Update on BEA Activities

J. Steven Landefeld
Director
House and Senate Appropriations Sub-Committees both proposed full funding for BEA, including R&D and Health initiatives

- Currently under CR until March 2009; implications of House and Senate “marks” unclear

BEA program reductions moving forward

- Some Congressional and user concern about FDI and Regional reductions.

Nonmarket and near market goods

- Bills introduced by Senators’ Kennedy and Feingold
National Accounts

- FAQ’s in response to “current events” and press queries, critiques, and misunderstandings
- Improved documentation:
- International work:
  - High level forum on the future of the SNA
  - UN Working Groups on innovation, globalization, and integration
National Accounts

- Looking ahead:
  - Estimate improvements:
    - Comprehensive revision - July 2009
    - Flexible Revisions
  - Preparation of national-level production account as recommended by Secretary’s Advisory Committee on Innovation
International Accounts

- New data on affiliated services by type that provides totals of affiliated and unaffiliated trade by type of service.
- Improved coverage of trade in services through data sharing
- Published data from reconfigured surveys of trade in services - affiliated and unaffiliated foreign parties
- Continued interest by Congress in state trade in services
- International work:
  - IMF BOP Manual (BPM6) is final
  - UN Globalization work on remittances, MNC’s, and innovation
International Accounts

- Looking ahead:
  - Budget alignment:
    - Elimination of FDI “greenfield” investments survey
    - Reduction in detail in FDI data
  - Collection of annual data on foreign-owned banks
  - Implementation of the SNA, BPM6, and the OECD benchmark definition of foreign direct investment.
Industry Accounts

- Annual GDP by Industry Accounts, 2007
- Experimental work on balancing quarterly GDP by industry estimates
- BEA and BLS preparing reconciliation tables for industry output measures
- Flexible annual revisions, June Survey article
- Developing NAICs-based historical benchmark input-output tables
- Improved PCE statistics through better integration of Industry and National Accounts data

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Regional Accounts

- GDP by Metro Area - first regular release
- Collaborative work with IRS on regional and state data (SOI Bulletin, summer 2008)
- Pension and price related research: [http://www.bea.gov/papers/pdf](http://www.bea.gov/papers/pdf)
- Updated RIMS II multipliers released
Regional Accounts

- Looking Ahead:
  - Congressional expansions: accelerated county personal income
  - November *Survey* article on Regional Price Parities
  - Budget alignment:
    - Reductions in level of industry detail in regional data
Chief Statistician/Chief Economist

- **Chief Statistician:**
  - **Source data:**
    - Downward pattern of revisions in GDP: no clear pattern (varies across source data over time)
    - Further expansion of access to corporate tax data; Census-BLS-BEA data sharing

- **Research:**
  - CNSTAT volume on R&D and Innovation
  - Seasonal adjustment

- **Chief Economist:**
  - Health accounting
  - Blueprint for Innovation Account
  - Human capital
  - Econometrics Training
Chief Information Officer

- BEA one of the top-rated IT units on security by DOC’s Inspector General
- New core GDP processing system provides large reductions in processing time (hours to minutes)
- Dramatic increase in respondents’ use of BEA new electronic reporting system.
  - Over 60% electronic reporting this year compared to 30% two years ago.
Review of what we are thinking about:

- **New**: R&D, Innovation, Health, Energy, and Pensions
- New international guidelines: Incorporating SNA 2008, BPM6, etc.
- Extensions of existing accounts: New real measures, quarterly industry accounts, accelerated regional data, and further integration.
- Research on updating concepts and methods: offshoring, capital gains, and IIP changes?
- Infrastructure: Expanded coverage of services, improved sample frames, data sharing, expanded documentation and more efficient data collection, processing, estimation, and dissemination systems