.1	106.9	106.0	106.1	104.6	105.6	105.9	105.5	104.9	104.9
Nonindustrial supplies .....	115.3	114.9	114.6	114.8	115.5	115.4	115.8	115.4	114.9	113.9	114.4	114.7	113.8	112.8	113.1
Materials .....	111.8	112.0	112.2	112.6	113.8	113.6	113.4	112.8	113.1	112.4	113.0	112.8	112.0	111.5	111.7
Capacity utilization rates (percent):															
Total industry .....	77.3	75.6	75.7	75.9	76.4	76.1	76.0	75.5	75.6	74.9	75.4	75.3	74.8	74.3	74.3
Manufacturing .....	75.6	73.7	73.9	74.1	74.3	74.3	74.1	73.7	73.7	73.0	73.3	73.3	73.1	72.5	72.6
<b>Credit market borrowing (billions of dollars, quarterly data seasonally adjusted at annual rates) <sup>2</sup></b>															
All sectors, by instrument:															
Total .....	2,055.5	2,327.4	2,532.0	.....	.....	2,137.3	.....	.....	2,719.1	.....	.....	2,362.7	.....	.....	.....
Open market paper .....	-164.4	-98.2	-154.3	.....	.....	70.8	.....	.....	-53.3	.....	.....	-16.1	.....	.....	.....
U.S. government securities .....	623.8	811.5	1,013.8	.....	.....	686.5	.....	.....	814.8	.....	.....	532.3	.....	.....	.....
Municipal securities .....	122.8	167.0	196.2	.....	.....	156.8	.....	.....	238.2	.....	.....	162.2	.....	.....	.....
Corporate and foreign bonds .....	669.9	527.9	592.4	.....	.....	140.5	.....	.....	773.0	.....	.....	742.2	.....	.....	.....
Bank loans, n.e.c. .....	-76.2	-76.0	-139.0	.....	.....	-54.4	.....	.....	-107.5	.....	.....	-101.6	.....	.....	.....
Other loans and advances .....	60.4	49.9	89.7	.....	.....	148.5	.....	.....	-16.0	.....	.....	52.4	.....	.....	.....
Mortgages .....	710.5	885.2	841.9	.....	.....	919.5	.....	.....	1,072.8	.....	.....	915.6	.....	.....	.....
Consumer credit .....	108.7	60.1	91.3	.....	.....	69.1	.....	.....	-2.9	.....	.....	75.7	.....	.....	.....

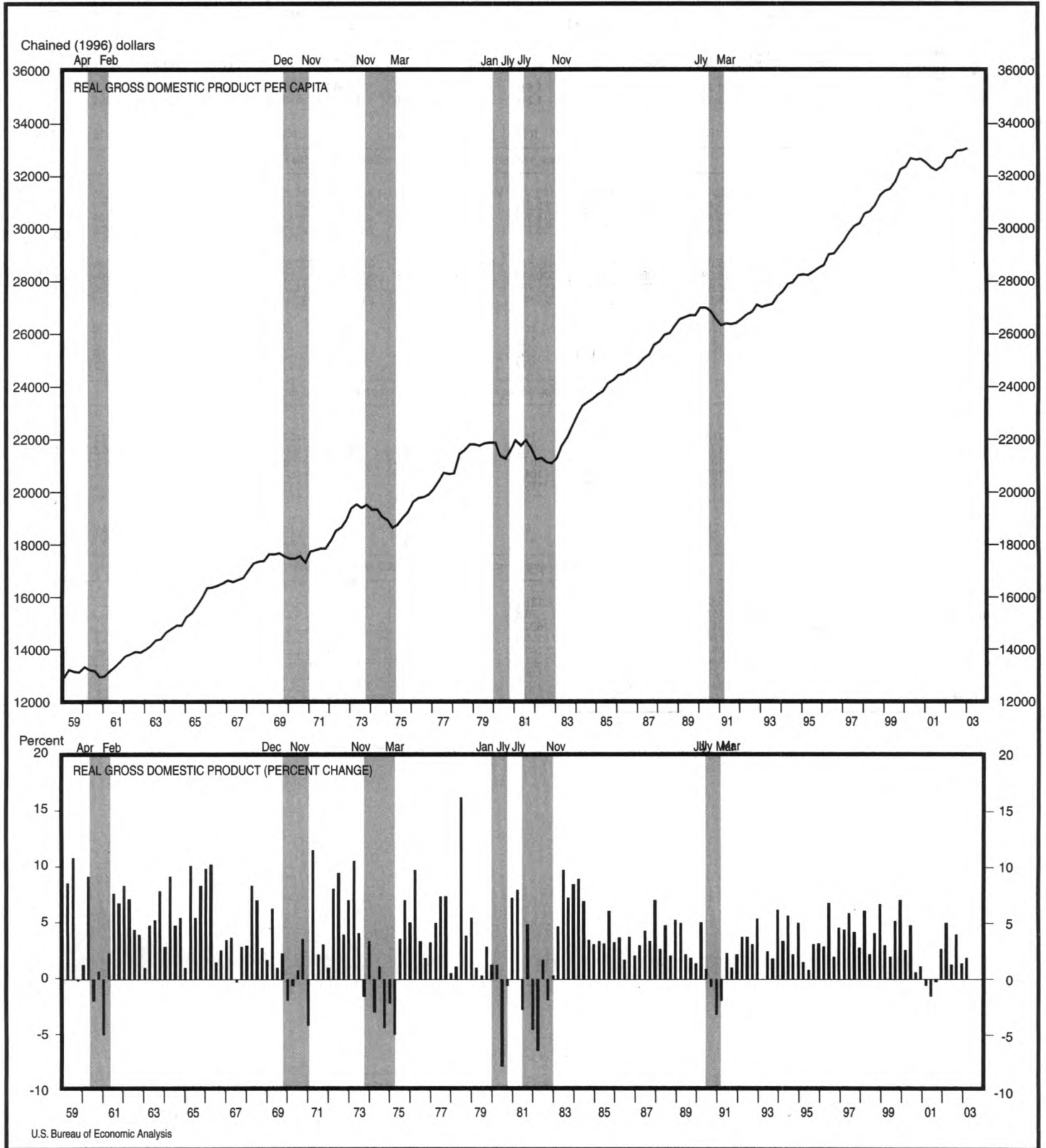
Sources:  
1. Bureau of Labor Statistics  
2. Federal Reserve Board

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

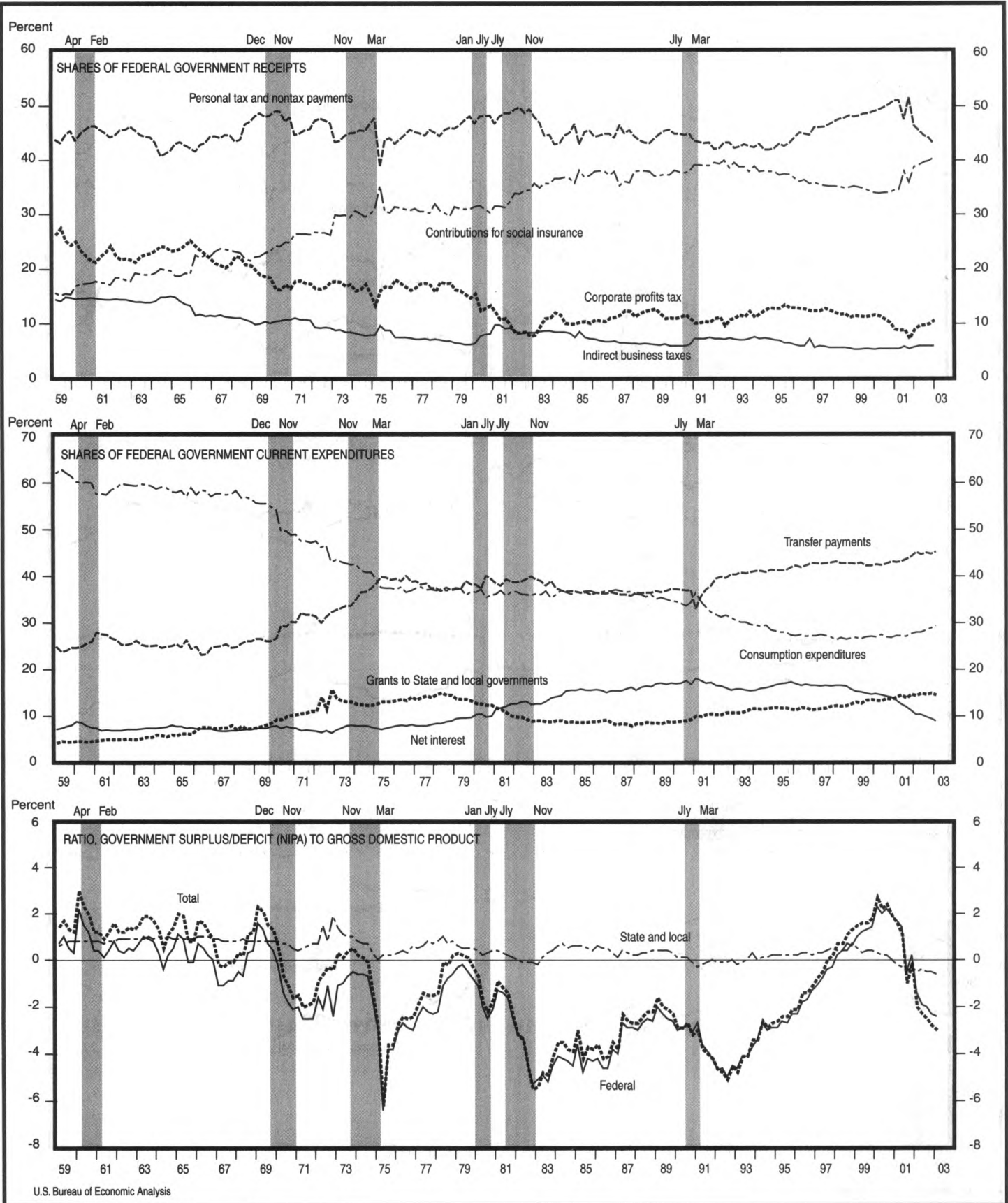
### E. Charts

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.

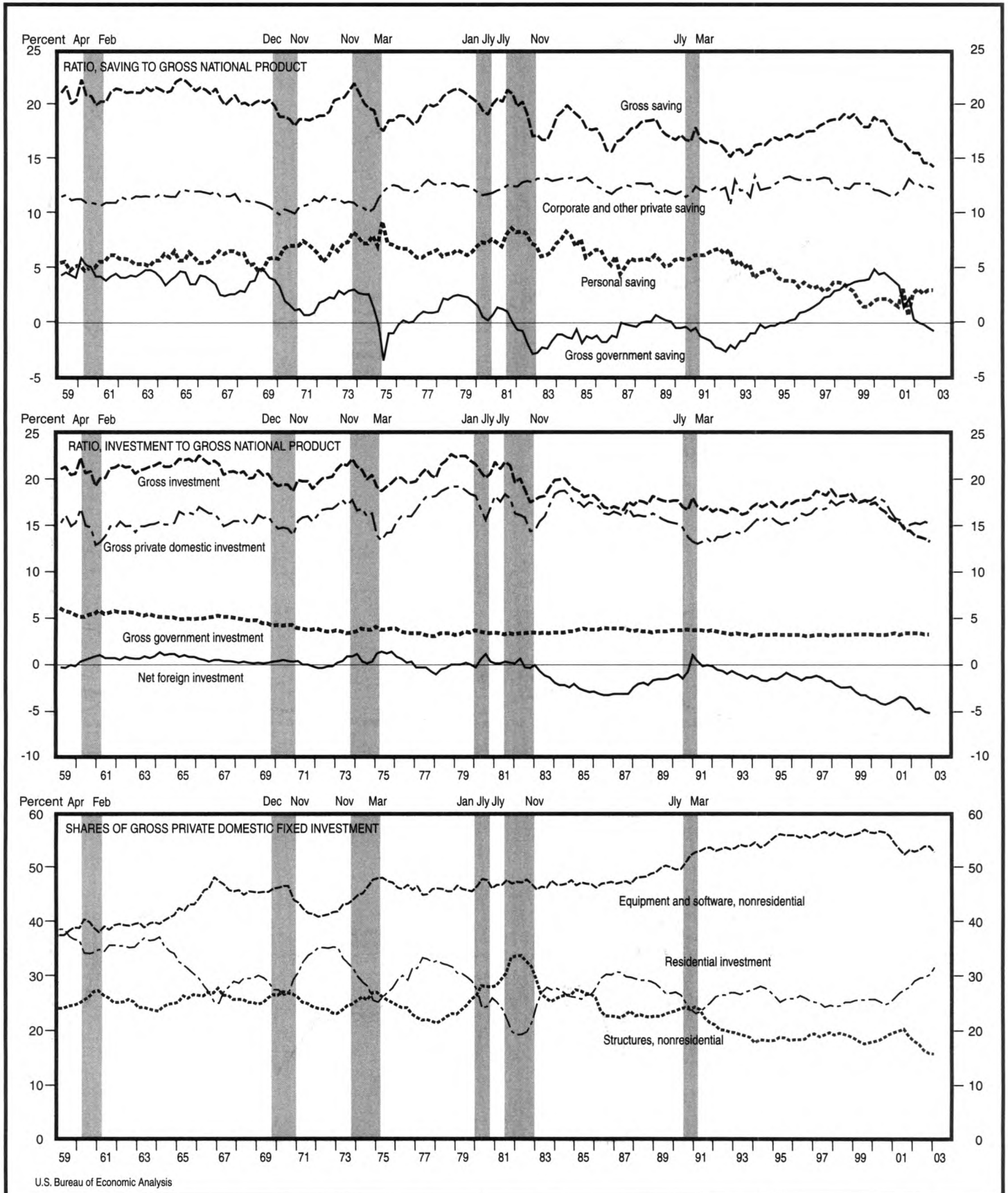
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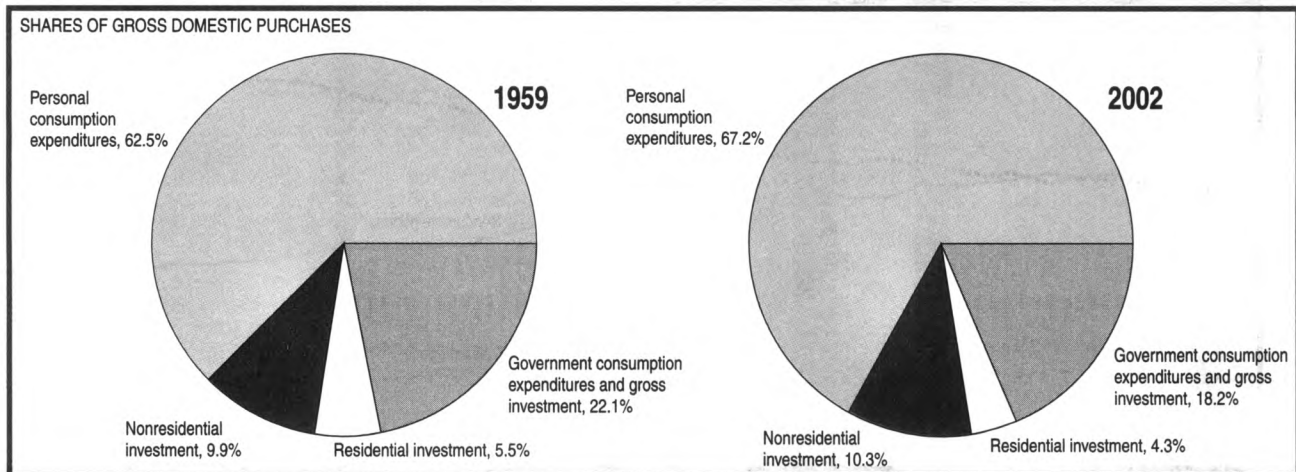
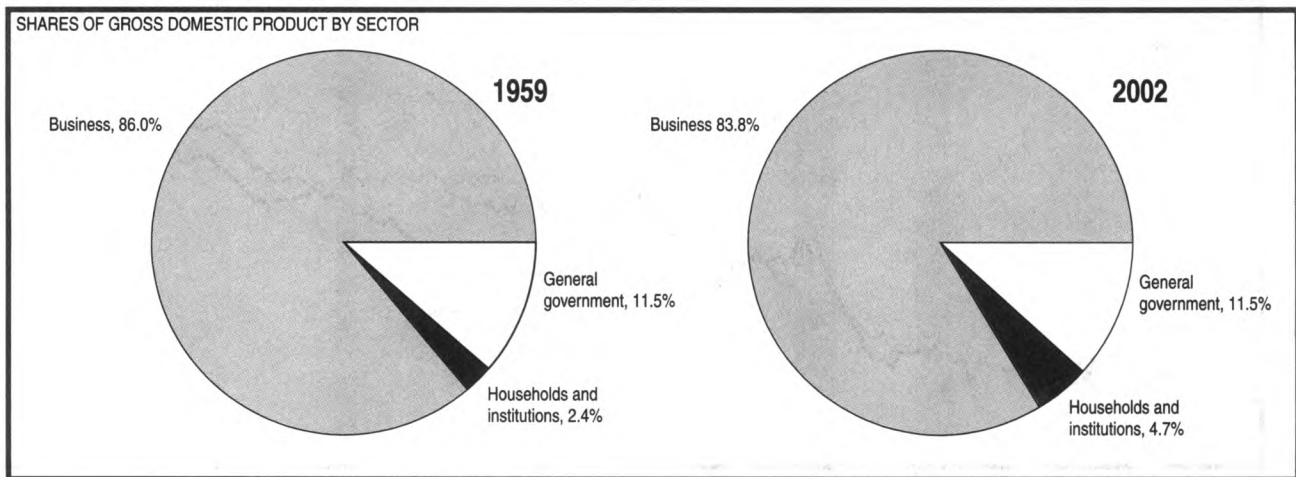
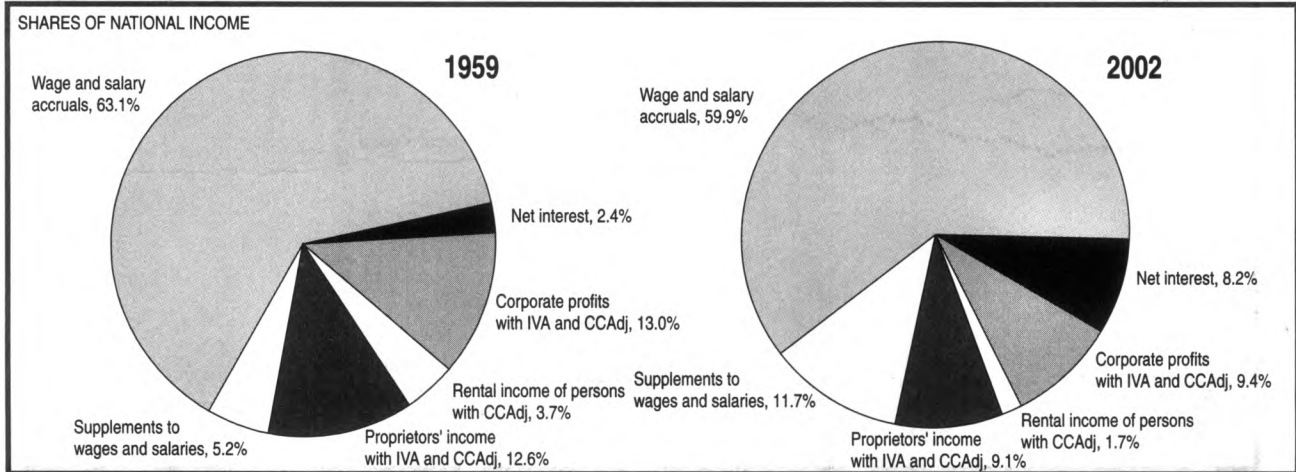
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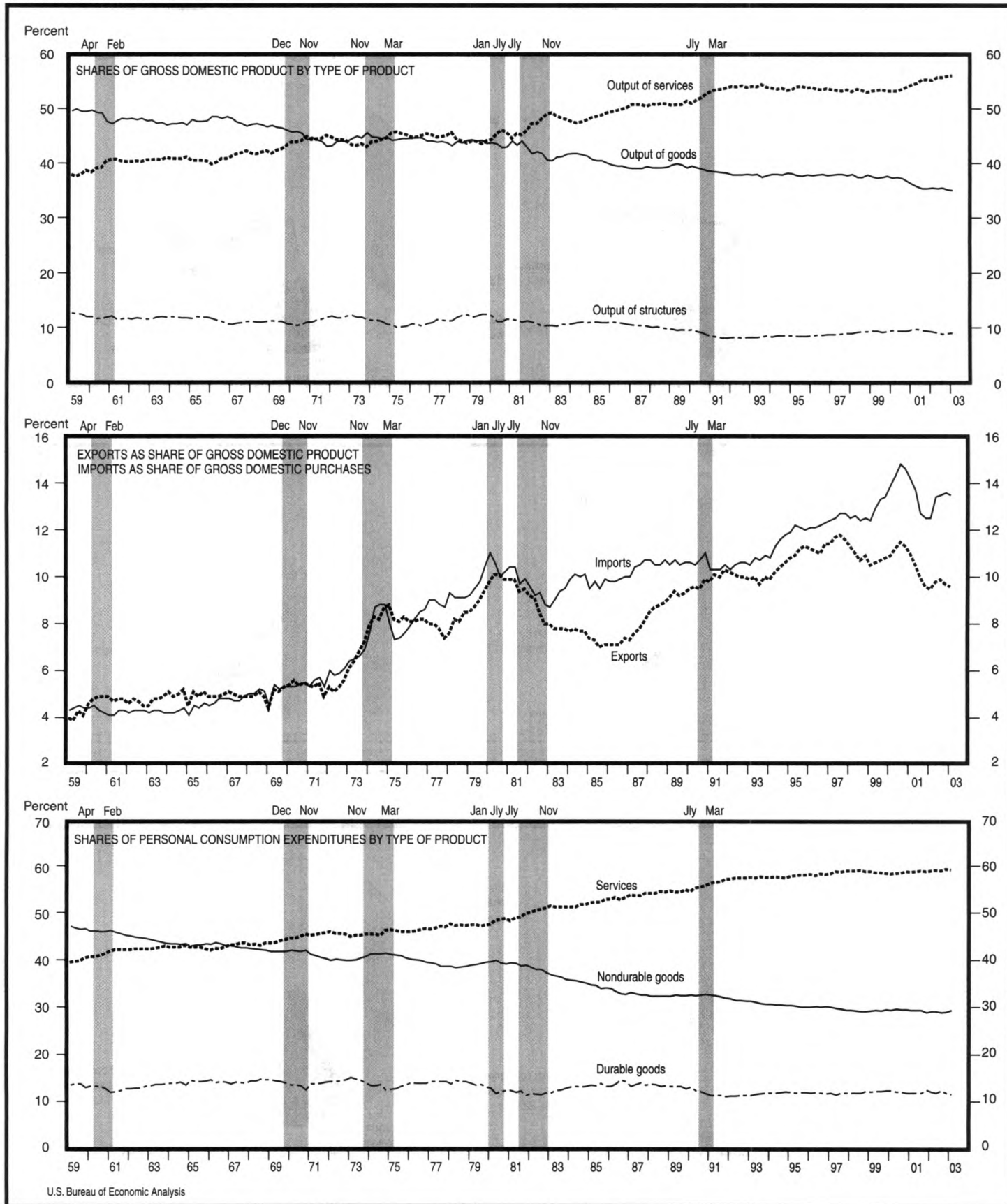


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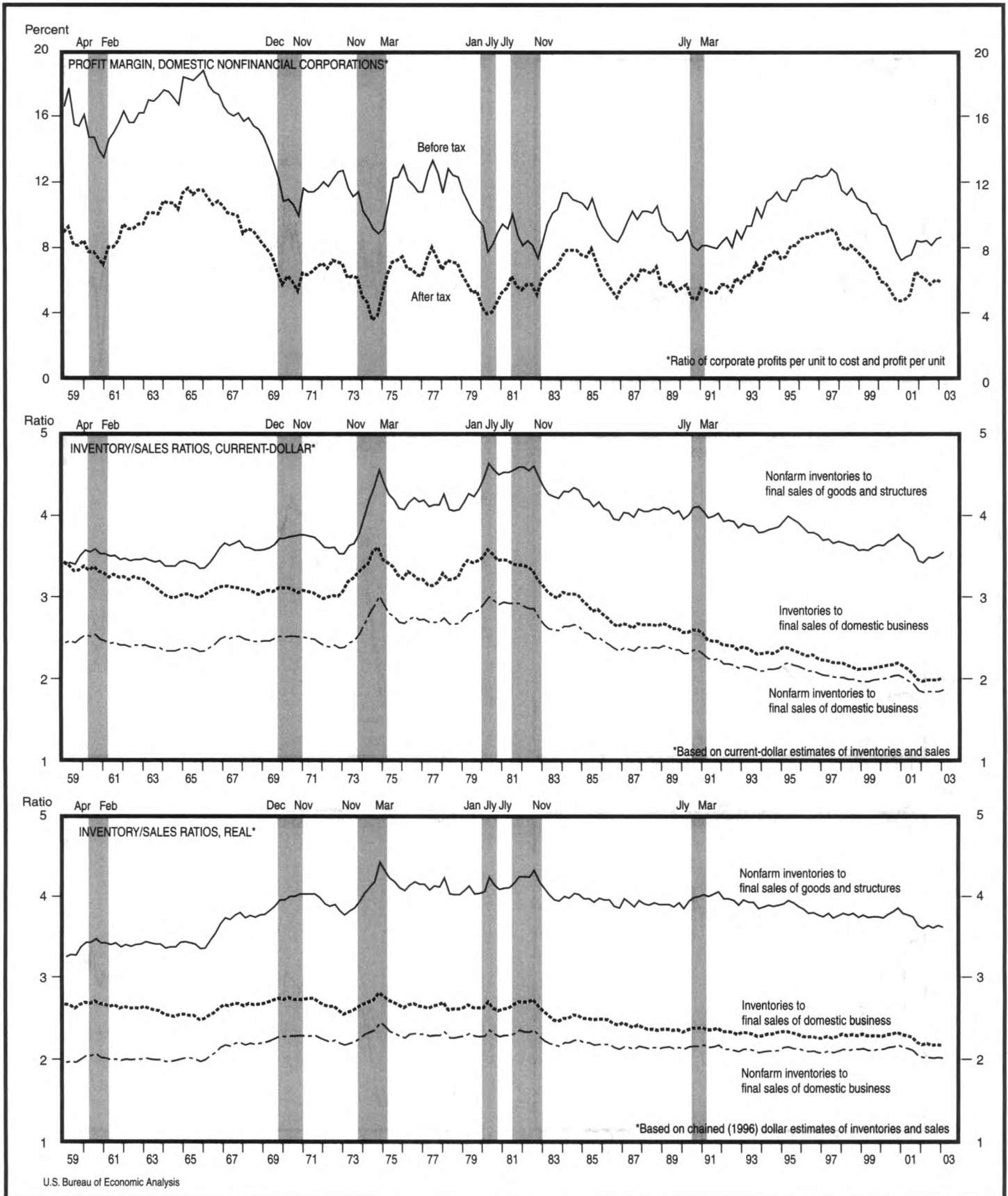


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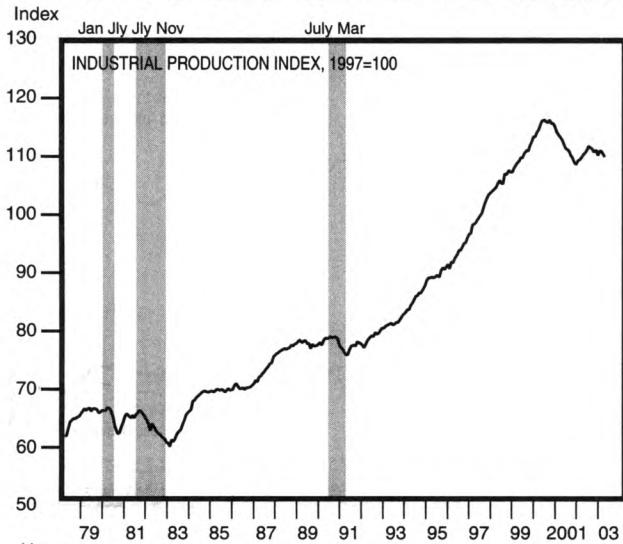
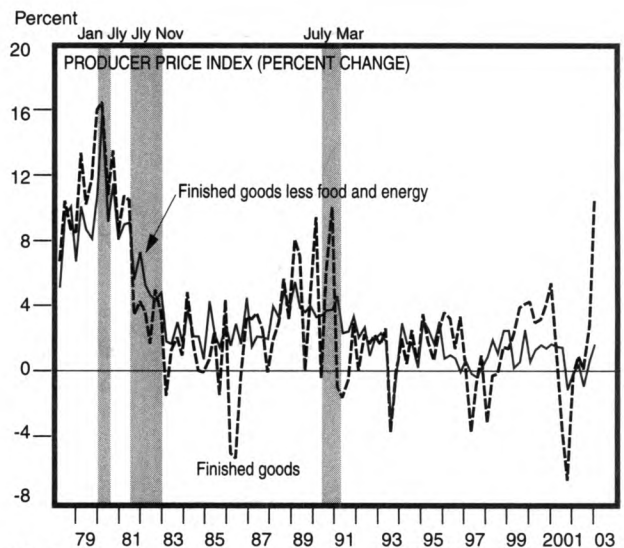
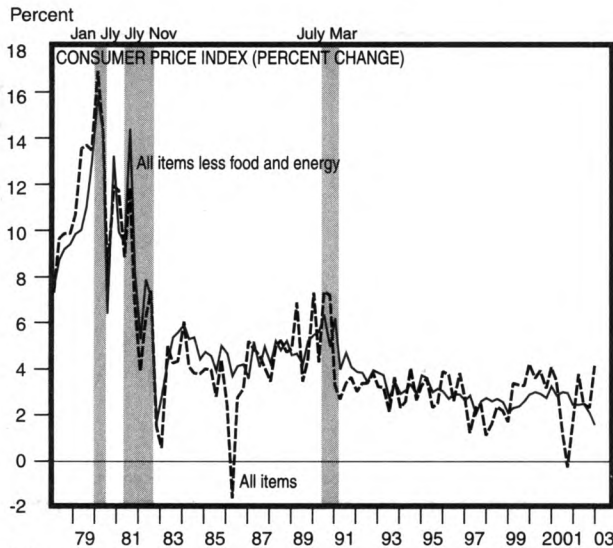
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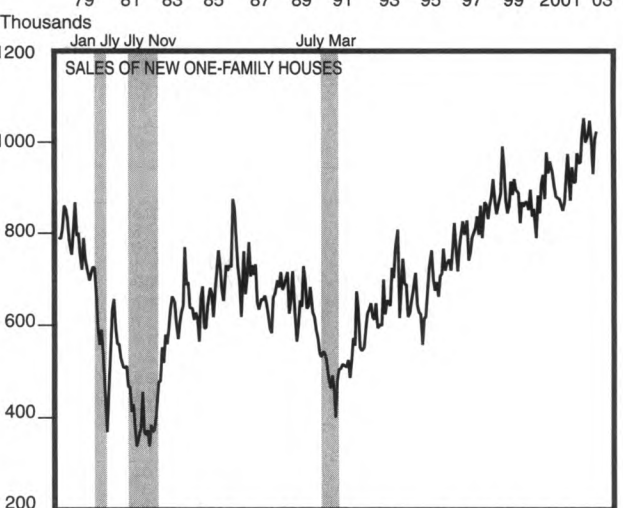
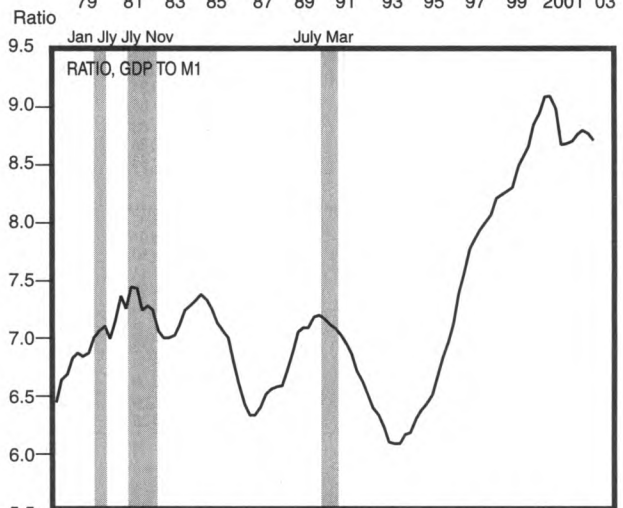
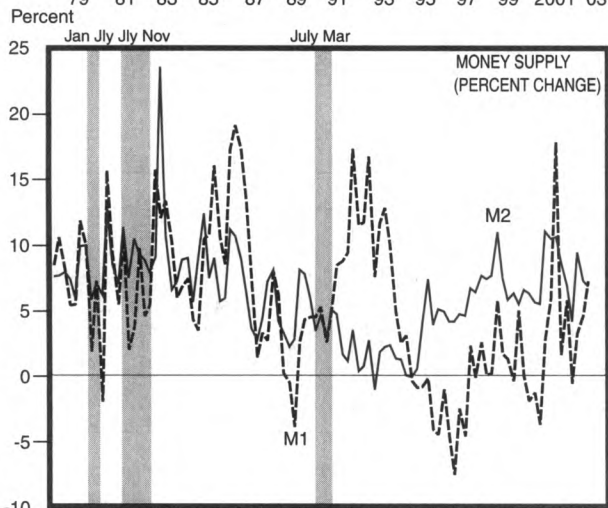
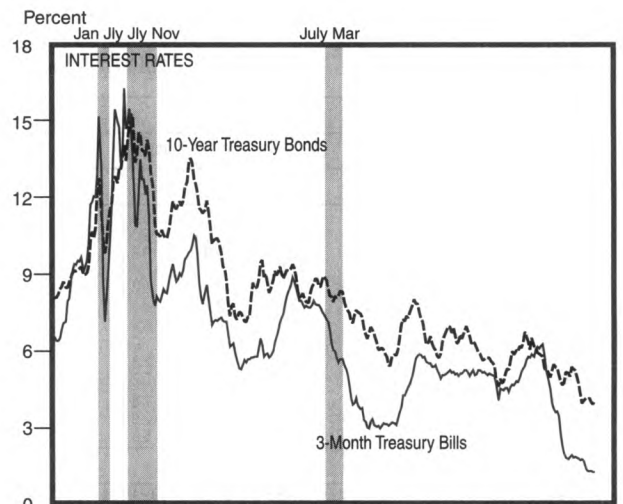
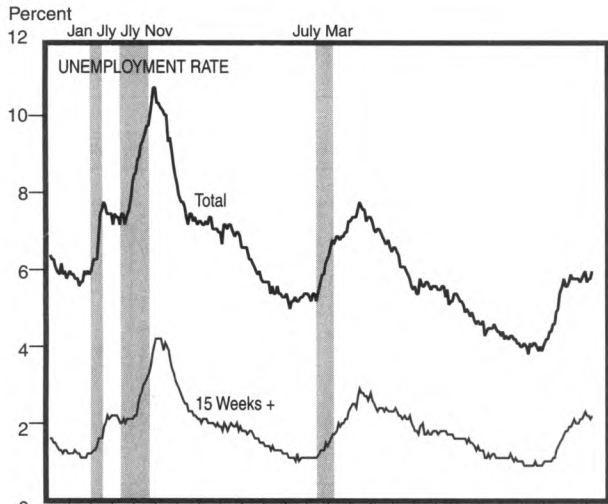
### OTHER INDICATORS OF THE DOMESTIC ECONOMY



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### OTHER INDICATORS OF THE DOMESTIC ECONOMY



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## 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				
	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
<b>Unemployment rate (percent)</b>													
Euro area .....	8.3	8.4	8.4	8.4	8.5	8.5	8.5	8.6	8.7	8.7	8.8	8.8	8.8
France .....	8.9	9.0	9.0	9.0	9.0	9.0	9.0	9.1	9.1	9.2	9.3	9.3	9.3
Germany .....	9.7	9.8	9.8	9.8	9.8	9.9	10.0	10.1	10.3	10.5	10.6	10.7	10.7
Italy .....	9.0	.....	.....	9.0	.....	.....	8.9	.....	.....	9.0	.....	.....	.....
Netherlands.....	3.9	4.1	4.3	4.3	4.2	4.2	4.3	4.3	4.6	5.1	5.3	5.3	.....
United Kingdom.....	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	.....
Japan .....	5.4	5.4	5.4	5.5	5.4	5.5	5.3	5.3	5.5	5.2	5.4	5.4	5.4
Singapore.....	4.3	.....	.....	4.6	.....	.....	4.2	.....	.....	4.5	.....	.....	.....
South Korea .....	3.0	2.8	2.8	3.0	2.6	2.8	2.8	3.1	3.5	3.7	3.6	3.3	.....
Taiwan .....	5.0	5.1	5.2	5.4	5.3	5.3	5.2	5.0	5.0	5.2	5.1	4.9	.....
Canada .....	7.7	7.5	7.6	7.5	7.7	7.6	7.5	7.5	7.4	7.4	7.3	7.5	7.8
Mexico .....	2.7	2.4	2.9	2.8	3.1	2.7	2.6	2.1	2.8	2.8	2.8	3.0	2.7
United States .....	5.8	5.8	5.8	5.8	5.7	5.8	5.9	6.0	5.7	5.8	5.8	6.0	6.1
<b>Short-term interest rate (percent per year)</b>													
Euro area .....	3.46	3.46	3.41	3.35	3.31	3.26	3.12	2.94	2.83	2.69	2.53	2.54	2.41
France .....	3.45	3.46	3.40	3.32	3.25	3.17	3.02	2.86	2.79	2.67	2.44	2.46	2.32
Germany .....	3.44	3.45	3.39	3.33	3.29	3.24	3.11	2.93	2.81	2.67	2.51	2.52	.....
Italy .....	3.58	3.54	3.37	3.20	3.11	3.01	2.94	2.69	2.60	2.43	.....	.....	.....
Netherlands.....	3.47	3.46	3.41	3.35	3.31	3.26	3.12	2.94	2.83	2.69	2.53	2.53	2.40
United Kingdom.....	4.00	3.93	3.72	3.82	3.77	3.69	3.83	3.84	3.75	3.46	3.48	3.55	.....
Singapore.....	0.77	0.74	0.70	0.78	1.20	0.95	0.65	0.67	0.66	0.62	0.63	0.55	0.55
South Korea .....	4.81	4.85	4.91	4.80	4.81	4.91	4.91	4.90	4.70	4.54	4.76	4.62	4.39
Taiwan .....	2.24	2.08	1.85	1.86	1.90	1.91	1.73	1.52	1.37	1.21	1.19	1.16	1.11
Canada .....	2.62	2.74	2.85	3.00	2.83	2.81	2.73	2.67	2.81	2.86	3.14	3.24	3.20
Mexico .....	7.68	8.62	8.38	7.47	8.50	8.85	8.61	8.47	9.49	9.93	9.99	8.81	5.91
United States .....	1.73	1.70	1.68	1.62	1.63	1.58	1.23	1.19	1.17	1.17	1.13	1.13	1.07
<b>Long-term interest rate (percent per year)</b>													
Euro area .....	5.30	5.16	5.03	4.73	4.52	4.62	4.59	4.41	4.27	4.06	4.13	4.23	3.92
France .....	5.31	5.18	5.01	4.70	4.46	4.63	4.66	4.43	4.27	4.07	4.17	4.25	3.97
Germany .....	5.20	5.00	4.90	4.60	4.40	4.50	4.50	4.30	4.20	4.00	4.00	4.20	3.80
Italy .....	5.41	5.26	5.11	4.83	4.62	4.76	4.74	4.55	4.38	4.16	4.19	.....	.....
Netherlands.....	5.30	5.16	4.99	4.71	4.50	4.58	4.55	4.36	4.19	3.97	4.01	4.23	3.93
United Kingdom.....	5.18	5.02	4.90	4.64	4.45	4.59	4.64	4.62	4.44	4.39	4.54	4.67	.....
Japan .....	1.36	1.30	1.33	1.16	1.17	1.03	0.96	0.89	0.75	0.78	0.73	0.60	.....
Singapore.....	3.93	3.70	3.72	3.51	3.31	3.04	2.97	2.55	2.44	2.24	2.05	2.10	1.89
South Korea .....	7.09	6.76	6.54	6.24	6.16	6.11	5.80	5.77	5.43	5.15	5.20	5.03	4.68
Taiwan .....	4.02	3.78	3.50	3.37	3.23	2.99	2.82	2.48	1.96	1.90	1.93	1.91	1.49
Canada .....	5.49	5.37	5.23	5.14	4.92	5.16	5.18	4.88	5.02	4.93	5.13	4.90	4.50
United States .....	5.16	4.93	4.65	4.26	3.87	3.94	4.05	4.03	4.05	3.90	3.81	3.96	3.57
<b>Real GDP (percent change from same quarter a year earlier)</b>													
Euro area .....	0.8	.....	.....	1.0	.....	.....	1.2	.....	.....	0.8	.....	.....	.....
France .....	1.4	.....	.....	1.3	.....	.....	1.4	.....	.....	1.1	.....	.....	.....
Germany .....	0.4	.....	.....	1.0	.....	.....	0.5	.....	.....	0.5	.....	.....	.....
Italy .....	0.5	.....	.....	0.6	.....	.....	0.8	.....	.....	0.8	.....	.....	.....
Netherlands.....	0.2	.....	.....	0.7	.....	.....	0.1	.....	.....	-0.3	.....	.....	.....
United Kingdom.....	1.6	.....	.....	2.2	.....	.....	2.2	.....	.....	2.3	.....	.....	.....
Japan .....	-0.3	.....	.....	1.6	.....	.....	2.2	.....	.....	2.6	.....	.....	.....
Singapore.....	3.8	.....	.....	3.8	.....	.....	3.0	.....	.....	1.6	.....	.....	.....
South Korea .....	6.6	.....	.....	5.8	.....	.....	6.8	.....	.....	3.7	.....	.....	.....
Taiwan .....	4.2	.....	.....	5.6	.....	.....	5.0	.....	.....	5.0	.....	.....	.....
Canada .....	3.2	.....	.....	4.0	.....	.....	3.5	.....	.....	2.6	.....	.....	.....
Mexico .....	2.0	.....	.....	1.8	.....	.....	1.9	.....	.....	2.3	.....	.....	.....
United States .....	2.2	.....	.....	3.3	.....	.....	2.9	.....	.....	2.0	.....	.....	.....
<b>Stock market prices (index number)</b>													
France .....	68.3	62.3	54.6	53.8	44.4	50.3	53.1	48.9	46.9	44.0	41.8	45.3	47.8
Germany .....	68.4	62.2	52.5	52.7	39.3	44.7	47.1	41.1	39.0	36.1	34.4	37.7	42.3
Italy .....	69.5	64.6	59.0	59.6	51.0	55.5	60.3	55.4	53.2	54.2	50.9	56.1	56.5
Netherlands.....	73.5	66.7	55.1	56.3	44.9	52.0	54.9	48.9	44.7	40.4	37.7	41.0	42.5
United Kingdom.....	80.2	73.4	66.9	66.6	58.7	63.7	65.7	62.1	56.2	57.6	57.0	60.1	63.8
Japan .....	69.6	62.8	58.4	56.9	55.5	51.1	54.5	50.7	49.3	49.5	47.2	47.2	49.8
Singapore.....	81.7	75.9	73.7	72.8	66.1	71.5	68.0	65.5	63.1	62.3	62.0	64.2	65.9
South Korea .....	112.7	105.1	101.6	104.2	91.5	93.3	102.6	88.8	83.8	81.4	75.8	84.8	89.7
Taiwan .....	73.5	66.7	64.0	61.7	54.3	59.3	60.2	57.6	64.9	57.4	55.9	58.2	59.0
Canada .....	79.7	74.4	68.8	68.8	64.3	65.0	68.4	68.8	68.4	68.2	66.0	65.9	71.4
Mexico .....	108.0	99.3	92.5	95.5	88.0	91.7	94.6	94.1	91.5	91.1	90.9	90.6	102.9
United States .....	75.2	69.7	64.2	64.5	57.4	62.4	65.9	62.0	60.3	59.2	59.7	61.9	67.9
<b>Exchange rate<sup>1</sup></b>													
Euro area (E).....	0.9170	0.9561	0.9935	0.9781	0.9806	0.9812	1.0013	1.0194	1.0622	1.0785	1.0797	1.0862	1.1556
United Kingdom (f).....	1.4598	1.4837	1.5565	1.5368	1.5563	1.5575	1.5711	1.5863	1.6175	1.6079	1.5825	1.5739	1.6224
Japan (Y).....	126.38	123.29	117.90	118.99	121.08	123.91	121.61	121.89	118.81	119.34	118.69	119.90	117.37
Singapore (S\$).....	1.8004	1.7831	1.7524	1.7553	1.7682	1.7843	1.7653	1.7532	1.7363	1.7451	1.7551	1.7771	1.7357
South Korea (W).....	1262.20	1219.70	1179.99	1197.51	1211.61	1240.19	1210.20	1206.61	1176.45	1190.37	1237.2	1231.1	1201.23
Taiwan (NTS).....	34.454	33.889	33.272	33.884	34.573	34.947	34.673	34.799	34.571	34.734	34.721	34.824	34.697
Canada (Can\$).....	1.5502	1.5318	1.5456	1.5694	1.5761	1.5780	1.5715	1.5592	1.5414	1.5121	1.4761	1.4582	1.384
Mexico (Ps).....	9.51	9.767	9.779	9.839	10.071	10.094	10.195	10.225	10.622	10.945	10.905	10.589	10.253
United States (\$).....	127.35	125.96	124.20	125.64	126.67	127.69	126.38	125.70	124.21	124.12	123.56	122.54	118.54

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.

Sources: Exchange rates are from the Board of Governors of the Federal Reserve System. Indexes of stock market prices are calculated from data taken from finance oriented web sites and are rebased

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.

## Regional Data

### J. State and Regional Tables

The tables in this section include the most recent estimates of state personal income and gross state product. The sources of these estimates are noted.

The quarterly and annual estimates of state personal income and the estimates of gross state product are available on CD-ROM. For information on state personal income, e-mail [reis.remd@bea.gov](mailto:reis.remd@bea.gov); write to the Regional Economic Information System, BE-55, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5360. For information on gross state product, e-mail [gspread@bea.gov](mailto:gspread@bea.gov); write to the Regional Economic Information System, BE-61, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5340.

**Table J.1. Personal Income by State and Region**  
(Millions of dollars, seasonally adjusted at annual rates)

Area name	1999				2000				2001				2002				Percent change <sup>1</sup>
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
<b>United States</b> .....	7,647,692	7,715,362	7,801,469	7,953,561	8,203,951	8,340,516	8,481,243	8,569,774	8,651,750	8,669,238	8,697,083	8,691,889	8,796,622	8,905,358	8,952,330	9,034,969	0.9
<b>New England</b> .....	448,929	454,477	463,492	472,228	492,587	499,629	510,551	517,235	523,494	521,469	520,807	519,382	524,651	531,721	532,994	536,478	0.7
Connecticut .....	127,928	129,279	131,512	133,597	137,801	140,406	142,688	144,758	146,423	145,899	145,327	144,542	146,249	147,399	148,255	149,233	0.7
Maine .....	29,765	30,410	31,316	31,228	32,059	32,757	33,121	33,529	34,234	34,394	34,585	34,753	35,361	35,763	36,095	36,433	0.9
Massachusetts .....	211,615	214,186	218,631	223,830	235,826	238,462	245,457	248,107	250,661	248,883	248,235	247,332	249,037	253,173	252,748	254,048	0.5
New Hampshire .....	36,108	36,668	37,407	38,300	40,481	40,773	41,521	42,285	42,913	42,752	42,729	42,722	43,092	43,871	43,915	44,235	0.7
Rhode Island .....	28,303	28,473	28,935	29,334	30,101	30,489	30,977	31,396	31,817	31,919	32,245	32,261	32,970	33,387	33,673	33,983	0.9
Vermont .....	15,209	15,460	15,690	15,939	16,318	16,743	16,788	17,160	17,447	17,622	17,685	17,752	17,943	18,128	18,308	18,546	1.3
<b>Mideast</b> .....	1,443,607	1,445,966	1,465,400	1,476,613	1,533,630	1,567,335	1,589,291	1,621,161	1,631,068	1,628,112	1,632,447	1,631,164	1,646,338	1,667,597	1,674,457	1,689,149	0.9
Delaware .....	22,405	22,436	22,795	23,229	23,706	24,231	24,672	25,209	25,256	25,609	25,780	26,245	26,476	26,556	26,556	26,583	0.1
District of Columbia .....	20,503	20,628	20,828	21,181	22,333	22,689	22,938	23,434	23,144	23,324	23,276	23,305	23,678	24,060	24,128	24,319	0.8
Maryland .....	164,625	166,021	168,178	170,617	176,498	179,203	182,368	185,696	188,357	189,786	190,747	191,170	194,927	197,461	198,668	201,420	1.4
New Jersey .....	285,959	285,982	288,208	295,035	306,809	316,979	321,275	327,824	326,632	327,969	329,812	330,559	334,765	337,375	340,183	342,966	0.8
New York .....	613,387	610,420	621,989	619,371	647,339	661,036	669,618	685,055	691,345	683,685	682,727	681,059	680,327	691,361	692,028	698,238	0.9
Pennsylvania .....	336,728	340,480	343,402	349,180	356,945	363,197	368,419	373,942	376,335	377,739	380,035	379,292	386,935	390,504	392,894	395,624	0.7
<b>Great Lakes</b> .....	1,234,378	1,244,692	1,253,889	1,276,384	1,312,492	1,325,439	1,339,837	1,347,657	1,358,650	1,360,352	1,367,434	1,364,979	1,375,937	1,397,099	1,402,867	1,416,073	0.9
Illinois .....	368,151	371,869	373,875	381,355	392,581	398,686	405,376	410,567	413,332	411,904	414,358	412,582	415,924	421,554	421,362	424,812	0.8
Indiana .....	152,453	153,133	154,431	157,602	162,336	164,309	166,165	165,361	168,181	168,290	169,060	168,955	170,763	173,057	174,584	177,324	1.6
Michigan .....	272,720	274,467	276,777	280,785	291,251	292,004	293,583	294,304	295,843	296,181	297,092	296,806	297,402	304,639	306,298	309,621	1.1
Ohio .....	300,339	302,789	304,584	309,656	316,931	318,569	321,035	322,078	324,581	326,608	328,330	327,985	330,957	335,347	337,396	339,664	0.7
Wisconsin .....	140,715	142,434	144,222	146,985	149,392	151,669	153,677	155,348	156,713	157,369	158,594	158,651	160,891	162,501	163,227	164,653	0.9
<b>Plains</b> .....	503,010	508,065	513,281	525,456	534,339	546,218	553,792	557,165	562,952	565,546	569,173	569,280	579,024	583,346	588,936	594,376	0.9
Iowa .....	71,534	71,919	73,326	74,855	76,108	77,676	78,421	78,715	79,391	79,654	80,152	80,093	82,272	82,709	83,133	84,089	1.1
Kansas .....	68,710	69,151	69,928	72,199	71,753	73,639	75,309	74,825	76,291	76,556	77,327	77,138	78,608	78,640	79,274	80,055	1.0
Minnesota .....	144,328	146,293	147,261	150,723	154,381	158,123	160,570	163,070	164,055	164,632	165,126	165,325	167,709	170,318	172,339	173,737	0.8
Missouri .....	141,727	142,885	143,982	146,660	150,470	153,761	155,682	156,483	157,920	158,745	159,866	159,843	162,407	163,437	164,659	166,068	0.9
Nebraska .....	44,253	44,681	45,499	46,741	46,642	47,414	48,088	48,252	49,123	49,476	49,887	50,084	50,772	51,112	51,720	52,316	1.2
North Dakota .....	14,530	14,797	14,756	15,307	15,726	16,097	16,153	16,211	16,304	16,398	16,533	16,657	17,049	16,857	17,190	17,343	0.9
South Dakota .....	17,929	18,339	18,529	18,971	19,260	19,505	19,569	19,709	19,868	20,086	20,282	20,347	20,208	20,273	20,623	20,768	0.7
<b>Southeast</b> .....	1,692,095	1,708,435	1,721,818	1,753,053	1,798,309	1,828,832	1,854,115	1,874,225	1,895,842	1,909,663	1,918,954	1,921,712	1,950,230	1,974,180	1,985,445	2,005,722	1.0
Alabama .....	98,843	99,931	100,724	102,191	103,738	105,257	105,904	107,041	108,598	109,319	109,808	109,825	111,266	112,623	113,189	114,230	0.9
Arkansas .....	55,001	55,606	56,053	57,013	57,854	58,582	59,672	59,833	60,661	61,067	61,559	61,927	62,677	63,608	63,957	64,837	1.1
Florida .....	418,732	423,538	428,687	431,689	444,157	452,177	459,035	465,884	470,309	475,131	478,106	478,882	486,466	493,674	496,419	502,034	1.1
Georgia .....	209,650	211,752	213,907	218,724	226,268	229,859	233,465	236,058	238,069	239,184	240,715	241,046	243,753	246,751	247,065	249,311	0.9
Kentucky .....	89,553	90,524	91,411	93,383	96,542	97,688	98,668	99,780	100,459	100,953	101,630	101,649	103,044	104,271	105,069	106,378	1.2
Louisiana .....	97,803	98,796	99,022	100,586	101,827	103,306	104,252	105,135	107,373	108,618	110,287	110,991	112,606	113,763	114,240	115,649	1.2
Mississippi .....	55,801	56,351	57,129	57,916	58,563	59,561	60,068	60,195	61,420	61,739	62,092	62,437	63,398	63,949	64,480	65,167	1.1
North Carolina .....	199,873	202,023	200,989	206,935	212,844	216,603	219,838	221,626	223,903	224,212	224,210	224,500	228,615	229,547	230,927	233,136	1.0
South Carolina .....	89,220	90,518	91,509	93,051	95,124	97,267	98,213	99,036	100,603	100,513	101,332	101,158	102,921	104,142	104,616	105,603	0.9
Tennessee .....	138,030	140,299	141,801	144,055	147,282	149,179	151,095	152,187	152,906	153,934	154,928	154,751	157,769	160,399	160,993	162,496	0.9
Virginia .....	202,614	201,865	204,973	209,459	215,466	220,039	224,073	227,532	230,869	233,930	232,735	233,388	235,614	239,265	241,700	243,881	0.9
West Virginia .....	36,974	37,233	37,611	38,070	38,644	39,354	39,634	40,118	40,671	41,063	41,353	41,608	42,191	42,547	42,790	43,199	1.0
<b>Southwest</b> .....	758,015	769,438	777,451	795,211	819,754	833,799	849,525	857,947	871,240	871,512	877,630	878,046	888,415	897,255	899,720	908,460	1.0
Arizona .....	116,941	119,696	121,062	123,358	129,117	129,404	131,811	133,853	135,545	136,991	138,663	138,125	140,619	142,391	143,347	145,116	1.2
New Mexico .....	37,054	37,618	37,832	38,396	38,764	39,593	39,945	40,467	41,451	41,979	42,630	42,982	43,900	44,203	44,478	45,067	1.3
Oklahoma .....	76,247	77,118	77,540	79,144	80,479	82,367	83,896	84,982	85,713	86,339	86,925	87,221	88,287	88,938	89,605	90,571	1.1
Texas .....	527,772	535,007	541,017	554,313	571,394	582,434	593,873	598,645	608,532	606,204	609,412	609,717	615,609	621,723	622,290	627,707	0.9
<b>Rocky Mountain</b> .....	232,706	236,297	238,957	246,228	252,336	259,527	265,102	268,181	270,900	271,833	272,434	271,806	274,836	276,922	278,544	281,166	0.9
Colorado .....	124,766	126,958	128,454	133,367	136,641	141,846	146,085	147,601	148,921	148,426	148,132	147,475	148,309	149,862	150,285	151,376	0.7
Idaho .....	28,268	28,580	28,980	29,778	30,544	31,075	31,333	31,754	32,064	32,365	32,515	32,507	33,364	33,226	33,715	34,116	1.2
Montana .....	19,097	19,361	19,239	19,925	20,249	20,593	20,967	21,16									

**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						
	1997	1998	1999	2000	2001	2002		1997	1998	1999	2000	2001	2002	
<b>United States</b> .....	<b>6,928,545</b>	<b>7,418,497</b>	<b>7,779,521</b>	<b>8,398,871</b>	<b>8,677,490</b>	<b>8,922,320</b>	<b>2.8</b>	<b>25,412</b>	<b>26,893</b>	<b>27,880</b>	<b>29,760</b>	<b>30,413</b>	<b>30,941</b>	.....
<b>New England</b> .....	<b>408,231</b>	<b>437,134</b>	<b>459,782</b>	<b>505,001</b>	<b>521,283</b>	<b>531,461</b>	<b>2.0</b>	<b>29,924</b>	<b>31,829</b>	<b>33,227</b>	<b>36,195</b>	<b>37,096</b>	<b>37,575</b>	.....
Connecticut .....	116,421	124,880	130,579	141,413	145,548	147,784	1.5	34,759	37,108	38,560	41,446	42,377	42,706	1
Maine .....	27,773	29,469	30,680	32,867	34,491	35,913	4.1	22,134	23,404	24,218	25,732	26,853	27,744	33
Massachusetts .....	191,596	205,176	217,066	241,963	248,778	252,252	1.4	30,773	32,714	34,360	38,034	38,864	39,244	3
New Hampshire .....	32,397	35,198	37,121	41,265	42,779	43,778	2.3	27,238	29,187	30,377	33,266	33,969	34,334	6
Rhode Island .....	26,293	27,673	28,762	30,741	32,061	33,503	4.5	25,643	26,837	27,645	29,257	30,256	31,319	16
Vermont .....	13,752	14,738	15,575	16,752	17,627	18,231	3.4	23,026	24,547	25,757	27,465	28,756	29,567	24
<b>Midwest</b> .....	<b>1,315,810</b>	<b>1,400,562</b>	<b>1,458,307</b>	<b>1,577,854</b>	<b>1,630,698</b>	<b>1,669,385</b>	<b>2.4</b>	<b>28,868</b>	<b>30,565</b>	<b>31,630</b>	<b>34,013</b>	<b>34,952</b>	<b>35,580</b>	.....
Delaware .....	20,145	21,879	22,716	24,455	25,624	26,465	3.3	26,807	28,662	29,312	31,092	32,166	32,779	12
District of Columbia .....	19,135	20,255	20,785	22,849	23,262	24,046	3.4	33,704	35,836	36,452	39,970	40,539	42,120	.....
Maryland .....	148,826	158,501	167,360	180,941	190,015	198,119	4.3	28,857	30,455	31,851	34,060	35,279	36,298	4
New Jersey .....	260,705	278,788	288,796	318,222	328,743	338,912	3.1	31,720	33,640	34,547	37,734	38,828	39,453	2
New York .....	553,543	590,406	616,292	665,762	684,704	690,488	0.8	29,670	31,478	32,638	35,041	35,875	36,043	5
Pennsylvania .....	313,457	330,733	342,357	365,626	378,350	391,354	3.4	25,635	27,008	27,916	29,759	30,752	31,727	15
<b>Great Lakes</b> .....	<b>1,138,557</b>	<b>1,206,886</b>	<b>1,252,336</b>	<b>1,331,356</b>	<b>1,362,854</b>	<b>1,397,994</b>	<b>2.6</b>	<b>25,589</b>	<b>26,983</b>	<b>27,849</b>	<b>29,437</b>	<b>29,986</b>	<b>30,609</b>	.....
Illinois .....	340,594	362,081	373,813	401,803	413,044	420,913	1.9	27,950	29,505	30,246	32,297	32,990	33,404	8
Indiana .....	139,459	149,318	154,405	164,543	168,622	173,932	3.1	23,418	24,891	25,543	27,010	27,522	28,240	32
Michigan .....	250,216	264,520	276,187	292,786	296,480	304,490	2.7	25,509	26,860	27,906	29,408	29,829	30,296	18
Ohio .....	279,367	293,208	304,342	319,653	326,876	335,841	2.7	24,772	25,921	26,849	28,130	28,699	29,405	25
Wisconsin .....	128,920	137,759	143,589	152,572	157,832	162,818	3.2	24,481	26,004	26,926	28,389	29,196	29,923	21
<b>Plains</b> .....	<b>462,173</b>	<b>493,714</b>	<b>512,453</b>	<b>547,878</b>	<b>566,738</b>	<b>586,421</b>	<b>3.5</b>	<b>24,517</b>	<b>26,001</b>	<b>26,787</b>	<b>28,430</b>	<b>29,257</b>	<b>30,120</b>	.....
Iowa .....	67,938	71,280	72,908	77,730	79,822	83,051	4.0	23,499	24,555	24,989	26,540	27,225	28,280	31
Kansas .....	63,728	67,896	69,997	73,882	76,828	79,144	3.0	24,182	25,519	26,134	27,439	28,432	29,141	26
Minnesota .....	129,020	140,031	147,151	159,037	164,784	171,026	3.8	27,086	29,092	30,194	32,231	33,059	34,071	7
Missouri .....	131,144	138,987	143,814	154,099	159,093	164,143	3.2	23,926	25,171	25,857	27,493	28,221	28,936	27
Nebraska .....	40,724	43,313	45,293	47,599	49,642	51,480	3.7	24,148	25,541	26,569	27,781	28,861	29,771	22
North Dakota .....	13,332	14,709	14,848	16,022	16,422	17,109	4.2	20,520	22,716	23,046	24,990	25,798	26,982	36
South Dakota .....	16,288	17,497	18,442	19,511	20,146	20,468	1.6	21,885	23,453	24,576	25,815	26,566	26,894	37
<b>Southeast</b> .....	<b>1,532,165</b>	<b>1,639,428</b>	<b>1,718,850</b>	<b>1,838,870</b>	<b>1,911,543</b>	<b>1,978,917</b>	<b>3.5</b>	<b>22,986</b>	<b>24,242</b>	<b>25,067</b>	<b>26,456</b>	<b>27,169</b>	<b>27,779</b>	.....
Alabama .....	91,284	96,481	100,422	105,485	109,388	112,737	3.1	20,899	21,904	22,668	23,694	24,475	25,128	43
Arkansas .....	51,055	53,784	55,919	58,930	61,304	63,720	3.9	20,479	21,087	22,000	22,750	23,512	24,190	49
Florida .....	377,673	405,146	425,157	455,313	475,607	494,648	4.0	24,869	26,161	26,978	28,366	29,048	29,596	23
Georgia .....	183,757	200,104	213,508	231,412	239,754	246,720	2.9	23,911	25,447	26,536	28,103	28,523	28,821	28
Kentucky .....	82,927	88,148	91,218	98,215	101,223	104,691	3.4	20,979	22,118	22,702	24,258	24,878	25,579	39
Louisiana .....	92,286	97,458	99,052	103,630	109,317	114,064	4.3	20,874	21,948	22,205	23,185	24,454	25,446	41
Mississippi .....	51,598	55,072	56,799	59,597	61,922	64,248	3.8	18,580	19,635	20,082	20,920	21,653	22,372	50
North Carolina .....	179,691	192,577	202,455	217,727	224,094	230,556	2.9	23,468	24,661	25,468	26,939	27,308	27,711	34
South Carolina .....	81,045	86,672	91,075	97,410	100,902	104,320	3.4	20,998	22,115	22,914	24,209	24,840	25,400	42
Tennessee .....	125,457	134,241	141,046	149,936	154,130	160,414	4.1	22,814	24,101	25,014	26,290	26,908	27,671	35
Virginia .....	180,190	193,007	204,727	221,778	232,730	240,115	3.2	26,385	27,968	29,246	31,210	32,338	32,922	11
West Virginia .....	35,202	36,738	37,472	39,438	41,174	42,682	3.7	19,351	20,234	20,682	21,821	22,862	23,688	48
<b>Southwest</b> .....	<b>677,462</b>	<b>736,392</b>	<b>775,029</b>	<b>840,256</b>	<b>874,607</b>	<b>898,463</b>	<b>2.7</b>	<b>22,868</b>	<b>24,352</b>	<b>25,141</b>	<b>26,761</b>	<b>27,350</b>	<b>27,573</b>	.....
Arizona .....	103,702	112,895	120,264	131,046	137,331	142,868	4.0	21,892	23,118	23,939	25,361	25,878	26,183	38
New Mexico .....	34,860	36,857	37,725	39,692	42,260	44,412	5.1	19,641	20,551	20,865	21,788	23,081	23,941	47
Oklahoma .....	69,951	74,677	77,512	82,931	86,550	89,350	3.2	20,739	21,930	22,551	24,007	24,945	25,575	40
Texas .....	468,950	511,964	539,527	586,587	608,466	621,832	2.2	23,756	25,398	26,244	27,992	28,472	28,551	30
<b>Rocky Mountain</b> .....	<b>206,847</b>	<b>223,322</b>	<b>238,547</b>	<b>261,286</b>	<b>271,743</b>	<b>277,866</b>	<b>2.3</b>	<b>23,651</b>	<b>25,041</b>	<b>26,230</b>	<b>28,194</b>	<b>28,819</b>	<b>29,029</b>	.....
Colorado .....	108,765	118,413	128,386	143,043	148,239	149,958	1.2	27,067	28,764	30,380	33,060	33,455	33,276	9
Idaho .....	25,226	27,066	28,901	31,177	32,363	33,605	3.8	20,534	21,612	22,656	23,987	24,506	25,057	44
Montana .....	17,726	18,942	19,405	20,744	21,769	22,755	4.5	19,920	21,225	21,621	22,961	24,044	25,020	45
Utah .....	43,696	46,772	48,923	52,518	54,764	56,299	2.8	20,613	21,594	22,623	23,410	24,033	24,306	46
Wyoming .....	11,433	12,129	12,931	13,805	14,609	15,249	4.4	23,360	24,714	26,294	27,941	29,587	30,578	17
<b>Far West</b> .....	<b>1,187,299</b>	<b>1,261,057</b>	<b>1,364,218</b>	<b>1,496,369</b>	<b>1,538,024</b>	<b>1,581,814</b>	<b>2.8</b>	<b>26,353</b>	<b>27,972</b>	<b>29,335</b>	<b>31,694</b>	<b>32,025</b>	<b>32,435</b>	.....
Alaska .....	16,488	17,138	17,600	18,806	19,660	20,699	5.3	26,898	27,645	28,170	29,960	31,027	32,151	14
California .....	861,557	931,564	995,326	1,100,679	1,129,868	1,158,679	2.5	26,521	28,240	29,712	32,363	32,655	32,996	10
Hawaii .....	31,218	31,841	32,626	34,384	35,625	37,348	4.8	26,201	26,957	28,034	29,334	30,001	30,200	20
Nevada .....	47,258	52,017	55,439	60,149	63,200	65,596	3.8	26,789	28,069	28,655	29,794	30,128	30,180	19
Oregon .....	80,575	85,305	89,080	95,508	98,026	101,176	3.2	24,385	25,446	26,247	27,836	28,222	28,731	29
Washington .....	150,203	163,192	174,148	186,843	191,645	198,317	3.5	26,469	28,285	29,807	31,605	31,976	32,677	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 in "State Personal Income and Per Capita Personal Income, 2002" in the May 2003 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							Per capita disposable personal income <sup>1</sup>						Rank in U.S.
	Millions of dollars						Percent change <sup>2</sup>	Dollars						
	1997	1998	1999	2000	2001	2002		1997	1998	1999	2000	2001	2002	
<b>United States</b> .....	<b>5,960,749</b>	<b>6,349,151</b>	<b>6,621,490</b>	<b>7,113,634</b>	<b>7,386,598</b>	<b>7,809,747</b>	5.7	<b>21,863</b>	<b>23,016</b>	<b>23,730</b>	<b>25,206</b>	<b>25,889</b>	<b>27,083</b>	.....
<b>New England</b> .....	<b>342,605</b>	<b>364,015</b>	<b>379,850</b>	<b>410,995</b>	<b>429,722</b>	<b>454,829</b>	5.8	<b>25,114</b>	<b>26,505</b>	<b>27,450</b>	<b>29,458</b>	<b>30,580</b>	<b>32,143</b>	.....
Connecticut .....	95,724	101,699	105,647	113,079	117,445	124,089	5.7	28,580	30,219	31,198	33,142	34,195	35,859	1
Maine .....	24,200	25,480	26,439	28,184	29,700	31,640	6.5	19,286	20,236	20,871	22,065	23,122	24,443	36
Massachusetts .....	159,674	169,596	177,512	193,936	202,977	214,554	5.7	25,646	27,041	28,099	30,485	31,709	33,379	3
New Hampshire .....	28,200	30,578	31,985	35,151	36,797	38,690	5.1	23,709	25,356	26,174	28,337	29,218	30,344	6
Rhode Island .....	22,851	23,898	24,800	26,249	27,568	29,520	7.1	22,286	23,176	23,836	24,983	26,016	27,596	16
Vermont .....	11,955	12,764	13,467	14,397	15,235	16,135	5.9	20,018	21,258	22,272	23,603	24,853	26,169	24
<b>Mideast</b> .....	<b>1,114,511</b>	<b>1,178,249</b>	<b>1,218,066</b>	<b>1,313,155</b>	<b>1,363,967</b>	<b>1,438,867</b>	5.5	<b>24,452</b>	<b>25,714</b>	<b>26,419</b>	<b>28,307</b>	<b>29,235</b>	<b>30,667</b>	.....
Delaware .....	16,987	18,470	19,169	20,624	21,737	23,004	5.8	22,605	24,196	24,734	26,222	27,288	28,492	13
District of Columbia .....	16,120	16,921	17,080	18,715	19,085	20,345	6.6	28,393	29,937	29,953	32,739	33,260	35,637	.....
Maryland .....	125,597	133,060	140,240	150,839	159,164	170,111	6.9	24,353	25,566	26,690	28,393	29,551	31,166	4
New Jersey .....	220,964	234,080	240,074	263,055	274,376	292,031	6.4	26,885	28,245	28,718	31,192	32,237	33,995	2
New York .....	464,468	491,784	508,124	547,203	565,168	589,623	4.3	24,896	26,220	26,909	28,801	29,614	30,778	5
Pennsylvania .....	270,375	283,933	293,380	312,719	324,435	343,753	6.0	22,111	23,186	23,922	25,453	26,370	27,868	15
<b>Great Lakes</b> .....	<b>975,464</b>	<b>1,029,255</b>	<b>1,066,709</b>	<b>1,135,687</b>	<b>1,165,051</b>	<b>1,224,834</b>	5.1	<b>21,924</b>	<b>23,011</b>	<b>23,721</b>	<b>25,111</b>	<b>25,634</b>	<b>26,818</b>	.....
Illinois .....	291,507	307,987	316,698	340,103	350,333	367,126	4.8	23,922	25,097	25,625	27,338	27,981	29,136	8
Indiana .....	119,826	128,475	132,864	142,187	146,053	153,918	5.4	20,121	21,417	21,979	23,340	23,839	24,990	32
Michigan .....	214,500	225,186	235,134	250,086	253,620	267,494	5.5	21,868	22,866	23,758	25,119	25,346	26,615	20
Ohio .....	239,900	250,838	260,394	273,184	279,754	293,395	4.9	21,273	22,175	22,972	24,040	24,562	25,688	26
Wisconsin .....	109,732	116,768	121,619	130,127	135,291	142,902	5.6	20,837	22,041	22,806	24,213	25,026	26,263	22
<b>Plains</b> .....	<b>399,625</b>	<b>425,703</b>	<b>442,180</b>	<b>471,590</b>	<b>488,749</b>	<b>517,004</b>	5.8	<b>21,199</b>	<b>22,420</b>	<b>23,113</b>	<b>24,472</b>	<b>25,231</b>	<b>26,555</b>	.....
Iowa .....	59,294	62,181	63,446	67,875	69,689	74,070	6.3	20,509	21,421	21,746	23,175	23,769	25,222	30
Kansas .....	55,113	58,652	60,312	63,535	66,162	69,788	5.5	20,913	22,045	22,518	23,596	24,485	25,696	25
Minnesota .....	109,183	118,006	124,969	133,951	139,411	147,944	6.1	22,921	24,516	25,643	27,147	27,969	29,473	7
Missouri .....	114,001	120,352	124,434	133,323	137,821	145,484	5.6	20,799	21,796	22,372	23,786	24,448	25,647	28
Nebraska .....	35,531	37,620	39,267	43,021	43,021	45,589	6.0	21,069	22,184	23,033	24,007	25,012	26,364	21
North Dakota .....	11,853	13,143	13,247	14,297	14,623	15,512	6.1	18,244	20,297	20,561	22,299	22,973	24,463	34
South Dakota .....	14,850	15,748	16,506	17,476	18,021	18,618	3.3	19,684	21,109	21,996	23,124	23,764	24,463	34
<b>Southeast</b> .....	<b>1,336,061</b>	<b>1,423,978</b>	<b>1,489,666</b>	<b>1,591,256</b>	<b>1,657,731</b>	<b>1,756,593</b>	6.0	<b>20,044</b>	<b>21,056</b>	<b>21,725</b>	<b>22,894</b>	<b>23,562</b>	<b>24,658</b>	.....
Alabama .....	80,342	84,855	88,267	92,749	96,291	101,107	5.0	18,394	19,265	19,924	20,833	21,547	22,536	43
Arkansas .....	45,063	47,302	49,179	51,684	53,882	57,089	6.0	17,325	18,011	18,545	19,295	19,996	21,065	49
Florida .....	329,682	351,912	368,621	392,530	411,117	438,625	6.7	21,709	22,724	23,390	24,455	25,109	26,244	23
Georgia .....	158,350	171,711	182,801	205,629	217,747	226,909	5.5	20,605	21,836	22,720	24,015	24,463	25,339	29
Kentucky .....	71,915	76,215	78,682	84,974	87,582	92,380	5.5	18,194	19,124	19,582	20,987	21,525	22,571	42
Louisiana .....	81,431	86,139	87,749	91,613	96,752	102,839	6.3	18,419	19,399	19,671	20,496	21,643	22,942	39
Mississippi .....	46,245	49,256	50,744	53,307	55,538	58,614	5.5	16,653	17,561	17,941	18,712	19,421	20,410	50
North Carolina .....	155,311	165,760	173,925	186,877	193,094	202,961	5.1	20,284	21,226	21,879	23,122	23,531	24,394	37
South Carolina .....	70,880	75,481	79,283	85,040	88,247	93,268	5.7	18,364	19,259	19,947	21,135	21,724	22,708	41
Tennessee .....	111,632	119,346	125,546	133,732	137,460	145,996	6.2	20,300	21,426	22,265	23,448	23,909	25,184	31
Virginia .....	154,028	163,510	171,743	186,170	195,722	208,457	6.5	22,554	23,694	24,534	26,199	27,196	28,581	12
West Virginia .....	31,182	32,491	33,128	34,834	36,416	38,348	5.3	17,141	17,895	18,285	19,274	20,220	21,282	48
<b>Southwest</b> .....	<b>596,546</b>	<b>645,743</b>	<b>679,260</b>	<b>732,944</b>	<b>765,749</b>	<b>805,727</b>	5.2	<b>20,137</b>	<b>21,354</b>	<b>22,034</b>	<b>23,343</b>	<b>23,946</b>	<b>24,727</b>	.....
Arizona .....	90,217	97,615	103,783	113,010	119,024	126,951	6.7	17,045	19,989	20,658	21,871	22,428	23,266	38
New Mexico .....	30,758	32,496	33,169	34,702	37,079	39,812	7.4	17,330	18,119	18,345	19,048	20,252	21,461	46
Oklahoma .....	61,222	65,310	67,783	72,358	75,646	79,709	5.4	18,151	19,179	19,721	20,947	21,803	22,815	40
Texas .....	414,349	450,321	474,525	512,874	533,999	559,255	4.7	20,990	22,340	23,082	24,475	24,987	25,678	27
<b>Rocky Mountain</b> .....	<b>178,194</b>	<b>191,724</b>	<b>203,763</b>	<b>221,953</b>	<b>232,166</b>	<b>243,474</b>	4.9	<b>20,375</b>	<b>21,498</b>	<b>22,405</b>	<b>23,950</b>	<b>24,621</b>	<b>25,436</b>	.....
Colorado .....	92,927	100,489	108,384	120,009	125,325	130,143	3.8	23,126	24,410	25,647	27,736	28,284	28,879	9
Idaho .....	22,044	23,639	25,119	26,884	28,078	29,961	6.7	17,944	18,876	19,691	20,684	21,262	22,340	45
Montana .....	15,621	16,670	17,023	18,150	19,096	20,340	6.5	17,554	18,679	19,867	20,090	21,092	22,365	44
Utah .....	37,715	40,460	42,113	45,154	47,182	49,656	5.2	17,792	18,680	19,112	20,127	20,706	21,438	47
Wyoming .....	9,886	10,466	11,123	11,757	12,484	13,374	7.1	20,199	21,324	22,619	23,796	25,283	26,818	17
<b>Far West</b> .....	<b>1,017,744</b>	<b>1,090,483</b>	<b>1,141,995</b>	<b>1,236,055</b>	<b>1,283,464</b>	<b>1,368,620</b>	6.6	<b>22,590</b>	<b>23,811</b>	<b>24,556</b>	<b>26,181</b>	<b>26,725</b>	<b>28,063</b>	.....
Alaska .....	14,497	15,003	15,430	16,444	17,189	18,503	7.6	23,650	24,201	24,697	26,197	27,128	28,741	10
California .....	735,173	789,557	827,718	898,615	934,447	996,734	6.7	22,630	23,935	24,709	26,422	27,007	28,384	14
Hawaii .....	27,371	27,846	28,431	29,862	31,046	33,209	7.0	22,590	22,914	23,491	24,625	25,302	26,676	18
Nevada .....	41,126	44,903	47,692	51,533	54,304	57,917	6.7	23,313	24,230	24,651	25,526	26,887	28,647	19
Oregon .....	68,539	72,660	75,394	80,343	83,130	87,965	5.8	20,742	22,214	22,674	23,416	23,933	24,979	33
Washington .....	131,039	140,515	147,329	159,258	163,348	174,292	6.7	23,092	24,354	25,217	26,939	27,255	28,718	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 (NIPA's) 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 2 in "State Personal Income and Per Capita Personal Income, 2002" in the May 2003 issue of the Survey of Current Business.

Table J.4. Gross State Product (GSP) by Industry for States and Regions, 2001

[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>10,137,190</b>	<b>140,650</b>	<b>139,040</b>	<b>480,013</b>	<b>1,422,990</b>	<b>819,464</b>	<b>680,683</b>	<b>931,756</b>	<b>2,076,987</b>	<b>2,226,585</b>	<b>1,219,022</b>
<b>New England</b>		<b>594,686</b>	<b>4,563</b>	<b>320</b>	<b>26,205</b>	<b>78,655</b>	<b>34,833</b>	<b>37,940</b>	<b>50,290</b>	<b>158,783</b>	<b>146,039</b>	<b>57,057</b>
Connecticut	22	166,165	1,152	129	5,898	24,277	9,754	10,004	12,887	51,458	35,654	14,951
Maine	42	37,449	725	5	1,723	5,239	2,518	2,198	4,481	7,194	7,970	5,396
Massachusetts	11	287,802	1,683	99	13,512	34,427	16,093	19,443	22,767	73,880	79,902	25,995
New Hampshire	38	47,183	365	37	2,282	7,610	2,818	3,359	4,923	11,792	10,179	3,818
Rhode Island	43	36,939	234	14	1,922	4,105	2,285	1,830	3,312	10,934	7,951	4,352
Vermont	49	19,149	403	36	868	2,998	1,365	1,107	1,920	3,526	4,382	2,544
<b>Mideast</b>		<b>1,900,223</b>	<b>12,092</b>	<b>3,922</b>	<b>75,070</b>	<b>208,027</b>	<b>146,418</b>	<b>120,175</b>	<b>143,945</b>	<b>522,373</b>	<b>449,316</b>	<b>218,886</b>
Delaware	41	40,509	387	2	1,598	5,235	1,902	1,576	2,674	17,476	6,229	3,429
District of Columbia		64,459	25	22	578	762	3,095	705	1,759	10,569	24,269	22,675
Maryland	15	195,007	1,798	157	11,319	13,963	14,192	11,766	16,972	42,025	48,534	34,280
New Jersey	8	365,388	2,060	299	15,749	42,068	32,957	33,782	28,999	90,927	83,497	35,878
New York	2	826,488	3,729	657	27,372	77,701	59,282	46,992	56,468	282,888	190,202	81,197
Pennsylvania	6	408,373	4,093	2,785	18,453	68,297	34,989	25,354	37,072	79,318	96,584	41,427
<b>Great Lakes</b>		<b>1,536,991</b>	<b>16,840</b>	<b>4,494</b>	<b>74,687</b>	<b>315,515</b>	<b>114,262</b>	<b>109,332</b>	<b>141,787</b>	<b>278,109</b>	<b>315,053</b>	<b>166,913</b>
Illinois	5	475,541	4,303	1,050	23,556	68,339	40,445	37,136	39,031	105,089	108,099	48,493
Indiana	16	189,919	2,458	668	9,971	51,647	14,376	11,636	17,544	27,224	34,306	20,089
Michigan	9	320,470	2,993	915	16,012	73,937	20,774	22,659	31,350	50,256	66,417	35,157
Ohio	7	373,708	3,506	1,573	16,537	79,603	26,198	26,507	37,261	66,439	73,297	42,786
Wisconsin	20	177,354	3,579	288	8,611	41,988	12,468	11,394	16,601	29,102	32,935	20,387
<b>Plains</b>		<b>647,904</b>	<b>16,965</b>	<b>3,598</b>	<b>32,174</b>	<b>104,786</b>	<b>60,046</b>	<b>49,068</b>	<b>61,956</b>	<b>109,367</b>	<b>130,377</b>	<b>79,567</b>
Iowa	30	90,942	3,454	203	3,951	19,112	7,631	6,256	8,218	16,210	11,313	11,313
Kansas	31	87,196	2,392	1,266	4,051	14,053	11,145	6,535	8,545	11,669	15,533	12,007
Minnesota	17	188,050	3,166	753	9,982	29,801	13,468	15,353	18,358	36,348	40,589	20,234
Missouri	19	181,493	2,506	459	9,619	30,442	17,777	13,287	17,536	29,653	38,646	21,568
Nebraska	36	56,967	2,772	129	2,712	6,994	6,340	4,340	4,962	8,981	11,536	8,201
North Dakota	50	19,005	1,004	658	896	1,641	1,932	1,607	1,870	2,771	3,662	2,965
South Dakota	46	24,251	1,671	129	963	2,744	1,755	1,690	2,467	5,353	4,201	3,280
<b>Southeast</b>		<b>2,205,625</b>	<b>33,751</b>	<b>40,281</b>	<b>111,379</b>	<b>320,110</b>	<b>191,168</b>	<b>149,546</b>	<b>221,091</b>	<b>379,132</b>	<b>457,688</b>	<b>301,478</b>
Alabama	25	121,490	2,427	1,483	5,929	21,626	10,338	7,883	12,507	18,015	21,991	19,292
Arkansas	34	67,913	2,263	496	3,368	13,136	7,216	4,581	8,109	8,354	11,514	8,876
Florida	4	491,488	7,753	730	26,974	29,038	39,353	37,353	56,063	108,534	129,903	59,787
Georgia	10	299,874	4,188	1,126	15,307	43,489	33,414	26,675	28,405	48,978	61,114	37,179
Kentucky	26	120,266	2,498	2,235	5,635	30,297	9,905	7,461	11,369	14,152	20,081	16,633
Louisiana	24	148,697	1,308	28,114	6,482	17,416	12,909	7,877	12,547	19,613	25,014	17,418
Mississippi	35	67,125	1,879	740	3,098	12,041	6,360	3,875	7,327	8,244	12,046	11,514
North Carolina	12	275,615	5,218	511	14,101	58,923	18,829	16,766	25,113	52,309	47,977	35,868
South Carolina	28	115,204	1,506	162	6,825	23,124	10,256	7,035	12,236	16,571	19,583	17,906
Tennessee	18	182,515	1,926	516	8,173	34,166	15,420	13,177	20,314	27,533	39,657	21,634
Virginia	13	273,070	2,444	1,154	13,338	31,607	22,577	14,576	22,758	51,815	64,526	48,275
West Virginia	40	42,368	343	3,013	2,149	5,249	4,589	2,289	4,343	5,016	8,281	7,096
<b>Southwest</b>		<b>1,073,842</b>	<b>15,417</b>	<b>59,682</b>	<b>53,897</b>	<b>136,041</b>	<b>107,138</b>	<b>75,997</b>	<b>106,552</b>	<b>168,990</b>	<b>218,620</b>	<b>131,507</b>
Arizona	23	160,687	2,605	1,183	9,701	21,707	11,172	10,570	17,582	31,387	34,490	20,291
New Mexico	37	55,426	1,270	5,224	2,418	7,545	4,137	2,225	5,023	7,434	10,145	10,006
Oklahoma	29	93,855	1,967	5,386	3,933	13,034	8,820	5,596	9,831	11,934	15,576	15,779
Texas	3	763,874	9,575	47,890	37,846	93,754	83,010	57,606	74,117	118,235	156,410	85,431
<b>Rocky Mountain</b>		<b>324,139</b>	<b>7,126</b>	<b>10,174</b>	<b>21,175</b>	<b>32,718</b>	<b>32,922</b>	<b>19,500</b>	<b>31,582</b>	<b>56,021</b>	<b>70,205</b>	<b>42,716</b>
Colorado	21	173,772	2,738	3,068	11,827	14,991	19,317	16,909	10,714	31,816	41,860	20,532
Idaho	44	36,905	2,143	156	2,585	6,570	2,919	2,312	3,877	4,515	6,635	5,195
Montana	47	22,635	860	838	1,313	1,535	2,503	1,405	2,303	3,200	4,804	3,874
Utah	33	70,409	874	1,323	4,357	8,079	5,595	4,243	6,989	14,135	14,498	10,315
Wyoming	48	20,418	511	4,789	1,094	1,542	2,588	826	1,503	2,355	2,410	2,800
<b>Far West</b>		<b>1,853,781</b>	<b>33,896</b>	<b>16,568</b>	<b>85,426</b>	<b>227,140</b>	<b>132,676</b>	<b>119,123</b>	<b>174,553</b>	<b>404,211</b>	<b>439,287</b>	<b>220,899</b>
Alaska	45	28,581	497	5,590	1,384	1,056	4,560	842	1,920	3,197	3,962	5,572
California	1	1,359,265	24,435	8,623	57,712	163,841	92,421	89,384	127,073	317,481	326,119	152,176
Hawaii	39	43,710	504	33	1,891	1,173	4,085	1,632	4,915	10,057	10,019	9,400
Nevada	32	79,220	629	1,761	7,523	3,070	5,750	3,635	8,502	14,860	25,210	8,282
Oregon	27	120,055	3,075	156	5,893	30,613	7,750	8,428	10,059	17,583	21,848	14,652
Washington	14	222,950	4,757	405	11,024	27,387	18,111	15,202	22,086	41,034	52,128	30,817

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 equip-

ment, except office equipment. Also, GSP and GDP have different revision schedules. Source: This table reflects the GSP estimates for 2001 that were released on May 22, 2003. Detailed estimates are available on BEA's Web site at <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, 1999-2001**

Area name	Personal income				Per capita personal income <sup>1</sup>				Area name	Personal income				Per capita personal income <sup>1</sup>			
	Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.		Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.
	1999	2000	2001	2000-2001	1999	2000	2001	2001		1999	2000	2001	2000-2001	1999	2000	2001	2001
<b>United States<sup>3</sup></b>	7,779,521	8,398,871	8,677,490	3.3	27,880	29,760	30,413	.....	Corvallis, OR	2,191	2,317	2,403	3.7	27,995	29,650	30,709	78
<b>Metropolitan portion</b>	6,633,219	7,185,218	7,428,050	3.4	29,616	31,680	32,336	.....	Cumberland, MD-WV	2,014	2,114	2,201	4.1	19,656	20,756	21,694	302
<b>Nonmetropolitan portion</b>	1,146,302	1,213,653	1,249,440	2.9	20,818	21,901	22,472	.....	Dallas, TX*	113,010	125,424	126,926	1.2	32,774	35,363	34,697	33
<b>Consolidated Metropolitan Statistical Areas</b>																	
Chicago-Gary-Kenosha, IL-IN-WI	298,061	321,557	331,277	3.0	32,771	35,028	35,751	.....	Danville, VA	2,194	2,319	2,335	0.7	19,894	21,074	21,280	304
Cincinnati-Hamilton, OH-KY-IN	57,342	60,627	62,758	3.5	29,124	30,559	31,419	.....	Davenport-Moline-Rock Island, IA-IL	9,264	9,791	9,988	2.0	25,753	27,283	27,879	138
Cleveland-Akron, OH	86,292	90,686	92,446	1.9	29,293	30,773	31,368	.....	Dayton-Springfield, OH	26,119	27,251	27,811	2.1	27,402	28,677	29,340	103
Dallas-Fort Worth, TX	159,254	175,700	180,072	2.5	31,106	33,412	33,247	.....	Daytona Beach, FL	10,763	11,533	12,040	4.4	22,114	23,273	23,827	264
Denver-Boulder-Greeley, CO	85,768	96,583	100,284	3.8	33,878	37,158	37,607	.....	Decatur, AL	3,403	3,540	3,695	4.4	23,432	24,236	25,233	215
Detroit-Arbor-Flint, MI	169,736	180,724	182,894	1.2	31,182	33,067	33,314	.....	Decatur, IL	3,058	3,194	3,222	0.9	26,563	27,901	28,417	123
Houston-Galveston-Brazoria, TX	143,594	157,975	167,954	6.3	31,218	33,632	34,916	.....	Denver, CO*	71,496	80,516	83,704	4.0	34,515	37,924	38,513	17
Los Angeles-Riverside-Orange County, CA	450,650	484,858	508,187	4.8	27,842	29,488	30,360	.....	Des Moines, IA	13,766	14,545	15,318	5.3	30,550	31,777	32,991	47
Miami-Fort Lauderdale, FL	100,297	107,399	112,446	4.7	26,289	27,576	28,325	.....	Detroit, MI*	140,791	149,689	151,753	1.4	31,716	33,665	34,035	37
Milwaukee-Racine, WI	51,745	54,859	56,513	3.0	30,716	32,436	33,308	.....	Dothan, AL	3,072	3,228	3,330	3.1	22,360	23,386	24,030	254
New York-No. New Jersey-Long Island, NY-NJ-CT-PA	774,091	846,883	872,675	3.0	36,943	40,046	40,949	.....	Dover, DE	2,877	3,047	3,084	1.2	22,906	23,974	23,940	260
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	194,331	209,100	216,243	3.4	31,526	33,750	34,750	.....	Dubuque, IA	2,176	2,305	2,394	3.9	24,465	25,825	26,889	163
Portland-Salem, OR-WA	64,163	69,645	71,520	2.7	27,784	29,258	29,953	.....	Duluth-Superior, MN-WI	5,984	6,389	6,571	2.8	24,615	26,202	26,873	166
Sacramento-Yolo, CA	49,898	54,257	57,143	5.3	28,235	29,996	30,771	.....	Dutchess County, NY*	8,029	8,702	9,196	5.7	28,925	30,987	32,349	53
San Francisco-Oakland-San Jose, CA	283,381	333,236	326,824	-1.9	40,605	47,160	45,778	.....	Eau Claire, WI	3,600	3,837	3,872	0.9	24,426	25,817	25,899	188
Seattle-Tacoma-Bremerton, WA	121,336	129,721	132,586	2.2	34,428	36,386	36,669	.....	El Paso, TX	11,874	12,546	13,230	5.4	17,581	18,998	19,186	311
Washington-Baltimore, DC-MD-VA-WV	264,060	287,952	302,650	5.1	35,119	37,684	38,915	.....	Elkhart-Goshen, IN	4,614	4,852	4,833	-0.4	25,544	26,436	26,050	182
<b>Metropolitan Statistical Areas<sup>4</sup></b>																	
Abilene, TX	3,001	3,184	3,051	-4.2	23,757	25,179	24,304	246	Enid, OK	1,321	1,378	1,421	3.1	22,704	23,896	24,780	230
Akron, OH*	19,258	20,362	20,905	2.7	27,784	29,258	29,953	91	Erie, PA	6,618	6,975	7,156	2.6	23,527	24,847	25,495	206
Albany, GA	2,646	2,776	2,852	2.7	21,951	22,975	23,275	277	Eugene-Springfield, OR	7,849	8,292	8,420	1.5	24,392	25,641	25,963	185
Albany-Schenectady-Troy, NY	24,982	26,732	27,956	4.6	28,583	30,503	31,789	62	Evansville-Henderson, IN-KY	7,817	8,288	8,650	4.4	26,445	27,970	29,185	106
Albuquerque, NM	17,295	18,436	19,531	5.9	24,489	25,794	27,030	159	Fargo-Moorhead, ND-MN	4,533	4,811	4,992	3.8	26,216	27,538	28,372	124
Alexandria, LA	2,885	3,070	3,297	7.4	22,877	24,282	26,053	181	Fayetteville, NC	7,151	7,587	7,777	2.5	23,710	25,064	25,729	198
Allentown-Bethlehem-Easton, PA	17,521	18,796	19,520	3.8	27,579	29,421	30,317	86	Fayetteville-Springdale-Rogers, AR	6,813	7,356	7,936	7.9	22,464	23,461	24,585	237
Altoona, PA	2,999	3,146	3,173	0.8	23,110	24,382	24,682	234	Flagstaff, AZ-UT	2,558	2,771	2,884	4.1	21,086	22,577	23,311	275
Amarillo, TX	5,052	5,344	5,367	0.4	23,407	24,468	24,365	243	Flint, MI*	10,667	11,013	11,014	0.0	24,556	25,204	25,105	219
Anchorage, AK	8,674	9,200	9,755	6.0	33,447	35,307	36,949	22	Florence, AL	2,954	3,091	3,140	1.6	20,759	21,615	22,037	294
Ann Arbor, MI*	18,277	20,022	20,125	0.5	32,072	34,403	33,965	38	Florence, SC	2,803	3,033	3,251	4.8	23,107	24,666	25,742	197
Anniston, AL	2,376	2,392	2,452	2.5	20,675	21,486	22,035	295	Fort Collins-Loveland, CO	6,657	7,512	7,849	4.5	26,966	29,700	30,198	89
Appleton-Oshkosh-Neenah, WI	9,604	10,290	10,746	4.4	27,030	28,626	29,579	97	Fort Lauderdale, FL	45,084	48,363	51,370	6.2	28,281	29,629	30,702	79
Asheville, NC	5,670	6,114	6,256	2.3	25,747	26,970	27,378	148	Fort Myers-Cape Coral, FL	11,477	12,523	13,563	8.3	26,568	28,215	29,540	99
Athens, GA	3,405	3,613	3,755	3.9	22,527	23,452	24,085	252	Fort Pierce-Port St. Lucie, FL	9,064	9,608	10,033	4.4	24,653	25,965	30,601	83
Atlanta, GA	126,446	139,019	144,477	3.9	31,534	33,507	33,769	41	Fort Smith, AR-OK	4,304	4,632	4,838	4.5	21,029	22,270	23,048	280
Atlantic-Cape May, NJ*	10,367	11,135	11,273	1.2	29,404	31,328	31,511	66	Fort Walton Beach, FL	4,344	4,531	4,769	5.2	25,698	26,505	27,674	142
Auburn-Opeika, AL	2,023	2,161	2,210	2.3	17,918	18,714	18,923	312	Fort Wayne, IN	13,234	14,022	14,070	0.3	26,558	27,867	27,819	140
Augusta-Aiken, GA-SC	10,819	11,489	11,876	3.4	22,805	24,033	24,721	233	Fort Worth-Arlington, TX*	46,244	50,277	53,146	5.7	27,663	29,337	30,230	88
Austin-San Marcos, TX	36,852	40,712	41,673	2.4	30,623	32,185	31,511	66	Fresno, CA	18,282	19,332	20,219	4.6	20,061	20,878	21,463	303
Bakersfield, CA	12,815	13,637	14,236	4.4	19,553	20,543	21,021	306	Gadsden, AL	2,121	2,211	2,253	1.9	19,397	21,400	21,865	298
Baltimore, MD*	78,303	83,987	87,832	4.6	30,824	32,837	34,039	306	Gainesville, FL	5,121	5,423	5,635	3.9	23,727	24,841	25,572	203
Bangor, ME (NECMA)	3,229	3,461	3,651	5.5	22,287	23,889	25,097	221	Galveston-Texas City, TX*	6,411	6,839	7,088	3.6	25,758	27,272	27,786	141
Barnstable-Yarmouth, MA (NECMA)	7,348	7,881	8,159	3.5	33,557	35,303	36,135	28	Gary, IN*	16,197	17,240	17,825	3.4	25,685	27,282	28,094	130
Baton Rouge, LA	14,488	15,246	15,836	3.9	24,221	25,228	26,032	183	Glens Falls, NY	2,756	2,924	2,986	1.7	22,211	23,599	23,952	258
Beaumont-Port Arthur, TX	8,752	9,115	9,307	2.1	22,730	23,689	24,296	247	Greensboro, NC	2,249	2,416	2,459	1.8	19,871	21,319	21,738	301
Bellingham, WA	3,699	3,950	4,192	6.1	22,474	23,567	24,564	239	Grand Forks, ND-MN	2,264	2,388	2,444	2.3	23,125	24,562	25,351	212
Benton Harbor, MI	4,041	4,219	4,185	-0.8	24,941	25,942	25,826	199	Grand Junction, CO	2,699	2,922	3,007	2.9	23,509	25,019	25,366	210
Bergen-Passaic, NJ*	53,208	58,913	60,735	3.1	38,885	42,799	43,856	4	Grand Rapids-Muskegon-Holland, MI	28,993	30,747	31,462	2.3	26,909	28,145	28,471	121
Billings, MT	3,202	3,450	3,635	5.4	24,869	26,628	27,891	137	Great Falls, MT	1,908	2,013	2,072	2.9	23,669	25,106	26,016	184
Biloxi-Gulfport-Pascagoula, MS	8,064	8,502	8,685	2.2	22,336	23,304	23,679	266	Greeley, CO*	3,888	4,217	4,357	3.3	22,301	23,016	22,469	290
									Green Bay, WI	6,431	6,834	7,005	2.5	28,605	30,052	30,535	85
									Greensboro-Winston-Salem-High Point, NC	33,981	36,054	36,626	1.6	27,452	28,707	28,774	115
									Greenville, NC	2,940	3,291	3,362	2.2	22,179	24,526	24,854	225
									Greenville-Spartanburg-Anderson, SC	23,013	24,655	25,239	2.4	24,159	25,534	25,818	191
									Hagerstown, MD*	3,035	3,257	3,375	3.6	23,139	24,655	25,404	209
									Hamilton-Middletown, OH*	8,917	9,404	9,682	3.0	26,961	28,184	28,718	116
									Harrisburg-Lebanon-Carlisle, PA	17,748	18,649	19,476	4.4	24,256	26,611	30,829	76

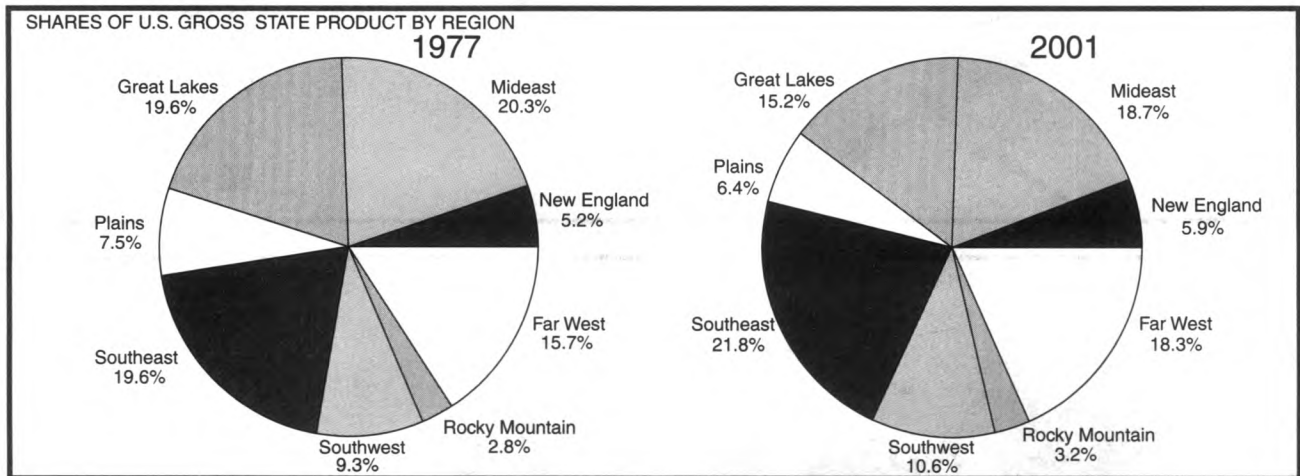
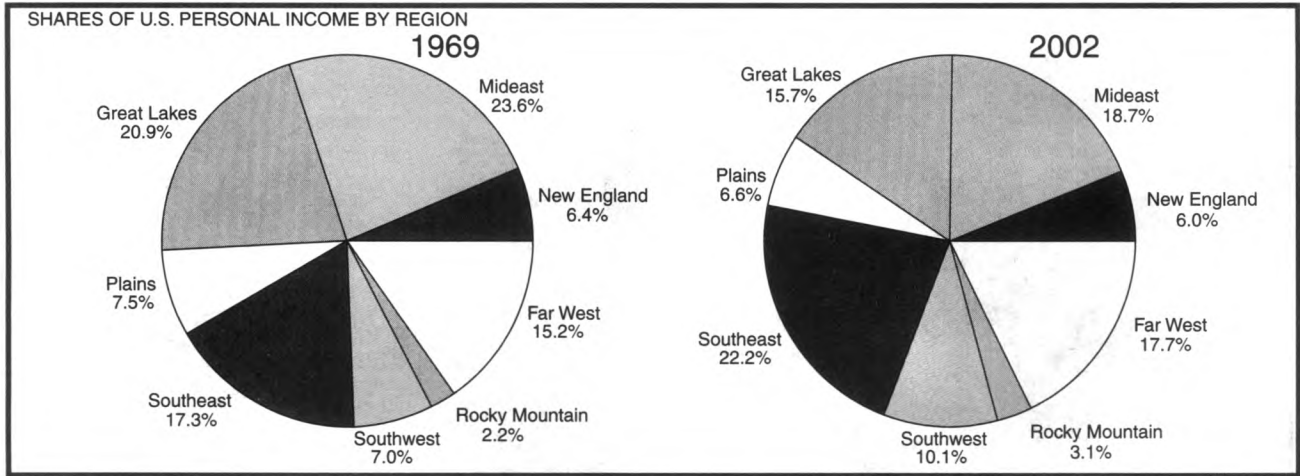
Table K.1. Personal Income and Per Capita Personal Income by Metropolitan Area, 1999-2001—Continued

Area name	Personal income				Per capita personal income <sup>1</sup>				Area name	Personal income				Per capita personal income <sup>1</sup>			
	Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.		Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.
	1999	2000	2001		1999	2000	2001			1999	2000	2001		1999	2000	2001	
La Crosse, WI-MN	3,166	3,356	3,525	5.0	25,121	26,420	27,626	143	Reno, NV	11,199	12,216	13,018	6.6	33,648	35,781	36,988	21
Lafayette, LA	8,131	8,641	9,247	7.0	21,167	22,395	23,881	262	Richland-Kennebec-Pasco, WA	4,288	4,639	4,967	7.1	22,685	24,074	25,259	214
Lafayette, IN	4,179	4,476	4,642	3.7	23,034	24,416	25,141	218	Richmond-Petersburg, VA	29,311	31,331	32,619	4.1	29,513	31,348	32,268	55
Lake Charles, LA	4,016	4,118	4,383	6.4	21,895	22,436	23,935	261	Riverside-San Bernardino, CA*	70,928	76,681	80,842	5.4	22,228	23,382	23,840	263
Lakeland-Winter Haven, FL	10,600	11,275	11,800	4.7	22,173	23,224	23,991	256	Roanoke, VA	6,482	6,899	7,138	3.5	27,529	29,250	30,249	87
Lancaster, PA	12,415	13,387	13,699	2.3	26,534	28,262	28,863	110	Rochester, NY	3,870	4,181	4,447	6.4	31,571	33,488	35,110	32
Lansing-East Lansing, MI	11,508	12,116	12,287	1.4	25,740	27,023	27,253	153	Rochester, MN	30,339	31,715	32,846	3.6	27,675	28,863	29,870	93
Laredo, TX	2,690	2,924	3,125	6.9	14,232	15,011	15,508	316	Rockford, IL	9,387	9,838	9,869	0.5	25,483	26,429	26,335	176
Las Cruces, NM	2,887	2,991	3,173	6.1	16,602	17,090	17,984	314	Rocky Mount, NC	3,097	3,512	3,613	2.9	21,604	24,546	25,164	217
Las Vegas, NV-AZ	40,406	43,969	46,155	5.0	26,882	27,777	27,916	136	Sacramento, CA*	45,588	49,579	52,350	5.6	28,457	30,249	30,906	74
Lawrence, KS	2,116	2,293	2,441	6.4	21,268	22,892	24,129	251	Saginaw-Bay City-Midland, MI	10,350	10,854	10,792	-0.6	25,663	26,927	26,749	170
Lawton, OK	2,348	2,466	2,561	3.9	20,233	21,520	22,672	289	St. Cloud, MN	3,822	4,095	4,221	3.1	23,098	24,361	24,802	227
Lewiston-Auburn, ME (NECMA)	2,418	2,559	2,680	4.7	23,389	24,637	25,752	196	St. Joseph, MO	2,306	2,473	2,536	2.6	22,628	24,106	24,799	228
Lexington, KY	12,808	13,743	14,002	1.9	27,023	28,585	28,849	111	St. Louis, MO-IL	77,424	82,714	85,596	3.5	29,838	31,729	32,666	50
Lima, OH	3,721	3,877	3,929	1.3	24,027	24,983	25,353	211	Salem, OR*	8,037	8,388	8,595	2.5	23,366	24,080	24,402	242
Lincoln, NE	6,852	7,358	7,833	6.5	27,689	29,289	30,872	75	Salt Lake City-Ogden, UT	11,096	11,802	12,230	3.6	28,001	29,270	29,901	92
Little Rock-North Little Rock, AR	15,270	16,189	17,028	5.2	26,378	27,663	28,845	112	Santa Rosa, CA	32,685	35,039	36,295	3.6	24,748	26,176	26,780	169
Longview-Marshall, TX	4,769	5,074	5,346	5.4	22,829	24,305	25,439	208	San Antonio, TX	2,374	2,519	2,592	2.9	22,846	24,330	25,104	220
Los Angeles-Long Beach, CA*	264,408	282,700	296,233	4.8	28,017	29,605	30,611	82	San Antonio, TX	39,188	42,152	43,742	3.8	24,920	26,355	26,887	165
Louisville, KY-IN	29,253	31,202	32,298	3.5	28,677	30,357	31,251	70	San Diego, CA	84,585	92,986	97,241	4.6	30,322	32,910	33,883	39
Lubbock, TX	5,561	6,041	6,090	0.8	23,261	24,872	24,788	229	San Francisco, CA*	85,910	101,736	100,048	-1.7	49,788	58,702	57,714	1
Lynchburg, VA	4,890	5,202	5,315	2.2	22,884	24,174	24,665	236	San Jose, CA*	76,443	93,928	87,479	-6.9	45,733	55,677	51,579	2
Macon, GA	7,798	8,289	8,556	3.2	24,309	25,644	26,265	177	San Luis Obispo-Atascadero-Paso Robles, CA	6,191	6,772	7,011	3.5	25,429	27,341	27,917	135
Madison, WI	13,746	14,929	15,753	5.5	32,477	34,848	36,201	27	Santa Barbara-Santa Maria-Lompoc, CA	12,071	13,179	13,541	2.7	30,414	32,961	33,739	42
Mansfield, OH	3,911	4,100	4,193	2.3	22,172	23,340	23,989	257	Santa Cruz-Watsonville, CA*	8,362	9,687	9,426	-2.7	32,966	37,866	36,865	23
McAllen-Edinburg-Mission, TX	7,066	7,601	8,170	7.5	12,712	13,238	13,788	318	Santa Fe, NM	4,347	4,646	4,910	5.7	29,680	31,365	32,920	48
Medford-Ashdah, OR	4,285	4,574	4,688	2.5	23,906	25,152	25,505	205	Santa Rosa, CA*	14,293	16,204	16,173	-0.2	31,522	35,193	34,671	34
Melbourne-Titusville-Palm Bay, FL	11,522	12,567	13,079	4.1	24,405	26,300	26,888	164	Sarasota-Bradenton, FL	19,928	21,512	22,545	4.8	34,247	36,292	37,212	20
Memphis, TN-AR-MS	32,011	33,607	35,084	4.4	28,431	29,513	30,559	84	Savannah, GA	7,581	8,069	8,418	4.3	25,998	27,509	28,422	122
Merced, CA	3,717	3,867	4,033	4.3	17,977	18,268	18,461	313	Scranton-Wilkes-Barre-Hazleton, PA	14,983	15,863	16,399	3.4	23,878	25,436	26,439	174
Miami, FL	55,213	59,016	61,077	3.5	24,860	26,099	26,594	173	Seattle-Bellevue-Everett, WA*	93,047	99,291	101,059	1.8	38,811	41,025	41,229	12
Middlesex-Somerset-Hunterdon, NJ*	45,573	50,577	51,677	2.2	39,400	43,051	43,292	6	Sharon, PA	2,615	2,786	2,821	1.2	21,657	23,180	23,512	269
Milwaukee-Waukesha, WI	46,584	49,423	50,907	3.0	31,134	32,898	33,780	40	Sheboygan, WI	3,032	3,212	3,314	3.2	27,052	28,486	29,409	100
Minneapolis-St. Paul, MN-WI	101,664	110,764	115,300	4.1	34,671	37,152	38,131	18	Sherman-DePue, TX	2,415	2,607	2,633	1.0	22,117	23,482	23,366	274
Missoula, MT	2,174	2,373	2,498	5.3	22,935	24,696	25,818	191	Shreveport-Bossier City, LA	8,994	9,416	9,748	3.5	25,989	27,400	28,412	226
Mobile, AL	11,729	12,372	12,765	3.2	21,846	22,847	23,400	273	Sioux City, IA-NE	2,964	3,084	3,192	3.5	23,921	24,842	25,768	194
Modesto, CA	9,582	10,253	10,568	3.1	21,846	22,791	22,677	288	Sioux Falls, SD	5,036	5,403	5,684	5.4	29,874	31,129	32,154	57
Monmouth-Ocean, NJ*	36,488	40,335	41,934	4.0	32,730	35,668	36,543	26	Spokane Bend, IN	6,949	7,327	7,486	2.3	26,228	27,534	28,098	128
Monroe, LA	3,226	3,409	3,541	3.9	21,918	23,151	24,171	249	Spokane Valley, WA	10,012	10,877	11,044	1.5	24,100	25,977	26,107	180
Montgomery, AL	8,236	8,698	8,994	3.4	24,870	26,076	26,830	167	Springfield, IL	5,665	6,032	6,277	4.1	28,135	29,929	31,037	73
Muncie, IN	2,798	2,977	3,031	1.8	23,559	25,088	25,493	207	Springfield, MO	7,590	8,149	8,149	0.0	25,600	26,933	27,576	195
Myrtle Beach, SC	4,333	4,693	4,847	3.3	22,590	23,694	24,021	255	Springfield, MA (NECMA)	15,685	16,838	17,473	3.8	25,834	27,649	28,705	117
Naples, FL	9,693	10,365	10,940	5.6	33,540	40,772	41,269	11	State College, PA	3,234	3,423	3,618	5.7	23,697	25,175	26,396	175
Nashville, TN	36,409	39,065	40,554	3.8	29,973	31,599	32,338	54	Stebenville-Weirton, OH-WV	2,772	2,924	2,985	2.1	20,800	22,207	22,876	285
Nassau-Suffolk, NY*	104,726	113,140	115,641	2.2	38,264	40,978	41,559	10	Stockton-Lodi, CA	12,223	13,192	13,753	4.3	32,127	33,212	33,155	278
New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT	74,580	80,841	83,358	3.1	43,925	47,286	48,453	3	Sumter, SC	2,044	2,150	2,191	1.9	19,500	20,519	21,009	307
New London-Norwich, CT (NECMA)	7,969	8,492	8,635	1.7	30,939	32,723	33,112	45	Syracuse, NY	18,396	19,390	19,810	2.2	25,119	26,474	27,021	160
New Orleans, LA	33,672	35,278	37,431	6.1	25,159	26,385	26,938	131	Tacoma, WA	17,306	18,554	19,124	3.1	24,985	26,354	26,601	172
New York, NY*	337,749	368,643	379,472	3.0	36,529	39,501	40,450	14	Tallahassee, FL	6,953	7,304	7,507	2.8	24,743	25,621	26,127	179
Newark, NJ	75,429	84,027	87,193	3.8	37,314	41,291	42,550	7	Tampa-St. Petersburg-Clearwater, FL	64,205	69,119	71,843	3.9	27,101	28,748	29,379	102
Newburgh, NY-PA	9,654	10,370	10,875	4.9	25,292	26,609	27,343	150	Terre Haute, IN	3,252	3,433	3,482	1.4	21,755	23,033	23,493	270
Norfolk-Virginia Beach-Newport News, VA-NC	38,799	41,376	43,516	5.2	24,905	26,288	27,452	145	Texarkana, TX-Texarkana, AR	2,880	2,852	2,887	1.2	20,698	21,983	22,150	292
Oakland, CA	84,550	96,400	98,073	1.7	35,764	40,066	39,963	15	Toledo, OH	16,611	17,203	17,385	1.1	26,862	27,825	28,068	128
Ocala, FL	5,540	5,889	6,077	3.2	21,727	22,624	22,910	284	Topeka, KS	4,491	4,783	4,973	4.0	26,899	28,127	29,144	107
Odessa-Midland, TX	5,984	6,470	6,619	2.3	24,927	27,389	27,920	134	Trenton, NJ*	13,000	14,386	15,041	4.5	37,311	40,011	42,317	8
Oklahoma City, OK	25,953	28,152	29,564	5.0	24,117	25,928	26,870	162	Tucson, AZ	19,129	20,412	21,384	4.8	23,077	24,948	24,767	231
Olympia, WA	5,284	5,715	6,016	5.3	25,790	27,426	28,266	127	Tulsa, OK	22,044	23,738	24,903	4.9	27,604	29,486	30,650	80
Omaha, NE-IA	21,652																

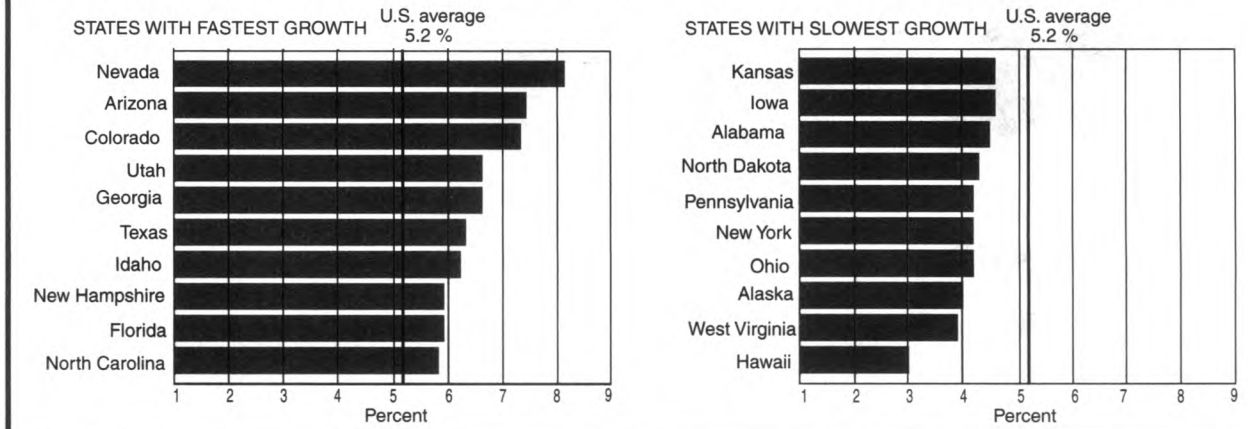


L. Charts

SELECTED REGIONAL ESTIMATES



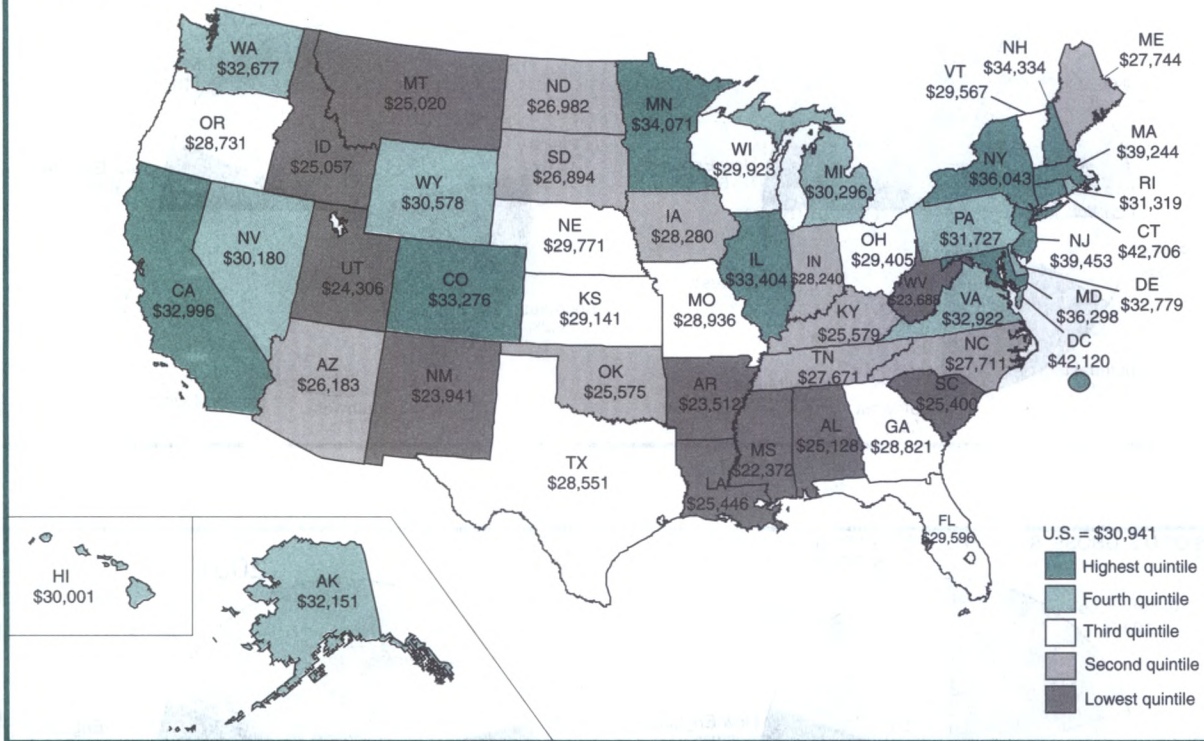
AVERAGE ANNUAL GROWTH RATE OF PERSONAL INCOME, 1992-2002



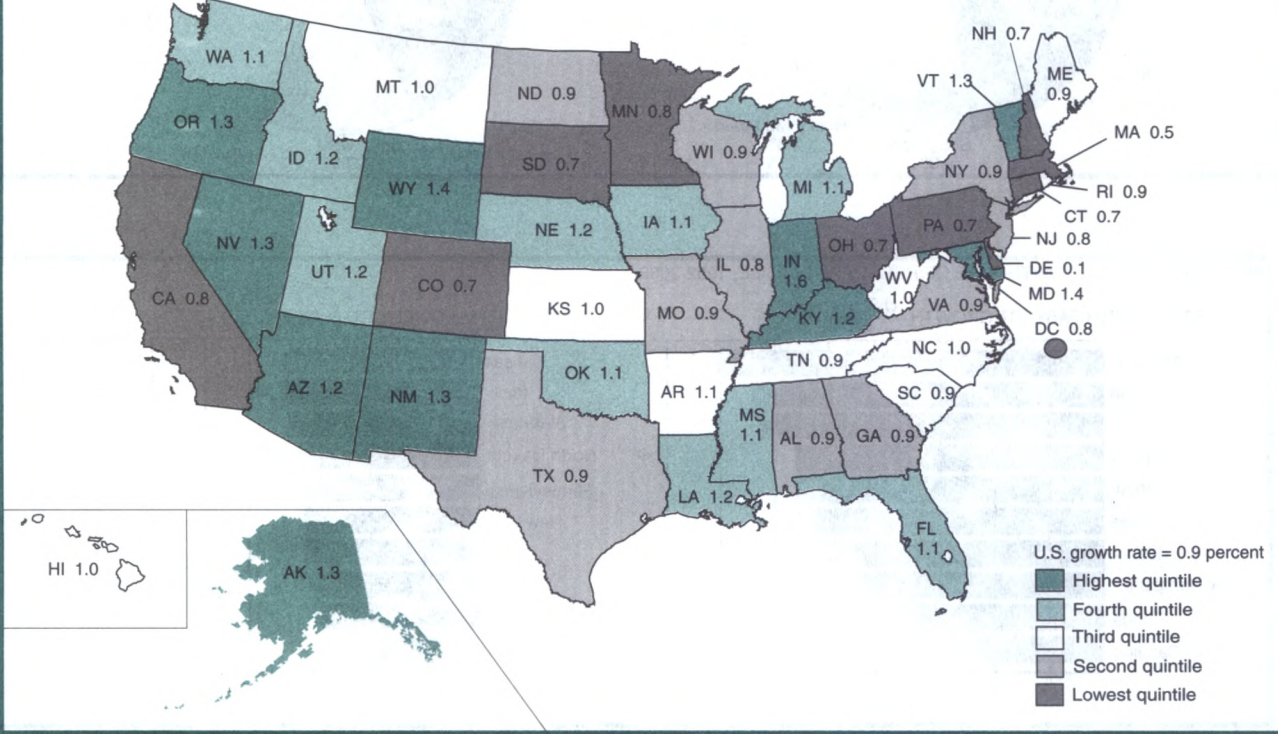
U.S. Bureau of Economic Analysis

### SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 2002



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



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				2003
				IV	I	II	III	
<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>2.2</b>	<b>1.5</b>	<b>2.9</b>	<b>4.0</b>	<b>2.1</b>	<b>1.0</b>	<b>3.0</b>
<i>Less:</i> Contribution of supplements to wages and salaries per hour.....	0.3	0.6	0.1	1.3	0.8	0.8	0.7	0.4
<i>Plus:</i> Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions.....	0.0	-0.1	-0.5	0.0	0.1	0.4	0.4	0.2
<i>Less:</i> Contribution of wages and salaries per hour of persons in government enterprises, unpaid family workers, and self-employed.....	0.0	0.0	0.2	-0.2	0.1	0.5	0.3	0.1
<b>Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector</b> .....	<b>2.5</b>	<b>1.5</b>	<b>0.7</b>	<b>1.8</b>	<b>3.1</b>	<b>1.3</b>	<b>0.4</b>	<b>2.7</b>
<i>Less:</i> Contribution of wages and salaries per hour of nonproduction workers in manufacturing.....	-0.1	0.0	0.2	-0.2	0.0	-0.2	0.2	0.2
<i>Less:</i> Other differences <sup>2</sup> .....	-1.2	-1.4	-2.4	-0.2	0.5	-2.6	-3.4	-0.7
<b>Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls</b> .....	<b>3.8</b>	<b>2.9</b>	<b>3.0</b>	<b>2.2</b>	<b>2.6</b>	<b>4.0</b>	<b>3.6</b>	<b>3.2</b>
<b>Addendum:</b>								
BLS estimates of compensation per hour in the nonfarm business sector <sup>3</sup> .....	2.7	2.4	1.5	2.9	4.0	1.8	3.9	3.4

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 fourth quarter of 2002 and first quarter of 2003 do not reflect revisions to BEA wages and salaries for the fourth quarter of 2002 and first quarter of 2003.  
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				2003
					IV	I	II	III	
<b>Exports of goods and services and income receipts, ITA's</b> .....	<b>1</b>	<b>1,284.9</b>	<b>1,229.6</b>	<b>1,180.9</b>	<b>1,188.3</b>	<b>1,230.5</b>	<b>1,255.8</b>	<b>1,244.1</b>	<b>1,247.7</b>
<i>Less:</i> Gold, ITA's.....	2	4.9	3.4	2.9	2.6	3.5	3.6	3.8	3.8
Statistical differences <sup>1</sup> .....	3	3.1	14.8	14.5	22.2	13.3	8.7	15.1	14.7
Other items.....	4	0.9	0.8	0.7	0.9	1.0	0.8	0.7	0.9
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments.....	5	6.0	5.0	6.1	4.3	5.1	4.8	5.7	5.3
Adjustment for U.S. territories and Puerto Rico.....	6	50.7	57.3	53.3	56.6	56.6	57.7	58.2	58.0
Services furnished without payment by financial intermediaries except life insurance carriers.....	7	18.3	20.1	17.8	18.6	19.8	20.6	21.3	21.5
<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>1,240.0</b>	<b>1,242.2</b>	<b>1,294.1</b>	<b>1,325.9</b>	<b>1,309.6</b>	<b>1,313.1</b>
<b>Imports of goods and services and income payments, ITA's</b> .....	<b>9</b>	<b>1,632.1</b>	<b>1,651.7</b>	<b>1,475.3</b>	<b>1,551.5</b>	<b>1,667.8</b>	<b>1,690.7</b>	<b>1,696.7</b>	<b>1,723.6</b>
<i>Less:</i> Gold, ITA's.....	10	4.3	2.9	2.4	2.0	3.5	3.0	2.9	2.4
Statistical differences <sup>1</sup> .....	11	6.2	-17.7	-17.3	-1.2	-16.9	-19.0	-33.5	-34.0
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	-3.3	-3.3	-3.6	-3.5	-2.9	-3.4
Adjustment for grossing of parent/affiliate interest payments.....	14	6.0	5.0	6.1	4.3	5.1	4.8	5.7	5.3
Adjustment for U.S. territories and Puerto Rico.....	15	35.6	38.0	38.6	30.1	37.2	41.1	43.4	31.9
Imputed interest paid to rest of world.....	16	18.3	20.1	17.8	18.6	19.8	20.6	21.3	21.5
<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>1,549.3</b>	<b>1,600.4</b>	<b>1,739.8</b>	<b>1,769.7</b>	<b>1,794.7</b>	<b>1,810.6</b>
<b>Balance on goods and services and income ITA's (1-9)</b> .....	<b>18</b>	<b>-347.2</b>	<b>-422.1</b>	<b>-294.4</b>	<b>-363.2</b>	<b>-437.3</b>	<b>-434.9</b>	<b>-452.6</b>	<b>-475.9</b>
<i>Less:</i> Gold (2-10+13).....	19	-2.8	-2.8	-2.8	-2.7	-3.6	-2.9	-2.0	-2.0
Statistical differences (3-11) <sup>1</sup> .....	20	-3.1	32.5	31.8	23.4	30.2	27.7	48.6	48.7
Other items (4-12).....	21	0.9	0.8	0.7	0.9	1.0	0.8	0.7	0.9
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15).....	22	15.1	19.3	14.7	26.5	19.4	16.6	14.8	26.1
<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>-309.3</b>	<b>-358.2</b>	<b>-445.7</b>	<b>-443.8</b>	<b>-485.1</b>	<b>-497.5</b>

1. Consists of statistical revisions in the NIPA's that have not yet been incorporated into the ITA's (2003:1) and statistical revisions in the ITA's that have not yet been incorporated into the NIPA's (2001:1-2003:1).

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* (2002)

*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)>.]

The following SURVEY articles describe the upcoming comprehensive revision of the NIPAs.

"Preview of the Revised NIPA Estimates for 1997: Effects of Incorporating the 1997 Benchmark I-O Accounts

and Proposed Definitional and Statistical Changes" (January 2003)

"Preview of the 2003 Comprehensive Revision of the National Income and Product Accounts: Changes in Definitions and Classifications" (June 2003)

In addition, see the following articles.

"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) describes 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.

#### 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)>; look under "About BEA."

**Gross product by industry.** “Improved Estimates of Gross Product by Industry for 1947–98” (June 2000) describes the most recent comprehensive revision of these estimates.

“Gross Domestic Product by Industry for 1999–2001” (November 2002) describes the most recent annual revision of 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.

**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 2003 SURVEY.

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

The “Methodology for U.S. Direct Investment Abroad,” which is also available in *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results* (1998)

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

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

available in the February 1990 SURVEY

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

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

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

### Regional accounts

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

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

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

“State Personal Income: Revised Estimates for 1999–2001” (October 2002) presents the most recent annual revision of these estimates.

“Comprehensive Revision of Local Area Personal Income for 1969–98” (July 2000) summarizes the changes in the methodology that is used to prepare the estimates for counties and metropolitan areas. The detailed methodology is available on the CD-ROM *Regional Economic Information System, 1969–2001*.

“Local Area Personal Income, 1999–2001” (May 2003) presents the most recent annual revision of these estimates.

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

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