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Survey of Current Business

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Special in this issue

6. A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts: Statistical Changes

The upcoming comprehensive revision of the NIPA's will feature a number of statistical changes that improve the estimates by using newly available source data or by introducing new methodologies. The major source data that will be incorporated include the 1992 benchmark input-output accounts, preliminary estimates from the 1996 annual update of these accounts, selected data from the 1997 economic censuses, and regular source data that would normally be incorporated in an annual revision of the NIPA's. In addition, methodological changes will be incorporated that make the income estimates more consistent with the product estimates, improve the estimates of State and local government taxes, provide a better measure of the real value of unpriced bank services, and improve the prices of a number of NIPA estimates.

Regular features

1. Business Situation

Real GDP increased 1.6 percent in the second quarter of 1999, according to the NIPA "final" estimate; the "preliminary" estimate issued last month had shown a 1.8-percent increase. The price index for gross domestic purchases increased 1.9 percent; the "preliminary" estimate had shown a 2.1-percent increase. Corporate profits decreased \$9.5 billion (revised), or 1.1 percent at a quarterly rate, in the second quarter after increasing \$47.1 billion, or 5.7 percent, in the first quarter.

20. U.S. International Transactions, Second Quarter 1999

The U.S. current-account deficit increased \$12.0 billion, to \$80.7 billion, in the second quarter of 1999; most of the increase was accounted for by a large increase in the deficit on goods. In the financial account, net recorded inflows surged \$43.2 billion, to \$116.9 billion; partly reflecting several very large acquisitions of U.S. companies by foreign companies, inflows for foreign-owned assets in the United States increased even more strongly than outflows for U.S.-owned assets abroad.

48. U.S. International Services: Cross-Border Trade in 1998 and Sales Through Affiliates in 1997

In 1998, U.S. cross-border exports of private services increased 2 percent to \$245.7 billion, and U.S. cross-border imports of private services increased 8 percent to \$165.3 billion; as a result, the U.S. surplus on cross-border trade in services decreased to \$80.4 billion from \$88.0 billion. In 1997, sales of services abroad by foreign affiliates of U.S. companies again substantially exceeded sales of services in the United States by U.S. affiliates of foreign companies: Sales by foreign affiliates were \$258.3 billion, up 16 percent from 1996, while sales by U.S. affiliates were \$205.5 billion, up 22 percent. About half of the increase in sales by U.S. affiliates was attributable to the use of new definitions of sales of services that are based on the North American Industry Classification System.

Reports and statistical presentations

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

96. 2000 Release Dates for BEA Estimates

D-1. BEA Current and Historical Data

LOOKING AHEAD

Revision of the National Income and Product Accounts. The upcoming comprehensive, or benchmark, revision of the NIPA's is scheduled for initial release on October 28, 1999. The November SURVEY will provide a first look at the revised estimates. The December SURVEY will include an article that describes the comprehensive revision in detail and an extensive set of NIPA tables that present the revised estimates. (See also the August and September issues and this issue for articles that preview the comprehensive revision.)

BUSINESS SITUATION

Ralph W. Morris prepared the first section of this article, and Daniel Larkins prepared the section on corporate profits.

REAL GROSS domestic product (GDP) increased 1.6 percent in the second quarter of 1999, according to the "final" estimates of the national income and product accounts (NIPAs), after increasing 4.3 percent in the first quarter (table 1 and chart 1).¹ The general picture of the economy that is indicated by the final estimates is little changed from that shown by the preliminary estimates. The slowdown in real

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

Real estimates are calculated using a chain-type Fisher formula with annual weights for all years and quarters except those for the most recent year, which are calculated using quarterly weights; real estimates are expressed both as index numbers (1992=100) and as chained (1992) dollars. Price indexes (1992=100) are also calculated using a chain-type Fisher formula.

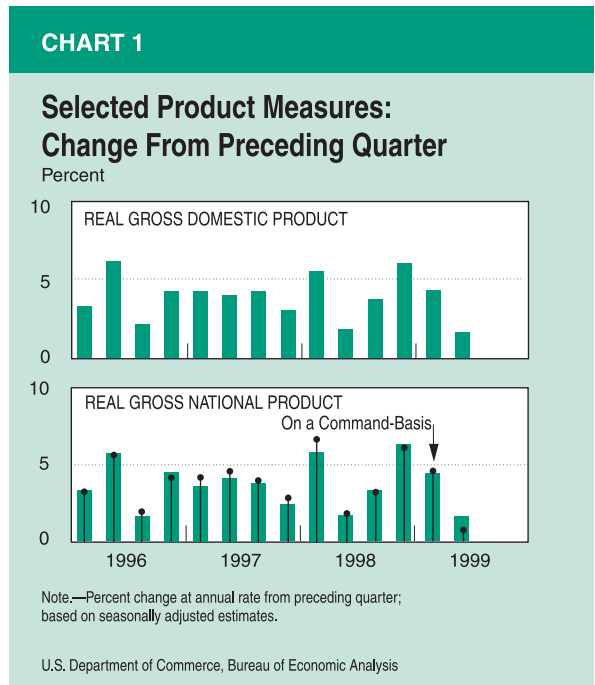


Table 1.—Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level		Change from preceding quarter			1998		1999	
	1999	1998	1999		III	IV	I	II	
	II	III	IV	I					II
Gross domestic product	7,790.6	67.9	111.2	81.9	31.0	3.7	6.0	4.3	1.6
Less: Exports of goods and services	1,008.5	-6.8	44.3	-13.1	12.0	-2.8	19.7	-5.1	4.9
Plus: Imports of goods and services	1,346.6	7.0	35.3	40.5	46.5	2.3	12.0	13.5	15.1
Equals: Gross domestic purchases	8,085.8	80.2	102.5	126.5	58.0	4.2	5.4	6.6	2.9
Less: Change in business inventories	7.4	17.5	-11.5	-5.5	-31.3				
Nonfarm	5.0	17.1	-9.5	-2.4	-30.1				
Farm	2.6	.4	-1.9	-3.6	-1.0				
Equals: Final sales to domestic purchasers	8,069.2	63.4	112.7	131.1	85.6	3.3	6.0	6.8	4.4
Personal consumption expenditures	5,394.8	51.6	64.2	85.9	62.9	4.1	5.0	6.7	4.8
Durable goods	817.5	4.3	41.3	23.9	18.6	2.4	24.5	12.9	9.7
Nondurable goods	1,612.1	8.2	16.0	35.8	11.2	2.1	4.2	9.5	2.8
Services	2,981.2	38.0	12.4	29.6	34.4	5.4	1.7	4.1	4.7
Gross private domestic fixed investment	1,375.6	6.8	40.1	33.0	31.6	2.2	13.2	10.5	9.7
Nonresidential fixed investment	1,038.5	-1.7	33.2	20.3	26.3	-7	14.6	8.5	10.8
Structures	207.3	.1	3.0	2.8	-5	-2	6.0	5.7	-1.0
Producers' durable equipment	849.5	-2.0	32.2	18.3	29.7	-1.0	17.8	9.5	15.3
Residential investment	341.8	7.4	7.6	11.8	5.9	9.9	10.0	15.4	7.1
Government consumption expenditures and gross investment	1,317.5	4.8	10.7	13.6	-6.4	1.5	3.3	4.2	-1.9
Federal	454.2	-1.6	8.1	-2.2	-4.2	-1.4	7.3	-1.9	-3.6
National defense	296.8	3.2	1.1	-5.2	-2.6	4.3	1.3	-6.6	-3.5
Nondefense	156.5	-4.5	6.8	2.8	-1.5	-11.5	19.8	7.4	-3.8
State and local	863.5	6.4	2.7	15.8	-2.3	3.1	1.3	7.7	-1.1
Addendum: Final sales of domestic product	7,773.6	51.2	121.3	86.5	58.2	2.8	6.6	4.6	3.1

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates usually are not additive. Chained (1992) dollar levels and residuals, which measure the extent of nonadditivity in each table, are in NIPA tables 1.2, 1.4, and 1.6. Percent changes are calculated from unrounded data. Percent changes in major aggregates are in NIPA table 8.1. (See "Selected NIPA Tables," which begin on page D-2 of this issue.)

Table 2.—Contributions to Percent Change in Real Gross Domestic Product

[Seasonally adjusted at annual rates]

	1998		1999	
	III	IV	I	II
Percent change at annual rate:				
Gross domestic product	3.7	6.0	4.3	1.6
Percentage points at annual rates:				
Personal consumption expenditures	2.78	3.48	4.56	3.26
Durable goods .....	.20	1.90	1.09	.81
Nondurable goods .....	.42	.84	1.77	.56
Services	2.15	.74	1.70	1.88
Gross private domestic investment	1.22	1.42	1.31	.06
Fixed investment .....	.33	1.95	1.58	1.47
Nonresidential	-0.8	1.52	.91	1.15
Structures .....	.01	.17	.15	-0.03
Producers' durable equipment	-0.9	1.35	.76	1.18
Residential .....	.41	.43	.66	.32
Change in business inventories .....	.89	-5.3	-2.7	-1.41
Net exports of goods and services	-6.2	.52	-2.23	-1.36
Exports	-3.2	2.02	-5.8	.53
Goods .....	.04	1.76	-6.8	.40
Services	-3.6	.26	.10	.13
Imports	-3.0	-1.50	-1.65	-1.89
Goods	-3.2	-1.46	-1.42	-1.74
Services .....	.01	-0.4	-2.3	-1.15
Government consumption expenditures and gross investment .....	.27	.60	.70	-.34
Federal	-0.9	.44	-0.28	-.22
National defense .....	.17	.06	-.03	-.14
Nondefense	-.26	.38	.14	-.08
State and local .....	.35	.16	.78	-.12

NOTE.—NIPA table 8.2 also shows contributions for 1998:I and 1998:II.

GDP mainly reflected a deceleration in consumer spending, a larger decrease in inventory investment, and a downturn in government spending; these changes were partly offset by an upturn in exports.

The largest contributors to the second-quarter increase in real GDP were consumer spending, private investment in equipment, and exports (table 2). The increase in GDP was moderated by an increase in imports, which are subtracted in the calculation of GDP, and by a decrease in inventory investment.

Table 3.—Revisions to Change in Real Gross Domestic Product and Prices, Second Quarter 1999

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Final estimate minus preliminary estimate		
	Preliminary estimate	Final estimate	Percentage points	Billions of chained (1992) dollars	Contribution to percent change in real GDP
Gross domestic product	1.8	1.6	-0.2	-3.7	.....
<i>Less:</i> Exports of goods and services	4.3	4.9	.6	1.4	.07
Goods	4.8	5.3	.5	.8	.03
Services	3.1	4.0	.9	.6	.03
<i>Plus:</i> Imports of goods and services	14.4	15.1	.7	2.1	-.08
Goods	16.9	16.6	-.3	-.6	.03
Services	1.9	7.2	5.3	2.3	-.11
Equals: Gross domestic purchases	3.1	2.9	-2	-3.4	.....
<i>Less:</i> Change in business inventories .....	.....	.....	.....	-4.7	-.22
Nonfarm .....	.....	.....	.....	-3	.....
Farm .....	.....	.....	.....	-4.4	.....
Equals: Final sales to domestic purchasers	4.3	4.4	.1	.9	.....
Personal consumption expenditures	4.6	4.8	.2	3.0	.17
Durable goods	9.5	9.7	.2	.3	.01
Nondurable goods	2.9	2.8	-.1	-.5	-.02
Services	4.3	4.7	.4	3.0	.16
Private fixed investment	10.1	9.7	-.4	-1.3	-.06
Nonresidential	11.2	10.8	-.4	-.9	-.03
Structures	-1.2	-1.0	.2	.1	0
Producers' durable equipment	15.9	15.3	-.6	-1.1	-.04
Residential	7.7	7.1	-.6	-.4	-.03
Government consumption expenditures and gross investment	-1.7	-1.9	-.2	-.9	-.05
Federal	-3.5	-3.6	-.1	-.2	-.01
National defense	-3.4	-3.5	-.1	0	0
Nondefense	-3.5	-3.8	-.3	-.1	0
State and local	-7	-1.1	-.4	-.8	-.04
Addenda:					
Final sales of domestic product	3.0	3.1	.1	.4	.....
Gross national product	1.5	1.6	.1	2.2	.....
Gross domestic purchases price index	2.1	1.9	-.2	.....	.....
GDP price index	1.5	1.3	-.2	.....	.....

NOTE.—The final estimates for the second quarter of 1999 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 June, bank service charges for the quarter, residential gas usage for April, and electricity usage for May.

Nonresidential fixed investment: Revised construction put in place for May and June and revised manufacturers' shipments of machinery and equipment for June.

Residential fixed investment: Revised construction put in place for May and June.

Change in business inventories: Revised manufacturing and trade inventories for June and mining inventories for the quarter.

Exports and imports of goods and services: Revised data on exports and imports of goods for June and revised balance-of-payments data on exports and imports of services for the quarter.

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

Wages and salaries: Revised employment, average hourly earnings, and average weekly hours for the April through June.

GDP prices: Revised export and import prices for April through June, revised values and quantities of petroleum imports for June, and revised prices of single-family homes under construction for the quarter.

The "final" estimate of the change in real GDP is 0.2 percentage point less than the 1.8-percent increase indicated by the "preliminary" estimate reported in the September "Business Situation" (table 3). For 1978–98, the average revision—without regard to sign—from the preliminary estimate to the final estimate is 0.3 percentage point. The downward revision to real GDP reflected a downward revision to inventory investment and an upward revision to imports of services; these revisions were partly offset by an upward revision to consumer spending for services. In inventory investment, much of the downward revision reflected the incorporation of revised and newly available Census Bureau data on manufacturing and mining inventories. In imports, the upward revision reflected the incorporation of revised quarterly data from BEA's international transactions accounts. In consumer spending on services, the upward revision reflected the incorporation of newly available data on bank service charges for the quarter from the Federal Deposit Insurance Corporation and newly available data on residential electricity usage for May from the Energy Information Administration.

Real gross domestic purchases increased 2.9 percent, 0.2 percentage point less than the preliminary estimate; in the first quarter, this measure increased 6.6 percent.² Real final sales of domestic product increased 3.1 percent, 0.1 percentage point more than the preliminary estimate; in the first quarter, this measure increased 4.6 percent.³

The price index for gross domestic purchases increased 1.9 percent, 0.2 percentage point less than the preliminary estimate; in the first quarter, the index increased 1.2 percent. The price index for GDP increased 1.3 percent, also 0.2 percentage point less than the preliminary estimate; in the first quarter, the index increased 1.6 percent. The price index for gross domestic purchases increased more than the price index for GDP in the second quarter as a result of a sharp upturn in import prices (which are not included in GDP prices). The downward revisions to second-quarter prices mainly reflected revised prices of personal consumption expenditures (PCE) for services.

2. Gross domestic purchases—a measure of purchases by U.S. residents regardless of where the purchased goods and services were produced—is calculated as GDP less exports of goods and services plus imports of goods and services; it may also be calculated as the sum of personal consumption expenditures, private fixed investment, change in business inventories, and government consumption expenditures and gross investment.

3. Final sales of domestic product is calculated as GDP less change in business inventories.

Real disposable personal income (DPI) increased 2.6 percent, 0.2 percentage point more than the preliminary estimate. The upward revision to real DPI reflected the downward revision to PCE prices, which are used to deflate current-dollar DPI. Current-dollar DPI increased 4.8 percent, 0.1 percentage point less than the preliminary estimate. Personal income was revised down slightly.

The personal saving rate—personal saving as a percentage of current-dollar DPI—was a negative 1.3 percent, the same as the preliminary estimate; in the first quarter, the rate was a negative 0.7 percent.⁴

Gross national product (GNP).—In the second quarter, real GNP—goods and services produced by labor and property supplied by U.S. residents—increased 1.6 percent, the same as real GDP (chart 1 and table 4).⁵ Income receipts from the rest of the world and income payments to the rest of the world increased about the same amount; both increases were mostly accounted for by corporate profits. Real GNP on a command basis, which measures the purchasing power of goods and services produced by the U.S. economy, increased less than real GNP—1.0 percent, compared with 1.6 percent—reflecting a

deterioration in the terms of trade.⁶ In the first quarter, real GNP on a command basis increased more than real GNP—4.7 percent, compared with 4.4 percent—reflecting an improvement in the terms of trade.

Corporate Profits

According to revised estimates, profits from current production decreased \$9.5 billion (or 1.1 percent at a quarterly rate) in the second quarter after increasing \$47.1 billion (5.7 percent) in the first (table 5).⁷ Profits of domestic financial corporations decreased \$7.7 billion (5.4 percent) after increasing \$13.4 billion (10.3 percent). Profits of domestic nonfinancial corporations decreased \$0.5 billion (0.1 percent) after increasing \$29.0 billion (4.9 percent); in the second quarter, unit

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

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

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.

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

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

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 (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1998		1999	
	1999	1998		1999		III	IV	I	II
	II	III	IV	I	II				
Gross domestic product	7,790.6	67.9	111.2	81.9	31.0	3.7	6.0	4.3	1.6
Plus: Receipts of factor income from the rest of the world	252.2	-5.3	4.7	2.4	9.4	-8.5	8.1	4.2	16.4
Less: Payments of factor income to the rest of the world	264.3	1.8	-7	1.4	9.0	2.9	-1.1	2.2	14.9
Equals: Gross national product	7,777.4	60.8	116.6	83.0	31.1	3.3	6.3	4.4	1.6
Less: Exports of goods and services and receipts of factor income from the rest of the world	1,261.6	-12.6	48.1	-9.8	22.2	-4.1	17.0	-3.1	7.4
Plus: Command-basis exports of goods and services and receipts of factor income	1,332.3	-8.3	49.1	-3.4	11.5	-2.5	16.3	-1.0	3.5
Equals: Command-basis gross national product	7,848.1	65.1	117.5	89.5	20.4	3.5	6.3	4.7	1.0
Addendum: Terms of trade ¹	105.6	.5	-2	.6	-1.0	1.9	-8	2.3	-3.7

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

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

profits decreased, reflecting a smaller increase in unit prices than in unit costs. Profits from the rest of the world decreased \$1.2 billion (1.2 percent) after increasing \$4.6 billion (4.7 percent); the downturn was largely accounted for by a slowdown in receipts of earnings from foreign affiliates.⁸

The revised estimate of profits from current production is \$0.3 billion lower than the preliminary estimate. A downward revision to profits of domestic financial industries (\$4.7 billion) was largely offset by upward revisions to profits of domestic nonfinancial industries (\$3.3 billion) and profits from the rest of the world (\$1.0 billion).

Cash flow from current production, a profits-related measure of internally generated funds available for investment, decreased \$13.2 billion

after increasing \$34.7 billion.⁹ The ratio of cash flow to nonresidential fixed investment, an indicator of the share of the current level of investment that could be financed by internally generated funds, decreased from 87.1 percent to 83.9 percent, its lowest level since 1990; its average level for 1990–98 was 89.9 percent.

Domestic industry profits and related measures.— Domestic industry profits decreased \$12.4 billion after increasing \$38.1 billion.¹⁰ (The first-quarter increase had partly represented a rebound from a fourth quarter in which profits were depressed by payments by tobacco companies to States under the terms of various settlement agreements.)

Profits of domestic financial corporations decreased \$8.0 billion after increasing \$13.2 billion. About two-thirds of the downturn was accounted for by commercial banks.

8. 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.

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

10. Domestic industry profits are estimated as the sum of corporate profits before tax and the inventory valuation adjustment; they are shown in NIPA table 6.16C (on page D-16 of this issue). Estimates of the capital consumption adjustment do not exist at a detailed industry level; they are available only for total financial and total nonfinancial industries.

Table 5.—Corporate Profits


[Seasonally adjusted]

	Billions of dollars (annual rate)					Percent change (quarterly rate)			
	Level	Change from preceding quarter				1998		1999	
	1999	1998		1999		III	IV	I	II
	II	III	IV	I	II				
Profits from current production	859.3	6.4	-5.3	47.1	-9.5	0.8	-0.6	5.7	-1.1
Domestic industries	759.1	13.7	-12.1	42.5	-8.3	1.9	-1.6	5.9	-1.1
Financial	135.8	-6	.6	13.4	-7.7	-4	.5	10.3	-5.4
Nonfinancial	623.3	14.3	-12.7	29.0	-5	2.4	-2.1	4.9	-1
Rest of the world	100.2	-7.4	6.9	4.6	-1.2	-7.6	7.6	4.7	-1.2
Receipts (inflows)	168.3	-5.5	10.1	10.9	6.8	-3.8	7.2	7.2	4.3
Payments (outflows)	68.1	1.8	3.3	6.3	8.0	3.9	6.4	11.7	13.4
IVA	-17.4	3.9	1.7	-1.8	-29.0				
CCAAdj	108.7	5.4	5.4	4.4	4.1				
Profits before tax	768.0	-3.0	-12.4	44.5	15.4	-4	-1.7	6.3	2.0
Profits tax liability	257.0	1.6	-7.6	15.1	6.3	.6	-3.1	6.4	2.5
Profits after tax	511.0	-4.5	-4.8	29.4	9.1	-1.0	-1.0	6.2	1.8
Cash flow from current production	834.3	9.2	4.9	34.7	-13.2	1.2	.6	4.3	-1.6
Domestic industry profits:									
Corporate profits of domestic industries with IVA	650.4	8.3	-17.5	38.1	-12.4	1.3	-2.7	6.1	-1.9
Financial	138.2	-1.2	-2	13.2	-8.0	-9	-1	9.9	-5.5
Nonfinancial	512.2	9.5	-17.3	24.9	-4.4	1.9	-3.4	5.1	-9
Manufacturing	197.3	.4	-10.5	11.0	1.8	.2	-5.4	6.0	.9
Transportation and public utilities	89.8	5.2	-3.0	4.4	-4.3	6.0	-3.2	4.9	-4.6
Wholesale trade	50.0	.4	-7.6	3.7	0	.7	-14.1	7.9	.1
Retail trade	72.2	-3	-3	6.2	-8	-4	-6	9.4	-1.2
Other	102.9	3.7	4.2	-5	-1.0	3.9	4.2	-5	-1.0
			Dollars						
Unit price, costs, and profits of nonfinancial corporations:									
Unit price	1.064	0.001	-0.002	0.001	0.003				
Unit labor cost .....	.704	0	.001	0	.004				
Unit nonlabor cost .....	.225	-0.001	.003	-0.004	.001				
Unit profits from current production .....	.136	.002	-0.005	.004	-0.001				

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

Profits of domestic nonfinancial corporations decreased \$4.4 billion after increasing \$24.9 billion. Manufacturing profits increased substantially less than in the first quarter; the biggest contributors to the slowdown were food and chemicals. Profits in the transportation and utilities group turned down, as communications profits increased less than in the first quarter, and utilities profits decreased after increasing. In trade, profits of wholesalers were flat after increasing, and profits of retailers dipped a little after increasing. Profits of "other" nonfinancial corporations decreased somewhat more than in the first quarter.

Profits before tax (PBT) increased \$15.4 billion after increasing \$44.5 billion. The difference between the \$15.4 billion increase in PBT and the \$9.5 billion decrease in profits from current pro-

duction mainly reflected a sharp decrease in the inventory valuation adjustment (IVA), which removes inventory profits and losses from business income.¹¹ In the second quarter, inventory profits amounted to \$17.4 billion; in the first quarter, inventory losses had been \$11.6 billion. A sharp upswing in energy prices was mainly responsible for the swing from inventory losses to profits; the companies that were most affected were in petroleum extraction and refining, in "other" retail, and in transportation. 

11. As prices change, companies that value inventory withdrawals at original acquisition (historical) costs may realize inventory profits or losses. Inventory profits—a capital-gains-like element in profits—result from an increase in inventory prices, and inventory losses—a capital-loss-like element in profits—result from a decrease in inventory prices. In the NIPA's, inventory profits or losses are removed from business incomes by the IVA; a negative IVA removes inventory profits, and a positive IVA removes inventory losses.

B U S I N E S S S I T U A T I O N

Ralph W. Morris prepared the first section of this article, and Daniel Larkins prepared the section on corporate profits.

REAL GROSS domestic product (GDP) increased 1.6 percent in the second quarter of 1999, according to the "final" estimates of the national income and product accounts (NIPAs), after increasing 4.3 percent in the first quarter (table 1 and chart 1).¹ The general picture of the economy that is indicated by the final estimates is little changed from that shown by the preliminary estimates. The slowdown in real

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

Real estimates are calculated using a chain-type Fisher formula with annual weights for all years and quarters except those for the most recent year, which are calculated using quarterly weights; real estimates are expressed both as index numbers (1992=100) and as chained (1992) dollars. Price indexes (1992=100) are also calculated using a chain-type Fisher formula.

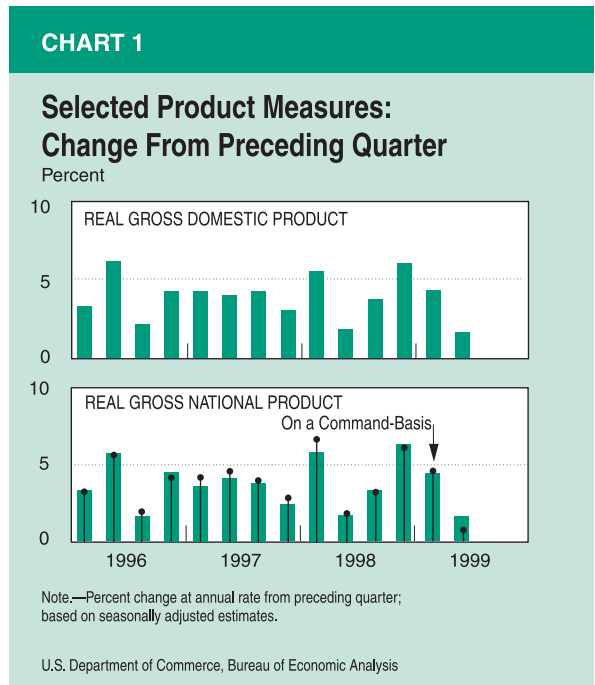


Table 1.—Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level		Change from preceding quarter			1998		1999	
	1999	1998	1999		III	IV	I	II	
	II	III	IV	I					II
Gross domestic product	7,790.6	67.9	111.2	81.9	31.0	3.7	6.0	4.3	1.6
Less: Exports of goods and services	1,008.5	-6.8	44.3	-13.1	12.0	-2.8	19.7	-5.1	4.9
Plus: Imports of goods and services	1,346.6	7.0	35.3	40.5	46.5	2.3	12.0	13.5	15.1
Equals: Gross domestic purchases	8,085.8	80.2	102.5	126.5	58.0	4.2	5.4	6.6	2.9
Less: Change in business inventories	7.4	17.5	-11.5	-5.5	-31.3				
Nonfarm	5.0	17.1	-9.5	-2.4	-30.1				
Farm	2.6	.4	-1.9	-3.6	-1.0				
Equals: Final sales to domestic purchasers	8,069.2	63.4	112.7	131.1	85.6	3.3	6.0	6.8	4.4
Personal consumption expenditures	5,394.8	51.6	64.2	85.9	62.9	4.1	5.0	6.7	4.8
Durable goods	817.5	4.3	41.3	23.9	18.6	2.4	24.5	12.9	9.7
Nondurable goods	1,612.1	8.2	16.0	35.8	11.2	2.1	4.2	9.5	2.8
Services	2,981.2	38.0	12.4	29.6	34.4	5.4	1.7	4.1	4.7
Gross private domestic fixed investment	1,375.6	6.8	40.1	33.0	31.6	2.2	13.2	10.5	9.7
Nonresidential fixed investment	1,038.5	-1.7	33.2	20.3	26.3	-7	14.6	8.5	10.8
Structures	207.3	.1	3.0	2.8	-5	-2	6.0	5.7	-1.0
Producers' durable equipment	849.5	-2.0	32.2	18.3	29.7	-1.0	17.8	9.5	15.3
Residential investment	341.8	7.4	7.6	11.8	5.9	9.9	10.0	15.4	7.1
Government consumption expenditures and gross investment	1,317.5	4.8	10.7	13.6	-6.4	1.5	3.3	4.2	-1.9
Federal	454.2	-1.6	8.1	-2.2	-4.2	-1.4	7.3	-1.9	-3.6
National defense	296.8	3.2	1.1	-5.2	-2.6	4.3	1.3	-6.6	-3.5
Nondefense	156.5	-4.5	6.8	2.8	-1.5	-11.5	19.8	7.4	-3.8
State and local	863.5	6.4	2.7	15.8	-2.3	3.1	1.3	7.7	-1.1
Addendum: Final sales of domestic product	7,773.6	51.2	121.3	86.5	58.2	2.8	6.6	4.6	3.1

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates usually are not additive. Chained (1992) dollar levels and residuals, which measure the extent of nonadditivity in each table, are in NIPA tables 1.2, 1.4, and 1.6. Percent changes are calculated from unrounded data. Percent changes in major aggregates are in NIPA table 8.1. (See "Selected NIPA Tables," which begin on page D-2 of this issue.)

Table 2.—Contributions to Percent Change in Real Gross Domestic Product

[Seasonally adjusted at annual rates]

	1998		1999	
	III	IV	I	II
Percent change at annual rate:				
Gross domestic product	3.7	6.0	4.3	1.6
Percentage points at annual rates:				
Personal consumption expenditures	2.78	3.48	4.56	3.26
Durable goods .....	.20	1.90	1.09	.81
Nondurable goods .....	.42	.84	1.77	.56
Services	2.15	.74	1.70	1.88
Gross private domestic investment	1.22	1.42	1.31	.06
Fixed investment .....	.33	1.95	1.58	1.47
Nonresidential	-0.8	1.52	.91	1.15
Structures .....	.01	.17	.15	-0.03
Producers' durable equipment	-0.9	1.35	.76	1.18
Residential .....	.41	.43	.66	.32
Change in business inventories .....	.89	-5.3	-2.7	-1.41
Net exports of goods and services	-6.2	.52	-2.23	-1.36
Exports	-3.2	2.02	-5.8	.53
Goods .....	.04	1.76	-6.8	.40
Services	-3.6	.26	.10	.13
Imports	-3.0	-1.50	-1.65	-1.89
Goods	-3.2	-1.46	-1.42	-1.74
Services .....	.01	-0.4	-2.3	-1.15
Government consumption expenditures and gross investment .....	.27	.60	.70	-.34
Federal	-0.9	.44	-0.28	-.22
National defense .....	.17	.06	-.03	-.14
Nondefense	-.26	.38	.14	-.08
State and local .....	.35	.16	.78	-.12

NOTE.—NIPA table 8.2 also shows contributions for 1998:I and 1998:II.

GDP mainly reflected a deceleration in consumer spending, a larger decrease in inventory investment, and a downturn in government spending; these changes were partly offset by an upturn in exports.

The largest contributors to the second-quarter increase in real GDP were consumer spending, private investment in equipment, and exports (table 2). The increase in GDP was moderated by an increase in imports, which are subtracted in the calculation of GDP, and by a decrease in inventory investment.

Table 3.—Revisions to Change in Real Gross Domestic Product and Prices, Second Quarter 1999

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Final estimate minus preliminary estimate		
	Preliminary estimate	Final estimate	Percentage points	Billions of chained (1992) dollars	Contribution to percent change in real GDP
Gross domestic product	1.8	1.6	-0.2	-3.7	.....
<i>Less:</i> Exports of goods and services	4.3	4.9	.6	1.4	.07
Goods	4.8	5.3	.5	.8	.03
Services	3.1	4.0	.9	.6	.03
<i>Plus:</i> Imports of goods and services	14.4	15.1	.7	2.1	-.08
Goods	16.9	16.6	-.3	-.6	.03
Services	1.9	7.2	5.3	2.3	-.11
Equals: Gross domestic purchases	3.1	2.9	-2	-3.4	.....
<i>Less:</i> Change in business inventories .....	.....	.....	.....	-4.7	-.22
Nonfarm .....	.....	.....	.....	-3	.....
Farm .....	.....	.....	.....	-4.4	.....
Equals: Final sales to domestic purchasers	4.3	4.4	.1	.9	.....
Personal consumption expenditures	4.6	4.8	.2	3.0	.17
Durable goods	9.5	9.7	.2	.3	.01
Nondurable goods	2.9	2.8	-.1	-.5	-.02
Services	4.3	4.7	.4	3.0	.16
Private fixed investment	10.1	9.7	-.4	-1.3	-.06
Nonresidential	11.2	10.8	-.4	-.9	-.03
Structures	-1.2	-1.0	.2	.1	0
Producers' durable equipment	15.9	15.3	-.6	-1.1	-.04
Residential	7.7	7.1	-.6	-.4	-.03
Government consumption expenditures and gross investment	-1.7	-1.9	-.2	-.9	-.05
Federal	-3.5	-3.6	-.1	-.2	-.01
National defense	-3.4	-3.5	-.1	0	0
Nondefense	-3.5	-3.8	-.3	-.1	0
State and local	-7	-1.1	-.4	-.8	-.04
Addenda:					
Final sales of domestic product	3.0	3.1	.1	.4	.....
Gross national product	1.5	1.6	.1	2.2	.....
Gross domestic purchases price index	2.1	1.9	-.2	.....	.....
GDP price index	1.5	1.3	-.2	.....	.....

NOTE.—The final estimates for the second quarter of 1999 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 June, bank service charges for the quarter, residential gas usage for April, and electricity usage for May.

Nonresidential fixed investment: Revised construction put in place for May and June and revised manufacturers' shipments of machinery and equipment for June.

Residential fixed investment: Revised construction put in place for May and June.

Change in business inventories: Revised manufacturing and trade inventories for June and mining inventories for the quarter.

Exports and imports of goods and services: Revised data on exports and imports of goods for June and revised balance-of-payments data on exports and imports of services for the quarter.

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

Wages and salaries: Revised employment, average hourly earnings, and average weekly hours for the April through June.

GDP prices: Revised export and import prices for April through June, revised values and quantities of petroleum imports for June, and revised prices of single-family homes under construction for the quarter.

The "final" estimate of the change in real GDP is 0.2 percentage point less than the 1.8-percent increase indicated by the "preliminary" estimate reported in the September "Business Situation" (table 3). For 1978–98, the average revision—without regard to sign—from the preliminary estimate to the final estimate is 0.3 percentage point. The downward revision to real GDP reflected a downward revision to inventory investment and an upward revision to imports of services; these revisions were partly offset by an upward revision to consumer spending for services. In inventory investment, much of the downward revision reflected the incorporation of revised and newly available Census Bureau data on manufacturing and mining inventories. In imports, the upward revision reflected the incorporation of revised quarterly data from BEA's international transactions accounts. In consumer spending on services, the upward revision reflected the incorporation of newly available data on bank service charges for the quarter from the Federal Deposit Insurance Corporation and newly available data on residential electricity usage for May from the Energy Information Administration.

Real gross domestic purchases increased 2.9 percent, 0.2 percentage point less than the preliminary estimate; in the first quarter, this measure increased 6.6 percent.² Real final sales of domestic product increased 3.1 percent, 0.1 percentage point more than the preliminary estimate; in the first quarter, this measure increased 4.6 percent.³

The price index for gross domestic purchases increased 1.9 percent, 0.2 percentage point less than the preliminary estimate; in the first quarter, the index increased 1.2 percent. The price index for GDP increased 1.3 percent, also 0.2 percentage point less than the preliminary estimate; in the first quarter, the index increased 1.6 percent. The price index for gross domestic purchases increased more than the price index for GDP in the second quarter as a result of a sharp upturn in import prices (which are not included in GDP prices). The downward revisions to second-quarter prices mainly reflected revised prices of personal consumption expenditures (PCE) for services.

2. Gross domestic purchases—a measure of purchases by U.S. residents regardless of where the purchased goods and services were produced—is calculated as GDP less exports of goods and services plus imports of goods and services; it may also be calculated as the sum of personal consumption expenditures, private fixed investment, change in business inventories, and government consumption expenditures and gross investment.

3. Final sales of domestic product is calculated as GDP less change in business inventories.

Real disposable personal income (DPI) increased 2.6 percent, 0.2 percentage point more than the preliminary estimate. The upward revision to real DPI reflected the downward revision to PCE prices, which are used to deflate current-dollar DPI. Current-dollar DPI increased 4.8 percent, 0.1 percentage point less than the preliminary estimate. Personal income was revised down slightly.

The personal saving rate—personal saving as a percentage of current-dollar DPI—was a negative 1.3 percent, the same as the preliminary estimate; in the first quarter, the rate was a negative 0.7 percent.⁴

Gross national product (GNP).—In the second quarter, real GNP—goods and services produced by labor and property supplied by U.S. residents—increased 1.6 percent, the same as real GDP (chart 1 and table 4).⁵ Income receipts from the rest of the world and income payments to the rest of the world increased about the same amount; both increases were mostly accounted for by corporate profits. Real GNP on a command basis, which measures the purchasing power of goods and services produced by the U.S. economy, increased less than real GNP—1.0 percent, compared with 1.6 percent—reflecting a

deterioration in the terms of trade.⁶ In the first quarter, real GNP on a command basis increased more than real GNP—4.7 percent, compared with 4.4 percent—reflecting an improvement in the terms of trade.

Corporate Profits

According to revised estimates, profits from current production decreased \$9.5 billion (or 1.1 percent at a quarterly rate) in the second quarter after increasing \$47.1 billion (5.7 percent) in the first (table 5).⁷ Profits of domestic financial corporations decreased \$7.7 billion (5.4 percent) after increasing \$13.4 billion (10.3 percent). Profits of domestic nonfinancial corporations decreased \$0.5 billion (0.1 percent) after increasing \$29.0 billion (4.9 percent); in the second quarter, unit

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

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

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.

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

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

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 (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1998		1999	
	1999	1998		1999		III	IV	I	II
	II	III	IV	I	II				
Gross domestic product	7,790.6	67.9	111.2	81.9	31.0	3.7	6.0	4.3	1.6
Plus: Receipts of factor income from the rest of the world	252.2	-5.3	4.7	2.4	9.4	-8.5	8.1	4.2	16.4
Less: Payments of factor income to the rest of the world	264.3	1.8	-7	1.4	9.0	2.9	-1.1	2.2	14.9
Equals: Gross national product	7,777.4	60.8	116.6	83.0	31.1	3.3	6.3	4.4	1.6
Less: Exports of goods and services and receipts of factor income from the rest of the world	1,261.6	-12.6	48.1	-9.8	22.2	-4.1	17.0	-3.1	7.4
Plus: Command-basis exports of goods and services and receipts of factor income	1,332.3	-8.3	49.1	-3.4	11.5	-2.5	16.3	-1.0	3.5
Equals: Command-basis gross national product	7,848.1	65.1	117.5	89.5	20.4	3.5	6.3	4.7	1.0
Addendum: Terms of trade ¹	105.6	.5	-2	.6	-1.0	1.9	-8	2.3	-3.7

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

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

Profits of domestic nonfinancial corporations decreased \$4.4 billion after increasing \$24.9 billion. Manufacturing profits increased substantially less than in the first quarter; the biggest contributors to the slowdown were food and chemicals. Profits in the transportation and utilities group turned down, as communications profits increased less than in the first quarter, and utilities profits decreased after increasing. In trade, profits of wholesalers were flat after increasing, and profits of retailers dipped a little after increasing. Profits of "other" nonfinancial corporations decreased somewhat more than in the first quarter.

Profits before tax (PBT) increased \$15.4 billion after increasing \$44.5 billion. The difference between the \$15.4 billion increase in PBT and the \$9.5 billion decrease in profits from current pro-

duction mainly reflected a sharp decrease in the inventory valuation adjustment (IVA), which removes inventory profits and losses from business income.¹¹ In the second quarter, inventory profits amounted to \$17.4 billion; in the first quarter, inventory losses had been \$11.6 billion. A sharp upswing in energy prices was mainly responsible for the swing from inventory losses to profits; the companies that were most affected were in petroleum extraction and refining, in "other" retail, and in transportation. 

11. As prices change, companies that value inventory withdrawals at original acquisition (historical) costs may realize inventory profits or losses. Inventory profits—a capital-gains-like element in profits—result from an increase in inventory prices, and inventory losses—a capital-loss-like element in profits—result from a decrease in inventory prices. In the NIPA's, inventory profits or losses are removed from business incomes by the IVA; a negative IVA removes inventory profits, and a positive IVA removes inventory losses.

A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts

Statistical Changes

By Brent R. Moulton and Eugene P. Seskin

ON OCTOBER 28, 1999, the Bureau of Economic Analysis (BEA) will release the initial results of a comprehensive, or benchmark, revision of the national income and product accounts (NIPA's). This revision is the 11th of its kind; the last such revision was released in January 1996.

Comprehensive revisions differ from annual NIPA revisions because of the scope of the changes and because of the number of years subject to revision. Comprehensive revisions incorporate three major types of improvements: (1) Definitional and classificational changes that update the accounts to more accurately portray the evolving U.S. economy, (2) statistical changes that update the accounts to reflect the introduction of new and improved methodologies and the incorporation of newly available and revised source data, and (3) presentational changes that update the NIPA tables to reflect the definitional, classificational, and statistical changes and to make the tables more informative.

This article, which describes the statistical changes, is the third in a series of articles about the comprehensive revision. An article in the August issue described the definitional and classificational changes, and an article in the September issue described the new and redesigned tables.¹ Subsequent articles will present the revised estimates and describe the sources of the revisions.

The major statistical changes include the following:

- Incorporation of the 1992 benchmark input-output (I-O) accounts, benchmarking the expenditure components of gross domestic product (GDP) and some of the income com-

ponents to the best available source data and estimating procedures

- Incorporation of the preliminary results of 1996 annual update of the 1992 I-O accounts, improving the estimates of personal consumption expenditures (PCE) for goods
- Improved estimates of farm proprietors' income, basing them on U.S. Department of Agriculture (USDA) definitions and making them consistent with BEA's regional estimates of farm income
- Improved adjustments that convert tax return data to national accounting concepts, making the income estimates more consistent with the product estimates
- Improved estimates of State and local government taxes, leading to better estimates of the government current surplus or deficit and of gross domestic income
- Improved estimates of the real value of unpriced bank services, reflecting the incorporation of a new measure of banking activity that better captures productivity growth in the industry by including such services as ATM transactions and electronic fund transfers
- Incorporation of an industry-based price index to deflate the gross product of non-financial corporate business, reflecting the changing industrial composition of this sector and providing better measures of productivity, costs, and profits per unit of gross product
- Improved estimates of prices for private higher education and for expenditures by nonresidents in the United States, providing better estimates of real PCE and of real GDP
- Incorporation of the geometric-mean-type consumer price indexes (CPI's) that are currently used to deflate consumer expenditures beginning with 1995 to deflate consumer

1. See Brent R. Moulton, Robert P. Parker, and Eugene P. Seskin, "A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts: Definitional and Classificational Changes," *SURVEY OF CURRENT BUSINESS* 79 (August 1999): 7-20 and Brent R. Moulton and David F. Sullivan, "A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts: New and Redesigned Tables," *SURVEY* 79 (September 1999): 15-28.

expenditures back to 1978, increasing the consistency and accuracy of the time series for real PCE and real GDP

nual NIPA revision, when typically only the 3 most recent years are revised. Consequently, newly available and revised source data that become available less often than annually or that cover periods outside the scope of annual revisions are incorporated in comprehensive revisions. Source data that have become available since the 1996 comprehensive revision are referred to as “regular benchmark source data”; they generally go back no further than 10 years. Source data that have become available since the last annual NIPA revision in July 1998 are referred to as “regular source data for 1996–98.”

The remainder of this article describes the newly available and revised source data and the major methodological changes that will be incorporated in this comprehensive revision (see also table 1).

Newly Available and Revised Source Data

In a comprehensive NIPA revision, the number of years subject to revision is greater than in an an-

Table 1.—Major Statistical Changes

Change	Components	Initial year of revision
Product-side changes		
Commodity distribution of PCE for goods	PCE	1993
Improved estimates of new autos	PCE, private nonresidential equipment and software	1988
Improved estimates of used autos	PCE, private nonresidential equipment and software	1993
Improved estimates of electricity services	PCE	1959
Improved estimates of change in private inventories	Change in private inventories	
For construction in the “all other” category .....	.....	1959
For mining in the “all other” category .....	.....	1977
Income-side changes		
Improved estimates of farm proprietors’ income	Farm proprietors’ income	1969
Improved estimates of rental income from nonfarm nonresidential properties	Rental income of persons	1929
Improved estimates of interest receipts of captive finance companies	Net interest	1988
Improved estimates of partnership income	Nonfarm proprietors’ income	1987
Improved adjustment for foreign factor income	Corporate profits	1987
Improved adjustments for differences in the definition of investment	Corporate profits, nonfarm proprietors’ income, CCA	1986
Improved depreciation-related changes:		
Personal computers	CFC, CCAadj	1982
Highways and streets	CFC	1929
Abandoned nuclear power plants	CFC, CCA, CCAadj	1984
State and local government taxes	State and local government receipts, IBT	1985
Quantities and prices		
Improved estimates of banking services	PCE, government consumption expenditures and gross investment, exports	1929
Improved estimates of gross product of nonfinancial corporate business	Gross corporate product	1977
New prices:		
For operating expenses for private higher education	PCE	1988
For operating expenses for other nonprofit institutions serving individuals	PCE	1993
For expenditures in the U.S. by nonresidents	PCE	1988
For brokers’ commissions on sale of structures	Private nonresidential structures	1996
For semiconductors	Change in private inventories	1983
For telephone switching equipment	Exports and imports of goods	1985
For computer parts and accessories	Exports and imports of goods	1993
Chain-type indexes and contributions to change		
Updated reference year	All product components	1929
Improved Fisher calculation of chain-type quantity and price indexes	All product components	1947
Improved Federal Government indexes	Federal Government consumption expenditures and gross investment	1972
Improved formula for contributions to percent change	All product components	1958
Changes carried back from the 1997 and 1998 annual revisions ¹		
Improved indicator for trust services of commercial banks (1998)	PCE	1991
Improved indicator for cellular telephone services (1998)	PCE	1985
Improved methodology for change in private inventories (1998)	Change in private inventories, IVA	1982
Improved quarterly and monthly estimates of Federal personal income taxes (1998)	Federal Government receipts, personal tax and nontax payments	1988
New prices:		
Geometric-mean-type consumer price indexes (CPI’s) (1998)	PCE, government consumption expenditures and gross investment	1978
For cellular telephone service (1998)	PCE	1987
For auto and truck leasing (1998)	PCE	1993
For “other professional (medical) services” (1998)	PCE	1987
For telephone switching and switchboard equipment (1997)	Private nonresidential equipment and software	1985
Improved timing adjustment for weapons systems (1997)	Change in private inventories	1991

1. The year in parentheses refers to the August issue of the SURVEY in which the change was described.

CCA Capital consumption allowance
 CCAadj Capital consumption adjustment
 CFC Consumption of fixed capital

IBT Indirect business taxes
 IVA Inventory valuation adjustment
 PCE Personal consumption expenditures

The first step in preparing the comprehensive NIPA revision is the incorporation of the 1992 levels for key components from BEA's 1992 benchmark I-O accounts, adjusted to reflect NIPA definitional and classificational changes. In addition, detailed industry and commodity information from the I-O accounts is used to revise the proportions of final and intermediate purchases that are used in the abbreviated commodity-flow, retail-control, and other methods to extrapolate product-side estimates for years after 1992. The NIPA estimates are also revised to reflect the incorporation of newly available and revised source data, including preliminary estimates of the 1996 annual update of the 1992 I-O accounts, preliminary information from the 1997 economic censuses, and other data that have become available since the release of the July 1998 annual NIPA revision.

Regular benchmark source data

The revised NIPA estimates will incorporate the following regular benchmark source data: BEA's benchmark 1992 I-O accounts, selected data from the most recent quinquennial economic censuses, and annual series that were not available in time for incorporation in the annual NIPA revisions.

The 1992 benchmark I-O accounts.—Except as modified by definitional and classificational changes, such as the change recognizing expenditures for software as investment, and by improvements in methodology, the 1992 I-O accounts provide the benchmark for the estimates of several major product-side components of

GDP—PCE, private fixed investment, the commodity weights for the change in private inventories, and the type-of-product detail for State and local government consumption expenditures and gross investment—and of parts of several income components.² The I-O estimates are used as benchmarks because they are based on detailed industry and commodity statistics collected by the Census Bureau in the quinquennial economic censuses and in the censuses of governments and because they are prepared within an internally consistent framework that tracks the input and output flows in the economy.³ In addition, the 1992 I-O estimates incorporated detailed data that had not been available to be incorporated into the NIPA's, including data on industries that were covered for the first time in the 1992 economic censuses for the finance, insurance, and real estate industries and the transportation, communications, and utilities industries.

The incorporation of the 1992 benchmark I-O accounts will result in revisions to NIPA estimates for selected components, beginning with 1988; estimates from the 1987 benchmark I-O accounts were incorporated in the 1996 comprehensive revision of the NIPA's.

Other regular benchmark source data.—This comprehensive revision will incorporate preliminary data on inventories and sales from the 1997 Censuses of Wholesale Trade and Retail Trade and on shipments of computers from the 1997 Census of Manufactures. The data on wholesale and retail trade, which the Census Bureau has also incorporated into the corresponding annual and monthly surveys, will affect the NIPA estimates of PCE for goods and of the change in private inventories, beginning with 1993.

In addition, annual series that became available too late for the annual NIPA revisions will be incorporated. NIPA estimates that are based on the international transactions accounts (ITA's)—primarily net exports of goods and services and income receipts and payments—will be revised to reflect improvements to the ITA's that were introduced since 1995 and that affected years not covered by the annual NIPA revisions in

The Comprehensive NIPA Revision on the Internet

Information on the comprehensive revision of the national income and product accounts (NIPA's) is being posted on the BEA Web site at <www.bea.doc.gov> and on the STAT-USA Web site at <www.stat-usa.gov>.

On the BEA site, a separate page has been set up that can be reached directly from the BEA home page. At present, the following information is available:

- A short summary of the major improvements that will be introduced in the comprehensive revision;
- The three articles in the SURVEY OF CURRENT BUSINESS that preview the major changes that will be incorporated;
- A file containing the titles, line numbers, and stubs for the redesigned NIPA tables; and
- The tentative release schedule for NIPA and related estimates.

The GDP news release that presents the initial results of the comprehensive revision will be posted within minutes of the official release at 8:30 a.m. on October 28, 1999. The "Selected NIPA Tables," which present the revised estimates for recent years and quarters, will be posted later that day. Additional information will be posted as soon as it becomes available.

2. For a discussion of the preliminary effects of the input-output accounts on the NIPA estimates for 1992, see Leon W. Taub and Robert P. Parker, "Preview of Revised NIPA Estimates for 1992 From the 1992 I-O Accounts," SURVEY 77 (December 1997): 11-15.

3. For a description of these accounts, see U.S. Department of Commerce, Bureau of Economic Analysis, *Benchmark Input-Output Accounts of the United States, 1992* (Washington, DC: U.S. Government Printing Office, 1998).

1996–98.⁴ Other series that will be incorporated into the NIPA's include the following: Final fiscal year data on expenditures and receipts of State and local governments for 1992–95 from the Census Bureau; final data on employer pension and profit-sharing plans for 1995 from the Department of Labor; and revised data on mortgage debt outstanding, beginning with 1982, and on consumer credit outstanding, beginning with 1989, from the Federal Reserve Board.

Regular source data for 1996–98

The revised estimates for 1996–98 will reflect the incorporation of other newly available and revised source data that became available since the last annual NIPA revision. The most important of these data include the following: Census Bureau data on the value of construction put in place for 1997 (final) and 1998 (preliminary) and on State and local receipts and expenditures for fiscal year 1997 (final) and 1998 (preliminary), ITA data for 1996–98 (revised), Bureau of Labor Statistics (BLS) tabulations of wages and salaries of employees covered by State unemployment insurance for 1997 (final) and 1998 (preliminary), and Internal Revenue Service (IRS) tabulations of business tax returns for 1997.⁵

Changes in Methodology

This section describes the new and improved methodologies that will be introduced in this comprehensive revision.⁶

Product-side changes

Commodity distribution of PCE for goods.—Beginning with 1993, the estimates of the underlying commodity distribution of most PCE goods will be derived using newly available source data, the incorporation of which requires a change in methodology. First, the commodity distribution for 1996 for most goods will be derived from preliminary estimates of the 1996 annual update of the I-O accounts.⁷ Second, interpolation between

1992 and 1996 and extrapolation beginning with 1997 will be based on annual retail sales by kind of business that have recently been benchmarked to preliminary estimates from the 1997 Census of Retail Trade and on merchandise-line sales by kind of business from the 1992 Census of Retail Trade. Beginning with 1993, levels for this group of goods will continue to be based on the retail-control method using these source data.⁸ Data on merchandise-line sales from the 1997 Census of Retail Trade were not available in time for use in this comprehensive revision.

The 1996 I-O estimates are derived using 1996 data from several Census Bureau annual surveys on commodity and industry output and trade margins and on Census Bureau data on trade in goods. Estimates of PCE for goods are derived using the output data together with relationships from the 1992 benchmark I-O accounts.

New autos.—The estimates of 1992 purchases of new autos for PCE and private fixed investment will reflect an improved methodology introduced for the first time in the 1992 I-O estimates. In the new method, Census Bureau data are used to estimate the transportation costs, wholesale and retail trade margins, and sales and excise taxes that are used to adjust the value of domestic sales at producers' prices to the value at purchasers' prices.⁹

Currently, expenditures for new autos for all years are estimated by valuing unit sales to persons, private business, and government by their average expenditures per car. Unit sales are allocated among households, private business, and government using auto registration data; a portion of sales to households is allocated to private business. Sales to households are valued using retail list prices that have been adjusted for discounts, taxes, and transportation costs; sales to private business and to government are valued using wholesale prices. This method will

net foreign remittances. The 1996 annual update of the I-O accounts will be available in late 1999.

8. For additional information on the retail-control method, see U.S. Department of Commerce, Bureau of Economic Analysis, *Personal Consumption Expenditures*, Methodology Paper No. 6 (Washington, DC: U.S. Government Printing Office, 1990): 41.

9. Retail margins on autos are derived by first determining the total retail margin for franchised car dealers and then allocating this total among commodities sold by those dealers. The total retail margin for franchised car dealers is based on sales and the cost of goods sold from the Census Bureau's annual retail trade survey and on sales from the census of retail trade. The margin is allocated to new autos by multiplying the franchised car dealers' margin rate by their sales of new cars, multiplying the sales of other commodities sold by franchised dealers—such as used autos and auto parts—by the margin rates for the establishment industries in which these commodities are primary, and then adjusting the sum over all commodities sold by franchised dealers to equal their total retail margin. The same method is used to allocate sales taxes to new autos.

4. The annual revisions of the ITA's are usually published in the July issue of the SURVEY, mostly recently in Christopher L. Bach, "U.S. International Transactions, Revised Estimates for 1982–98," SURVEY 79 (July 1999): 60–74.

5. For a more complete listing of the "regular" source data incorporated in an annual revision, see "Updated Summary NIPA Methodologies," SURVEY 78 (September 1998): 14–35.

6. These changes update the methodologies that are described in "Updated Summary NIPA Methodologies" and in the series of NIPA methodology papers.

7. The commodity-flow-based estimates from the 1996 I-O accounts will be used for the commodity distribution of PCE goods except for the following: Motor vehicles; gasoline and oil; tobacco; computers, peripherals, and software; food furnished to employees; food and fuel produced and consumed on farms; standard clothing issued to military personnel; school lunches; and

continue to be used to extrapolate estimates for nonbenchmark years.

Used autos.—Net purchases of used autos by business, government, and persons consist of dealers' margins on used autos purchased and net transactions (purchases less sales) of used autos valued at wholesale prices. Dealers' margins affect GDP; net transactions do not, because they represent changes in the ownership of previously produced goods. Net transactions by business is measured by valuing the change in the unit stock of autos owned by business. Net transactions by persons is estimated as a residual, after accounting for the change in the total stock of used autos, the net transactions by business and by government, exports and imports of used autos, scrappage, and the change in dealers' inventories.

Beginning with 1993, estimates of the unit stock of autos owned by business will reflect modified retention periods and rates for three categories of autos: Leased autos, rental autos, and all other autos owned by business. New purchases of these three categories will be based on detailed registration data. Retention periods for leased autos will range from 2 to 4 years; periods for rental autos and for all other autos owned by business will be based on periods underlying currently published BEA estimates.¹⁰ Currently, unit stocks of autos owned by business are measured using their total purchases of new autos in current and previous years and assumed retention rates fixed by age. Businesses are assumed to retain 100 percent of autos that are less than 1 year old and 70 percent of autos that are from 1 to 2 years old; thereafter, the percentage of the previous year's stock retained is reduced by 5 percentage points each year until it reaches 45 percent for years 6 to 9.

PCE for electricity.—Estimates of PCE for electricity will be improved by adding commodity, or excise, taxes to the reported source data on residential electricity revenue from the Energy Information Administration (EIA). Currently, the estimates reflect an assumption that these taxes were already included in the underlying revenue data. However, new information from EIA and the Rural Electrification Administration indicated that they had not been included, so they were incorporated into the 1992 I-O estimates.

Change in private inventories.—Beginning with 1959, estimates of the change in private inventories for construction—a component of "other"

inventories—will be based on data on construction inventory levels from the Censuses of Construction Industries for 1982, 1987, and 1992. Currently, these inventory changes are estimated using data on the stock of inventories from tabulations of IRS tax returns for all years.

The shift to census-based data is being made for two reasons. First, these data cover only purchased materials and supplies, which are consistent with the NIPA definition of inventories of construction. In contrast, the IRS data also include the value of construction work-in-progress and unsold finished structures; construction work-in-progress is recorded as investment in the NIPA's. Second, the Census Bureau data are based on establishment data, which are consistent with the coverage of inventories for most other industries. In contrast, the IRS data are based on enterprise data, and thus they include inventories of nonconstruction establishments owned by construction enterprises and exclude construction inventories of construction establishments owned by nonconstruction firms. (Estimates for noncensus years will continue to be based on IRS data.)

Beginning with 1977, estimates of the change in private inventories for mining—a component of "other" inventories—will be based on data on mining levels from the Censuses of Mineral Industries for 1977, 1982, 1987, and 1992. Currently, these inventory changes are estimated using data on the stock of inventories from IRS tax returns for all years. The Census Bureau data will be used because they are based on establishment data, which are consistent with the coverage of inventories for most other industries. In contrast, the IRS data are based on enterprise data and thus include inventories of nonmining establishments owned by mining enterprises and exclude mining inventories of mining establishments owned by nonmining firms. (Estimates for noncensus years will continue to be based on IRS data.)

Income-side changes

Farm proprietors' income.—In the NIPA's, farm proprietors' income is estimated by subtracting IRS tax-return-based estimates of corporate profits of farm establishments from USDA-based estimates of net farm income.¹¹ Beginning with 1969, corporate profits of farm establishments will be estimated using data on output and expenses from Census Bureau and USDA surveys. The new methodology will disaggregate net farm

10. Retention periods for rental autos are from 1 to less than 2 years, with an average of 1¼ years; retention periods for fleets and all other autos held by business are from 2 to less than 9 years, with an average of 3½ years.

11. NIPA table 8.24 (old table number 8.22) shows the derivation of NIPA measures of farm income from USDA net farm income.

income into six component estimates: Four that comprise farm output; subsidies to operators; and an expense component that is the sum of intermediate goods and services purchased, consumption of fixed capital, indirect business tax and nontax liability, compensation of employees, and net interest. Each of these component estimates will be multiplied by the corresponding ratio of the value for corporate farm establishments to the value for all farm establishments, based on the quinquennial census of agriculture. These ratios will be interpolated and extrapolated annually with corresponding ratios that are based on USDA's agricultural resource management survey.

Currently, corporate profits of farm establishments is estimated in two pieces: Corporate profits of farm corporations is based on IRS tax returns, and corporate profits of farm establishments of nonfarm corporations is estimated by BEA using the estimates of the corporate profits of farm corporations and data from the census of agriculture.

As a result of this change, estimates of farm proprietors' income will be based on USDA definitions rather than on a mixture of USDA and IRS definitions. In addition, the new methodology will be consistent with that used for preparing the farm proprietors' income component of BEA's State and local area estimates of personal income.

The improved methodology will not affect the estimates of total corporate profits. The estimates of corporate profits for the farm industry will continue to be based on IRS tabulations of corporate tax returns.

Rental income from nonfarm nonresidential properties.—Beginning with 1929, income of persons from the rental of nonfarm nonresidential properties will be estimated by multiplying an IRS-based rate of return on capital of small corporate real estate operators and lessors by a BEA estimate of nonfarm nonresidential fixed assets owned by persons.¹² Currently, for 1984 forward, these estimates are judgmental extrapolations of estimates based on business income tax returns.¹³

12. Rental income of persons excludes the income of persons primarily engaged in the real estate business. The rental income of these persons from both residential and nonresidential property is included in either corporate profits or proprietors' income.

13. The estimates before 1984 were derived as the difference between reported rents paid by business and government and rents received by business and government. Data on business rents were from the IRS tabulations of business tax returns, adjusted for rental receipts reported as business receipts; government data were from BEA's government-sector estimates of business nontaxes. The judgmental extrapolations became necessary when these "residual" estimates became unreliable.

Interest receipts of "captive" finance companies.—For most years, the estimates of the monetary interest paid and received by corporations and by sole proprietorships and partnerships, which are components of net interest, are based on business tax return data on interest receipts and payments. This methodology provides comprehensive estimates of net monetary interest to the extent that these tax return data reflect all receipts and payments. A previous analysis by BEA of the reporting by corporations whose tax returns cover "captive" finance subsidiaries determined that a large portion of the interest receipts of these subsidiaries were being reported as some other type of receipts; thus, to properly measure net interest, BEA adjusted the reported interest receipts to include the missing amounts.¹⁴ However, a recently completed analysis for tax year 1994 indicated that this misreporting is not as large as previously indicated; therefore, beginning with 1988, BEA will reduce the amount of the adjustment to interest receipts.

Partnership income.—The adjustment to nonfarm proprietors' income that removes a double-counting of the income of corporate partners in the estimates of both corporate profits and nonfarm proprietors' income will be improved.¹⁵ Based on a review of partnership tax returns, BEA will revise the adjustment to remove portfolio income and to increase the amount of ordinary income attributed to corporate partners, which is then deducted from proprietors' income. For the current adjustment, income is attributed to corporate partners based on the corporate amount of total partnership ordinary income less expenses reported elsewhere on the tax return rather than on the distributive share amount reported under partnership income by type of partner. This method has been used because the sum of the incomes by type of partner tends to be less than the total partnership income reported on the same tax return; furthermore, portfolio income is included in incomes by type of partner, but it should be omitted in partnership income as defined in the NIPA's.

Foreign profits adjustment.—In the NIPA's, two measures of corporate profits are presented: One that is consistent with GDP, a measure of output

14. NIPA table 8.26 (old table number 8.24) shows the derivation of NIPA measures of monetary interest paid and received from the corresponding IRS measures; the adjustment for captive finance companies is included in line 23.

15. This adjustment, which was described in "An Advance Overview of the Comprehensive Revision of the National Income and Product Accounts," SURVEY 65 (October 1985): 26, is shown in line 3 of NIPA table 8.23 (old table number 8.21).

produced by labor and capital located in the United States, and another that is consistent with gross national product (GNP), a measure of output related to the labor and capital supplied by U.S. residents. The primary source data for these estimates are IRS tabulations of corporate tax returns that BEA adjusts to a NIPA basis.¹⁶

In order to adjust the tax return source data to a GNP basis, BEA makes three adjustments. First, the amount of profits on U.S. domestic production earned by foreign investors is subtracted from the tax return data. The amount of this adjustment is based on these earnings as recorded in the income payments component of the U.S. international transactions accounts (ITA's). Second, earnings of U.S. corporations from production outside the United States as reported on the tax returns are subtracted. Third, the ITA estimate of earnings of U.S. corporations from production outside the United States is added. The resulting NIPA measure reflects only earnings by U.S. residents, and it includes a component for "rest-of-the-world" profits that is statistically consistent with the ITA's. Profits on a GDP basis equals profits on a GNP basis excluding this component.

Beginning with 1987, the adjustment to remove foreign earnings of U.S. corporations—specifically to remove profits received from unincorporated foreign operations of U.S. corporations—will be improved by the use of newly available IRS tax return data. Currently, this adjustment is based on information reported on Schedule A, "Income (or Loss) Before Adjustments," of IRS Form 1118 "Foreign Tax Credit—Corporations" and on ITA data on receipts from exports of services. The newly available IRS data, which begin with tax year 1993, are reported on Schedule F, "Gross Income and Definitely Allocable Deductions From Sources Outside the U.S. Under Section 863(b) and for Foreign Branches," of IRS Form 1118. The new data indicate that the current methodology does not accurately allocate expenses between domestic expenditures and foreign activities and thus overstates the extent to which exports of services were reported as foreign income on Form 1118.¹⁷

Adjustments for differences in the definition of investment.—For business tax reporting purposes, intangibles other than software—such as movies, videos, and rental clothing—may be capitalized

and treated as investment; however, in the NIPA's, these items are not treated as investment and are not capitalized. Currently, adjustments are made by BEA to convert the tax return data on depreciation and amortization to the corresponding estimates of capital consumption allowances (CCA).¹⁸ However, adjustments for these items are not made in converting tax return estimates for corporate profits and for nonfarm proprietors' income. To eliminate this inconsistency, the adjustments for the estimates of CCA will be applied to the estimates of business incomes, beginning with 1986.

In addition, the adjustment for intangibles will be improved to reflect the rapid growth in the amortization of intangibles—such as goodwill, customer and products lists, and the costs of mergers and acquisitions—that is allowed for under section 197 of the IRS code. These items are also not treated as investment in the NIPA's.

Depreciation-related changes.—In this comprehensive revision, several depreciation-related changes will be introduced that relate to personal computers (PC's), to highways and streets, and to abandoned nuclear power plants.

Beginning with 1982, the method for estimating the depreciation, or consumption of fixed capital (CFC), of PC's will be based on a California study of fair-market values of personal property, including PC's.¹⁹ The revised estimates will reflect a geometric pattern of depreciation that, by the fifth year, results in a residual value for a PC of less than 10 percent of its original value.

Currently, depreciation for PC's is based on work by Stephen Oliner of the Federal Reserve Board that included a general schedule for computers, but nothing specific for PC's.²⁰ The modified method will be consistent with the general procedure for calculating depreciation that was adopted in the 1996 comprehensive NIPA revision, in which assets are depreciated using empirical evidence on used-asset prices and geometric patterns of price declines.

18. NIPA table 8.22 (old table number 8.20) shows the derivation of NIPA measures of CCA from the corresponding IRS measures; the adjustment for intangibles is shown in line 3.

19. As a result of an earlier application of this methodology, the California State Board of Equalization recommended depreciation schedules for computers that were widely adopted across California and in several other western States. For further details, see Richard N. Lane, "Appraisal Report 'Large Aerospace Firm' Personal Property, Los Angeles County, March 1, 1995," revised February 2, 1999.

20. See Stephen D. Oliner, "Price Change, Depreciation and Retirement of Mainframe Computers," in *Price Measurements and Their Uses*, Studies in Income and Wealth vol. 57, edited by Murray F. Foss, Marilyn E. Manser, and Allan H. Young (Chicago: University of Chicago Press, for the National Bureau of Economic Research, 1993): 19–61.

16. The adjustments are shown in NIPA table 8.25 (old table number 8.23).

17. Allocated expenses are those that U.S. taxpayers typically incur in the United States, including legal, accounting, general and administrative, and many other types of expenses—in support of their foreign operations.

For the estimates of government *CFC*, the service life for highways and streets will be reduced from 60 years to 45 years, based on two recent studies of highway capital.²¹

In addition, the value of abandoned nuclear power plants will no longer be included in the *NIPA* estimates of *CFC*, *CCA*, and the difference between *CCA* and *CFC*, the capital consumption adjustment (*CCAdj*). Currently, the value of these plants is included in the *NIPA CFC* estimates but not in the wealth *CFC* estimates.²²

For this comprehensive revision, new *NIPA* table 5.16, "Changes in Net Stock of Produced Assets (Fixed Assets and Inventories)," will integrate investment flows and stocks of fixed assets. The change in the treatment of the abandoned plants will facilitate this integration. (The value of these abandonments will still be published as an addenda item in table 5.16.)

State and local government taxes.—For this comprehensive revision, tabulations from the Census Bureau annual *Government Finances (GF)* survey will replace the Census Bureau's *Quarterly Summary of State and Local Tax Revenue (QS)* as the annual source data for most State and local taxes. This change represents the continuation of a process that began with the 1997 annual *NIPA* revision, when *GF* became the source data for State income taxes, for State general sales taxes, and for local property taxes. Beginning with the 1998 annual *NIPA* revision, *GF* became the source data for additional tax-related series. The change will affect the estimates of the taxes back to 1993, except that property taxes will be affected back to 1985. The change is being implemented because *GF* has better coverage of local governments, complete coverage of all States, and better reporting. A recent *BEA* study indicated that as a result of these differences, *GF*-based tax revenues grew much faster than *QS*-based tax revenues.

Quantities and prices

Banking services.—In the *NIPA*'s, an imputation is made for the services that commercial banks and certain other financial intermediaries provide

without explicit charge.²³ For this comprehensive revision, changes in the real value of the unpriced bank services provided by commercial banks will be estimated by assuming that the total output of these banks increases at the same rate of growth as the output of this industry in the *BLS* estimates of productivity by industry.²⁴ The *BLS* estimate of these services is based on a weighted average of various indexes of bank activity, including bank transactions (for example, checks cleared, *ATM* transactions, and electronic funds transfers), the number of outstanding loans of various types, and the net income from trust accounts. Currently, *BEA* estimates the change in real unpriced banking services by assuming that it increases at the same rate of growth as the hours worked by employees in this industry; no adjustment is made for changes in these employees' productivity. The change in methodology will mostly affect *PCE* because these services are predominantly furnished to persons; it will have small effects on government consumption expenditures and gross investment and on exports of services (components of *GDP*) and on income payments to the rest of the world (a component of *GNP*).

Gross product of nonfinancial corporate business.—A new price index will be used to deflate gross product of nonfinancial corporate business, which is shown in *NIPA* table 1.16. (This deflator, divided by 100, is also shown in *NIPA* table 7.15 as the price per unit of real gross product of nonfinancial corporate business.)

Beginning with 1977, an annual chain-type price index will be calculated using industry gross product price indexes for each nonfinancial industry. The weights for the price index will be based on estimates of corporate gross product by industry. Currently, the implicit price deflator for goods and structures in *GDP* is used to deflate gross product of nonfinancial corporate business. This deflator will continue to serve as the interpolator for the quarterly estimates, and it will continue to serve as the extrapolator for the current quarterly estimates and for the initial release of the annual estimates during annual and comprehensive revisions. When the new gross product index becomes available, usually about 4 months after each annual revision, the quarterly and annual estimates will be revised.

23. The methodology for estimating the services provided by commercial banks for which there is an explicit charge will not change.

24. A recent summary of the *BLS* methodology is found in Kent Kunze, Mary Jablonski and Mark Sieling, "Measuring Output and Labor Productivity of Commercial Banks (SIC 602): A Transactions-based Approach" (unpublished paper prepared for the Brookings Institution Workshop on Banking Output, Washington, DC, November 20, 1998.)

21. For information on the service life of highways, see Richard Beemiller, "Experimental Estimates of State and Local Government Highway Capital Stocks" (paper presented at the 1999 annual meeting of the Southern Regional Science Association, Richmond, VA, April 1999); and Barbara M. Fraumeni, *Productive Highway Capital Stock Measures*, a report prepared for the Federal Highway Administration, U.S. Department of Transportation, January 1999.

22. In the *NIPA*'s, the value of construction put in place is recorded as investment, whereas in the wealth estimates, investment is recorded on a put-in-service basis. Because none of these plants were put into service, they are not included in the stock of fixed assets.

New price measures.—In this comprehensive revision, new price measures will be introduced into the estimates of PCE, private fixed investment, change in private inventories, and exports and imports.

Beginning with the annual estimates for 1988, the prices used to deflate expenditures for private higher education, a type of nonprofit institution serving individuals, will be improved.²⁵ The real measure of these expenditures will be the sum of real CFC and of current-dollar other expenditures deflated by an input-cost index that is a geometric mean of indexes for compensation and noncompensation goods and services. Weights for the index for 1988–95 will be interpolated using a combination of 1987 weights, based on a higher education price index, and 1996 weights, based on detailed expense data from the integrated post-secondary education data system (IPEDS) finance survey.²⁶ Weights after 1996 will be based on 1996 IPEDS data, and interpolation and extrapolation of the annual index will be based on the CPI for all items.

In addition, for many other types of nonprofit institutions serving individuals, the prices used to deflate consumption expenditures will be improved, beginning with 1993. The real measure of these expenditures will be the sum of real CFC and of current-dollar other expenditures deflated by weighted averages of indexes of average annual wages and salaries per employee and price indexes associated with noncompensation expenditures. Weights will be based on detailed expense data from the 1992 I-O tables. In most instances, the price indexes will be producer price indexes (PPI's) or consumer price indexes (CPI's).²⁷ Currently, these expenditures are deflated with annual input-cost indexes that are constructed as weighted averages of indexes of the average annual salaries per employee and the PPI for industrial commodities less fuels and re-

lated products and power; these annual indexes are interpolated and extrapolated with weighted averages of indexes of average hourly earnings and the PPI for industrial commodities less fuels and related products and power.

Beginning with 1988, the composite index of CPI components that is used to deflate expenditures in the United States by nonresidents will be changed.²⁸ The index will use updated weights that reflect more recent and detailed data on the composition of these expenditures, and many of the CPI components used in the index will incorporate additional detail on expenditures. Weights will be based on type-of-expenditure data from the 1996 In-Flight Survey, which is prepared by the International Trade Administration of the U.S. Department of Commerce, and distributed to more detailed commodities using data from the U.S. Travel and Tourism Satellite Accounts for 1992.²⁹ Currently, the index uses weights that are based on in-flight survey data from the 1970's and distributed to more detailed categories using CPI weights.

For nonresidential structures, brokers' commissions will be deflated using the PPI for nonresidential real estate brokers' commissions, beginning with 1996. Currently, nonresidential brokers' commissions are deflated using a weighted average of the residential brokers' commissions deflator and the Turner Construction Company index.³⁰

For change in private inventories, a BEA quality-adjusted annual price index for semiconductors will be used to deflate semiconductor commodities within manufacturing industries for 1983–96.³¹ This index will replace the BLS PPI for semiconductors that is currently used for that period; for 1997 forward, the PPI will continue to be used.

For exports and imports, beginning with 1985, a BEA quality-adjusted annual price index for telephone switching equipment will be used to deflate estimates for telephone switching

25. PCE consists of goods and services purchased by individuals and by nonprofit institutions serving individuals. For additional information on nonprofit institutions in PCE, see *Personal Consumption Expenditures*, 5-7.

26. For information on the higher education price index, see Research Associates of Washington, *Inflation Measures for Schools, Colleges & Libraries* (Arlington, VA: Research Associates of Washington, annually). For information on the IPEDS, see U.S. Department of Education, National Center for Education Statistics, *Current Funds Revenues and Expenditures of Degree-Granting Institutions: Fiscal Year 1996* (Washington, DC: National Center for Education Statistics, 1999).

27. This change will affect the deflation for nursery schools, elementary and secondary schools, commercial and vocational schools, foundations and noncommercial research organizations, religious and welfare organizations, labor unions, professional associations, and clubs and fraternal organizations. For elementary and secondary schools, interpolation and extrapolation of annual indexes will be done with the CPI for all items. For commercial and vocational schools, the CPI for technical and business school tuition and fees will be used, beginning with January 1998. For the others, annual indexes will be interpolated and extrapolated with a weighted average of indexes of average hourly earnings and the CPI for all items.

28. Expenditures in the United States by nonresidents are removed from PCE. In the source data underlying many of the estimates for detailed PCE components, the expenditures that are made by nonresidents while traveling in the United States are indistinguishable from those made by U.S. residents. These expenditures are included as exports in the NIPA's.

29. See Sumiye Okubo and Mark A. Planting, "U.S. Travel and Tourism Satellite Accounts for 1992," *SURVEY* 78 (July 1998): 8–22.

30. This index, which is compiled quarterly with 1967 as the base period, is a price index for national building construction costs and is derived from the firm's current-cost experience on wage rates, material prices, subcontractor prices, and competitive conditions.

31. For a detailed description of this index, which was incorporated into estimates of exports and imports of semiconductors and into estimates of gross product originating during the 1996 comprehensive revision, see "Improved Estimates of the National Income and Product Accounts for 1959–95: Results of the Comprehensive Revision," *SURVEY* 76 (January/February): 27.

equipment, a component of telecommunications equipment; currently, the BLS international price indexes for telephone communications equipment are used. In addition, beginning with 1993, the items classified as “parts and accessories” within “computers, peripherals, and parts” will be deflated using BLS export and import price indexes for “parts and accessories (not elsewhere specified or included) for computers and other office machines”; these indexes will be extrapolated back to 1992 using the corresponding deflators for exports and imports of the aggregate “computers, peripherals, and parts.” Currently, these parts and accessories, which account for a substantial share of “computers, peripherals, and parts,” are primarily categorized under “computers—mainframes and PC’s” and are deflated using the price indexes for mainframes and for PC’s.

Chain-type indexes and contributions to change

Updating the reference year.—In comprehensive revisions, a shift to a more recent reference year is a standard procedure that provides measures of real output and prices that are more relevant for many purposes. The NIPA’s were last “re-based” in the 1996 comprehensive revision, when the reference year was shifted from 1987 to 1992. In this comprehensive revision, the reference year will shift to 1996 for quantity indexes, price indexes, and chained-dollar estimates. Quantity and price indexes at the most detailed level will be expressed with 1996 equal to 100 and will provide the inputs used for calculating higher level chain-type measures, and chained-dollar estimates will be reported as “chained (1996) dollars.”³² The year 1996 was chosen as the reference year because it is the latest year for which the current-dollar estimates will not be revised until the next comprehensive revision.

Updating the reference year will not affect the percent changes in the price or quantity indexes or in the chained-dollar estimates, because these changes are measured with chain-type indexes. (However, the growth rates of NIPA aggregates will be revised as a result of the definitional and statistical changes that are introduced.) For recent years, updating the reference year will reduce the size of the “residual”—that is, the difference between the value of the largest chained-dollar aggregate shown and the sum of the most detailed

components—which usually is shown as the last line in the chained-dollar tables.

Quarterly measures.—Beginning with 1947, quarterly chain-type indexes and chained-dollar estimates will be computed with quarterly weights for all periods. Currently, quarterly weights are used only for the most recent quarters (that is, beginning with the third quarter of the latest complete year included in a comprehensive or annual revision); measures for all earlier quarters are computed using annual weights.³³ As a result of this change, the chain-type quarterly estimates will reflect the substitution effects of relative price and quantity changes within years as well as between years. The quarterly indexes through the most recent complete year included in an annual or comprehensive revision will continue to be adjusted to ensure that the average of the quarterly estimates conforms to the corresponding annual estimates.³⁴

In the new methodology, the annual chain-type measures will be calculated with annual weights, and the quarterly chain-type measures will be calculated with quarterly weights. The only exception will be that when the annual estimates for the most recent year are first calculated, they will be averages of quarterly estimates until the next annual revision.

The new method will more accurately measure changes in quantities and prices and will eliminate the revisions that result from changing quarterly weights to annual weights for recent quarters. Nevertheless, the effects on the NIPA estimates will be small.

Federal Government indexes.—Beginning with 1972, the price and quantity indexes for Federal Government consumption expenditures and gross investment will be constructed using quarterly chain-type indexes at the finest level of detail for a number of series, primarily in defense durable goods and defense equipment. Currently, many Federal Government chain-type price and quantity indexes are calculated from fixed-weighted aggregates of actual transaction prices and quantities; this technique has led to erratic movements in several BEA price indexes.

33. For further details, see Robert P. Parker and Eugene P. Seskin, “Annual Revision of the National Income and Product Accounts,” *SURVEY* 77 (August 1997): 29–30.

34. Monthly estimates of real PCE and real manufacturing and trade inventories will use monthly price weights. Monthly estimates of real PCE in completed quarters will be adjusted so that the average for the 3 months equals the average for the quarter, and monthly estimates of real manufacturing and trade inventories will be adjusted so that the end-of-third-month value equals the end-of-quarter value.

32. The tables that show “real,” or chained-dollar, estimates will begin with 1987. Quantity and price indexes will continue to be shown beginning with 1929 for annual estimates and 1947 for quarterly estimates.

Contributions to percent change.—A new formula will be used to calculate the contributions of components to the percent change in real GDP (shown in new NIPA table S.2, in NIPA table 8.2, and in table 2 of the GDP news release) and to the percent change in major aggregates other than GDP (new NIPA tables 8.3–8.6).³⁵ The contributions shown in these tables, *unlike the contributions calculated directly from the chained-dollar estimates*, will more accurately measure component contributions to real growth, particularly components for which relative prices are changing rapidly. These contributions are additive and are prepared using a methodology that determines the amount that each detailed component contributes to the percent change in the major aggregate. Currently, slightly different formulas are used depending on whether the estimates are quarterly or annual and whether they are for periods before or after the reference year.³⁶

The new formula will apply to both annual and quarterly estimates and to all time periods.³⁷ Specifically, the contribution to the percent change ($C\%\Delta_{i,t}$) in an aggregate, such as real GDP or real PCE, in period t that is attributable to the quantity change in component i will be

$$C\%\Delta_{i,t} = 100 \times \frac{((p_{i,t}/P_t^F) + p_{i,t-1}) \times (q_{i,t} - q_{i,t-1})}{\sum_j ((p_{j,t}/P_t^F) + p_{j,t-1}) \times q_{j,t-1}}$$

where P_t^F is the Fisher price index for the aggregate in period t relative to period $t - 1$;

$p_{i,t}$ is the price of component i in period t ; and

$q_{i,t}$ is the quantity of component i in period t .

The summation with subscript j in the denominator includes all the deflation-level components of the aggregate. Contributions of subaggregates, such as PCE goods, to the percent change of the aggregate will be calculated by summing the contributions of all the deflation-level components contained in the subaggregate.

The new formula produces estimates that are very close to those produced by the current formulas. One advantage of the new formula is that for annual estimates, no adjustments are

required to ensure that the contributions sum exactly to the percent change of the aggregate.³⁸ Another advantage is that a single formula can be used for both annual and quarterly estimates. The only exception will be that when the annual contributions for the most recent year are first calculated, they will be based on a weighted average of the quarterly contributions until the next annual revision.

Changes carried back from the 1997 and 1998 annual revisions

In this comprehensive revision, several changes in methodology that were introduced in the 1997 and 1998 annual revisions of the NIPA's will be carried back to earlier years.³⁹

From the 1998 annual revision, the following changes in methodology affecting the current-dollar estimates will be carried back to earlier years. For brokerage and investment counseling in PCE services, a new quarterly indicator for trust services of commercial banks will be carried back to 1991. For cellular telephone services in PCE, new indicators based on semiannual revenues of cellular telephone companies and monthly subscriber data will be carried back to 1985. For the change in private inventories for manufacturing and for merchant wholesale and retail trade, a new methodology to compute the quarterly and monthly estimates will be carried back to 1982. For declarations and settlements less refunds in Federal personal income taxes, a new methodology to derive the monthly and quarterly estimates will be carried back to 1988.

In addition, a number of new prices that were introduced in the 1998 annual revision will be carried back to earlier years.⁴⁰ First, for most PCE categories that use CPI's for deflation, historically consistent CPI's—including the geometric-mean-type CPI's that BLS began using in the official CPI in January 1999—will be carried back to 1978. These CPI's will be based on a CPI research series that BLS recently published for the period 1978–98; this series carries back a number of recent changes in the calculation of the CPI.⁴¹ Currently, the PCE estimates before 1995

38. Quarterly estimates will still be adjusted to offset adjustments that are needed to express quarterly percent changes at annual rates and to ensure that the average of the quarterly quantity indexes conforms to the corresponding annual quantity index.

39. For information on these annual revisions, see Parker and Seskin, "Annual Revision of the National Income and Product Accounts," 6–35; and Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts," SURVEY 78 (August 1998): 7–35.

40. For additional details, see Seskin, "Annual Revision," 31–32.

41. For information on these geometric-mean-type CPI's, see Kenneth J. Stewart and Stephen B. Reed, "CPI Research Series Using Current Methods, 1978–98," *Monthly Labor Review* 122 (June 1999): 29–38.


35. BEA is indebted to Yuri Dikanov of the World Bank for suggesting this formula.

36. For the formulas that are currently used, see U.S. Department of Commerce, Bureau of Economic Analysis, *National Income and Product Accounts of the United States, 1929–94: Volume 1* (Washington, DC: U.S. Government Printing Office, 1998): M–13.

37. Annual estimates of contributions to percent change begin with 1930, and quarterly estimates begin with 1947.

reflect fixed-weighted component indexes that were based on the official CPI's prior to 1999. Second, for cellular telephone service in PCE, a price index developed by Hausman will be carried back to 1987.⁴² Third, auto and truck leasing in PCE will be deflated using implicit prices that reflect changes in the CPI's for new vehicles and changes in interest rates on new car loans by auto finance companies. Finally, within "other professional

(medical) services" in PCE, eye examinations will be deflated using the CPI for eyeglasses and eye care.

From the 1997 annual revision, a new BEA quality-adjusted annual price index for telephone switching and switchboard equipment in private fixed investment will be carried back to 1985. In addition, a timing adjustment for the production and sale of a major weapons system, the B-2 bomber, in the change in private inventories will be carried back to 1991. 

⁴². For more details, see Jerry Hausman, "Cellular Telephone, New Products, and the CPI," *Journal of Business & Economic Statistics* 17 (April 1999): 188-94.

A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts

Statistical Changes

By Brent R. Moulton and Eugene P. Seskin

ON OCTOBER 28, 1999, the Bureau of Economic Analysis (BEA) will release the initial results of a comprehensive, or benchmark, revision of the national income and product accounts (NIPA's). This revision is the 11th of its kind; the last such revision was released in January 1996.

Comprehensive revisions differ from annual NIPA revisions because of the scope of the changes and because of the number of years subject to revision. Comprehensive revisions incorporate three major types of improvements: (1) Definitional and classificational changes that update the accounts to more accurately portray the evolving U.S. economy, (2) statistical changes that update the accounts to reflect the introduction of new and improved methodologies and the incorporation of newly available and revised source data, and (3) presentational changes that update the NIPA tables to reflect the definitional, classificational, and statistical changes and to make the tables more informative.

This article, which describes the statistical changes, is the third in a series of articles about the comprehensive revision. An article in the August issue described the definitional and classificational changes, and an article in the September issue described the new and redesigned tables.¹ Subsequent articles will present the revised estimates and describe the sources of the revisions.

The major statistical changes include the following:

- Incorporation of the 1992 benchmark input-output (I-O) accounts, benchmarking the expenditure components of gross domestic product (GDP) and some of the income com-

ponents to the best available source data and estimating procedures

- Incorporation of the preliminary results of 1996 annual update of the 1992 I-O accounts, improving the estimates of personal consumption expenditures (PCE) for goods
- Improved estimates of farm proprietors' income, basing them on U.S. Department of Agriculture (USDA) definitions and making them consistent with BEA's regional estimates of farm income
- Improved adjustments that convert tax return data to national accounting concepts, making the income estimates more consistent with the product estimates
- Improved estimates of State and local government taxes, leading to better estimates of the government current surplus or deficit and of gross domestic income
- Improved estimates of the real value of unpriced bank services, reflecting the incorporation of a new measure of banking activity that better captures productivity growth in the industry by including such services as ATM transactions and electronic fund transfers
- Incorporation of an industry-based price index to deflate the gross product of non-financial corporate business, reflecting the changing industrial composition of this sector and providing better measures of productivity, costs, and profits per unit of gross product
- Improved estimates of prices for private higher education and for expenditures by nonresidents in the United States, providing better estimates of real PCE and of real GDP
- Incorporation of the geometric-mean-type consumer price indexes (CPI's) that are currently used to deflate consumer expenditures beginning with 1995 to deflate consumer

1. See Brent R. Moulton, Robert P. Parker, and Eugene P. Seskin, "A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts: Definitional and Classificational Changes," *SURVEY OF CURRENT BUSINESS* 79 (August 1999): 7-20 and Brent R. Moulton and David F. Sullivan, "A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts: New and Redesigned Tables," *SURVEY* 79 (September 1999): 15-28.

expenditures back to 1978, increasing the consistency and accuracy of the time series for real PCE and real GDP

nual NIPA revision, when typically only the 3 most recent years are revised. Consequently, newly available and revised source data that become available less often than annually or that cover periods outside the scope of annual revisions are incorporated in comprehensive revisions. Source data that have become available since the 1996 comprehensive revision are referred to as “regular benchmark source data”; they generally go back no further than 10 years. Source data that have become available since the last annual NIPA revision in July 1998 are referred to as “regular source data for 1996–98.”

The remainder of this article describes the newly available and revised source data and the major methodological changes that will be incorporated in this comprehensive revision (see also table 1).

Newly Available and Revised Source Data

In a comprehensive NIPA revision, the number of years subject to revision is greater than in an an-

Table 1.—Major Statistical Changes

Change	Components	Initial year of revision
Product-side changes		
Commodity distribution of PCE for goods	PCE	1993
Improved estimates of new autos	PCE, private nonresidential equipment and software	1988
Improved estimates of used autos	PCE, private nonresidential equipment and software	1993
Improved estimates of electricity services	PCE	1959
Improved estimates of change in private inventories	Change in private inventories	
For construction in the “all other” category .....	.....	1959
For mining in the “all other” category .....	.....	1977
Income-side changes		
Improved estimates of farm proprietors’ income	Farm proprietors’ income	1969
Improved estimates of rental income from nonfarm nonresidential properties	Rental income of persons	1929
Improved estimates of interest receipts of captive finance companies	Net interest	1988
Improved estimates of partnership income	Nonfarm proprietors’ income	1987
Improved adjustment for foreign factor income	Corporate profits	1987
Improved adjustments for differences in the definition of investment	Corporate profits, nonfarm proprietors’ income, CCA	1986
Improved depreciation-related changes:		
Personal computers	CFC, CCAadj	1982
Highways and streets	CFC	1929
Abandoned nuclear power plants	CFC, CCA, CCAadj	1984
State and local government taxes	State and local government receipts, IBT	1985
Quantities and prices		
Improved estimates of banking services	PCE, government consumption expenditures and gross investment, exports	1929
Improved estimates of gross product of nonfinancial corporate business	Gross corporate product	1977
New prices:		
For operating expenses for private higher education	PCE	1988
For operating expenses for other nonprofit institutions serving individuals	PCE	1993
For expenditures in the U.S. by nonresidents	PCE	1988
For brokers’ commissions on sale of structures	Private nonresidential structures	1996
For semiconductors	Change in private inventories	1983
For telephone switching equipment	Exports and imports of goods	1985
For computer parts and accessories	Exports and imports of goods	1993
Chain-type indexes and contributions to change		
Updated reference year	All product components	1929
Improved Fisher calculation of chain-type quantity and price indexes	All product components	1947
Improved Federal Government indexes	Federal Government consumption expenditures and gross investment	1972
Improved formula for contributions to percent change	All product components	1958
Changes carried back from the 1997 and 1998 annual revisions ¹		
Improved indicator for trust services of commercial banks (1998)	PCE	1991
Improved indicator for cellular telephone services (1998)	PCE	1985
Improved methodology for change in private inventories (1998)	Change in private inventories, IVA	1982
Improved quarterly and monthly estimates of Federal personal income taxes (1998)	Federal Government receipts, personal tax and nontax payments	1988
New prices:		
Geometric-mean-type consumer price indexes (CPI’s) (1998)	PCE, government consumption expenditures and gross investment	1978
For cellular telephone service (1998)	PCE	1987
For auto and truck leasing (1998)	PCE	1993
For “other professional (medical) services” (1998)	PCE	1987
For telephone switching and switchboard equipment (1997)	Private nonresidential equipment and software	1985
Improved timing adjustment for weapons systems (1997)	Change in private inventories	1991

1. The year in parentheses refers to the August issue of the SURVEY in which the change was described.

CCA Capital consumption allowance
 CCAadj Capital consumption adjustment
 CFC Consumption of fixed capital

IBT Indirect business taxes
 IVA Inventory valuation adjustment
 PCE Personal consumption expenditures

The first step in preparing the comprehensive NIPA revision is the incorporation of the 1992 levels for key components from BEA's 1992 benchmark I-O accounts, adjusted to reflect NIPA definitional and classificational changes. In addition, detailed industry and commodity information from the I-O accounts is used to revise the proportions of final and intermediate purchases that are used in the abbreviated commodity-flow, retail-control, and other methods to extrapolate product-side estimates for years after 1992. The NIPA estimates are also revised to reflect the incorporation of newly available and revised source data, including preliminary estimates of the 1996 annual update of the 1992 I-O accounts, preliminary information from the 1997 economic censuses, and other data that have become available since the release of the July 1998 annual NIPA revision.

Regular benchmark source data

The revised NIPA estimates will incorporate the following regular benchmark source data: BEA's benchmark 1992 I-O accounts, selected data from the most recent quinquennial economic censuses, and annual series that were not available in time for incorporation in the annual NIPA revisions.

The 1992 benchmark I-O accounts.—Except as modified by definitional and classificational changes, such as the change recognizing expenditures for software as investment, and by improvements in methodology, the 1992 I-O accounts provide the benchmark for the estimates of several major product-side components of

GDP—PCE, private fixed investment, the commodity weights for the change in private inventories, and the type-of-product detail for State and local government consumption expenditures and gross investment—and of parts of several income components.² The I-O estimates are used as benchmarks because they are based on detailed industry and commodity statistics collected by the Census Bureau in the quinquennial economic censuses and in the censuses of governments and because they are prepared within an internally consistent framework that tracks the input and output flows in the economy.³ In addition, the 1992 I-O estimates incorporated detailed data that had not been available to be incorporated into the NIPA's, including data on industries that were covered for the first time in the 1992 economic censuses for the finance, insurance, and real estate industries and the transportation, communications, and utilities industries.

The incorporation of the 1992 benchmark I-O accounts will result in revisions to NIPA estimates for selected components, beginning with 1988; estimates from the 1987 benchmark I-O accounts were incorporated in the 1996 comprehensive revision of the NIPA's.

Other regular benchmark source data.—This comprehensive revision will incorporate preliminary data on inventories and sales from the 1997 Censuses of Wholesale Trade and Retail Trade and on shipments of computers from the 1997 Census of Manufactures. The data on wholesale and retail trade, which the Census Bureau has also incorporated into the corresponding annual and monthly surveys, will affect the NIPA estimates of PCE for goods and of the change in private inventories, beginning with 1993.

In addition, annual series that became available too late for the annual NIPA revisions will be incorporated. NIPA estimates that are based on the international transactions accounts (ITA's)—primarily net exports of goods and services and income receipts and payments—will be revised to reflect improvements to the ITA's that were introduced since 1995 and that affected years not covered by the annual NIPA revisions in

The Comprehensive NIPA Revision on the Internet

Information on the comprehensive revision of the national income and product accounts (NIPA's) is being posted on the BEA Web site at <www.bea.doc.gov> and on the STAT-USA Web site at <www.stat-usa.gov>.

On the BEA site, a separate page has been set up that can be reached directly from the BEA home page. At present, the following information is available:

- A short summary of the major improvements that will be introduced in the comprehensive revision;
- The three articles in the SURVEY OF CURRENT BUSINESS that preview the major changes that will be incorporated;
- A file containing the titles, line numbers, and stubs for the redesigned NIPA tables; and
- The tentative release schedule for NIPA and related estimates.

The GDP news release that presents the initial results of the comprehensive revision will be posted within minutes of the official release at 8:30 a.m. on October 28, 1999. The "Selected NIPA Tables," which present the revised estimates for recent years and quarters, will be posted later that day. Additional information will be posted as soon as it becomes available.

2. For a discussion of the preliminary effects of the input-output accounts on the NIPA estimates for 1992, see Leon W. Taub and Robert P. Parker, "Preview of Revised NIPA Estimates for 1992 From the 1992 I-O Accounts," SURVEY 77 (December 1997): 11-15.

3. For a description of these accounts, see U.S. Department of Commerce, Bureau of Economic Analysis, *Benchmark Input-Output Accounts of the United States, 1992* (Washington, DC: U.S. Government Printing Office, 1998).

1996–98.⁴ Other series that will be incorporated into the NIPA's include the following: Final fiscal year data on expenditures and receipts of State and local governments for 1992–95 from the Census Bureau; final data on employer pension and profit-sharing plans for 1995 from the Department of Labor; and revised data on mortgage debt outstanding, beginning with 1982, and on consumer credit outstanding, beginning with 1989, from the Federal Reserve Board.

Regular source data for 1996–98

The revised estimates for 1996–98 will reflect the incorporation of other newly available and revised source data that became available since the last annual NIPA revision. The most important of these data include the following: Census Bureau data on the value of construction put in place for 1997 (final) and 1998 (preliminary) and on State and local receipts and expenditures for fiscal year 1997 (final) and 1998 (preliminary), ITA data for 1996–98 (revised), Bureau of Labor Statistics (BLS) tabulations of wages and salaries of employees covered by State unemployment insurance for 1997 (final) and 1998 (preliminary), and Internal Revenue Service (IRS) tabulations of business tax returns for 1997.⁵

Changes in Methodology

This section describes the new and improved methodologies that will be introduced in this comprehensive revision.⁶

Product-side changes

Commodity distribution of PCE for goods.—Beginning with 1993, the estimates of the underlying commodity distribution of most PCE goods will be derived using newly available source data, the incorporation of which requires a change in methodology. First, the commodity distribution for 1996 for most goods will be derived from preliminary estimates of the 1996 annual update of the I-O accounts.⁷ Second, interpolation between

1992 and 1996 and extrapolation beginning with 1997 will be based on annual retail sales by kind of business that have recently been benchmarked to preliminary estimates from the 1997 Census of Retail Trade and on merchandise-line sales by kind of business from the 1992 Census of Retail Trade. Beginning with 1993, levels for this group of goods will continue to be based on the retail-control method using these source data.⁸ Data on merchandise-line sales from the 1997 Census of Retail Trade were not available in time for use in this comprehensive revision.

The 1996 I-O estimates are derived using 1996 data from several Census Bureau annual surveys on commodity and industry output and trade margins and on Census Bureau data on trade in goods. Estimates of PCE for goods are derived using the output data together with relationships from the 1992 benchmark I-O accounts.

New autos.—The estimates of 1992 purchases of new autos for PCE and private fixed investment will reflect an improved methodology introduced for the first time in the 1992 I-O estimates. In the new method, Census Bureau data are used to estimate the transportation costs, wholesale and retail trade margins, and sales and excise taxes that are used to adjust the value of domestic sales at producers' prices to the value at purchasers' prices.⁹

Currently, expenditures for new autos for all years are estimated by valuing unit sales to persons, private business, and government by their average expenditures per car. Unit sales are allocated among households, private business, and government using auto registration data; a portion of sales to households is allocated to private business. Sales to households are valued using retail list prices that have been adjusted for discounts, taxes, and transportation costs; sales to private business and to government are valued using wholesale prices. This method will

net foreign remittances. The 1996 annual update of the I-O accounts will be available in late 1999.

8. For additional information on the retail-control method, see U.S. Department of Commerce, Bureau of Economic Analysis, *Personal Consumption Expenditures*, Methodology Paper No. 6 (Washington, DC: U.S. Government Printing Office, 1990): 41.

9. Retail margins on autos are derived by first determining the total retail margin for franchised car dealers and then allocating this total among commodities sold by those dealers. The total retail margin for franchised car dealers is based on sales and the cost of goods sold from the Census Bureau's annual retail trade survey and on sales from the census of retail trade. The margin is allocated to new autos by multiplying the franchised car dealers' margin rate by their sales of new cars, multiplying the sales of other commodities sold by franchised dealers—such as used autos and auto parts—by the margin rates for the establishment industries in which these commodities are primary, and then adjusting the sum over all commodities sold by franchised dealers to equal their total retail margin. The same method is used to allocate sales taxes to new autos.

4. The annual revisions of the ITA's are usually published in the July issue of the SURVEY, mostly recently in Christopher L. Bach, "U.S. International Transactions, Revised Estimates for 1982–98," SURVEY 79 (July 1999): 60–74.

5. For a more complete listing of the "regular" source data incorporated in an annual revision, see "Updated Summary NIPA Methodologies," SURVEY 78 (September 1998): 14–35.

6. These changes update the methodologies that are described in "Updated Summary NIPA Methodologies" and in the series of NIPA methodology papers.

7. The commodity-flow-based estimates from the 1996 I-O accounts will be used for the commodity distribution of PCE goods except for the following: Motor vehicles; gasoline and oil; tobacco; computers, peripherals, and software; food furnished to employees; food and fuel produced and consumed on farms; standard clothing issued to military personnel; school lunches; and

continue to be used to extrapolate estimates for nonbenchmark years.

Used autos.—Net purchases of used autos by business, government, and persons consist of dealers' margins on used autos purchased and net transactions (purchases less sales) of used autos valued at wholesale prices. Dealers' margins affect GDP; net transactions do not, because they represent changes in the ownership of previously produced goods. Net transactions by business is measured by valuing the change in the unit stock of autos owned by business. Net transactions by persons is estimated as a residual, after accounting for the change in the total stock of used autos, the net transactions by business and by government, exports and imports of used autos, scrappage, and the change in dealers' inventories.

Beginning with 1993, estimates of the unit stock of autos owned by business will reflect modified retention periods and rates for three categories of autos: Leased autos, rental autos, and all other autos owned by business. New purchases of these three categories will be based on detailed registration data. Retention periods for leased autos will range from 2 to 4 years; periods for rental autos and for all other autos owned by business will be based on periods underlying currently published BEA estimates.¹⁰ Currently, unit stocks of autos owned by business are measured using their total purchases of new autos in current and previous years and assumed retention rates fixed by age. Businesses are assumed to retain 100 percent of autos that are less than 1 year old and 70 percent of autos that are from 1 to 2 years old; thereafter, the percentage of the previous year's stock retained is reduced by 5 percentage points each year until it reaches 45 percent for years 6 to 9.

PCE for electricity.—Estimates of PCE for electricity will be improved by adding commodity, or excise, taxes to the reported source data on residential electricity revenue from the Energy Information Administration (EIA). Currently, the estimates reflect an assumption that these taxes were already included in the underlying revenue data. However, new information from EIA and the Rural Electrification Administration indicated that they had not been included, so they were incorporated into the 1992 I-O estimates.

Change in private inventories.—Beginning with 1959, estimates of the change in private inventories for construction—a component of "other"

inventories—will be based on data on construction inventory levels from the Censuses of Construction Industries for 1982, 1987, and 1992. Currently, these inventory changes are estimated using data on the stock of inventories from tabulations of IRS tax returns for all years.

The shift to census-based data is being made for two reasons. First, these data cover only purchased materials and supplies, which are consistent with the NIPA definition of inventories of construction. In contrast, the IRS data also include the value of construction work-in-progress and unsold finished structures; construction work-in-progress is recorded as investment in the NIPA's. Second, the Census Bureau data are based on establishment data, which are consistent with the coverage of inventories for most other industries. In contrast, the IRS data are based on enterprise data, and thus they include inventories of nonconstruction establishments owned by construction enterprises and exclude construction inventories of construction establishments owned by nonconstruction firms. (Estimates for noncensus years will continue to be based on IRS data.)

Beginning with 1977, estimates of the change in private inventories for mining—a component of "other" inventories—will be based on data on mining levels from the Censuses of Mineral Industries for 1977, 1982, 1987, and 1992. Currently, these inventory changes are estimated using data on the stock of inventories from IRS tax returns for all years. The Census Bureau data will be used because they are based on establishment data, which are consistent with the coverage of inventories for most other industries. In contrast, the IRS data are based on enterprise data and thus include inventories of nonmining establishments owned by mining enterprises and exclude mining inventories of mining establishments owned by nonmining firms. (Estimates for noncensus years will continue to be based on IRS data.)

Income-side changes

Farm proprietors' income.—In the NIPA's, farm proprietors' income is estimated by subtracting IRS tax-return-based estimates of corporate profits of farm establishments from USDA-based estimates of net farm income.¹¹ Beginning with 1969, corporate profits of farm establishments will be estimated using data on output and expenses from Census Bureau and USDA surveys. The new methodology will disaggregate net farm

10. Retention periods for rental autos are from 1 to less than 2 years, with an average of 1¼ years; retention periods for fleets and all other autos held by business are from 2 to less than 9 years, with an average of 3½ years.

11. NIPA table 8.24 (old table number 8.22) shows the derivation of NIPA measures of farm income from USDA net farm income.

income into six component estimates: Four that comprise farm output; subsidies to operators; and an expense component that is the sum of intermediate goods and services purchased, consumption of fixed capital, indirect business tax and nontax liability, compensation of employees, and net interest. Each of these component estimates will be multiplied by the corresponding ratio of the value for corporate farm establishments to the value for all farm establishments, based on the quinquennial census of agriculture. These ratios will be interpolated and extrapolated annually with corresponding ratios that are based on USDA's agricultural resource management survey.

Currently, corporate profits of farm establishments is estimated in two pieces: Corporate profits of farm corporations is based on IRS tax returns, and corporate profits of farm establishments of nonfarm corporations is estimated by BEA using the estimates of the corporate profits of farm corporations and data from the census of agriculture.

As a result of this change, estimates of farm proprietors' income will be based on USDA definitions rather than on a mixture of USDA and IRS definitions. In addition, the new methodology will be consistent with that used for preparing the farm proprietors' income component of BEA's State and local area estimates of personal income.

The improved methodology will not affect the estimates of total corporate profits. The estimates of corporate profits for the farm industry will continue to be based on IRS tabulations of corporate tax returns.

Rental income from nonfarm nonresidential properties.—Beginning with 1929, income of persons from the rental of nonfarm nonresidential properties will be estimated by multiplying an IRS-based rate of return on capital of small corporate real estate operators and lessors by a BEA estimate of nonfarm nonresidential fixed assets owned by persons.¹² Currently, for 1984 forward, these estimates are judgmental extrapolations of estimates based on business income tax returns.¹³

12. Rental income of persons excludes the income of persons primarily engaged in the real estate business. The rental income of these persons from both residential and nonresidential property is included in either corporate profits or proprietors' income.

13. The estimates before 1984 were derived as the difference between reported rents paid by business and government and rents received by business and government. Data on business rents were from the IRS tabulations of business tax returns, adjusted for rental receipts reported as business receipts; government data were from BEA's government-sector estimates of business nontaxes. The judgmental extrapolations became necessary when these "residual" estimates became unreliable.

Interest receipts of "captive" finance companies.—For most years, the estimates of the monetary interest paid and received by corporations and by sole proprietorships and partnerships, which are components of net interest, are based on business tax return data on interest receipts and payments. This methodology provides comprehensive estimates of net monetary interest to the extent that these tax return data reflect all receipts and payments. A previous analysis by BEA of the reporting by corporations whose tax returns cover "captive" finance subsidiaries determined that a large portion of the interest receipts of these subsidiaries were being reported as some other type of receipts; thus, to properly measure net interest, BEA adjusted the reported interest receipts to include the missing amounts.¹⁴ However, a recently completed analysis for tax year 1994 indicated that this misreporting is not as large as previously indicated; therefore, beginning with 1988, BEA will reduce the amount of the adjustment to interest receipts.

Partnership income.—The adjustment to nonfarm proprietors' income that removes a double-counting of the income of corporate partners in the estimates of both corporate profits and nonfarm proprietors' income will be improved.¹⁵ Based on a review of partnership tax returns, BEA will revise the adjustment to remove portfolio income and to increase the amount of ordinary income attributed to corporate partners, which is then deducted from proprietors' income. For the current adjustment, income is attributed to corporate partners based on the corporate amount of total partnership ordinary income less expenses reported elsewhere on the tax return rather than on the distributive share amount reported under partnership income by type of partner. This method has been used because the sum of the incomes by type of partner tends to be less than the total partnership income reported on the same tax return; furthermore, portfolio income is included in incomes by type of partner, but it should be omitted in partnership income as defined in the NIPA's.

Foreign profits adjustment.—In the NIPA's, two measures of corporate profits are presented: One that is consistent with GDP, a measure of output

14. NIPA table 8.26 (old table number 8.24) shows the derivation of NIPA measures of monetary interest paid and received from the corresponding IRS measures; the adjustment for captive finance companies is included in line 23.

15. This adjustment, which was described in "An Advance Overview of the Comprehensive Revision of the National Income and Product Accounts," SURVEY 65 (October 1985): 26, is shown in line 3 of NIPA table 8.23 (old table number 8.21).

produced by labor and capital located in the United States, and another that is consistent with gross national product (GNP), a measure of output related to the labor and capital supplied by U.S. residents. The primary source data for these estimates are IRS tabulations of corporate tax returns that BEA adjusts to a NIPA basis.¹⁶

In order to adjust the tax return source data to a GNP basis, BEA makes three adjustments. First, the amount of profits on U.S. domestic production earned by foreign investors is subtracted from the tax return data. The amount of this adjustment is based on these earnings as recorded in the income payments component of the U.S. international transactions accounts (ITA's). Second, earnings of U.S. corporations from production outside the United States as reported on the tax returns are subtracted. Third, the ITA estimate of earnings of U.S. corporations from production outside the United States is added. The resulting NIPA measure reflects only earnings by U.S. residents, and it includes a component for "rest-of-the-world" profits that is statistically consistent with the ITA's. Profits on a GDP basis equals profits on a GNP basis excluding this component.

Beginning with 1987, the adjustment to remove foreign earnings of U.S. corporations—specifically to remove profits received from unincorporated foreign operations of U.S. corporations—will be improved by the use of newly available IRS tax return data. Currently, this adjustment is based on information reported on Schedule A, "Income (or Loss) Before Adjustments," of IRS Form 1118 "Foreign Tax Credit—Corporations" and on ITA data on receipts from exports of services. The newly available IRS data, which begin with tax year 1993, are reported on Schedule F, "Gross Income and Definitely Allocable Deductions From Sources Outside the U.S. Under Section 863(b) and for Foreign Branches," of IRS Form 1118. The new data indicate that the current methodology does not accurately allocate expenses between domestic expenditures and foreign activities and thus overstates the extent to which exports of services were reported as foreign income on Form 1118.¹⁷

Adjustments for differences in the definition of investment.—For business tax reporting purposes, intangibles other than software—such as movies, videos, and rental clothing—may be capitalized

and treated as investment; however, in the NIPA's, these items are not treated as investment and are not capitalized. Currently, adjustments are made by BEA to convert the tax return data on depreciation and amortization to the corresponding estimates of capital consumption allowances (CCA).¹⁸ However, adjustments for these items are not made in converting tax return estimates for corporate profits and for nonfarm proprietors' income. To eliminate this inconsistency, the adjustments for the estimates of CCA will be applied to the estimates of business incomes, beginning with 1986.

In addition, the adjustment for intangibles will be improved to reflect the rapid growth in the amortization of intangibles—such as goodwill, customer and products lists, and the costs of mergers and acquisitions—that is allowed for under section 197 of the IRS code. These items are also not treated as investment in the NIPA's.

Depreciation-related changes.—In this comprehensive revision, several depreciation-related changes will be introduced that relate to personal computers (PC's), to highways and streets, and to abandoned nuclear power plants.

Beginning with 1982, the method for estimating the depreciation, or consumption of fixed capital (CFC), of PC's will be based on a California study of fair-market values of personal property, including PC's.¹⁹ The revised estimates will reflect a geometric pattern of depreciation that, by the fifth year, results in a residual value for a PC of less than 10 percent of its original value.

Currently, depreciation for PC's is based on work by Stephen Oliner of the Federal Reserve Board that included a general schedule for computers, but nothing specific for PC's.²⁰ The modified method will be consistent with the general procedure for calculating depreciation that was adopted in the 1996 comprehensive NIPA revision, in which assets are depreciated using empirical evidence on used-asset prices and geometric patterns of price declines.

18. NIPA table 8.22 (old table number 8.20) shows the derivation of NIPA measures of CCA from the corresponding IRS measures; the adjustment for intangibles is shown in line 3.

19. As a result of an earlier application of this methodology, the California State Board of Equalization recommended depreciation schedules for computers that were widely adopted across California and in several other western States. For further details, see Richard N. Lane, "Appraisal Report 'Large Aerospace Firm' Personal Property, Los Angeles County, March 1, 1995," revised February 2, 1999.

20. See Stephen D. Oliner, "Price Change, Depreciation and Retirement of Mainframe Computers," in *Price Measurements and Their Uses*, Studies in Income and Wealth vol. 57, edited by Murray F. Foss, Marilyn E. Manser, and Allan H. Young (Chicago: University of Chicago Press, for the National Bureau of Economic Research, 1993): 19–61.

16. The adjustments are shown in NIPA table 8.25 (old table number 8.23).

17. Allocated expenses are those that U.S. taxpayers typically incur in the United States, including legal, accounting, general and administrative, and many other types of expenses—in support of their foreign operations.

For the estimates of government *CFC*, the service life for highways and streets will be reduced from 60 years to 45 years, based on two recent studies of highway capital.²¹

In addition, the value of abandoned nuclear power plants will no longer be included in the *NIPA* estimates of *CFC*, *CCA*, and the difference between *CCA* and *CFC*, the capital consumption adjustment (*CCAdj*). Currently, the value of these plants is included in the *NIPA CFC* estimates but not in the wealth *CFC* estimates.²²

For this comprehensive revision, new *NIPA* table 5.16, "Changes in Net Stock of Produced Assets (Fixed Assets and Inventories)," will integrate investment flows and stocks of fixed assets. The change in the treatment of the abandoned plants will facilitate this integration. (The value of these abandonments will still be published as an addenda item in table 5.16.)

State and local government taxes.—For this comprehensive revision, tabulations from the Census Bureau annual *Government Finances (GF)* survey will replace the Census Bureau's *Quarterly Summary of State and Local Tax Revenue (QS)* as the annual source data for most State and local taxes. This change represents the continuation of a process that began with the 1997 annual *NIPA* revision, when *GF* became the source data for State income taxes, for State general sales taxes, and for local property taxes. Beginning with the 1998 annual *NIPA* revision, *GF* became the source data for additional tax-related series. The change will affect the estimates of the taxes back to 1993, except that property taxes will be affected back to 1985. The change is being implemented because *GF* has better coverage of local governments, complete coverage of all States, and better reporting. A recent *BEA* study indicated that as a result of these differences, *GF*-based tax revenues grew much faster than *QS*-based tax revenues.

Quantities and prices

Banking services.—In the *NIPA*'s, an imputation is made for the services that commercial banks and certain other financial intermediaries provide

without explicit charge.²³ For this comprehensive revision, changes in the real value of the unpriced bank services provided by commercial banks will be estimated by assuming that the total output of these banks increases at the same rate of growth as the output of this industry in the *BLS* estimates of productivity by industry.²⁴ The *BLS* estimate of these services is based on a weighted average of various indexes of bank activity, including bank transactions (for example, checks cleared, *ATM* transactions, and electronic funds transfers), the number of outstanding loans of various types, and the net income from trust accounts. Currently, *BEA* estimates the change in real unpriced banking services by assuming that it increases at the same rate of growth as the hours worked by employees in this industry; no adjustment is made for changes in these employees' productivity. The change in methodology will mostly affect *PCE* because these services are predominantly furnished to persons; it will have small effects on government consumption expenditures and gross investment and on exports of services (components of *GDP*) and on income payments to the rest of the world (a component of *GNP*).

Gross product of nonfinancial corporate business.—A new price index will be used to deflate gross product of nonfinancial corporate business, which is shown in *NIPA* table 1.16. (This deflator, divided by 100, is also shown in *NIPA* table 7.15 as the price per unit of real gross product of nonfinancial corporate business.)

Beginning with 1977, an annual chain-type price index will be calculated using industry gross product price indexes for each nonfinancial industry. The weights for the price index will be based on estimates of corporate gross product by industry. Currently, the implicit price deflator for goods and structures in *GDP* is used to deflate gross product of nonfinancial corporate business. This deflator will continue to serve as the interpolator for the quarterly estimates, and it will continue to serve as the extrapolator for the current quarterly estimates and for the initial release of the annual estimates during annual and comprehensive revisions. When the new gross product index becomes available, usually about 4 months after each annual revision, the quarterly and annual estimates will be revised.

23. The methodology for estimating the services provided by commercial banks for which there is an explicit charge will not change.

24. A recent summary of the *BLS* methodology is found in Kent Kunze, Mary Jablonski and Mark Sieling, "Measuring Output and Labor Productivity of Commercial Banks (SIC 602): A Transactions-based Approach" (unpublished paper prepared for the Brookings Institution Workshop on Banking Output, Washington, DC, November 20, 1998.)

21. For information on the service life of highways, see Richard Beemiller, "Experimental Estimates of State and Local Government Highway Capital Stocks" (paper presented at the 1999 annual meeting of the Southern Regional Science Association, Richmond, VA, April 1999); and Barbara M. Fraumeni, *Productive Highway Capital Stock Measures*, a report prepared for the Federal Highway Administration, U.S. Department of Transportation, January 1999.

22. In the *NIPA*'s, the value of construction put in place is recorded as investment, whereas in the wealth estimates, investment is recorded on a put-in-service basis. Because none of these plants were put into service, they are not included in the stock of fixed assets.

New price measures.—In this comprehensive revision, new price measures will be introduced into the estimates of PCE, private fixed investment, change in private inventories, and exports and imports.

Beginning with the annual estimates for 1988, the prices used to deflate expenditures for private higher education, a type of nonprofit institution serving individuals, will be improved.²⁵ The real measure of these expenditures will be the sum of real CFC and of current-dollar other expenditures deflated by an input-cost index that is a geometric mean of indexes for compensation and noncompensation goods and services. Weights for the index for 1988–95 will be interpolated using a combination of 1987 weights, based on a higher education price index, and 1996 weights, based on detailed expense data from the integrated post-secondary education data system (IPEDS) finance survey.²⁶ Weights after 1996 will be based on 1996 IPEDS data, and interpolation and extrapolation of the annual index will be based on the CPI for all items.

In addition, for many other types of nonprofit institutions serving individuals, the prices used to deflate consumption expenditures will be improved, beginning with 1993. The real measure of these expenditures will be the sum of real CFC and of current-dollar other expenditures deflated by weighted averages of indexes of average annual wages and salaries per employee and price indexes associated with noncompensation expenditures. Weights will be based on detailed expense data from the 1992 I-O tables. In most instances, the price indexes will be producer price indexes (PPI's) or consumer price indexes (CPI's).²⁷ Currently, these expenditures are deflated with annual input-cost indexes that are constructed as weighted averages of indexes of the average annual salaries per employee and the PPI for industrial commodities less fuels and re-

lated products and power; these annual indexes are interpolated and extrapolated with weighted averages of indexes of average hourly earnings and the PPI for industrial commodities less fuels and related products and power.

Beginning with 1988, the composite index of CPI components that is used to deflate expenditures in the United States by nonresidents will be changed.²⁸ The index will use updated weights that reflect more recent and detailed data on the composition of these expenditures, and many of the CPI components used in the index will incorporate additional detail on expenditures. Weights will be based on type-of-expenditure data from the 1996 In-Flight Survey, which is prepared by the International Trade Administration of the U.S. Department of Commerce, and distributed to more detailed commodities using data from the U.S. Travel and Tourism Satellite Accounts for 1992.²⁹ Currently, the index uses weights that are based on in-flight survey data from the 1970's and distributed to more detailed categories using CPI weights.

For nonresidential structures, brokers' commissions will be deflated using the PPI for nonresidential real estate brokers' commissions, beginning with 1996. Currently, nonresidential brokers' commissions are deflated using a weighted average of the residential brokers' commissions deflator and the Turner Construction Company index.³⁰

For change in private inventories, a BEA quality-adjusted annual price index for semiconductors will be used to deflate semiconductor commodities within manufacturing industries for 1983–96.³¹ This index will replace the BLS PPI for semiconductors that is currently used for that period; for 1997 forward, the PPI will continue to be used.

For exports and imports, beginning with 1985, a BEA quality-adjusted annual price index for telephone switching equipment will be used to deflate estimates for telephone switching

25. PCE consists of goods and services purchased by individuals and by nonprofit institutions serving individuals. For additional information on nonprofit institutions in PCE, see *Personal Consumption Expenditures*, 5-7.

26. For information on the higher education price index, see Research Associates of Washington, *Inflation Measures for Schools, Colleges & Libraries* (Arlington, VA: Research Associates of Washington, annually). For information on the IPEDS, see U.S. Department of Education, National Center for Education Statistics, *Current Funds Revenues and Expenditures of Degree-Granting Institutions: Fiscal Year 1996* (Washington, DC: National Center for Education Statistics, 1999).

27. This change will affect the deflation for nursery schools, elementary and secondary schools, commercial and vocational schools, foundations and noncommercial research organizations, religious and welfare organizations, labor unions, professional associations, and clubs and fraternal organizations. For elementary and secondary schools, interpolation and extrapolation of annual indexes will be done with the CPI for all items. For commercial and vocational schools, the CPI for technical and business school tuition and fees will be used, beginning with January 1998. For the others, annual indexes will be interpolated and extrapolated with a weighted average of indexes of average hourly earnings and the CPI for all items.

28. Expenditures in the United States by nonresidents are removed from PCE. In the source data underlying many of the estimates for detailed PCE components, the expenditures that are made by nonresidents while traveling in the United States are indistinguishable from those made by U.S. residents. These expenditures are included as exports in the NIPA's.

29. See Sumiye Okubo and Mark A. Planting, "U.S. Travel and Tourism Satellite Accounts for 1992," *SURVEY* 78 (July 1998): 8–22.

30. This index, which is compiled quarterly with 1967 as the base period, is a price index for national building construction costs and is derived from the firm's current-cost experience on wage rates, material prices, subcontractor prices, and competitive conditions.

31. For a detailed description of this index, which was incorporated into estimates of exports and imports of semiconductors and into estimates of gross product originating during the 1996 comprehensive revision, see "Improved Estimates of the National Income and Product Accounts for 1959–95: Results of the Comprehensive Revision," *SURVEY* 76 (January/February): 27.

equipment, a component of telecommunications equipment; currently, the BLS international price indexes for telephone communications equipment are used. In addition, beginning with 1993, the items classified as “parts and accessories” within “computers, peripherals, and parts” will be deflated using BLS export and import price indexes for “parts and accessories (not elsewhere specified or included) for computers and other office machines”; these indexes will be extrapolated back to 1992 using the corresponding deflators for exports and imports of the aggregate “computers, peripherals, and parts.” Currently, these parts and accessories, which account for a substantial share of “computers, peripherals, and parts,” are primarily categorized under “computers—mainframes and PC’s” and are deflated using the price indexes for mainframes and for PC’s.

Chain-type indexes and contributions to change

Updating the reference year.—In comprehensive revisions, a shift to a more recent reference year is a standard procedure that provides measures of real output and prices that are more relevant for many purposes. The NIPA’s were last “re-based” in the 1996 comprehensive revision, when the reference year was shifted from 1987 to 1992. In this comprehensive revision, the reference year will shift to 1996 for quantity indexes, price indexes, and chained-dollar estimates. Quantity and price indexes at the most detailed level will be expressed with 1996 equal to 100 and will provide the inputs used for calculating higher level chain-type measures, and chained-dollar estimates will be reported as “chained (1996) dollars.”³² The year 1996 was chosen as the reference year because it is the latest year for which the current-dollar estimates will not be revised until the next comprehensive revision.

Updating the reference year will not affect the percent changes in the price or quantity indexes or in the chained-dollar estimates, because these changes are measured with chain-type indexes. (However, the growth rates of NIPA aggregates will be revised as a result of the definitional and statistical changes that are introduced.) For recent years, updating the reference year will reduce the size of the “residual”—that is, the difference between the value of the largest chained-dollar aggregate shown and the sum of the most detailed

components—which usually is shown as the last line in the chained-dollar tables.

Quarterly measures.—Beginning with 1947, quarterly chain-type indexes and chained-dollar estimates will be computed with quarterly weights for all periods. Currently, quarterly weights are used only for the most recent quarters (that is, beginning with the third quarter of the latest complete year included in a comprehensive or annual revision); measures for all earlier quarters are computed using annual weights.³³ As a result of this change, the chain-type quarterly estimates will reflect the substitution effects of relative price and quantity changes within years as well as between years. The quarterly indexes through the most recent complete year included in an annual or comprehensive revision will continue to be adjusted to ensure that the average of the quarterly estimates conforms to the corresponding annual estimates.³⁴

In the new methodology, the annual chain-type measures will be calculated with annual weights, and the quarterly chain-type measures will be calculated with quarterly weights. The only exception will be that when the annual estimates for the most recent year are first calculated, they will be averages of quarterly estimates until the next annual revision.

The new method will more accurately measure changes in quantities and prices and will eliminate the revisions that result from changing quarterly weights to annual weights for recent quarters. Nevertheless, the effects on the NIPA estimates will be small.

Federal Government indexes.—Beginning with 1972, the price and quantity indexes for Federal Government consumption expenditures and gross investment will be constructed using quarterly chain-type indexes at the finest level of detail for a number of series, primarily in defense durable goods and defense equipment. Currently, many Federal Government chain-type price and quantity indexes are calculated from fixed-weighted aggregates of actual transaction prices and quantities; this technique has led to erratic movements in several BEA price indexes.

33. For further details, see Robert P. Parker and Eugene P. Seskin, “Annual Revision of the National Income and Product Accounts,” *SURVEY* 77 (August 1997): 29–30.

34. Monthly estimates of real PCE and real manufacturing and trade inventories will use monthly price weights. Monthly estimates of real PCE in completed quarters will be adjusted so that the average for the 3 months equals the average for the quarter, and monthly estimates of real manufacturing and trade inventories will be adjusted so that the end-of-third-month value equals the end-of-quarter value.

32. The tables that show “real,” or chained-dollar, estimates will begin with 1987. Quantity and price indexes will continue to be shown beginning with 1929 for annual estimates and 1947 for quarterly estimates.

Contributions to percent change.—A new formula will be used to calculate the contributions of components to the percent change in real GDP (shown in new NIPA table S.2, in NIPA table 8.2, and in table 2 of the GDP news release) and to the percent change in major aggregates other than GDP (new NIPA tables 8.3–8.6).³⁵ The contributions shown in these tables, *unlike the contributions calculated directly from the chained-dollar estimates*, will more accurately measure component contributions to real growth, particularly components for which relative prices are changing rapidly. These contributions are additive and are prepared using a methodology that determines the amount that each detailed component contributes to the percent change in the major aggregate. Currently, slightly different formulas are used depending on whether the estimates are quarterly or annual and whether they are for periods before or after the reference year.³⁶

The new formula will apply to both annual and quarterly estimates and to all time periods.³⁷ Specifically, the contribution to the percent change ($C\%\Delta_{i,t}$) in an aggregate, such as real GDP or real PCE, in period t that is attributable to the quantity change in component i will be

$$C\%\Delta_{i,t} = 100 \times \frac{((p_{i,t}/P_t^F) + p_{i,t-1}) \times (q_{i,t} - q_{i,t-1})}{\sum_j ((p_{j,t}/P_t^F) + p_{j,t-1}) \times q_{j,t-1}}$$

where P_t^F is the Fisher price index for the aggregate in period t relative to period $t - 1$;

$p_{i,t}$ is the price of component i in period t ; and

$q_{i,t}$ is the quantity of component i in period t .

The summation with subscript j in the denominator includes all the deflation-level components of the aggregate. Contributions of subaggregates, such as PCE goods, to the percent change of the aggregate will be calculated by summing the contributions of all the deflation-level components contained in the subaggregate.

The new formula produces estimates that are very close to those produced by the current formulas. One advantage of the new formula is that for annual estimates, no adjustments are

required to ensure that the contributions sum exactly to the percent change of the aggregate.³⁸ Another advantage is that a single formula can be used for both annual and quarterly estimates. The only exception will be that when the annual contributions for the most recent year are first calculated, they will be based on a weighted average of the quarterly contributions until the next annual revision.

Changes carried back from the 1997 and 1998 annual revisions

In this comprehensive revision, several changes in methodology that were introduced in the 1997 and 1998 annual revisions of the NIPA's will be carried back to earlier years.³⁹

From the 1998 annual revision, the following changes in methodology affecting the current-dollar estimates will be carried back to earlier years. For brokerage and investment counseling in PCE services, a new quarterly indicator for trust services of commercial banks will be carried back to 1991. For cellular telephone services in PCE, new indicators based on semiannual revenues of cellular telephone companies and monthly subscriber data will be carried back to 1985. For the change in private inventories for manufacturing and for merchant wholesale and retail trade, a new methodology to compute the quarterly and monthly estimates will be carried back to 1982. For declarations and settlements less refunds in Federal personal income taxes, a new methodology to derive the monthly and quarterly estimates will be carried back to 1988.

In addition, a number of new prices that were introduced in the 1998 annual revision will be carried back to earlier years.⁴⁰ First, for most PCE categories that use CPI's for deflation, historically consistent CPI's—including the geometric-mean-type CPI's that BLS began using in the official CPI in January 1999—will be carried back to 1978. These CPI's will be based on a CPI research series that BLS recently published for the period 1978–98; this series carries back a number of recent changes in the calculation of the CPI.⁴¹ Currently, the PCE estimates before 1995

38. Quarterly estimates will still be adjusted to offset adjustments that are needed to express quarterly percent changes at annual rates and to ensure that the average of the quarterly quantity indexes conforms to the corresponding annual quantity index.

39. For information on these annual revisions, see Parker and Seskin, "Annual Revision of the National Income and Product Accounts," 6–35; and Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts," SURVEY 78 (August 1998): 7–35.

40. For additional details, see Seskin, "Annual Revision," 31–32.

41. For information on these geometric-mean-type CPI's, see Kenneth J. Stewart and Stephen B. Reed, "CPI Research Series Using Current Methods, 1978–98," *Monthly Labor Review* 122 (June 1999): 29–38.


35. BEA is indebted to Yuri Dikanov of the World Bank for suggesting this formula.

36. For the formulas that are currently used, see U.S. Department of Commerce, Bureau of Economic Analysis, *National Income and Product Accounts of the United States, 1929–94: Volume 1* (Washington, DC: U.S. Government Printing Office, 1998): M–13.

37. Annual estimates of contributions to percent change begin with 1930, and quarterly estimates begin with 1947.

reflect fixed-weighted component indexes that were based on the official CPI's prior to 1999. Second, for cellular telephone service in PCE, a price index developed by Hausman will be carried back to 1987.⁴² Third, auto and truck leasing in PCE will be deflated using implicit prices that reflect changes in the CPI's for new vehicles and changes in interest rates on new car loans by auto finance companies. Finally, within "other professional

(medical) services" in PCE, eye examinations will be deflated using the CPI for eyeglasses and eye care.

From the 1997 annual revision, a new BEA quality-adjusted annual price index for telephone switching and switchboard equipment in private fixed investment will be carried back to 1985. In addition, a timing adjustment for the production and sale of a major weapons system, the B-2 bomber, in the change in private inventories will be carried back to 1991. 

⁴². For more details, see Jerry Hausman, "Cellular Telephone, New Products, and the CPI," *Journal of Business & Economic Statistics* 17 (April 1999): 188-94.

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

TABLES 1, 2, and 3 show quarterly and monthly estimates of real inventories, sales, and inventory-sales ratios, respectively. Table 4 shows real manufacturing inventories by stage of fabrication. Real estimates are in chained (1992) dollars.

Data availability

Quarterly estimates for 1994:IV–1998:II of real manufacturing and trade inventories, sales, and inventory-sales ratios and of real manufacturing inventories by stage of fabrication were published in the **October 1998 SURVEY OF CURRENT BUSINESS**. The estimates for 1998:III–IV were published in the **July 1999 SURVEY**.

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

	1999		1999					1999
	I	II	Feb.	Mar.	Apr. ^r	May. ^r	Jun. ^r	Jul. ^p
Manufacturing and trade	1,044.9	1,044.0	1,042.3	1,044.9	1,043.4	1,043.8	1,044.0	1,046.1
Manufacturing	454.3	452.5	454.4	454.3	453.7	454.2	452.5	453.9
Durable goods	289.4	287.8	289.6	289.4	288.6	288.8	287.8	289.3
Primary metal industries	23.1	22.9	23.5	23.1	23.0	23.1	22.9	22.8
Fabricated metal products	29.5	29.5	29.5	29.5	29.6	29.8	29.5	29.7
Industrial machinery and equipment Electronic and other electric equipment	65.5	64.8	65.1	65.5	65.2	65.2	64.8	64.7
Transportation equipment	42.9	43.6	42.5	42.9	43.1	43.4	43.6	43.8
Motor vehicles and equipment	68.9	67.1	69.3	68.9	68.0	67.4	67.1	67.9
Other transportation equipment	15.7	15.8	15.3	15.7	15.3	15.5	15.8	15.9
Other durable goods ¹	53.2	51.3	54.1	53.2	52.7	52.0	51.3	52.0
Nondurable goods	60.3	60.6	60.2	60.3	60.4	60.7	60.6	61.0
Food and kindred products	165.0	164.9	165.0	165.0	165.2	165.5	164.9	164.8
Paper and allied products	35.9	36.4	35.8	35.9	36.2	36.5	36.4	36.3
Chemicals and allied products	15.0	14.9	14.9	15.0	14.9	14.9	14.9	14.9
Petroleum and coal products	43.4	43.8	43.7	43.4	43.7	44.3	43.8	44.1
Rubber and miscellaneous plastic products	12.0	11.2	11.8	12.0	11.6	11.3	11.2	11.2
Other nondurable goods ²	15.8	15.9	15.9	15.8	15.9	16.0	15.9	15.9
Merchant wholesalers	281.0	283.2	280.3	281.0	281.2	282.0	283.2	285.5
Durable goods	181.5	182.9	181.2	181.5	180.9	181.8	182.9	184.4
Nondurable goods	99.8	100.6	99.4	99.8	100.6	100.4	100.6	101.4
Groceries and farm products	31.5	32.2	30.6	31.5	32.3	32.4	32.2	32.8
Other nondurable goods	68.8	69.0	69.2	68.8	68.8	68.5	69.0	69.2
Retail trade	309.7	308.4	307.7	309.7	308.6	307.9	308.4	306.9
Durable goods	160.0	158.1	158.8	160.0	159.0	158.2	158.1	157.3
Motor vehicle dealers ³	74.1	71.4	73.4	74.1	72.8	71.8	71.4	70.7
Other durable goods ³	86.1	86.9	85.6	86.1	86.5	86.7	86.9	86.8
Nondurable goods	149.5	150.2	148.8	149.5	149.4	149.5	150.2	149.4
Food stores	29.6	29.7	29.6	29.6	29.4	29.6	29.7	29.7
Other nondurable goods	119.9	120.5	119.2	119.9	119.9	119.8	120.5	119.7

^p Preliminary.

^r Revised.

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

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

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Chained (1992) dollar inventory series are calculated as the product of the chain-type quantity index and the average of the end-of-year fixed-weighted inventories for 1991 and 1992, 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 estimates for 1959–98:I are available as downloadable files on BEA's Web site at <www.bea.doc.gov>; click on Catalog of Products, look under National, National Income and Product Accounts, 1998 Underlying NIPA Historical, and click "Free download."

The estimates for 1959–98:I are also available on diskette from BEA: Product number NDN-0211, price \$60.00. To order using Visa or MasterCard, call the BEA Order Desk at 1-800-704-0415 (outside the United States, 202-606-9666). To order by mail, send a check made payable to "Bureau of Economic Analysis, BE-53" to BEA Order Desk (BE-53), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

Table 2.—Real Manufacturing and Trade Sales, Seasonally Adjusted at Monthly Rate
(Billions of chained (1992) dollars)

	1999		1999					1999
	I	II	Feb.	Mar.	Apr. ^r	May. ^r	Jun. ^r	Jul. ^p
Manufacturing and trade	789.8	798.9	791.4	798.3	791.4	799.4	806.0	807.3
Manufacturing	334.4	337.5	333.8	338.4	334.9	337.2	340.4	340.9
Durable goods	197.3	201.1	196.2	200.0	199.1	201.3	202.8	204.3
Primary metal industries	13.9	14.0	13.8	14.1	13.8	14.1	14.2	14.2
Fabricated metal products	18.6	18.6	18.6	18.6	18.6	18.6	18.7	18.5
Industrial machinery and equipment Electronic and other electric equipment	51.0	52.5	51.1	51.4	52.4	52.6	52.4	55.5
Transportation equipment	34.1	35.5	33.7	34.5	35.2	35.4	35.8	36.8
Motor vehicles and equipment	44.6	45.3	44.0	45.7	44.2	45.3	46.3	45.1
Other transportation equipment	30.3	31.1	30.0	31.1	30.0	30.5	32.7	32.1
Other durable goods ¹	14.2	14.2	14.1	14.6	14.2	14.7	13.7	13.1
Nondurable goods	38.4	38.8	38.5	39.0	38.6	38.9	39.0	38.8
Food and kindred products	138.1	137.6	138.6	139.5	136.9	137.2	138.8	137.9
Paper and allied products	38.4	38.6	38.4	38.8	38.2	38.7	38.9	38.6
Chemicals and allied products	12.3	12.0	12.4	12.1	12.1	12.0	12.0	12.0
Petroleum and coal products	28.5	29.2	28.6	28.9	29.0	29.0	29.5	29.2
Rubber and miscellaneous plastic products	15.9	14.3	16.0	16.7	14.1	13.9	14.9	14.6
Other nondurable goods ²	12.7	12.6	12.8	12.8	12.5	12.6	12.7	12.4
Merchant wholesalers	217.2	220.8	217.8	220.2	217.7	220.6	224.2	223.3
Durable goods	116.1	119.3	116.9	117.7	117.6	119.3	121.0	121.0
Nondurable goods	101.1	101.7	101.0	102.5	100.2	101.4	103.3	102.4
Groceries and farm products	35.2	36.2	35.5	35.8	35.8	36.4	36.3	37.2
Other nondurable goods	66.1	65.7	65.8	66.9	64.6	65.3	67.3	65.5
Retail trade	238.8	241.2	240.4	240.3	239.3	242.2	242.1	243.8
Durable goods	101.1	102.2	102.5	101.6	101.1	103.3	102.3	103.7
Motor vehicle dealers ³	50.7	51.5	51.5	50.9	50.4	52.3	51.9	53.3
Other durable goods ³	51.2	51.5	51.8	51.5	51.6	51.7	51.1	51.0
Nondurable goods	137.4	138.8	137.7	138.5	138.0	138.7	139.6	139.8
Food stores	34.4	34.6	34.6	34.7	34.4	34.7	34.6	34.6
Other nondurable goods	103.1	104.3	103.2	104.0	103.7	104.1	105.2	105.4

^p Preliminary.

^r Revised.

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

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

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

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Table 3.—Real Inventory-Sales Ratios for Manufacturing and Trade, Seasonally Adjusted

[Ratio, based on chained (1992) dollars]

	1999		1999					1999
	I	II	Feb.	Mar.	Apr. ^a	May. ^a	Jun. ^a	Jul. ^a
Manufacturing and trade	1.32	1.31	1.32	1.31	1.32	1.31	1.30	1.30
Manufacturing	1.36	1.34	1.36	1.34	1.36	1.35	1.33	1.33
Durable goods	1.47	1.43	1.48	1.45	1.45	1.44	1.42	1.42
Primary metal industries	1.66	1.63	1.71	1.64	1.66	1.64	1.61	1.61
Fabricated metal products	1.59	1.59	1.59	1.59	1.60	1.60	1.58	1.61
Industrial machinery and equipment	1.29	1.24	1.28	1.27	1.25	1.24	1.24	1.17
Electronic and other electric								
equipment	1.26	1.23	1.26	1.24	1.22	1.23	1.22	1.19
Transportation equipment	1.55	1.48	1.57	1.51	1.54	1.49	1.45	1.50
Motor vehicles and equipment .....	.52	.51	.51	.50	.51	.51	.49	.50
Other transportation equipment	3.74	3.61	3.85	3.64	3.71	3.52	3.76	3.98
Other durable goods ¹	1.57	1.56	1.57	1.55	1.56	1.56	1.56	1.57
Nondurable goods	1.20	1.20	1.19	1.18	1.21	1.21	1.19	1.20
Food and kindred products .....	.94	.94	.93	.93	.95	.95	.94	.94
Paper and allied products	1.22	1.24	1.20	1.23	1.24	1.24	1.24	1.24
Chemicals and allied products	1.53	1.50	1.53	1.50	1.51	1.53	1.49	1.51
Petroleum and coal products .....	.76	.78	.74	.72	.82	.82	.75	.77
Rubber and miscellaneous plastic								
products	1.25	1.26	1.23	1.23	1.27	1.27	1.25	1.28
Other nondurable goods ²	1.37	1.35	1.37	1.37	1.36	1.35	1.35	1.33
Merchant wholesalers	1.29	1.28	1.29	1.28	1.29	1.28	1.26	1.28
Durable goods	1.56	1.53	1.55	1.54	1.54	1.53	1.51	1.52
Nondurable goods .....	.99	.99	.98	.97	1.00	.99	.97	.99
Groceries and farm products .....	.89	.89	.86	.88	.90	.89	.89	.88
Other nondurable goods	1.04	1.05	1.05	1.03	1.06	1.05	1.03	1.06
Retail trade	1.30	1.28	1.28	1.29	1.29	1.27	1.27	1.26
Durable goods	1.58	1.55	1.55	1.58	1.57	1.53	1.55	1.52
Motor vehicle dealers ³	1.46	1.39	1.43	1.46	1.45	1.37	1.38	1.33
Other durable goods ³	1.68	1.69	1.65	1.67	1.68	1.68	1.70	1.70
Nondurable goods	1.09	1.08	1.08	1.08	1.08	1.08	1.08	1.07
Food stores .....	.86	.86	.86	.85	.86	.85	.86	.86
Other nondurable goods	1.16	1.16	1.16	1.15	1.16	1.15	1.15	1.14

^a Preliminary.

^r Revised.

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

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

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

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

Table 4.—Real Manufacturing Inventories by Stage of Fabrication, Seasonally Adjusted, End of Period

[Billions of chained (1992) dollars]

	1999		1999					1999
	I	II	Feb.	Mar.	Apr. ^a	May. ^a	Jun. ^a	Jul. ^a
Materials and supplies								
Manufacturing	150.0	149.2	150.3	150.0	149.4	149.4	149.2	150.1
Durable goods	90.1	89.8	90.1	90.1	89.7	89.6	89.8	90.6
Primary metal industries	7.9	7.6	7.9	7.9	7.8	7.7	7.6	7.7
Fabricated metal products	10.1	10.2	10.1	10.1	10.1	10.1	10.2	10.3
Industrial machinery and equipment	19.9	19.6	19.5	19.9	19.9	19.6	19.6	19.6
Electronic and other electric								
equipment	16.1	16.3	16.1	16.1	16.0	16.1	16.3	16.9
Motor vehicles and equipment	7.0	7.5	7.3	7.0	7.3	7.5	7.5	7.4
Other transportation equipment	7.1	6.8	7.2	7.1	6.8	6.9	6.8	7.0
Other durable goods ¹	22.3	22.0	22.2	22.3	22.1	22.0	22.0	22.1
Nondurable goods	60.0	59.6	60.3	60.0	59.9	59.9	59.6	59.6
Food and kindred products	11.3	11.5	11.1	11.3	11.5	11.5	11.5	11.5
Paper and allied products	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3
Chemicals and allied products	14.1	14.0	14.2	14.1	14.1	14.2	14.0	14.2
Petroleum and coal products	3.6	3.3	3.7	3.6	3.4	3.3	3.3	3.3
Rubber and miscellaneous plastic								
products	6.4	6.4	6.5	6.4	6.4	6.5	6.4	6.5
Other nondurable goods ²	17.1	16.8	17.4	17.1	16.9	16.8	16.8	16.7
Work-in-process								
Manufacturing	146.4	144.6	146.7	146.4	146.2	146.0	144.6	144.9
Durable goods	117.5	115.2	118.0	117.5	116.8	116.4	115.2	115.6
Primary metal industries	7.7	7.6	7.9	7.7	7.6	7.7	7.6	7.5
Fabricated metal products	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7
Industrial machinery and equipment	24.5	24.1	25.0	24.5	24.5	24.4	24.1	24.3
Electronic and other electric								
equipment	15.1	15.5	15.0	15.1	15.4	15.7	15.5	15.4
Motor vehicles and equipment	5.1	4.3	4.2	5.1	4.3	4.2	4.3	4.5
Other transportation equipment	41.6	40.1	42.4	41.6	41.4	40.6	40.1	40.4
Other durable goods ¹	15.0	15.2	15.1	15.0	15.2	15.3	15.2	15.2
Nondurable goods	28.7	29.3	28.6	28.7	29.2	29.4	29.3	29.1
Food and kindred products	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.8
Paper and allied products	1.6	1.6	1.6	1.6	1.5	1.5	1.6	1.6
Chemicals and allied products	8.1	8.6	8.1	8.1	8.4	8.8	8.6	8.5
Petroleum and coal products	2.8	2.7	2.7	2.8	2.8	2.7	2.7	2.7
Rubber and miscellaneous plastic								
products	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Other nondurable goods ²	8.3	8.3	8.2	8.3	8.4	8.2	8.3	8.3
Finished goods								
Manufacturing	157.8	158.6	157.4	157.8	158.1	158.8	158.6	158.9
Durable goods	81.7	82.9	81.5	81.7	82.1	82.8	82.9	83.0
Primary metal industries	7.5	7.7	7.7	7.5	7.6	7.7	7.7	7.7
Fabricated metal products	10.8	10.7	10.7	10.8	10.9	11.0	10.7	10.8
Industrial machinery and equipment	21.1	21.1	20.7	21.1	20.9	21.2	21.1	20.9
Electronic and other electric								
equipment	11.7	11.8	11.5	11.7	11.7	11.6	11.8	11.5
Motor vehicles and equipment	3.6	4.1	3.7	3.6	3.8	3.8	4.1	4.1
Other transportation equipment	4.5	4.4	4.5	4.5	4.5	4.5	4.4	4.5
Other durable goods ¹	22.8	23.3	22.8	22.8	23.0	23.2	23.3	23.6
Nondurable goods	76.3	76.0	76.1	76.3	76.1	76.2	76.0	76.1
Food and kindred products	19.0	19.2	19.0	19.0	19.2	19.3	19.2	19.0
Paper and allied products	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Chemicals and allied products	21.3	21.2	21.4	21.3	21.2	21.2	21.2	21.4
Petroleum and coal products	5.5	5.2	5.5	5.5	5.4	5.2	5.2	5.3
Rubber and miscellaneous plastic								
products	7.2	7.2	7.2	7.2	7.2	7.3	7.2	7.2
Other nondurable goods ²	17.0	16.8	16.7	17.0	16.9	16.8	16.8	16.8

^a Preliminary.

^r Revised.

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

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

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U.S. International Transactions, Second Quarter 1999

By Douglas B. Weinberg

THE U.S. current-account deficit—the balance on trade in goods and services, the balance on income, and net unilateral current transfers—increased to \$80.7 billion in the second quarter of 1999 from \$68.7 billion (revised) in the first quarter (table A, chart 1).¹ Most of the increase was accounted for by a large increase in the deficit on goods that resulted from imports increasing much more than exports. The current-account deficit was also boosted by a small decrease in the surplus on services, a small increase in the deficit on income, and an increase in net unilateral current transfers.

In the financial account, net recorded financial inflows—the difference between changes in

U.S.-owned assets abroad and changes in foreign-owned assets in the United States—were \$116.9 billion in the second quarter, up from \$73.7 billion (revised) in the first. The increase was accounted for by a greater strengthening in financial inflows for foreign-owned assets in the United States than in financial outflows for U.S.-owned assets abroad.

The statistical discrepancy—errors and omissions in recorded transactions—was a negative \$36.4 billion in the second quarter, compared with a negative \$5.2 billion in the first.

The following are highlights for the second quarter of 1999:

- Imports of goods and imports of services both increased strongly.
- Foreign direct investment in the United States increased sharply as a result of several

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

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

[Millions of dollars, seasonally adjusted]

Line	Lines in tables 1 and 10 in which transactions are included are indicated in ()	1997	1998	1998				1999		Change: 1999 1-11
				I	II	III	IV	I ^r	II ^r	
1	Exports of goods and services and income receipts (1)	1,197,206	1,192,231	302,289	298,463	291,493	299,985	295,932	301,539	5,607
2	Goods, balance of payments basis (3)	679,715	670,246	170,665	165,198	164,259	170,124	164,292	165,674	1,382
3	Services (4)	258,828	263,661	65,166	66,691	65,025	66,780	67,612	68,852	1,240
4	Income receipts (12)	258,663	258,324	66,458	66,574	62,209	63,081	64,028	67,013	2,985
5	Imports of goods and services and income payments (18)	-1,298,705	-1,368,718	-335,380	-340,977	-344,182	-348,180	-354,246	-370,937	-16,691
6	Goods, balance of payments basis (20)	-876,366	-917,178	-225,541	-228,698	-229,228	-233,711	-238,495	-250,320	-11,825
7	Services (21)	-166,907	-181,011	-43,628	-45,152	-45,780	-46,455	-47,383	-49,222	-1,839
8	Income payments (29)	-255,432	-270,529	-66,211	-67,127	-69,174	-68,014	-68,368	-71,395	-3,027
9	Unilateral current transfers, net (35)	-41,966	-44,075	-9,927	-9,886	-10,787	-13,474	-10,340	-11,275	-935
10	Capital account transactions, net (39)	292	617	143	160	148	166	166	180	14
11	U.S.-owned assets abroad, net (increase/financial outflow (-)) (40)	-465,296	-292,818	-59,599	-120,517	-62,097	-50,607	-15,148	-124,161	-109,013
12	U.S. official reserve assets, net (41)	-1,010	-6,784	-444	-1,945	-2,026	-2,369	4,068	1,159	-2,909
13	U.S. Government assets, other than official reserve assets, net (46)	68	-429	-81	-483	185	-50	119	-380	-499
14	U.S. private assets, net (50)	-464,354	-285,605	-59,074	-118,089	-60,256	-48,188	-19,335	-124,940	-105,605
15	Foreign-owned assets in the United States, net (increase/ financial inflow (+)) (55)	751,661	502,637	96,817	162,466	93,547	149,805	88,860	241,047	152,187
16	Foreign official assets in the United States, net (56)	18,119	-21,684	11,004	-10,551	-46,489	24,352	4,708	-986	-5,694
17	Other foreign assets in the United States, net (63)	733,542	524,321	85,813	173,017	140,036	125,453	84,152	242,033	157,881
18	Statistical discrepancy (sum of above items with sign reversed) (70)	-143,192	10,126	5,657	10,291	31,878	-37,695	-5,224	-36,393	-31,169
Memoranda:										
19	Balance on goods (71)	-196,651	-246,932	-54,876	-63,500	-64,969	-63,587	-74,203	-84,646	-10,443
20	Balance on services (72)	91,921	82,650	21,538	21,539	19,245	20,325	20,229	19,630	-599
21	Balance on goods and services (73)	-104,730	-164,282	-33,338	-41,961	-45,724	-43,262	-53,974	-65,016	-11,042
22	Balance on income (74)	3,231	-12,205	247	-553	-6,965	-4,933	-4,340	-4,382	-42
23	Unilateral current transfers, net (75)	-41,966	-44,075	-9,927	-9,886	-10,787	-13,474	-10,340	-11,275	-935
24	Balance on current account (76)	-143,465	-220,562	-43,018	-52,400	-63,476	-61,669	-68,654	-80,673	-12,019
25	Capital account transactions, net (39)	292	617	143	160	148	166	166	180	14
26	Net financial flows (40 and 55)	286,365	209,819	37,218	41,949	31,450	99,198	73,712	116,886	43,174

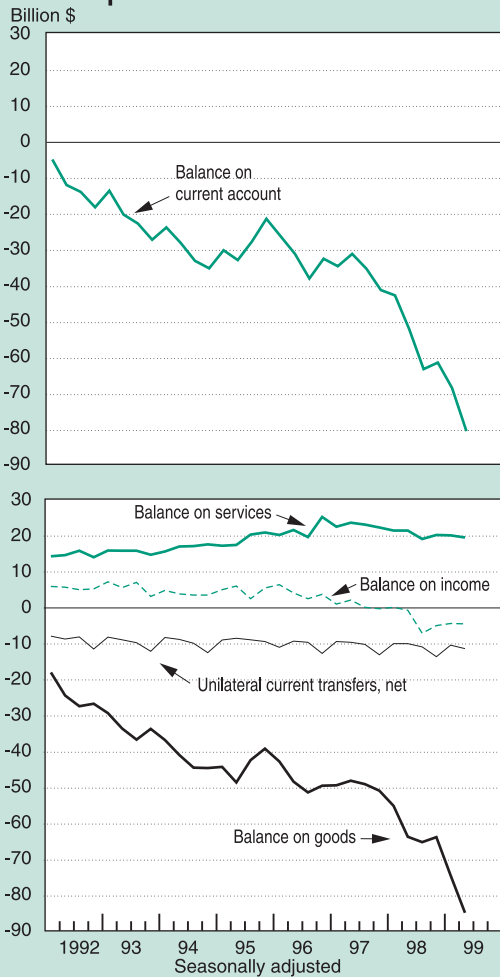
^r Preliminary.
^r Revised.

very large acquisitions of U.S. companies by foreign companies. Because these acquisitions were partly financed by the exchange of stock, U.S. transactions in foreign securities shifted to net U.S. purchases from net U.S. sales.

- Net foreign purchases of U.S. securities other than U.S. Treasury securities increased to a record level.
- U.S. banks' claims on foreigners and U.S. banks' liabilities to foreigners both increased after decreasing for two consecutive quarters. The increases largely reflected the buildup of positions with U.S. banks' own foreign offices.

CHART 1

U.S. Current-Account Balance and Its Components



U.S. dollar in exchange markets

In the second quarter, the U.S. dollar appreciated 1 percent on a nominal, trade-weighted quarterly average basis against the group of 26 currencies of important U.S. trading partners (table B, chart 2). Within the broad group, the dollar appreciated 2 percent against the group of 7 major currencies that trade widely in international markets, and it depreciated 1 percent against the group of remaining currencies (see table B for definitions).

The U.S. dollar appreciated against the euro, partly as a result of the disparity between the continued robust expansion of the U.S. economy and the continued weak expansion of the euro area economy. The dollar was also boosted by an increase in U.S. long-term interest rates relative to euro area long-term interest rates, partly as a result of heightened expectations of a tightening of U.S. monetary policy. Midway through the quarter, U.S. monetary authorities adopted a directive that was tilted toward the tightening of monetary policy, and at quarter-end, they increased the target for the Federal funds rate by 25 basis points to 5.00 percent. In contrast, continued weak growth in the euro area countries prompted the European Central Bank to lower its interest rate on short-term refinancing operations by 50 basis points to 2.50 percent.

The dollar appreciated against the Japanese yen in the first half of the quarter, partly as a result of an increase in U.S. long-term interest rates relative to Japanese long-term rates. Around

Revisions to the Estimates for the First Quarter of 1999

The international transactions accounts estimates for the first quarter of 1999 are revised from the preliminary estimates published in the July 1999 SURVEY. The current-account deficit for the first quarter was revised up to \$68.7 billion from \$68.6 billion. The goods deficit was unchanged from the preliminary estimate; the services surplus was revised down to \$20.2 billion from \$20.4

billion (reflecting newly available source data); the deficit on income was revised down to \$4.3 billion from \$4.7 billion (reflecting updated capital flow and position data); and net unilateral current transfers were revised up to \$10.3 billion from \$10.1 billion (reflecting newly available source data). Net recorded financial inflows were revised down to \$73.7 billion from \$84.1 billion.

midquarter, the dollar began to depreciate against the yen, amid indications that Japanese economic activity might be strengthening. Yields implied by prices on Japanese short-term interest-rate futures contracts and Japanese long-term interest rates turned higher, and in early June, data were released showing that the Japanese economy grew very strongly in the first quarter. Japanese stock prices increased strongly for the second consecu-

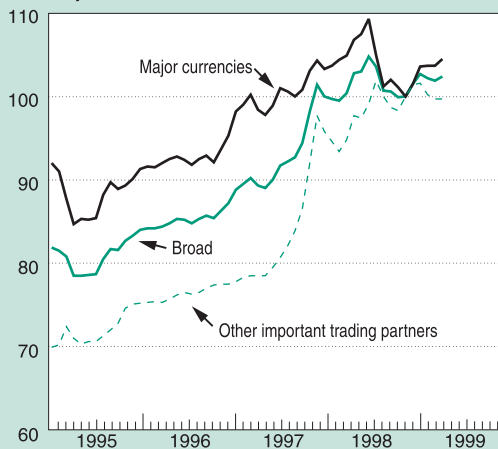
tive quarter, and purchases of Japanese stocks by foreign investors boosted the yen.

Against other currencies, the U.S. dollar continued to depreciate against the Canadian dollar after reaching a record quarterly high against the Canadian dollar in the fourth quarter of 1998. The U.S. dollar depreciated against the Brazilian real but still remained substantially above the level that existed before the devaluation of the real in January 1999. The U.S. dollar also depreciated against the Mexican peso.

CHART 2

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

January 1999=100



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

Current Account

Goods and services

The deficit on goods and services increased to \$65.0 billion in the second quarter from \$54.0 billion in the first. The increase was accounted for by an increase in the deficit on goods, to \$84.6 billion from \$74.2 billion, and a decrease in the surplus on services, to \$19.6 billion from \$20.2 billion.

Goods.—The deficit on goods increased \$10.4 billion, to \$84.6 billion, in the second quarter. Imports increased much more than exports.

Exports.—Exports increased \$1.4 billion, or 1 percent, to \$165.7 billion in the second quarter. Quantities increased 1 percent, and prices were

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

[January 1999=100]

	1998			1999		1998						1999						
	II	III	IV	I	II	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June
Nominal: ¹																		
Broad ²	100.9	103.8	100.4	101.4	102.2	102.8	103.0	104.8	103.6	100.7	100.6	99.9	100.0	101.5	102.7	102.2	101.9	102.4
Major currencies ³	105.4	107.3	101.4	101.7	104.0	106.8	107.5	109.3	105.0	101.2	102.0	101.1	100.0	101.5	103.6	103.7	103.7	104.5
Other important trading partners ⁴	95.3	99.5	99.0	101.0	99.9	97.7	97.4	99.1	101.9	100.0	98.7	98.3	100.0	101.4	101.6	100.2	99.7	99.7
Real: ¹																		
Broad ²	102.3	104.9	100.5	101.2	102.4	104.1	104.4	106.0	104.2	101.1	100.6	99.8	100.0	101.1	102.6	102.5	102.1	102.5
Major currencies ³	104.3	106.7	100.9	101.8	104.2	105.8	106.9	108.8	104.4	100.6	101.4	100.6	100.0	101.6	103.7	104.1	103.9	104.5
Other important trading partners ⁴	99.6	102.6	100.1	100.6	100.1	101.8	101.3	102.5	104.0	101.8	99.7	98.9	100.0	100.6	101.1	100.5	99.8	100.0
Selected currencies: (nominal) ⁵																		
Canada	95.2	99.7	101.6	99.5	96.9	96.5	97.9	101.0	100.2	101.7	101.4	101.6	100.0	98.6	99.9	97.9	96.2	96.7
European currencies:																		
Germany	106.3	104.4	98.6	103.3	109.7	106.2	106.5	105.9	100.7	97.1	99.7	99.0	100.0	103.5	106.5	108.3	109.0	111.7
France	106.3	104.4	98.6	103.3	109.7	106.2	106.5	105.9	100.7	97.1	99.7	98.9	100.0	103.5	106.5	108.3	109.0	111.7
Italy	106.0	104.1	98.6	103.3	109.7	105.8	106.2	105.6	100.6	97.1	99.7	99.0	100.0	103.5	106.5	108.3	109.0	111.7
Euro area ⁶	n.a.	n.a.	n.a.	103.3	109.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100.0	103.5	106.5	108.3	109.0	111.7
United Kingdom	99.8	99.8	98.5	101.1	102.7	100.0	100.4	101.0	98.1	97.4	99.3	98.7	100.0	101.4	101.8	102.5	102.1	103.4
Switzerland	107.7	106.0	98.2	102.9	109.3	107.9	109.2	107.8	101.0	96.5	100.0	98.2	100.0	103.0	105.8	108.0	108.8	111.0
Japan	119.8	123.6	105.5	102.8	106.7	123.9	124.3	127.7	118.7	106.9	106.2	103.3	100.0	103.0	105.5	105.7	107.7	106.6
Mexico	85.6	93.8	98.8	98.3	93.3	88.1	87.9	92.5	100.9	100.3	98.4	97.8	100.0	98.8	96.1	93.1	92.8	93.9
Brazil	75.9	77.5	79.1	117.8	113.7	76.3	76.8	77.5	78.1	78.6	78.9	79.7	100.0	127.4	126.0	112.6	111.5	116.9

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 euro-area countries, Australia, Canada, Japan, Sweden, Switzerland, and the United Kingdom. The weight for each currency is its broad-index weight divided by the sum of the broad-index weights for all of the currencies included in the major currency index. Data: Federal Reserve Board. Monthly and quarterly average rates. Index rebased by BEA.

4. Weighted average of the foreign exchange value of the U.S. dollar against broad-index currencies that do

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

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

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

unchanged (table C).² The value of agricultural products and nonagricultural products both increased.

Nonagricultural exports increased \$0.9 billion, or 1 percent, to \$153.4 billion; quantities increased 1 percent, and prices were unchanged. In value, half of the major commodity categories increased, and half decreased. Nonagricultural industrial supplies and materials increased, largely as a result of increases in energy products, in textiles, and in nonmonetary gold. Automotive products increased as a result of increases in passenger cars to Germany and in all categories of automotive products to Canada. Capital goods decreased as a result of a second consecutive sharp decline in civilian aircraft, which had surged in the last two quarters of 1998; the decline in civilian aircraft was partly offset by increases in semiconductors, which continued to rise strongly to Asia, and in computers, peripherals, and parts.

Agricultural exports increased \$0.5 billion, or 4 percent, to \$12.3 billion; quantities increased 7 percent, and prices decreased 3 percent. In value, most of the increase was accounted for by increases in corn and wheat.

Imports.—Imports increased \$11.8 billion, or 5 percent, to \$250.3 billion in the second quarter. Quantities increased 4 percent, and prices

increased 1 percent (table C). The value of nonpetroleum imports continued to increase strongly, and the value of petroleum imports surged, largely as a result of a sharp upturn in petroleum prices.

Nonpetroleum imports increased \$6.3 billion, or 3 percent, to \$234.2 billion; quantities increased 4 percent, and prices decreased 1 percent. In value, half of the increase was accounted for by capital goods, which were boosted for the second consecutive quarter by strong increases in telecommunications equipment, in computers, peripherals, and parts, and in semiconductors. Nonpetroleum industrial supplies and materials increased, largely as a result of an acceleration in nonmetallic building materials from Canada. Automotive products also increased, but the rise was much smaller than in the preceding two quarters; the second-quarter increase was attributable to continued strong growth in trucks from Canada and in most categories of automotive products from areas other than Canada. Consumer goods increased as a result of a broad-based rise in durable goods.

Petroleum imports increased \$5.5 billion, or 52 percent, to \$16.1 billion. The surge was largely attributable to a sharp upturn in prices, to an average of \$14.70 per barrel from \$10.38 per barrel. The rise in prices, which followed a prolonged decline that began in the fourth quarter of 1996, was partly attributable to a reduction in output by members of OPEC. In the second quarter,

2. Quantity (real) estimates are calculated using a chain-type Fisher formula with annual weights for all years and quarters except for the most recent year, which is calculated using quarterly weights. Real estimates are expressed as chained (1992) dollars. Price indexes (1992=100) are also calculated using a chain-type Fisher formula.

Table C.—U.S. Trade in Goods, Current and Chained (1992) Dollars, and Percent Changes from Previous Period

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

	Current dollars								Chained (1992) dollars ¹							
	1997	1998	1998				1999		1997	1998	1998				1999	
			I	II	III	IV	I	II ^P			I	II	III	IV	I ^r	II ^P
Exports	679,715	670,246	170,665	165,198	164,259	170,124	164,292	165,674	717,339	730,951	183,906	179,368	180,109	187,568	182,142	184,287
Agricultural products	58,425	53,106	14,017	13,203	12,300	13,586	11,832	12,317	49,254	49,227	12,651	12,080	11,495	13,001	11,577	12,379
Nonagricultural products	621,290	617,140	156,648	151,995	151,959	156,538	152,460	153,357	671,785	685,938	172,141	168,322	169,787	175,688	171,689	173,089
Imports	876,366	917,178	225,541	228,698	229,228	233,711	238,495	250,320	932,899	1,037,580	250,045	257,543	261,975	268,017	275,717	286,735
Petroleum and products	71,772	50,903	13,600	13,392	12,458	11,453	10,594	16,134	66,728	71,384	16,915	18,497	18,566	17,406	17,686	19,071
Nonpetroleum products	804,594	866,275	211,941	215,306	216,770	222,258	227,901	234,186	865,318	965,700	233,158	238,963	243,288	250,291	257,807	267,336
	Percent change from preceding period								Percent change from preceding period							
	1997	1998	1998				1999		1997	1998	1998				1999	
			I	II	III	IV	I	II ^P			I	II	III	IV	I ^r	II ^P
Exports	11.1	-1.4	-1.6	-3.2	-0.6	3.6	-3.4	0.8	15.2	1.9	-0.4	-2.5	0.4	4.1	-2.9	1.2
Agricultural products	-5.0	-9.1	-7.0	-5.8	-6.8	10.5	-12.9	4.1	1.6	-1	-2.7	-4.5	-4.8	13.1	-11.0	6.9
Nonagricultural products	12.8	-7	-1.1	-3.0	.....	3.0	-2.6	.6	16.7	2.1	-2	-2.2	.9	3.5	-2.3	.8
Imports	9.1	4.7	.7	1.4	.2	2.0	2.0	5.0	13.9	11.2	3.7	3.0	1.7	2.3	2.9	4.0
Petroleum and products	-1.3	-29.1	-20.6	-1.5	-7.0	-8.1	-7.5	52.3	4.6	7.0	1.3	9.4	.4	-6.2	1.6	7.8
Nonpetroleum products	10.1	7.7	2.4	1.6	.7	2.5	2.5	2.8	14.8	11.6	4.0	2.5	1.8	2.9	3.0	3.7

^P Preliminary.

^r Revised.

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

the average number of barrels imported daily increased to 12.01 million from 11.20 million.

Balances by area.—The deficit on goods with Western Europe increased \$4.6 billion, to \$13.1 billion, in the second quarter.³ The deficit with Asia, excluding Japan, increased \$3.6 billion, to \$35.5 billion. The deficit with Latin America and Other Western Hemisphere increased \$1.7 billion, to \$7.8 billion. In contrast, the deficit with Canada decreased \$0.5 billion, to \$8.4 billion, and the deficit with Japan was unchanged at \$17.6 billion.

Services.—The surplus on services decreased \$0.6 billion, to \$19.6 billion, in the second quarter. Services receipts increased to \$68.9 billion from \$67.6 billion, and services payments increased to \$49.2 billion from \$47.4 billion.⁴

Travel receipts increased to \$18.4 billion from \$18.1 billion. The increase was largely attributable to a rise in receipts from Canadian travelers to the United States. Travel payments increased to \$15.0 billion from \$14.8 billion. The increase was more than accounted for by a rise in payments by U.S. travelers to overseas countries.

Passenger fare receipts increased to \$5.2 billion from \$5.0 billion, and passenger fare payments increased to \$5.3 billion from \$5.1 billion.

“Other” transportation receipts increased to \$6.7 billion from \$6.5 billion as a result of an increase in port expenditure receipts. “Other” transportation payments increased to \$8.3 billion from \$7.7 billion; the increase was largely accounted for by increases in ocean, air, and truck freight payments, partly reflecting the increase in the volume of U.S. goods imports.

Receipts for “other” private services increased to \$24.6 billion from \$24.1 billion, largely as a result of a rise in financial services receipts. Payments for “other” private services increased to \$13.1 billion from \$12.3 billion, largely as a result of a rise in service payments made by both U.S. affiliates and U.S. parent companies to affiliated parties abroad.

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

4. For detailed information on services, see “U.S. International Services” in this issue.

Income

The deficit on income increased slightly to \$4.4 billion in the second quarter from \$4.3 billion in the first. Income receipts increased to \$67.0 billion from \$64.0 billion, and income payments increased to \$71.4 billion from \$68.4 billion.

Investment income.—Receipts of investment income on U.S.-owned assets abroad increased to \$66.5 billion from \$63.6 billion, and payments of investment income on foreign-owned assets in the United States increased to \$69.6 billion from \$66.5 billion.

Receipts of income on U.S. direct investment abroad increased to \$28.5 billion from \$26.9 billion. The increase was attributable to a continued recovery in earnings from a sharp decline that occurred in the third quarter of 1998. The second-quarter rise in earnings was broadly based by industry. By area, earnings increased the most for foreign affiliates in Canada, Brazil, and a few countries in Asia.

Payments of income on foreign direct investment in the United States increased to a record \$14.4 billion from \$12.1 billion. The surge was attributable to widespread increases in the earnings of nonmanufacturing affiliates. The largest increases were in the earnings of petroleum, wholesale trade, finance, and services affiliates. By area, earnings of Japanese-owned affiliates increased the most, and earnings also rose for Canadian-owned and British-owned affiliates.

“Other” private income receipts increased to \$37.3 billion from \$35.8 billion. The increase was largely attributable to increases in average yields on U.S. holdings of foreign bonds and on U.S. nonbank claims.

“Other” private income payments increased to \$32.0 billion from \$31.8 billion. Payments on foreign holdings of U.S. bonds increased, largely as a result of a rise in average yields; the increase was partly offset by a decrease in payments on U.S. nonbank liabilities.

U.S. Government income receipts edged down to \$0.8 billion from \$0.9 billion, and U.S. Government income payments increased to \$23.2 billion from \$22.7 billion.

Compensation of employees.—Receipts for compensation of employees were unchanged at \$0.5 billion, and payments for compensation of employees edged down to \$1.8 billion from \$1.9 billion.

Unilateral current transfers

Net unilateral current transfers were \$11.3 billion in the second quarter, compared with \$10.3 billion in the first. The increase was accounted for by increases in U.S. Government grants and in private remittances and other transfers.

Capital Account

Net capital account transactions—which consist mainly of debt forgiveness and transfers of goods and financial assets by migrants as they enter or leave the country—were unchanged at \$0.2 billion in the second quarter.

Financial Account

Net recorded financial inflows—the difference between changes in U.S.-owned assets abroad and changes in foreign-owned assets in the United States—were \$116.9 billion in the second quarter, up from \$73.7 billion (revised) in the first. Outflows for U.S.-owned assets abroad and inflows for foreign-owned assets in the United States both increased strongly, but outflows increased less than inflows.

U.S.-owned assets abroad

Net U.S.-owned assets abroad increased \$124.2 billion in the second quarter, following an increase of \$15.1 billion in the first. The step-up was largely accounted for by U.S. claims reported by U.S. banks, which increased in the second quarter after decreasing in the first, and by a shift to net U.S. purchases of foreign securities from net U.S. sales that resulted from the financing of acquisitions of U.S. companies by foreign companies partly by the exchange of stock.

U.S. official reserve assets.—Net U.S. official reserve assets decreased \$1.2 billion in the second quarter, following a decrease of \$4.1 billion in the first (table D). The second-quarter decrease was more than accounted for by a decrease in the U.S. reserve position in the International Monetary Fund.

Claims reported by banks.—U.S. claims on foreigners reported by U.S. banks increased \$37.1 billion in the second quarter, in contrast to a decrease of \$27.8 billion in the first. The turnaround was largely attributable to U.S. banks' claims on foreign banks, which increased in the second quarter after decreasing in the first.

Banks' own claims payable in dollars increased \$40.7 billion, in contrast to a decrease of \$40.5 billion. The increase was largely attributable to an increase in the claims of foreign-owned banks in the United States, as substantial lending by European-owned banks to their own offices in Western Europe more than offset repayments by Japanese-owned banks to their own offices in Japan. U.S. banks' claims on nonbank private foreigners increased after three quarters of decline, largely as a result of lending by U.S. securities brokers and dealers to private foreigners in Western Europe and the Caribbean.

Banks' own claims payable in foreign currencies decreased \$11.1 billion, in contrast to an increase of \$5.8 billion. The decrease was widespread by geographic area.

Banks' domestic customers' claims payable in dollars decreased \$4.9 billion, in contrast to an increase of \$16.7 billion. The decrease was more than accounted for by a decrease in foreign commercial paper outstanding in the United States.

Table D.—Selected Transactions with Official Agencies

[Millions of dollars]

	1997	1998	1998				1999		Change: 1999 I-II
			I	II	III	IV	I ^a	II ^a	
Changes in foreign official assets in the United States, net (decrease -) (table 1, line 56)	18,119	-21,684	11,004	-10,551	-46,489	24,352	4,708	-986	-5,694
Industrial countries ¹	10,200	-7,025	-56	-9,740	-6,174	8,945	3,330	-323	-3,653
Members of OPEC ²	12,124	-11,499	-1,257	-657	-11,642	2,057	2,058	1,774	-284
Other countries	-4,205	-3,160	12,317	-154	-28,673	13,350	-680	-2,437	-1,757
Changes in U.S. official reserve assets, net (increase -) (table 1, line 41)	-1,010	-6,784	-444	-1,945	-2,026	-2,369	4,068	1,159	-2,909
Activity under U.S. official reciprocal currency arrangements with foreign monetary authorities: ³									
Foreign drawings, or repayments (-), net	-3,500								
Drawings									
Repayments	-3,500								

^a Preliminary.

^r Revised.

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

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

Excludes Ecuador beginning January 1993 and Gabon beginning January 1995.

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

Foreign securities.—U.S. transactions in foreign securities shifted to net U.S. purchases of \$26.4 billion in the second quarter from net U.S. sales of \$8.1 billion in the first. The shift was attributable to the financing of acquisitions of U.S. companies by foreign companies, partly by the exchange of stock. Excluding the effect of stock-financed acquisitions, net U.S. sales of foreign stocks continued for the fourth consecutive quarter; in the second quarter, net U.S. sales were roughly twice as large as net U.S. sales of \$8.3 billion in the first. Net U.S. transactions in foreign bonds shifted to net U.S. sales of \$4.8 billion from net U.S. purchases of \$0.2 billion.

In the first two quarters of 1999, net U.S. sales of foreign stocks were especially large to the United Kingdom—where other foreign stocks, as well as British stocks, are traded. Net U.S. sales of Western European stocks, both to the United Kingdom and to other Western European countries, partly reflected U.S. investors' concerns that economic growth in some euro area countries remained weak and that the depreciation of the euro against the dollar would lead to capital losses. In contrast, net U.S. purchases from Japan were strong for the second consecutive quarter, as Japanese stock prices continued to rise sharply. In the second quarter, net U.S. transactions in Latin American stocks shifted to net U.S. purchases from net U.S. sales.

Net U.S. sales of foreign bonds were largely accounted for by net sales of outstanding foreign bonds to the international market in the United Kingdom, as some U.S. investors experienced capital losses from a decline in European bond prices and the depreciation of the euro against the dollar. New foreign issues in the United States increased after three quarters of decline, largely as a result of the return of Western European

borrowers to the U.S. bond market and a pickup in issuance by Latin American borrowers.

Direct investment.—Net financial outflows for U.S. direct investment abroad were \$35.0 billion in the second quarter, down from \$41.4 billion in the first. The decrease was more than accounted for by a decline in net equity capital outflows, partly resulting from divestitures of existing foreign affiliates and a mild slowdown in acquisitions of new foreign affiliates. Net intercompany debt outflows also decreased. In contrast, reinvested earnings increased, partly as a result of a sharp rise in the share of earnings that were reinvested.

Foreign-owned assets in the United States

Net foreign-owned assets in the United States increased \$241.0 billion in the second quarter, following an increase of \$88.9 billion in the first. The step-up in financial inflows was largely accounted for by net inflows for foreign direct investment in the United States, which rose sharply as a result of several very large acquisitions of U.S. companies by foreign companies, and by U.S. liabilities reported by U.S. banks, which increased in the second quarter after decreasing in the first.

Foreign official assets.—Net foreign official assets in the United States decreased \$1.0 billion in the second quarter, in contrast to an increase of \$4.7 billion in the first (table D). The decrease was more than accounted for by a decrease in assets of "other countries." Assets of OPEC countries increased, and assets of industrial countries changed little as a result of large offsetting changes in the assets of a few countries.

Liabilities reported by banks.—U.S. liabilities to foreigners reported by U.S. banks, excluding U.S.

Data Availability

The current and historical estimates that are presented in tables 1–10 of the U.S. international transactions accounts are available as compressed files on BEA's Web site at <www.bea.doc.gov>; click on *Catalog of Products*, and look under International Accounts Products, Balance of Payments.

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

- **U.S. International Transactions.** The most recently released annual and quarterly estimates are available as a 1-year subscription (four installments)—product number

IDS-0001, price \$80.00. The subscription also includes the diskette of the historical estimates (see below).

- **U.S. International Transactions, Second Quarter 1999.** Annual estimates for 1998 and quarterly estimates for 1998:I–1999:II on a single diskette—product number IDN-0243, price \$20.00.

- **U.S. International Transactions, Historical Series.** All the available historical annual and quarterly estimates on a single diskette—product number IDN-0237, price \$20.00.

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

Treasury securities, increased \$49.4 billion in the second quarter, in contrast to a decrease of \$14.2 billion in the first. The turnaround was more than accounted for by U.S. banks' liabilities to their own foreign offices, which increased in the second quarter after decreasing in the first.

Banks' own liabilities payable in dollars increased \$41.0 billion, in contrast to a decrease of \$8.7 billion. The increase was partly attributable to borrowing by U.S. banks to finance the increase in U.S. bank lending abroad. It also partly reflected the rise in U.S. short-term interest rates relative to foreign rates, which boosted the attractiveness to foreigners of placing funds with U.S. banks rather than with foreign banks. U.S. liabilities to nonbank private foreigners decreased as a result of repayments by foreigners to U.S. securities brokers and dealers.

Bank-reported liabilities payable in foreign currencies decreased \$1.4 billion, in contrast to an increase of \$4.3 billion. The decrease was more than accounted for by a decrease in liabilities to Western Europe.

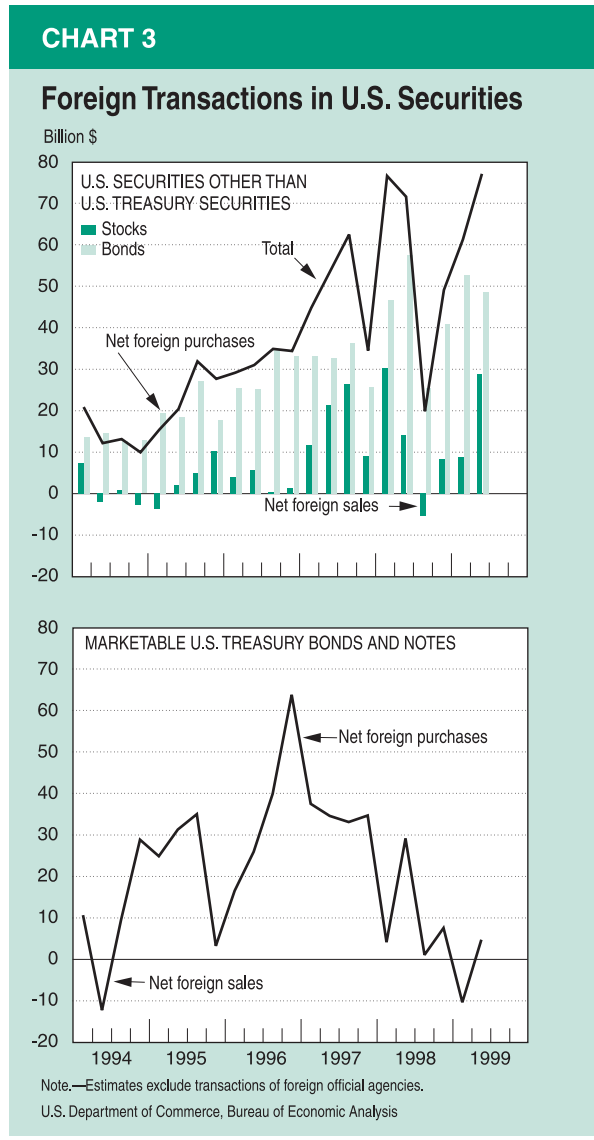
Banks' custody liabilities payable in dollars increased \$9.7 billion, in contrast to a decrease of \$9.8 billion. The increase was largely accounted for by an increase in custody liabilities to the Caribbean.

U.S. Treasury securities.—Net foreign sales of U.S. Treasury securities decreased to \$5.5 billion in the second quarter from \$8.8 billion in the first. U.S. Treasury bond prices continued to decline after a first-quarter downturn; the continued decline was partly attributable to investors' concerns that U.S. monetary authorities would increase short-term interest rates in order to reduce the possibility of a buildup in inflationary imbalances in the U.S. economy. In the second quarter, sizable net foreign sales of long-term U.S. Treasury securities from the United Kingdom more than offset large net foreign purchases of long-term securities from Asia. Net foreign purchases from Asia partly reflected an increase in the yields available on U.S. Treasury securities relative to those available on Japanese Government securities.

Other U.S. securities.—Net foreign purchases of U.S. securities other than U.S. Treasury securities increased to a record \$77.3 billion in the second quarter from \$61.5 billion in the first (chart 3). Net foreign purchases of U.S. stocks surged to \$28.8 billion from \$8.8 billion, and net foreign purchases of U.S. corporate and other bonds decreased to \$48.5 billion from \$52.7 billion.

The surge in net foreign purchases of U.S. stocks was partly attributable to a continued rise in U.S. stock prices. Net foreign purchases by Western Europe were particularly strong, partly reflecting the attractiveness of continued robust U.S. economic growth relative to the weaker growth in some European countries. Transactions by the Caribbean area shifted to substantial net purchases from net sales. Transactions by Japanese investors also shifted to net purchases, despite the strong increase in Japanese stock prices that boosted the relative attractiveness of investing in Japanese equities.

Net foreign purchases of U.S. corporate and other bonds remained strong, partly because the yields on these securities remained attractive relative to the yields on U.S. Treasury securities. Net foreign purchases of U.S. federally sponsored agency bonds decreased slightly—partly as



a result of a decline in new agency issues sold abroad—but remained strong. Net foreign purchases of other outstanding U.S. bonds were substantial for the third consecutive quarter. In contrast, new issues sold abroad by U.S. corporations remained weak, partly as a result of an increase in long-term borrowing rates in the first half of 1999.

U.S. currency.—Net shipments of U.S. currency were \$3.1 billion in the second quarter, up from \$2.4 billion in the first.

Direct investment.—Net financial inflows for foreign direct investment in the United States in-

creased to \$118.6 billion in the second quarter from \$22.9 billion in the first. In the second quarter, as in the fourth quarter of 1998, very large acquisitions of U.S. companies by foreign companies boosted net equity capital inflows to an exceptionally high level. In the second quarter, Western European companies made several large acquisitions of U.S. companies in various industries. The increase in net equity capital inflows was marginally offset by decreases in net intercompany debt inflows and in reinvested earnings.


Tables 1 through 10 follow. 

Table 2.—U.S. Trade in Goods

[Millions of dollars]

Line	1998	Not seasonally adjusted						Seasonally adjusted						
		1998				1999		1998				1999		
		I	II	III	IV	I ^r	II ^r	I	II	III	IV	I ^r	II ^r	
A	Balance of payments adjustments to Census trade data:													
	EXPORTS													
1	Exports of goods, Census basis ¹ including reexports and including military grant shipments	682,138	172,703	170,341	160,624	178,470	166,448	171,628	172,997	167,517	167,499	174,125	167,396	169,043
	Adjustments:													
2	Private gift parcel remittances	567	157	147	132	131	139	145	157	147	132	131	139	145
3	Gold exports, nonmonetary						27						27	
4	Inland U.S. freight to Canada													
5	U.S.-Canadian reconciliation adjustments, n.e.c., net ²													
6	Exports transferred under U.S. military agency sales contracts identified in Census documents ³	-10,903	-2,338	-2,095	-2,837	-3,633	-2,669	-2,883	-2,338	-2,095	-2,837	-3,633	-2,669	-2,883
7	Other adjustments, net ⁴	-1,556	-151	-372	-533	-500	-601	-633	-151	-372	-533	-500	-601	-633
8	Equals: Exports of goods, adjusted to balance of payments basis excluding "military" (table 1, line 3)	670,246	170,371	168,021	157,386	174,468	163,344	168,257	170,665	165,198	164,259	170,124	164,292	165,674
	IMPORTS													
9	Imports of goods, Census basis ¹ (general imports)	911,896	216,714	226,659	230,785	237,738	230,293	248,602	224,223	227,724	227,618	232,331	237,885	249,557
	Adjustments:													
10	Electric energy	49	8	10	11	20	12	12	8	10	11	20	12	12
11	Gold imports, nonmonetary	2,908	686	333	1,093	796		112	686	333	1,093	796		112
12	Inland freight in Canada	3,572	926	939	835	872	907	927	926	939	835	872	907	927
13	U.S.-Canadian reconciliation adjustment, n.e.c., net ²													
14	Imports of U.S. military agencies identified in Census documents ³	-1,200	-301	-306	-311	-282	-273	-266	-301	-306	-311	-282	-273	-266
15	Other adjustments, net ⁴	-47	-1	-2	-18	-26	-36	-22	-1	-2	-18	-26	-36	-22
16	Equals: Imports of goods, adjusted to balance of payments basis, excluding "military" (table 1, line 20)	917,178	218,032	227,633	232,395	239,118	230,903	249,365	225,541	228,698	229,228	233,711	238,495	250,320
B	Trade in goods, by area and country, adjusted to balance of payments basis, excluding military:⁷													
	EXPORTS													
1	Total, all countries (A-8)	670,246	170,371	168,021	157,386	174,468	163,344	168,257	170,665	165,198	164,259	170,124	164,292	165,674
2	Western Europe	159,107	41,240	39,587	37,191	41,089	41,287	40,227	41,320	38,857	38,795	40,135	41,571	39,521
3	European Union	145,926	38,360	36,444	34,161	36,961	38,499	36,899	38,439	35,762	35,624	36,101	38,770	36,246
4	Belgium and Luxembourg	14,265	3,907	3,559	3,376	3,423	3,465	3,223	3,916	3,487	3,523	3,339	3,470	3,169
5	France	17,522	4,688	4,403	3,863	4,568	5,014	4,610	4,707	4,318	4,025	4,472	5,068	4,519
6	Germany ⁸	26,388	6,391	6,561	6,288	7,148	6,862	6,545	6,412	6,440	6,552	6,984	6,871	6,527
7	Italy	8,911	2,379	2,156	2,019	2,357	2,299	2,562	2,388	2,119	2,105	2,299	2,317	2,518
8	Netherlands	18,816	5,103	4,481	4,285	4,947	4,741	4,666	5,115	4,401	4,472	4,828	4,771	4,596
9	United Kingdom	37,899	10,085	9,771	9,302	8,741	9,809	9,318	10,094	9,574	9,686	8,545	9,924	9,145
10	Other	22,125	5,807	5,513	5,028	5,777	6,309	5,975	5,807	5,423	5,261	5,634	6,349	5,872
11	Western Europe, excluding EU	13,181	2,880	3,143	3,030	4,128	2,788	3,328	2,881	3,095	3,171	4,034	2,801	3,275
12	Canada ²	156,810	39,646	40,835	35,892	40,437	40,070	42,627	39,767	40,129	37,372	39,542	40,276	41,935
13	Japan	56,595	14,800	14,063	14,042	13,690	14,432	13,282	14,764	13,894	14,692	13,245	14,472	13,173
14	Australia, New Zealand, and South Africa ⁹													
15	Australia	11,775	3,117	2,938	2,918	2,902	2,543	2,756	3,127	2,777	3,038	2,833	2,565	2,705
16	Eastern Europe	7,365	1,999	2,299	1,655	1,412	1,213	1,309	1,961	1,284	1,745	1,375	1,204	1,303
17	Latin America and Other Western Hemisphere	141,599	35,309	35,517	34,410	36,363	32,125	34,054	35,361	34,910	35,899	35,429	32,362	33,533
18	Brazil	15,029	3,470	3,786	3,677	4,096	2,974	3,277	3,484	3,710	3,832	4,003	3,019	3,214
19	Mexico	78,388	19,507	19,175	19,129	20,577	18,738	20,449	19,556	18,844	19,931	20,057	18,863	20,126
20	Venezuela	6,462	1,851	1,762	1,433	1,416	1,443	1,276	1,855	1,729	1,499	1,379	1,451	1,258
21	Other	41,720	10,481	10,794	10,171	10,274	8,970	9,052	10,466	10,627	10,637	9,990	9,029	8,935
22	Other countries in Asia and Africa ^{7,9}	136,995	34,260	32,882	31,278	38,575	31,674	34,002	34,365	32,347	32,718	37,565	31,842	33,504
23	Asia ^{7,9}	125,980	31,684	30,273	28,523	35,500	29,327	31,469	31,804	29,772	29,818	34,586	29,494	30,984
24	Members of OPEC	15,455	4,104	3,490	3,043	4,818	2,844	2,536	4,118	3,429	3,192	4,716	2,843	2,504
25	China	13,977	3,180	3,116	3,172	4,509	2,777	3,551	3,209	3,066	3,312	4,390	2,784	3,484
26	Hong Kong	12,849	3,192	3,410	3,097	3,150	2,986	2,989	3,195	3,361	3,230	3,063	2,983	2,950
27	Korea, Republic of	15,782	3,369	3,700	3,532	5,181	4,729	5,669	3,669	3,664	3,706	5,043	4,732	5,595
28	Singapore	15,557	3,914	3,805	3,948	3,890	3,875	3,697	3,935	3,716	4,104	3,802	3,929	3,625
29	Taiwan	17,234	4,688	4,098	3,753	4,695	3,791	4,200	4,710	4,033	3,927	4,564	3,822	4,147
30	Africa ^{7,9}	10,584	2,482	2,495	2,625	2,982	2,274	2,398	2,467	2,462	2,765	2,890	2,275	2,384
31	Members of OPEC	1,465	421	310	359	375	310	232	414	310	380	361	312	233
32	International organizations and unallocated													
	Memoranda:													
33	Industrial countries ⁷	389,758	100,019	98,643	91,291	99,805	99,352	99,864	100,198	96,954	95,201	97,405	99,911	98,291
34	Of which: Euro area ¹⁰						26,806	25,852					26,949	25,403
35	Members of OPEC ⁷	23,382	6,376	5,562	4,835	6,809	4,597	4,044	6,387	5,468	5,071	6,456	4,606	3,995
36	Other countries ⁷	257,106	63,976	63,816	61,260	68,054	59,395	64,349	64,080	62,776	63,987	66,263	59,775	63,388

See footnotes on page 41.

Table 3.—Private Service Transactions

[Millions of dollars]

Line	1998	Not seasonally adjusted						Seasonally adjusted						
		1998				1999		1998				1999		
		I	II	III	IV	I ^r	II ^p	I	II	III	IV	I ^r	II ^p	
1	Exports of private services	245,688	58,542	60,204	64,697	62,245	61,234	62,444	60,341	62,011	60,847	62,490	63,066	64,374
2	Travel (table 1, line 6)	71,250	15,652	18,119	20,354	17,125	15,809	18,215	17,903	18,260	17,149	17,938	18,138	18,374
3	Passenger fares (table 1, line 7)	19,986	4,581	5,000	5,733	4,682	4,651	5,049	4,916	5,052	4,843	4,995	5,240	5,240
4	Other transportation (table 1, line 8)	25,518	6,201	6,261	6,367	6,689	6,362	6,710	6,338	6,268	6,339	6,575	6,501	6,715
5	Freight	11,178	2,824	2,901	2,669	2,884	2,769	2,860	2,872	2,769	2,684	2,852	2,819	2,826
6	Port services	14,340	3,377	3,460	3,698	3,805	3,592	3,850	3,465	3,498	3,654	3,722	3,682	3,889
7	Royalties and license fees (table 1, line 9)	36,808	8,655	8,716	8,966	10,571	9,124	9,088	8,882	9,002	9,029	9,894	9,337	9,396
8	Affiliated	26,761	6,277	6,256	6,328	7,900	6,427	6,326	6,504	6,542	6,491	7,223	6,640	6,634
9	U.S. parents' receipts	24,712	5,805	5,899	5,950	7,058	5,929	5,851	5,963	6,066	6,091	6,591	6,081	6,014
10	U.S. affiliates' receipts	2,049	472	357	378	842	498	475	541	476	400	632	559	620
11	Unaffiliated	10,047	2,378	2,460	2,538	2,671	2,697	2,762	2,378	2,460	2,538	2,671	2,697	2,762
12	Industrial processes ¹	4,138	973	1,018	1,053	1,094	1,093	1,097	973	1,018	1,053	1,094	1,093	1,097
13	Other ²	5,909	1,405	1,442	1,485	1,578	1,604	1,665	1,405	1,442	1,485	1,578	1,604	1,665
14	Other private services (table 1, line 10)	92,116	23,453	22,108	23,377	23,178	25,288	23,382	22,302	23,296	23,278	23,240	24,095	24,649
15	Affiliated services	28,321	6,752	7,058	7,111	7,400	7,190	7,163	6,987	7,114	7,184	7,036	7,454	7,224
16	U.S. parents' receipts	18,212	4,503	4,657	4,282	4,770	4,455	4,453	4,608	4,631	4,411	4,561	4,560	4,422
17	U.S. affiliates' receipts	10,109	2,249	2,401	2,829	2,630	2,735	2,710	2,379	2,483	2,773	2,475	2,894	2,802
18	Unaffiliated services	63,795	16,701	15,050	16,266	15,778	18,098	16,219	15,315	16,182	16,094	16,204	16,641	17,425
19	Education	8,964	3,629	1,142	2,416	1,777	3,866	1,134	2,160	2,251	2,378	2,243	2,312	2,309
20	Financial services	13,698	3,132	3,778	3,419	3,369	3,419	3,939	3,132	3,178	3,419	3,369	3,419	3,939
21	Insurance, net	2,842	683	696	717	746	794	831	696	717	746	794	831	831
22	Premiums received	6,985	1,657	1,722	1,780	1,826	1,860	1,887	1,657	1,722	1,780	1,826	1,860	1,887
23	Losses paid	4,143	974	1,026	1,063	1,080	1,066	1,056	974	1,026	1,063	1,080	1,066	1,056
24	Telecommunications	3,689	955	926	900	908	882	872	955	926	900	908	882	872
25	Business, professional, and technical services	24,338	5,858	6,017	6,164	6,299	6,544	6,746	5,858	6,017	6,164	6,299	6,544	6,746
26	Other unaffiliated services ³	10,264	2,444	2,490	2,649	2,680	2,593	2,697	2,527	2,513	2,583	2,640	2,690	2,728
27	Imports of private services	165,321	36,887	42,553	45,614	40,267	39,935	46,105	39,858	41,424	41,739	42,304	43,198	44,893
28	Travel (table 1, line 23)	56,105	11,662	15,193	17,234	12,016	12,543	16,110	13,736	14,168	14,070	14,131	14,847	14,995
29	Passenger fares (table 1, line 24)	19,797	4,232	5,325	5,722	4,518	4,691	5,713	4,629	4,958	5,085	5,125	5,114	5,316
30	Other transportation (table 1, line 25)	30,457	7,147	7,533	7,820	7,957	7,554	8,219	7,321	7,590	7,700	7,849	7,726	8,290
31	Freight	19,412	4,485	4,829	5,016	5,082	4,806	5,324	4,548	4,858	4,999	5,006	4,864	5,368
32	Port services	11,048	2,663	2,705	2,805	2,875	2,748	2,895	2,773	2,732	2,701	2,843	2,862	2,922
33	Royalties and license fees (table 1, line 26)	11,292	2,939	2,587	2,685	3,081	3,162	3,116	2,955	2,694	2,721	2,923	3,176	3,242
34	Affiliated	8,374	2,001	1,943	2,001	2,429	2,500	2,438	2,017	2,050	2,037	2,271	2,514	2,564
35	U.S. parents' payments	1,169	290	273	298	308	304	316	290	273	298	308	304	316
36	U.S. affiliates' payments	7,205	1,711	1,670	1,703	2,121	2,196	2,122	1,777	1,777	1,739	1,963	2,210	2,248
37	Unaffiliated	2,918	938	644	684	652	662	678	938	644	684	652	662	678
38	Industrial processes ¹	1,546	372	382	392	401	408	414	372	382	392	401	408	414
39	Other ²	1,372	567	262	292	252	254	264	567	262	292	252	254	264
40	Other private services (table 1, line 27)	47,670	10,907	11,915	12,153	12,695	11,985	12,947	11,217	12,014	12,163	12,276	12,335	13,050
41	Affiliated services	19,095	4,014	4,759	4,881	5,441	4,752	5,429	4,267	4,856	4,974	4,998	5,033	5,532
42	U.S. parents' payments	9,730	2,047	2,367	2,405	2,911	2,315	2,744	2,288	2,424	2,453	2,565	2,581	2,803
43	U.S. affiliates' payments	9,365	1,967	2,392	2,476	2,530	2,437	2,685	1,979	2,432	2,521	2,433	2,452	2,729
44	Unaffiliated services	28,575	6,893	7,156	7,272	7,254	7,233	7,518	6,950	7,158	7,189	7,278	7,302	7,518
45	Education	1,538	300	378	484	377	335	423	356	380	401	401	404	423
46	Financial services	3,771	927	1,010	932	902	834	921	927	1,010	932	902	834	921
47	Insurance, net	6,908	1,702	1,717	1,736	1,753	1,816	1,878	1,702	1,717	1,736	1,753	1,816	1,878
48	Premiums received	18,581	4,329	4,572	4,770	4,910	4,998	5,054	4,329	4,572	4,770	4,910	4,998	5,054
49	Losses recovered	11,673	2,627	2,855	3,034	3,157	3,183	3,175	2,627	2,855	3,034	3,157	3,183	3,175
50	Telecommunications	8,125	2,050	2,032	2,014	2,029	2,024	2,011	2,050	2,032	2,014	2,029	2,024	2,011
51	Business, professional, and technical services	7,684	1,786	1,884	1,968	2,045	2,103	2,160	1,786	1,884	1,968	2,045	2,103	2,160
52	Other unaffiliated services ³	549	129	135	138	148	121	124	129	135	138	148	121	124
Memoranda:														
53	Balance on goods (table 1, line 71)	-246,932	-47,661	-59,612	-75,009	-64,650	-67,559	-81,108	-54,876	-63,500	-64,969	-63,587	-74,203	-84,646
54	Balance on private services (line 1 minus line 27)	80,367	21,655	17,651	19,083	21,978	21,299	16,339	20,483	20,587	19,108	20,186	19,868	19,481
55	Balance on goods and private services (lines 53 and 54)	-166,565	-26,006	-41,961	-55,926	-42,672	-46,260	-64,769	-34,393	-42,913	-45,861	-43,401	-54,335	-65,165

See footnotes on page 41.

Table 4.—Selected U.S. Government Transactions

[Millions of dollars]

Line		1998	Not seasonally adjusted					
			1998				1999	
			I	II	III	IV	I'	II'
A1	U.S. Government grants and transactions increasing Government assets, total	17,610	3,559	3,351	3,971	6,729	3,635	5,050
	By category							
2	Grants, net	13,079	2,345	2,169	2,824	5,742	2,209	2,803
3	U.S. Government current grants, net (table 1, line 36, with sign reversed)	13,057	2,340	2,168	2,807	5,742	2,200	2,802
4	Financing military purchases ¹	4,075	596	340	590	2,549	492	670
5	Other grants	8,982	1,744	1,829	2,217	3,193	1,708	2,131
6	Cash contributions received from coalition partners for Persian Gulf operations							
7	Debt forgiveness (table 1, part of Line 39, with sign reversed)	22	5	(*)	17		9	3
8	Credits and other long-term assets (table 1, line 47, with sign reversed)	4,676	1,192	1,156	1,285	1,043	1,304	2,063
9	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,580	385	444	413	338	394	456
10	Credits repayable in U.S. dollars	2,431	647	610	627	548	726	1,439
11	Credits repayable in other than U.S. dollars	-3	(*)	-7	2	1	-6	1
12	Other long-term assets	667	159	109	243	157	191	167
13	Foreign currency holdings and short-term assets, net (table 1, line 49 with sign reversed)	-145	22	26	-138	-55	122	183
14	Foreign currency holdings (excluding administrative cash holdings), net	22	5	-5	38	-17	7	1
	Receipts from:							
15	Sales of agricultural commodities							
16	Interest	43	4	4	4	30	1	(*)
17	Repayments of principal	22	11	3	6	2	8	2
18	Reverse grants							
19	Other sources							(*)
	Less currencies disbursed for:							
20	Grants and credits in the recipient's currency	2	(*)	(*)	1			
21	Other grants and credits							
22	Other U.S. Government expenditures	42	10	12	-29	49	2	2
23	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net	44	-1	11	(*)	34	19	139
24	Other assets held under Commodity Credit Corporation Charter Act, net	(*)	(*)	(*)	(*)	(*)	(*)	(*)
25	Assets financing military sales contracts, net ²							
26	Other short-term assets (including changes in administrative cash holdings), net	-210	18	21	-176	-72	96	43
	By program							
27	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,580	385	444	413	338	394	456
28	Under Agricultural Trade Development and Assistance Act and related programs	1,012	181	183	273	376	174	301
29	Under Foreign Assistance Act and related programs	11,532	2,074	1,879	2,442	5,138	1,903	2,327
30	Under Export-Import Bank Act	1,528	388	512	244	384	193	268
31	Under Commodity Credit Corporation Charter Act	325	140	6	147	33	467	1,204
32	Under other grant and credit programs	1,150	209	202	347	393	211	282
33	Other foreign currency assets acquired (lines A16, A17, and A19)	65	16	7	10	32	10	3
34	Less foreign currencies used by U.S. Government other than for grants or credits (line A22)	42	10	12	-29	49	2	2
35	Other (including changes in administrative cash holdings), net	457	176	130	66	85	287	210
	By disposition³							
36	Estimated transactions involving no direct dollar outflow from the United States	11,253	2,275	2,030	2,565	4,383	2,232	3,473
37	Expenditures on U.S. goods	5,441	778	927	894	2,841	603	804
38	Expenditures on U.S. services ⁴	3,042	662	717	825	838	620	794
39	Financing of military sales contracts by U.S. Government ⁶ (line C6)	2,304	635	348	631	690	513	656
40	By long-term credits	215	66	37	68	44	48	24
41	By short-term credits ¹							
42	By grants ¹	2,089	569	312	563	646	464	632
43	U.S. Government grants and credits to repay prior U.S. Government credits ^{1,4}	390	161	13	186	30	480	1,082
44	U.S. Government long- and short-term credits to repay prior U.S. private credits ⁶ and other assets	130	51	45	3	34	20	142
45	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line C11)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
46	Less receipts on short-term U.S. Government assets (a) financing military sales contracts ¹ (b) financing repayment of private credits and other assets, and (c) financing expenditures on U.S. goods	14	2	9	2	1	1	3
47	Less foreign currencies used by U.S. Government other than for grants or credits (line A22)	42	10	12	-29	49	2	2
48	Estimated dollar payments to foreign countries and international financial institutions	6,357	1,284	1,322	1,406	2,347	1,403	1,576
B1	Repayments on U.S. Government long-term assets, total (table 1, line 48)	4,102	1,133	699	1,332	938	1,545	1,866
2	Receipts of principal on U.S. Government credits	3,354	948	578	1,085	743	1,349	1,680
3	Under Agricultural Trade Development and Assistance Act and related programs	302	32	30	106	134	52	31
4	Under Foreign Assistance Act and related programs	1,507	534	276	470	227	564	262
5	Under Export-Import Bank Act	923	223	238	243	219	253	294
6	Under Commodity Credit Corporation Charter Act	375	159	32	153	32	473	1,089
7	Under other credit programs	247	(*)	3	113	131	8	5
8	Receipts on other long-term assets	748	186	121	246	196	196	187
C1	U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 60)	-3,113	-1,028	-807	-224	-1,054	-1,594	-770
2	Associated with military sales contracts ²	-3,101	-1,082	-752	-212	-1,056	-1,595	-768
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds ¹	12,525	3,036	3,166	2,488	3,835	1,730	1,914
4	Less U.S. Government receipts from principal repayments	809	342	105	274	87	289	85
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States	-32	-195	-327	-922	1,412	-791	-981
6	Plus financing of military sales contracts by U.S. Government ⁵ (line A39)	2,304	635	348	631	690	513	656
7	By long-term credits	215	66	37	68	44	48	24
8	By short-term credits ¹							
9	By grants ¹	2,089	569	312	563	646	464	632
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits) ^{1,2} (table 1, line 5)	17,155	4,606	4,489	3,979	4,081	4,339	4,234
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line A45)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
12	Associated with other liabilities	-10	54	-55	-12	2	1	-2
13	Sales of nuclear material by Department of Energy/U.S. Enrichment Corporation	-11	62	-53	-20			
14	Sales of space launch and other services by National Aeronautics and Space Administration	3	-4	-1	2	6	-3	-2
15	Other sales and miscellaneous operations	-2	-4	-1	6	-4	4	(*)

See footnotes on page 41.

Table 6.—Securities Transactions

[Millions of dollars]

Line	(Credits +; debits -)	1998	Not seasonally adjusted					
			1998				1999	
			I	II	III	IV	I ^r	II ^r
A1	Foreign securities, net U.S. purchases (-), (table 1, line 52 or lines 2 + 13 below)	-102,817	-14,116	-32,886	14,994	-70,809	8,132	-26,387
2	Stocks, net U.S. purchases	-77,753	-3,500	-3,083	8,191	-79,361	8,346	-31,164
3	New issues in the United States	-11,608	-1,144	-4,856	-2,707	-2,901	-1,121	-2,598
4	Of which Western Europe	-3,949	-138	-1,963	-1,679	-169	(D)	(D)
5	Canada	(D)	(D)	(D)	(D)	(D)	(D)	-1,361
6	Latin America	(D)	(D)	(D)	(D)	(D)	(D)	(D)
7	Transactions in outstanding stocks, net	-66,145	-2,356	1,773	10,898	-76,460	9,467	-28,566
8	Western Europe	-54,489	1,872	8,444	13,373	-78,178	17,217	-21,407
9	Of which United Kingdom	-37,757	1,659	8,106	4,042	-51,564	14,571	-33,128
10	Canada	4,043	-31	362	2,684	1,048	-45	-1,338
11	Japan	-1,437	-2,632	2,722	356	-1,883	-8,710	-8,566
12	Other	-14,262	-1,365	-9,755	-5,495	2,553	1,005	69
13	Bonds, net U.S. purchases	-25,064	-10,616	-29,803	6,803	8,552	-214	4,777
14	New issues in the United States	-58,295	-13,658	-24,270	-10,702	-9,665	-7,791	-13,725
15	By issuer:							
16	Central governments and their agencies and corporations	-8,701	-300	-7,142	-984	-275	-3,790	-4,843
17	Other governments and their agencies and corporations ¹	-2,764		-1,971	-500	-293	-225	-175
18	Private corporations	-46,420	-13,358	-15,157	-9,218	-8,687	-3,776	-8,707
19	International financial institutions ²	-410				-410		
20	By area:							
21	Western Europe	-17,474	-6,196	-5,756	-3,907	-1,615		-3,763
22	Canada	-9,940	-775	-2,335	-3,141	-3,689	-1,825	-560
23	Japan	-2,271	-2,271				-50	
24	Latin America	-13,216	-2,199	-5,970	-2,466	-2,581	-3,460	-6,490
25	Other countries	-14,984	-2,217	-10,209	-1,188	-1,370	-2,456	-2,912
26	International financial institutions ²	-410				-410		
27	Redemptions of U.S.-held foreign bonds ³	17,525	3,102	5,580	4,607	4,236	3,463	2,417
28	Western Europe	3,682	1,065	886	1,057	674	798	1,404
29	Canada	3,136	890	1,018	591	637	1,123	572
30	Other countries	10,707	1,147	3,676	2,959	2,925	1,542	441
31	International financial institutions ²							
32	Other transactions in outstanding bonds, net ³	15,706	-60	-11,113	12,898	13,981	4,114	16,085
33	Western Europe	-3,088	-645	-12,907	-337	10,801	3,674	11,497
34	Of which United Kingdom	-5,648	-959	-10,505	-3,430	9,246	3,034	12,165
35	Canada	2,110	-9	-567	4,010	-1,324	-233	621
36	Japan	3,251	-2,835	-2,844	3,158	5,772	-1,716	3,209
37	Other	13,433	3,429	5,205	6,067	-1,268	2,389	758
B1	U.S. securities, excluding Treasury securities and transactions of foreign official agencies, net foreign purchases (+), (table 1, line 66 of lines 2 + 10 below)	218,026	76,810	71,785	20,103	49,328	61,540	77,272
2	Stocks, net foreign purchases	47,487	30,227	14,203	-5,362	8,419	8,841	28,790
3	By area:							
4	Western Europe	65,209	27,144	22,101	13,724	2,240	17,900	18,860
5	Of which Germany	10,149	1,881	4,228	4,028	12	2,326	3,778
6	Switzerland	5,262	3,702	4,625	425	-3,490	2,043	3,085
7	United Kingdom	21,982	10,647	4,070	3,272	3,993	6,953	4,514
8	Canada	-5,725	-178	-2,009	-937	-2,601	1,166	-833
9	Japan	-2,079	-3,247	-253	373	1,048	-2,944	1,989
10	Other	-9,918	6,508	-5,636	-18,522	7,732	-7,281	8,774
11	Corporate and other bonds, net foreign purchases	170,539	46,583	57,582	25,465	40,909	52,699	48,482
12	By type:							
13	New issues sold abroad by U.S. corporations	53,978	15,829	15,664	13,314	9,171	9,332	7,823
14	U.S. federally sponsored agency bonds, net	48,348	19,873	17,188	1,347	9,940	18,021	17,042
15	Other outstanding bonds, net	68,213	10,881	24,730	10,804	21,798	25,346	23,617
16	By area:							
17	Western Europe	123,080	24,593	35,784	24,629	38,074	30,954	29,134
18	Of which Germany	4,425	857	1,726	1,129	713	1,846	1,389
19	Switzerland	3,595	370	1,808	1,296	121	1,088	471
20	United Kingdom	96,837	19,769	27,701	18,267	31,100	23,356	23,412
21	Canada	5,806	1,861	1,488	1,511	946	1,075	526
22	Japan	8,345	664	3,888	-1,261	5,054	1,308	1,518
23	Other countries	33,053	19,439	16,170	691	-3,247	19,539	17,307
24	International financial institutions ²	255	26	252	-105	82	-177	-3
Memoranda:								
Other foreign transactions in marketable, long-term U.S. securities included elsewhere in international transactions accounts:								
Foreign official assets in the United States (lines in table 9):								
1	U.S. Treasury marketable bonds (line A4)	4,123	6,186	-1,426	-26,755	26,118	-7,081	-3,076
2	Other U.S. Government securities (line A6)	6,332	2,610	254	1,906	1,562	5,993	5,792
3	U.S. corporate and other bonds (part of line A14)	202	97	802	-608	-89	-310	-678
4	U.S. stocks (part of line A14)	-3,679	-1,053	30	-1,886	-770	408	176
5	Other foreign transactions in U.S. Treasury bonds and notes (table 9, line B4)	41,744	4,145	29,084	1,011	7,494	-10,363	4,657

See footnotes on page 41.

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

[Millions of dollars]

Line	(Credits +; increase in U.S. liabilities or decrease in U.S. assets. Debits -; decrease in U.S. liabilities or increase in U.S. assets.)	1998	Not seasonally adjusted						Amounts outstanding June 30, 1999
			1998				1999		
			I	II	III	IV	I ^r	II ¹	
A1	Claims, total (table 1, line 53)	-25,041	-6,596	-14,327	-20,320	16,202	-13,853	-26,429	630,457
2	Financial claims	-23,434	-6,417	-14,194	-19,528	16,705	-14,146	-26,429	599,492
3	<i>Denominated in U.S. dollars</i>	-28,419	-1,798	-12,927	-18,075	4,381	-3,257	-26,429	503,720
4	<i>Denominated in foreign currencies</i>	4,985	-4,619	-1,267	-1,453	12,324	-10,889	.....	95,772
5	By type: Deposits ²	-719	18,264	-18,995	-19,504	19,516	-18,694	-24,600	484,302
6	Financial intermediaries' accounts	-21,807	-23,491	4,664	-1,143	-1,837	4,892	-1,829	108,703
7	Other claims ^{2,3}	-908	-1,190	137	1,119	-974	-344	.....	6,487
8	By area: Industrial countries ⁴	-13,734	-6,444	-13,437	-11,250	17,397	-20,182	.....	313,244
9	Of which United Kingdom	-780	-2,496	-1,807	-12,949	16,472	-15,059	.....	188,885
10	Canada	3,851	-288	-1,696	3,843	1,992	-2,339	.....	9,241
11	Caribbean banking centers ⁵	-10,051	2,123	-2,552	-8,547	-1,075	6,588	-24,600	268,778
12	Other	351	-2,096	1,795	269	383	-532	-1,829	17,470
13	Commercial claims	-1,607	-179	-133	-792	-503	293	.....	30,965
14	<i>Denominated in U.S. dollars</i>	-1,853	-565	-427	-66	-795	33	.....	29,596
15	<i>Denominated in foreign currencies</i>	246	386	294	-726	292	260	.....	1,369
16	By type: Trade receivables	-1,239	1	134	-493	-881	395	.....	26,816
17	Advance payments and other claims	-368	-180	-267	-299	378	-102	.....	4,149
18	By area: Industrial countries ⁴	-835	-792	105	-189	41	-33	.....	18,360
19	Members of OPEC ⁶	235	282	-236	190	-1	21	.....	1,927
20	Other	-1,007	331	-2	-793	-543	305	.....	10,678
B1	Liabilities, total (table 1, line 68)	9,412	32,707	18,040	11,875	-53,210	20,188	-710	479,290
2	Financial liabilities	13,570	33,126	17,046	12,217	-48,819	23,322	-710	448,466
3	<i>Denominated in U.S. dollars</i>	26,803	33,348	9,383	9,707	-25,635	20,078	-710	413,745
4	<i>Denominated in foreign currencies</i>	-13,233	-222	7,663	2,510	-23,184	3,244	.....	34,721
5	By type: Financial intermediaries' accounts	8,213	14,713	4,907	7,135	-18,542	13,300	11,390	141,258
6	Other Liabilities	5,357	18,413	12,139	5,082	-30,277	10,022	-12,100	307,208
7	By area: Industrial countries ⁴	-1,072	21,903	15,615	2,419	-41,009	21,377	.....	239,228
8	Of which United Kingdom	18,638	24,802	19,221	14,002	-39,387	21,856	.....	172,081
9	Caribbean banking centers ⁵	15,035	9,554	756	10,740	-6,015	573	-12,100	179,134
10	Other	-393	1,669	675	-942	-1,795	1,372	11,390	30,104
11	Commercial liabilities	-4,158	-419	994	-342	-4,391	-3,134	.....	30,824
12	<i>Denominated in U.S. dollars</i>	-3,759	-131	1,221	-790	-4,059	-3,516	.....	29,424
13	<i>Denominated in foreign currencies</i>	-399	-288	-227	448	-332	382	.....	1,400
14	By type: Trade payables	558	-700	-280	853	685	-962	.....	9,999
15	Advance receipts and other liabilities	-4,716	281	1,274	-1,195	-5,076	-2,172	.....	20,825
16	By area: Industrial countries ⁴	-1,663	-624	1,011	360	-2,410	-2,696	.....	19,309
17	Members of OPEC ⁶	1,096	-74	46	402	722	-478	.....	3,114
18	Other	-3,591	279	-63	-1,104	-2,703	40	.....	8,401

See footnotes on page 41.

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

[Millions of dollars]

Line	(Credits +; decrease in U.S. assets. Debits -; increase in U.S. assets.)	1998	Not seasonally adjusted						Amounts outstanding June 30, 1999
			1998				1999		
			I	II	III	IV	I ^r	II ^r	
1	Total (table 1, line 54)	-24,918	-1,062	-27,704	-33,344	37,192	27,771	-37,082	1,038,870
2	By type:								
3	Banks' own claims	-14,388	15,656	-30,024	-29,602	29,582	34,749	-29,588	819,326
3	Payable in dollars	-26,569	15,857	-43,825	-32,288	33,687	40,513	-40,672	751,462
4	By borrower:								
4	Claims on:								
4	own foreign offices	-52,671	24,512	-36,220	-43,059	2,096	32,687	-21,038	488,986
5	unaffiliated foreign banks	3,498	1,505	239	-940	2,694	12,274	-10,298	104,111
6	foreign public borrowers ¹	-2,959	-7,535	295	1,393	2,888	-11,201	-2,512	37,285
7	other private foreigners	25,363	-2,625	-8,139	10,318	26,009	6,753	-6,824	121,080
8	By type of reporting institution: ²								
8	U.S.-owned banks' claims on:								
9	own foreign offices	4,601	18,572	-12,020	11,206	-13,157	26,434	9,067	143,303
9	unaffiliated foreign banks	1,802	7,244	-6,313	5,397	-4,726	-2,424	831	29,515
9	other foreigners	-5,367	3,134	-3,063	5,937	-11,575	4,880	-27	45,649
10	Foreign-owned banks' claims on:								
11	own foreign offices	-57,272	5,940	-24,200	-54,265	15,253	6,253	-30,105	345,683
12	unaffiliated foreign banks	5,201	2,278	3,297	-5,001	4,627	10,178	-5,158	56,664
13	other foreigners	-2,088	-5,363	-3,473	-5,619	12,367	-5,583	-1,219	54,063
14	U.S. brokers' and dealers' claims on:								
14	unaffiliated foreign banks	-3,305	-8,017	3,255	-1,336	2,793	4,520	-5,971	17,932
15	other foreigners	30,259	-7,931	-1,308	11,393	28,105	-3,745	-8,090	58,653
16	Payable in foreign currencies	12,181	-201	13,801	2,686	-4,105	-5,764	11,084	67,864
17	Banks' domestic customers' claims	-10,530	-16,718	2,320	-3,742	7,610	-6,978	-7,494	219,544
18	Payable in dollars	1,997	-16,983	1,748	-2,643	19,875	-16,657	4,941	196,070
19	Deposits	-5,057	-12,296	-602	-3,594	11,435	-13,213	-2,217	93,597
20	Foreign commercial paper ³	-2,909	-10,087	2,866	-678	4,990	-4,360	6,722	76,557
21	Other negotiable and readily transferable instruments ⁴	5,936	5,663	-3,632	1,869	2,036	-13	-1,802	15,560
22	Outstanding collections and other	4,027	-263	3,116	-240	1,414	929	2,238	10,356
23	Payable in foreign currencies	-12,527	265	572	-1,099	-12,265	9,679	-12,435	23,474
24	By area:								
24	Industrial countries ⁵	-27,393	7,652	-6,583	-38,509	10,047	11,183	-51,995	581,139
25	Western Europe	-41,803	-13,313	-25,338	-14,738	11,786	-4,304	-73,508	472,178
26	Of which United Kingdom	-14,485	7,327	-23,851	11,671	-9,632	5,768	-36,848	208,020
27	Canada	-21,561	-584	942	-15,323	-6,596	9,300	9,204	60,391
28	Japan	36,549	20,937	19,297	-8,228	4,543	5,875	15,479	32,619
29	Other	-778	612	-1,484	-220	314	312	-3,170	15,951
30	Caribbean banking centers ⁶	-12,692	-12,924	-24,982	2,868	22,346	10,895	12,221	297,620
31	Other areas	15,167	4,210	3,861	2,297	4,799	5,693	2,692	160,111
32	Of which Members of OPEC, included below ⁷	-7,592	2,514	2,131	-4,933	-7,304	6,012	2,978	17,559
33	Latin America	1,680	-6,543	-469	2,869	5,823	1,882	514	92,858
34	Asia	16,207	13,879	2,758	1,510	-1,940	5,749	1,052	56,630
35	Africa	508	-220	1,511	-588	-195	402	12	2,321
36	Other ⁸	-3,226	-2,905	61	-1,493	1,111	-2,340	1,114	8,302
1	Memoranda:								
1	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above)	37,620	24,228	-7,323	6,529	14,186	18,289	-7,634	208,468
2	By borrower:								
2	Claims on:								
3	own foreign offices	33,029	17,547	-9,470	9,870	15,082	10,725	-8,760	119,237
3	unaffiliated foreign banks	5,081	7,531	2,885	-3,221	-2,114	7,553	-298	47,297
4	foreign public borrowers	-203	-164	-590	968	-417	306	394	5,981
5	all other foreigners	-287	-686	-148	-1,088	1,635	-295	1,030	35,953
6	By bank ownership: ²								
6	U.S.-owned IBF's	-1,120	174	-2,310	-3,547	4,563	3,559	-4,595	70,179
7	Foreign-owned IBF's	38,615	24,054	-5,013	9,951	9,623	14,730	-3,039	138,289
8	Banks' dollar acceptances payable by foreigners	5,105	2,129	896	531	1,549	34	48	4,438

See footnotes on page 41.

Table 9.—Foreign Official Assets and Other Foreign Assets in the United States Reported by U.S. Banks

[Millions of dollars]

Line	(Credits +; increase in foreign assets. Debits -; decrease in foreign assets.)	1998	Not seasonally adjusted						Amounts outstanding June 30, 1999
			1998				1999		
			I	II	III	IV	I ^P	II ^P	
A1	Foreign official assets in the United States, net (table 1, line 56)	-21,684	11,004	-10,551	-46,489	24,352	4,708	-986	794,594
	By type:								
2	U.S. Treasury securities (table 1, line 58)	-9,957	11,336	-20,318	-32,811	31,836	800	-6,708	564,627
3	Bills and certificates	-14,160	5,034	-19,011	-6,178	5,995	7,764	-3,423	138,492
4	Bonds and notes, marketable	4,123	6,186	-1,426	-26,755	26,118	-7,081	-3,076	420,208
5	Bonds and notes, nonmarketable	80	116	119	122	-277	117	-209	5,927
6	Other U.S. Government securities (table 1, line 59)	6,332	2,610	254	1,906	1,562	5,993	5,792	52,903
7	Other U.S. Government liabilities (table 1, line 60)	-3,113	-1,028	-807	-224	-1,054	-1,594	-770	18,607
8	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 61)	-11,469	-958	9,488	-12,866	-7,133	-589	1,202	125,945
9	Banks' liabilities for own account, payable in dollars ¹	-22,879	1,740	-1,515	-17,274	-5,830	-3,255	1,082	78,078
10	Demand deposits	473	-263	531	1,025	-820	390	1,433	4,826
11	Time deposits	-12,449	-1,430	-4,061	-8,160	1,202	-5,762	2,465	26,305
12	Other liabilities ²	-10,903	3,433	2,015	-10,139	-6,212	2,117	-2,816	46,947
13	Banks' custody liabilities, payables in dollars ^{1,3}	11,410	-2,698	11,003	4,408	-1,303	2,666	120	47,867
14	Other foreign official assets (table 1, line 62)	-3,477	-956	832	-2,494	-859	98	-502	32,512
	By area: (see text table D).								
B1	Other foreign assets in the United States, net (table 1, lines 65 and 69)	86,886	-51,466	59,897	75,875	2,580	-22,965	43,857	1,786,384
	By type:								
2	U.S. Treasury securities (line 65)	46,155	-2,557	25,759	-1,438	24,391	-8,781	-5,517	762,363
	By security:								
3	Bills and certificates	4,411	-6,702	-3,335	-2,449	16,897	1,582	-10,174	40,725
4	Marketable bonds and notes	41,744	4,145	29,094	1,011	7,494	-10,363	4,657	721,638
5	U.S. liabilities reported by U.S. banks (line 69)	40,731	-48,909	34,138	77,313	-21,811	-14,184	49,374	1,024,021
6	Banks' own liabilities ¹	2,642	-56,217	28,921	52,606	-22,868	-4,422	39,633	934,732
7	Payable in dollars	24,428	-40,467	41,530	50,556	-27,191	-8,705	40,994	836,912
	By account:								
8	Liabilities to own foreign offices	77,767	-44,965	37,747	66,488	18,497	-30,085	38,108	570,869
	Liabilities to unaffiliated foreigners:								
9	demand deposits	-2,476	1,507	3,127	-3,724	-3,386	967	5,846	33,366
10	time deposits ¹	-34,508	-13,989	7,693	-4,416	-23,796	5,692	1,916	130,233
11	other liabilities ²	-16,355	16,980	-7,037	-7,792	-18,506	14,721	-4,876	102,444
	By holder:								
	Liabilities to:								
12	own foreign offices	77,767	-44,965	37,747	66,488	18,497	-30,085	38,108	570,869
13	unaffiliated foreign banks	-43,006	-10,815	9,130	-10,601	-30,720	2,840	5,087	121,079
14	other private foreigners	-9,697	11,875	-3,864	-6,018	-11,690	14,769	-2,680	129,864
15	international financial institutions ⁴	-636	3,438	-1,483	687	-3,278	3,771	479	15,100
	By type of reporting institution: ⁵								
16	U.S.-owned banks' liabilities to:								
17	own foreign offices	17,484	-6,882	5,826	12,727	5,813	-2,670	20,271	231,337
18	unaffiliated foreign banks	365	-1,646	5,495	-3,338	-146	-6,121	1,051	22,602
19	other private foreigners and international financial institutions ⁴	9,348	-3,935	5,420	1,382	6,481	3,342	1,766	60,408
	Foreign-owned banks' liabilities to:								
20	own foreign offices	60,283	-38,083	31,921	53,761	12,684	-27,415	17,837	339,532
21	unaffiliated foreign banks	-44,213	-12,913	5,436	-8,999	-27,737	6,912	-616	77,342
22	other private foreigners and international financial institutions ⁴	-4,825	5,740	-2,194	-419	-7,952	8,478	2,979	52,872
	U.S. brokers' and dealers' liabilities to:								
23	unaffiliated foreign banks	842	3,744	-1,801	1,736	-2,837	2,049	4,652	21,135
24	other private foreigners and international financial institutions ⁴	-14,856	13,508	-8,573	-6,294	-13,497	6,720	-6,946	31,684
25	Payable in foreign currencies	-21,786	-15,750	-12,609	2,050	4,523	4,283	-1,361	97,820
26	Banks' custody liabilities, payable in dollars ^{1,3}	38,089	7,308	5,217	24,707	857	-9,762	9,741	89,289
	Of which negotiable and readily transferable instruments	36,521	5,761	5,349	25,068	343	-10,559	-10,572	75,565
	By area:								
27	Industrial countries ⁶	53,853	-40,378	9,997	66,679	17,555	-26,705	-14,577	1,085,143
28	Western Europe	13,769	-14,400	14,859	42,587	-29,277	-6,751	-6,971	775,918
29	Canada	1,598	-3,438	3,381	932	723	409	2,952	41,975
30	Other	38,486	-22,540	-2,243	23,160	46,109	-20,363	-10,558	267,250
31	Caribbean banking centers ⁷	-1,005	-30,642	53,600	-7,105	-16,858	-8,117	48,903	410,658
32	Other areas	34,039	19,554	-3,700	16,301	1,884	11,857	9,531	290,583
33	Of which Members of OPEC, included below ⁸	647	3,200	-4,565	1,997	-1,279	431	624	34,370
34	Latin America	14,237	8,065	1,114	6,068	-1,010	4,598	5,645	106,155
35	Asia	18,382	4,961	625	8,077	4,719	4,000	1,384	147,411
36	Africa	-897	166	-899	3	-167	-180	-45	4,495
37	Other ⁹	2,316	6,362	-4,540	2,153	-1,659	3,439	2,547	32,522
	Memoranda:								
1	International banking facilities' (IBF's) own liabilities, payable in dollars (in lines A9, and B7 above)	-35,382	-33,779	-11,056	32,653	-23,200	-23,734	8,062	356,282
	By holder:								
	Liabilities to:								
2	own foreign offices	22,199	-19,621	-12,611	52,161	2,270	-21,780	7,523	217,117
3	unaffiliated foreign banks	-40,064	-16,408	8,615	-11,840	-20,431	674	-2,178	72,016
4	foreign official agencies	-17,819	-1,544	-6,637	-7,134	-2,504	-5,401	1,238	34,730
5	other private foreigners and international financial institutions ⁴	302	3,794	-423	-534	-2,535	2,773	1,479	32,419
	By bank ownership: ⁵								
6	U.S.-owned IBF's	-6,236	-4,667	2,710	2,318	-6,597	-1,720	2,883	63,884
7	Foreign-owned IBF's	-29,146	-29,112	-13,766	30,335	-16,603	-22,014	5,179	292,398
8	Negotiable certificates of deposit held for foreigners ¹ (in lines A13 and B25 above)	10,943	6,348	-1,131	6,155	-429	-3,991	-673	22,362

See footnotes on page 41.

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

General notes for all tables: *P* Preliminary. *R* Revised.

(*) Less than \$500,000 (±) *D* 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 accounts transactions payments; financial outflows—decrease in foreign-owned assets (U.S. liabilities) or increase in U.S.-owned assets (U.S. claims).
 2. Excludes exports of goods under U.S. military agency sales contracts identified in Census export documents, excludes imports of goods under direct defense expenditures identified in Census import documents, and reflects various other adjustments (for valuation, coverage, and timing) of Census statistics to balance of payments basis; see table 2.
 3. Includes some goods: Mainly military equipment in line 5; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 22; and fuels purchased by airline and steamship operators in lines 8 and 25.
 4. Includes transfers of goods and services under U.S. military grant programs.
 5. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.
 6. Beginning in 1982, the "other transfers" component includes taxes paid by U.S. private residents to foreign governments and taxes paid by private nonresidents to the U.S. Government.
 7. At the present time, all U.S. Treasury-owned gold is held in the United States.
 8. Includes sales of foreign obligations to foreigners.
 9. Consists of bills, certificates, marketable bonds and notes, and nonmarketable convertible and nonconvertible bonds and notes.
 10. Consists of U.S. Treasury and Export-Import Bank obligations, not included elsewhere, and of debt securities of U.S. Government corporations and agencies.
 11. Includes, primarily, U.S. Government liabilities associated with military agency sales contracts and other transactions arranged with or through foreign official agencies; see table 4.
 12. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and State and local governments.
 13. Conceptually, line 76 is equal to "net foreign investment" in the national income and product accounts (NIPAs). However, the foreign transactions account in the NIPAs (a) includes adjustments to the international transactions accounts for the treatment of gold, (b) includes adjustments for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (c) includes services furnished without payment by financial pension plans except life insurance carriers and private noninsured pension plans. A reconciliation of the balance on goods and services from the international accounts and the NIPA net exports appears in the "Reconciliation and Other Special Tables" section in this issue of the SURVEY OF CURRENT BUSINESS. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.5 of the full set of NIPA tables (published annually in the August issue of the SURVEY).
- Additional footnotes for historical data in July issues of the SURVEY:
14. For 1974, includes extraordinary U.S. Government transactions with India. See "Special U.S. Government Transactions," June 1974 SURVEY, p. 27.
 15. For 1978-83, includes foreign currency-denominated notes sold to private residents abroad.
 16. Break in series. See Technical Notes in the June 1989, June 1990, June 1992, June 1993, June 1995, and July 1996-99 issues of the SURVEY.

- Table 2:**
1. Exports, Census basis, represent transactions values, f.a.s. U.S. port of exportation, for all years; imports, Census basis, represent Customs values (see Technical Notes in the June 1982 SURVEY), except for 1974-81, when they represent transactions values, f.a.s. foreign port of exportation (see June issues of the SURVEY for historical data).
From 1983 forward, both unadjusted and seasonally adjusted data have been prepared by BEA from "actual" and "revised statistical" month data supplied by the Census Bureau (see Technical Notes in the December 1985 SURVEY).
Seasonally adjusted data reflect the application of seasonal factors developed jointly by Census and BEA. The seasonally adjusted data are the sum of seasonally adjusted five-digit end-use categories (see Technical Notes in the June 1980 SURVEY, in the June 1988 SURVEY, and in the June 1991 SURVEY). Prior to 1983, annual data are as published by the Census Bureau, except that for 1975-80 published Census data are adjusted to include trade between the U.S. Virgin Islands and foreign countries.
 2. Adjustments in lines A5 and A13, B12, B48, and B84 reflect the Census Bureau's reconciliation of discrepancies between the goods statistics published by the United States and the counterpart statistics published in Canada. These adjustments are distributed to the affected end-use categories in section C. Beginning in 1986, estimates for undocumented exports to Canada, the largest item in the U.S.-Canadian reconciliation, are included in Census basis data shown in line A1.
 3. Exports of military equipment under U.S. military agency sales contracts with foreign governments (line A6), and direct imports by the Department of Defense and the Coast Guard (line A14), to the extent such trade is identifiable from Customs declarations. The exports are included in tables 1 and 10, line 5 (transfers under U.S. military agency sales contracts); the imports are included in tables 1 and 10, line 22 (direct defense expenditures).
 4. Addition of electrical energy; deduction of exposed motion picture film for rental rather than sale; net change in stock of U.S.-owned grains in storage in Canada; coverage adjustments for special situations in which shipments were omitted from Census data; deduction of the value of repairs and alterations to foreign-owned equipment shipped to the United States for repair; and the inclusion of fish exported outside of U.S. customs area. Also includes deduction of exports to the Panama Canal Zone before October 1, 1979, and for 1975-82, net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another (see June 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 June issues of the SURVEY for historical data).
 6. For 1988-89, correction for the understatement of crude petroleum imports from Canada.
 7. Annual and unadjusted quarterly data shown in this table correspond to country and area data in table 10, lines 3 and 20. Trade with international organizations includes purchases of nonmonetary gold from the International Monetary Fund, transfers of tin to the International Tin Council (ITC), and sales of satellites to Intelsat. The memoranda are defined as follows: *Industrial countries:* Western Europe, Canada, Japan, Australia, New Zealand, and South Africa; *Members of OPEC:* Venezuela, Ecuador, Iraq, Iran, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Indonesia, Algeria, Libya, Nigeria, and Gabon (Excludes Ecuador beginning in January 1993 and Gabon beginning in January 1995.); *Other countries:* Eastern Europe, Latin America and Other Western Hemisphere, and other countries in Asia and Africa, less OPEC. Before 1984, complete geographic area detail was not available for some balance of payments adjustments. Therefore, the detail shown does not always sum to the values shown for the area aggregates. For all years, "Asia" and "Africa" exclude certain Pacific Islands and unidentified countries included in "Other countries in Asia and Africa."
 8. Includes the former German Democratic Republic (East Germany) beginning in fourth quarter of 1990. In earlier periods, the German Democratic Republic was included in Eastern Europe.
 9. Beginning in 1986, New Zealand and South Africa are included in "Other countries in Asia and Africa," with New Zealand included as part of "Asia" and South Africa as part of "Africa."
 10. The "Euro area," which formed in January 1999, includes Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain.

- Table 3:**
1. Patented techniques, processes, and formulas and other intangible property rights that are used in goods production.
 2. Copyrights, trademarks, franchises, rights to broadcast live events, and other intangible property rights.
 3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign governments and international organizations in the United States. Payments (imports) include mainly expenditures of U.S. residents temporarily working abroad and film rentals.

- Table 4:**
1. Expenditures to release foreign governments from their contractual liabilities to pay for military goods and services purchased through military sales contracts—first authorized (for Israel) under Public Law 93-199, section 4, and subsequently authorized (for many recipients) under similar legislation—are included in line A4. Deliveries against these military sales contracts are included in line C10; see footnote 2. Of the line A4 items, part of these 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.
- Table 5:**
1. Beginning with 1991, payments and receipts of interest related to interest rate and foreign currency swaps between affiliates and parents are netted and are shown as either net payments or net receipts. Receipts and payments of other types of interest are shown on a gross basis.
 2. Petroleum includes, and manufacturing and "other" industries exclude, the exploration, development, and production of crude oil and gas, and the transportation, refining, and marketing of petroleum products, exclusive of petrochemicals. "Other" industries includes wholesale trade; banking; finance (except banking); insurance, and real estate; services; and other industries—agriculture, forestry, and fishing; mining; construction; transportation, communication, and public utilities; and retail trade.
 3. Acquisition of equity holdings in existing and newly established companies, capital contributions, capitalization of intercompany debt, and other equity contributions.
 4. Sales (total and partial), liquidations, returns of capital contributions, and other dispositions of equity holdings.

- Table 6:**
1. Primarily provincial, regional, and municipal.
 2. Largely transactions by International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), and Inter-American Development Bank (IDB).
 3. Estimate for scheduled redemptions and identifiable early retirements. Includes estimates based on Canadian statistics for redemptions of Canadian issues held in the United States. Unidentified and nonscheduled retirements appear in line A30.
- Table 7:**
1. 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 8:**
1. Includes central governments and their agencies and corporations; state, provincial, and local governments and their agencies and corporations; and international and regional organizations.
 2. U.S.-owned banks are mainly U.S.-chartered banks, Edge Act subsidiaries, and U.S. bank holding companies. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States. U.S. brokers and dealers are identified separately beginning with the first quarter of 1997; prior to 1997, they are commingled with U.S.-owned banks' accounts.
 3. Commercial paper issued in the U.S. market by foreign incorporated entities; excludes commercial paper issued through foreign direct investment affiliates in the United States.
 4. Negotiable and readily transferable instruments other than commercial paper, payable in dollars; consists largely of negotiable certificates of deposit.
 5. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.
 6. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.
 7. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.
 8. Includes Eastern Europe and international and regional organizations.

- Table 9:**
1. Negotiable certificates of deposit issued by banks in the United States are included in banks' custody liabilities and are separately identified in memorandum line 8. Nonnegotiable certificates of deposit are included in time deposits.
 2. Includes borrowing under Federal funds or repurchase arrangements, deferred credits, and liabilities other than deposits.
 3. Mainly negotiable and readily transferable instruments, excluding U.S. Treasury securities.
 4. Mainly International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), Inter-American Development Bank (IDB), and the Trust Fund of the International Monetary Fund.
 5. U.S.-owned banks are mainly U.S.-chartered banks, Edge Act subsidiaries, and U.S. bank holding companies. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States. U.S. brokers and dealers are identified separately beginning with the first quarter of 1997; prior to 1997, they are commingled with U.S.-owned banks' accounts.
 6. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.
 7. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.
 8. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.
 9. Includes Eastern Europe and international and regional organizations.
- Table 10:** For footnotes 1-13, see table 1.
14. The "European Union" includes the "European Union (6)," United Kingdom, Denmark, Ireland, Greece, Spain, and Portugal. Beginning with the first quarter of 1995, the "European Union" also includes Austria, Finland, and Sweden.
 15. The "European Union (6)" includes Belgium, France, Germany (includes the former German Democratic Republic (East Germany) beginning in the fourth quarter of 1990), Italy, Luxembourg, Netherlands, European Atomic Energy Community, European Coal and Steel Community, and European Investment Bank.
 16. Includes, as part of international and unallocated, the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment internationally, and in petroleum trading. Also includes taxes withheld; current-cost adjustments associated with U.S. and foreign direct investment; before 1996, small transactions in business services that are not reported by country; and net U.S. currency flows, for which geographic source data are not available.
 17. Details are not shown separately; see totals in lines 56 and 63.
 18. Details not shown separately are included in line 69.

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

Line	(Credits +; debits -) ¹	Western Europe						European Union ¹⁴			
		1998	1998				1999		1998	1998	
			I	II	III	IV	I ^P	II ^P		I	II
Current account											
1	Exports of goods and services and income receipts	368,598	91,675	92,169	89,819	94,935	94,152	93,901	333,872	83,969	83,574
2	Exports of goods and services	255,532	63,100	63,496	62,578	66,358	64,445	64,269	232,443	57,968	57,966
3	Goods, balance of payments basis ²	159,107	41,240	39,587	37,191	41,089	41,287	40,227	145,926	38,360	36,444
4	Services ³	96,425	21,860	23,909	25,387	25,269	23,158	24,042	86,517	19,608	21,522
5	Transfers under U.S. military agency sales contracts ⁴	4,596	846	1,278	1,159	1,313	1,169	1,100	3,077	549	921
6	Travel	22,819	4,720	5,744	6,702	5,653	4,788	5,784	20,927	4,339	5,269
7	Passenger fares	6,784	1,459	1,716	1,958	1,651	1,481	1,743	6,566	1,405	1,662
8	Other transportation	7,631	1,856	1,864	1,945	1,966	1,784	1,796	6,494	1,601	1,584
9	Royalties and license fees ⁵	18,842	4,341	4,402	4,547	5,552	4,615	4,476	17,813	4,077	4,169
10	Other private services ⁵	35,613	8,602	8,875	9,041	9,095	9,282	9,108	31,521	7,606	7,892
11	U.S. Government miscellaneous services	140	36	30	35	39	39	35	119	31	25
12	Income receipts	113,066	28,575	28,673	27,241	28,577	29,707	29,632	101,429	26,001	25,608
13	Income receipts on U.S.-owned assets abroad	112,922	28,539	28,637	27,204	28,542	29,670	29,595	101,297	25,968	25,575
14	Direct investment receipts	49,675	12,637	12,937	10,997	13,104	13,952	13,731	43,268	11,114	11,229
15	Other private receipts	62,277	15,622	15,522	15,924	15,209	15,427	15,738	57,185	14,618	14,188
16	U.S. Government receipts	970	280	178	283	229	291	126	844	236	158
17	Compensation of employees	144	36	36	37	35	37	37	132	33	33
18	Imports of goods and services and income payments	-399,610	-92,796	-100,681	-103,147	-102,986	-101,041	-110,407	-363,243	-84,242	-91,576
19	Imports of goods and services	-269,040	-60,772	-68,048	-69,850	-70,370	-66,668	-74,050	-242,250	-54,704	-61,521
20	Goods, balance of payments basis ²	-194,016	-45,018	-48,154	-48,533	-52,311	-48,566	-52,429	-176,081	-40,693	-43,973
21	Services ³	-75,024	-15,754	-19,894	-21,317	-18,059	-17,502	-21,621	-66,169	-14,011	-17,548
22	Direct defense expenditures	-6,780	-1,663	-1,569	-1,729	-1,819	-1,935	-2,060	-5,824	-1,394	-1,340
23	Travel	-18,817	-3,266	-5,775	-6,345	-3,431	-3,593	-6,192	-16,893	-2,985	-5,193
24	Passenger fares	-9,969	-1,873	-2,943	-3,111	-2,042	-2,064	-3,162	-8,988	-1,697	-2,642
25	Other transportation	-11,146	-2,577	-2,742	-2,908	-2,919	-2,554	-2,674	-9,009	-2,134	-2,197
26	Royalties and license fees ⁵	-6,990	-1,713	-1,568	-1,727	-1,982	-2,087	-1,965	-6,071	-1,497	-1,321
27	Other private services ⁵	-20,228	-4,410	-5,031	-5,207	-5,580	-5,002	-5,283	-18,445	-4,093	-4,624
28	U.S. Government miscellaneous services	-1,094	-252	-266	-290	-286	-267	-285	-939	-211	-231
29	Income payments	-130,570	-32,024	-32,633	-33,297	-32,616	-34,973	-36,357	-120,993	-29,538	-30,055
30	Income payments on foreign-owned assets in the United States	-130,266	-31,946	-32,561	-33,228	-32,531	-34,886	-36,281	-120,746	-29,476	-29,996
31	Direct investment payments	-27,626	-7,111	-6,892	-6,786	-6,837	-9,059	-10,155	-25,929	-6,522	-6,297
32	Other private payments	-63,367	-15,103	-15,777	-16,559	-15,928	-15,750	-16,145	-58,399	-13,915	-14,580
33	U.S. Government payments	-39,273	-9,732	-9,892	-9,883	-9,766	-10,077	-9,981	-36,418	-9,039	-9,119
34	Compensation of employees	-304	-78	-72	-69	-85	-87	-76	-247	-62	-59
35	Unilateral current transfers, net	-324	-48	-90	-91	-95	-30	30	692	163	184
36	U.S. Government grants ⁴	-493	-70	-166	-143	-114	-172	-129	-13	-	-8
37	U.S. Government pensions and other transfers	-1,398	-338	-347	-346	-367	-328	-333	-1,205	-294	-311
38	Private remittances and other transfers ⁶	1,567	360	423	398	386	470	492	1,910	457	503
Capital and financial account											
Capital account											
39	Capital account transactions, net	148	36	37	37	38	37	37	132	32	33
Financial account											
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-205,362	-45,188	-75,948	-30,805	-53,421	-22,065	-95,940	-176,082	-40,971	-70,118
41	U.S. official reserve assets, net	-2,735	-151	-148	-50	-2,386	5,502	348	4,598	-420	-135
42	Gold ⁷	-	-	-	-	-	-	-	-	-	-
43	Special drawing rights	-	-	-	-	-	-	-	-	-	-
44	Reserve position in the International Monetary Fund	-	-	-	-	-	-	-	-	-	-
45	Foreign currencies	-2,735	-151	-148	-50	-2,386	5,502	348	4,598	-420	-135
46	U.S. Government assets, other than official reserve assets, net	652	191	-16	272	205	206	56	441	140	-31
47	U.S. credits and other long-term assets	-278	-93	-59	-76	-50	-62	-36	-174	-77	-38
48	Repayments on U.S. credits and other long-term assets ⁸	912	273	126	277	236	294	91	602	204	30
49	U.S. foreign currency holdings and U.S. short-term assets, net	18	11	-83	71	19	-26	1	13	13	-23
50	U.S. private assets, net	-203,279	-45,228	-75,784	-31,027	-51,240	-27,773	-96,344	-181,121	-40,691	-69,952
51	Direct investment	-73,167	-22,668	-27,592	-9,993	-12,914	-21,262	-10,503	-66,460	-20,841	-26,657
52	Foreign securities	-75,318	-4,042	-11,296	8,507	-68,487	21,689	-12,336	-77,288	-3,336	-12,857
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-13,149	-5,201	-11,559	-14,797	18,408	-23,909	-	-11,252	-4,128	-10,651
54	U.S. claims reported by U.S. banks, not included elsewhere	-41,645	-13,317	-25,337	-14,744	11,753	-4,291	-73,505	-26,141	-12,386	-19,787
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	377,622	78,335	110,725	96,246	92,316	78,971	134,472	363,139	75,047	100,727
56	Foreign official assets in the United States, net	5,957	-3,383	5,094	-3,574	7,820	-4,419	-11,557	(18)	(18)	(18)
57	U.S. Government securities	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)	(18)
58	U.S. Treasury securities ⁹	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)	(18)
59	Other ¹⁰	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)	(18)
60	Other U.S. Government liabilities ¹¹	-566	119	-157	-103	-425	-432	-537	-19	131	-61
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)	(18)
62	Other foreign official assets ¹²	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)	(18)
63	Other foreign assets in the United States, net	371,665	81,718	105,631	99,820	84,496	83,390	146,029	(18)	(18)	(18)
64	Direct investment	167,892	20,982	15,943	14,823	116,144	21,839	104,879	158,029	16,326	15,635
65	U.S. Treasury securities	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(18)	(18)	(18)
66	U.S. securities other than U.S. Treasury securities	188,290	51,737	57,885	38,353	40,315	48,854	47,994	178,309	47,229	51,248
67	U.S. currency	-	-	-	-	-	-	-	-	-	-
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	1,274	23,367	16,866	3,891	-42,850	19,506	-	19,920	28,307	15,837
69	U.S. liabilities reported by U.S. banks, not included elsewhere	(17)	(17)	(17)	(17)	(17)	(17)	(17)	18 6,900	18 -16,946	18 18,068
70	Statistical discrepancy (sum of above items with sign reversed)	-141,072	-32,014	-26,212	-52,059	-30,787	-50,024	-22,093	-158,510	-33,998	-22,824
Memoranda:											
71	Balance on goods (lines 3 and 20)	-34,909	-3,778	-8,567	-11,342	-11,222	-7,279	-12,202	-30,155	-2,333	-7,529
72	Balance on services (lines 4 and 21)	21,401	6,106	4,015	4,070	7,210	5,656	2,421	20,348	5,597	3,974
73	Balance on goods and services (lines 2 and 19)	-13,508	2,328	-4,552	-7,272	-4,012	-1,623	-9,781	-9,807	3,264	-3,555
74	Balance on income (lines 12 and 29)	-17,504	-3,449	-3,960	-6,056	-4,039	-5,266	-6,725	-19,564	-3,537	-4,447
75	Unilateral current transfers, net (line 35)	-324	-48	-90	-91	-95	-30	30	692	163	184
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	-31,336	-1,169	-8,602	-13,419	-8,146	-6,919	-16,476	-28,679	-110	-7,818

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

Line	(Credits +; debits -) ¹	Eastern Europe						Canada			
		1998	1998				1999		1998	1998	
			I	II	III	IV	I ^r	II ^r		I	II
Current account											
1	Exports of goods and services and income receipts	12,913	3,631	3,739	2,971	2,572	2,653	2,781	195,932	50,159	51,029
2	Exports of goods and services	11,160	2,929	3,189	2,655	2,387	2,156	2,269	176,523	44,950	46,060
3	Goods, balance of payments basis ²	7,365	1,999	2,299	1,655	1,412	1,213	1,309	156,810	39,646	40,835
4	Services ³	3,795	930	890	1,000	975	943	960	19,713	5,304	5,225
5	Transfers under U.S. military agency sales contracts ⁴	336	91	50	88	107	67	91	106	57	17
6	Travel	1,257	254	317	362	324	258	319	6,206	1,828	1,862
7	Passenger fares	159	40	43	38	38	40	43	1,477	440	375
8	Other transportation	279	77	73	64	65	65	84	2,329	586	595
9	Royalties and license fees ⁵	279	61	71	73	74	67	69	1,646	381	408
10	Other private services ⁵	1,439	399	316	369	355	439	342	7,864	1,993	1,948
11	U.S. Government miscellaneous services	46	8	20	6	12	7	12	85	19	20
12	Income receipts	1,753	702	550	316	185	497	512	19,409	5,209	4,969
13	Income receipts on U.S.-owned assets abroad	1,745	700	548	314	183	495	510	19,330	5,189	4,950
14	Direct investment receipts	-367	193	-4	-252	-304	-45	28	8,104	2,371	2,154
15	Other private receipts	1,874	421	504	493	456	484	472	11,226	2,818	2,796
16	U.S. Government receipts	238	86	48	73	31	56	10			
17	Compensation of employees	8	2	2	2	2	2	2	79	20	19
18	Imports of goods and services and income payments	-15,366	-3,264	-4,105	-4,267	-3,730	-3,294	-4,415	-199,595	-48,229	-50,929
19	Imports of goods and services	-13,685	-2,884	-3,671	-3,807	-3,323	-2,874	-4,003	-191,147	-46,213	-48,741
20	Goods, balance of payments basis ²	-10,899	-2,423	-2,858	-2,874	-2,744	-2,402	-3,098	-175,806	-43,231	-44,796
21	Services ³	-2,786	-461	-813	-933	-579	-472	-905	-15,341	-2,982	-3,945
22	Direct defense expenditures	-167	-41	-33	-51	-42	-50	-60	-68	-13	-17
23	Travel	-1,296	-137	-427	-518	-214	-151	-458	-5,719	-773	-1,502
24	Passenger fares	-409	-51	-131	-149	-78	-57	-141	-585	-99	-165
25	Other transportation	-220	-71	-58	-46	-45	-42	-62	-2,911	-726	-751
26	Royalties and license fees ⁵	-9	-4	-2	-1	-2	-1	-3	-425	-106	-91
27	Other private services ⁵	-600	-144	-149	-152	-155	-155	-163	-5,426	-1,215	-1,365
28	U.S. Government miscellaneous services	-85	-13	-13	-16	-43	-16	-18	-207	-50	-54
29	Income payments	-1,681	-380	-434	-460	-407	-420	-412	-8,448	-2,016	-2,188
30	Income payments on foreign-owned assets in the United States	-1,616	-363	-419	-446	-388	-401	-396	-8,146	-1,939	-2,115
31	Direct investment payments	-8	-1	-1	-4	-2	-2	-3	-3,010	-683	-877
32	Other private payments	-502	-121	-133	-156	-92	-97	-91	-4,261	-993	-1,015
33	U.S. Government payments	-1,106	-241	-285	-286	-294	-302	-302	-875	-263	-223
34	Compensation of employees	-65	-17	-15	-14	-19	-19	-16	-302	-77	-73
35	Unilateral current transfers, net	-3,358	-725	-857	-1,007	-769	-856	-971	-613	-167	-143
36	U.S. Government grants ⁴	-1,895	-346	-501	-656	-392	-424	-543			
37	U.S. Government pensions and other transfers	-40	-10	-10	-10	-10	-12	-9	-477	-120	-119
38	Private remittances and other transfers ⁶	-1,423	-369	-346	-341	-367	-420	-419	-136	-47	-24
Capital and financial account											
Capital account											
39	Capital account transactions, net	20	5	5	5	5	6	6	64	17	20
Financial account											
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-1,954	-464	-2,023	1,573	-1,040	-1,518	597	-29,227	-6,332	-4,204
41	U.S. official reserve assets, net										
42	Gold ⁷										
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	70	-27	34	72	-9	-19	29	(*)	1	-1
47	U.S. credits and other long-term assets	-470	-174	-10	-267	-19	-164	-1,138			
48	Repayments on U.S. credits and other long-term assets ⁸	446	147	10	273	16	160	1,172			
49	U.S. foreign currency holdings and U.S. short-term assets, net	94		34	66	-6	-15	-5	(*)	1	-1
50	U.S. private assets, net	-2,024	-437	-2,057	1,501	-1,031	-1,499	568	-29,227	-6,333	-4,203
51	Direct investment	-1,368	-716	-470	-173	-9	-258	-210	-10,260	-5,114	-1,934
52	Foreign securities	-2,247	-282	-1,517	420	-868	-120	-29	-1,182	27	-1,631
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	166	136	-241	278	-7	72		3,776	-662	-1,580
54	U.S. claims reported by U.S. banks, not included elsewhere	1,425	425	171	976	-147	-1,193	807	-21,561	-584	942
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	-2,550	-819	-977	-2,090	1,336	2,910	-831	13,827	-169	5,056
56	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)	510	1,498	-873
57	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)	(17)
58	U.S. Treasury securities ⁹	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)	(17)
59	Other ¹⁰	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)	(17)
60	Other U.S. Government liabilities ¹¹	186	71	-44	10	149	59	141	-28	-33	11
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)	(17)
62	Other foreign official assets ¹²	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)	(17)
63	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)	13,317	-1,667	5,929
64	Direct investment	-236	-224	-1	-2	-9	-166	55	11,859	121	2,676
65	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)	(17)
66	U.S. securities other than U.S. Treasury securities	473	64	199	209	1	15	-140	81	1,683	-521
67	U.S. currency										
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-166	38	11	10	-225	75	72	-221	-33	393
69	U.S. liabilities reported by U.S. banks, not included elsewhere	18 -2,807	18 -768	18 -1,142	18 -2,317	18 1,420	18 2,927	18 -887	(17)	(17)	(17)
70	Statistical discrepancy (sum of above items with sign reversed)	10,295	1,636	4,218	2,815	1,626	99	2,833	19,612	4,721	-829
Memoranda:											
71	Balance on goods (lines 3 and 20)	-3,534	-424	-559	-1,219	-1,332	-1,189	-1,789	-18,996	-3,585	-3,961
72	Balance on services (lines 4 and 21)	1,009	469	77	67	396	471	55	4,372	2,322	1,280
73	Balance on goods and services (lines 2 and 19)	-2,525	45	-482	-1,152	-936	-718	-1,734	-14,624	-1,263	-2,681
74	Balance on income (lines 12 and 29)	72	322	116	-144	-222	77	100	10,961	3,193	2,781
75	Unilateral current transfers, net (line 35)	-3,358	-725	-857	-1,007	-769	-856	-971	-613	-167	-143
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	-5,811	-358	-1,223	-2,303	-1,927	-1,497	-2,605	-4,276	1,763	-43

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

Line	(Credits +; debits -) ¹	Australia						
		1998	1998				1999	
			I	II	III	IV	I ^P	II ^P
Current account								
1	Exports of goods and services and income receipts	21,511	5,500	5,448	5,350	5,213	4,834	5,450
2	Exports of goods and services	16,688	4,254	4,087	4,174	4,173	3,734	4,107
3	Goods, balance of payments basis ²	11,775	3,117	2,838	2,918	2,902	2,543	2,756
4	Services ³	4,913	1,137	1,249	1,256	1,271	1,191	1,351
5	Transfers under U.S. military agency sales contracts ⁴	168	45	36	43	44	51	100
6	Travel	1,562	337	413	404	408	342	416
7	Passenger fares	548	121	151	153	123	123	153
8	Other transportation	320	75	76	83	86	81	86
9	Royalties and license fees ⁵	749	168	186	190	205	187	187
10	Other private services ⁵	1,560	390	386	382	402	406	408
11	U.S. Government miscellaneous services	6	1	1	1	3	1	1
12	Income receipts	4,823	1,246	1,361	1,176	1,040	1,100	1,343
13	Income receipts on U.S.-owned assets abroad	4,815	1,244	1,359	1,174	1,038	1,098	1,341
14	Direct investment receipts	1,897	468	609	467	353	365	567
15	Other private receipts	2,918	776	750	707	685	733	774
16	U.S. Government receipts							
17	Compensation of employees	8	2	2	2	2	2	2
18	Imports of goods and services and income payments	-10,121	-2,468	-2,529	-2,561	-2,563	-2,259	-2,510
19	Imports of goods and services	-8,439	-1,995	-2,139	-2,151	-2,154	-1,888	-2,170
20	Goods, balance of payments basis ²	-5,372	-1,262	-1,435	-1,315	-1,360	-1,093	-1,372
21	Services ³	-3,067	-733	-704	-836	-794	-795	-798
22	Direct defense expenditures	-41	-15	-10	-7	-9	-18	-15
23	Travel	-1,231	-273	-289	-386	-283	-301	-310
24	Passenger fares	-599	-150	-131	-143	-175	-166	-141
25	Other transportation	-214	-66	-40	-53	-55	-46	-47
26	Royalties and license fees ⁵	-38	-16	-8	-6	-8	-7	-8
27	Other private services ⁵	-895	-202	-216	-224	-253	-249	-266
28	U.S. Government miscellaneous services	-49	-11	-10	-17	-11	-8	-11
29	Income payments	-1,682	-473	-390	-410	-409	-371	-340
30	Income payments on foreign-owned assets in the United States	-1,674	-471	-388	-408	-407	-369	-338
31	Direct investment payments	-673	-205	-149	-187	-132	-153	-64
32	Other private payments	-643	-171	-163	-160	-149	-145	-193
33	U.S. Government payments	-358	-95	-76	-61	-126	-71	-81
34	Compensation of employees	-8	-2	-2	-2	-2	-2	-2
35	Unilateral current transfers, net	-137	-39	-31	-38	-29	-39	-35
36	U.S. Government grants ⁴							
37	U.S. Government pensions and other transfers	-38	-9	-10	-9	-10	-10	-9
38	Private remittances and other transfers ⁶	-99	-30	-21	-29	-19	-29	-26
Capital and financial account								
Capital account								
39	Capital account transactions, net	4	1	1	1	1	2	2
Financial account								
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-7,666	-311	-6,611	-1,839	1,095	-2,357	-5,810
41	U.S. official reserve assets, net							
42	Gold ⁷							
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	-2	-1	-1			6	-5
47	U.S. credits and other long-term assets							
48	Repayments on U.S. credits and other long-term assets ⁸							
49	U.S. foreign currency holdings and U.S. short-term assets, net	-2	-1	-1			6	-5
50	U.S. private assets, net	-7,664	-310	-6,610	-1,839	1,095	-2,363	-5,805
51	Direct investment	-3,659	-573	-3,855	-601	1,370	-3,389	-1,409
52	Foreign securities	-1,337	-17	-1,346	-401	427	-82	-974
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-981	128	129	-513	-725	430	
54	U.S. claims reported by U.S. banks, not included elsewhere	-1,687	152	-1,538	-324	23	678	-3,422
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	1,258	-474	3,106	-3,406	2,032	691	2,200
56	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)
57	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)
58	U.S. Treasury securities ⁹	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	Other ¹⁰	(18)	(18)	(18)	(18)	(18)	(18)	(18)
60	Other U.S. Government liabilities ¹¹	5	-12	4	-2	15	8	-41
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)	(18)
62	Other foreign official assets ¹²	(18)	(18)	(18)	(18)	(18)	(18)	(18)
63	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)
64	Direct investment	2,035	1,508	671	-472	328	167	485
65	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)
66	U.S. securities other than U.S. Treasury securities	838	176	-325	6	981	42	157
67	U.S. currency							
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	1,497	-159	1,623	97	-64	-175	
69	U.S. liabilities reported by U.S. banks, not included elsewhere	18 -3,117	18 -1,987	18 1,133	18 -3,035	18 772	18 649	18 1,599
70	Statistical discrepancy (sum of above items with sign reversed)	-4,849	-2,209	616	2,493	-5,749	-872	703
Memoranda:								
71	Balance on goods (lines 3 and 20)	6,403	1,855	1,403	1,603	1,542	1,450	1,384
72	Balance on services (lines 4 and 21)	1,846	404	545	420	477	396	553
73	Balance on goods and services (lines 2 and 19)	8,249	2,259	1,948	2,023	2,019	1,846	1,937
74	Balance on income (lines 12 and 29)	3,141	773	971	766	631	729	1,003
75	Unilateral current transfers, net (line 35)	-137	-39	-31	-38	-29	-39	-35
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	11,253	2,993	2,888	2,751	2,621	2,536	2,905

Transactions, by Area—Continued
of dollars]

Other countries in Asia and Africa							International organizations and unallocated ¹⁶								Line
1998	1998				1999		1998	1998				1999			
	I	II	III	IV	I ^r	II ^p		I	II	III	IV	I ^r	II ^p		
214,716	53,906	52,554	51,380	56,876	51,342	53,933	29,639	7,197	7,271	7,389	7,782	7,440	7,560	1	
192,083	48,148	46,474	45,818	51,643	45,919	47,980	4,641	1,167	1,123	1,135	1,216	1,118	1,204	2	
136,995	34,260	32,882	31,278	38,575	31,674	34,002	.....	.....	.....	.....	.....	.....	.....	3
55,088	13,888	13,592	14,540	13,068	14,245	13,978	4,641	1,167	1,123	1,135	1,216	1,118	1,204	4	
10,501	2,830	2,905	2,439	2,327	2,372	2,585	.....	.....	.....	.....	.....	.....	.....	5
10,484	2,014	2,797	3,366	2,307	2,042	2,816	.....	.....	.....	.....	.....	.....	.....	6
1,839	387	481	593	378	392	490	.....	.....	.....	.....	.....	.....	.....	7
8,028	1,943	1,957	1,985	2,143	2,160	2,229	558	140	141	141	136	115	203	8	
4,472	1,062	1,070	1,135	1,205	1,165	1,198	1,980	467	470	478	565	493	492	9	
19,413	5,539	4,311	4,934	4,629	6,034	4,568	2,103	560	512	516	515	510	509	10	
351	113	71	88	79	80	92	.....	.....	.....	.....	.....	.....	.....	11
22,633	5,758	6,080	5,562	5,233	5,423	5,953	24,998	6,030	6,148	6,254	6,566	6,322	6,356	12	
22,569	5,742	6,064	5,546	5,217	5,406	5,936	23,595	5,681	5,798	5,903	6,213	5,970	6,003	13	
11,021	2,860	3,008	2,643	2,510	2,792	3,356	13,427	3,192	3,192	3,357	3,686	3,358	3,271	14	
10,440	2,605	2,822	2,578	2,435	2,325	2,373	9,353	2,307	2,411	2,335	2,300	2,396	2,541	15	
1,108	277	234	325	272	289	207	815	182	195	211	227	216	191	16	
64	16	16	16	16	17	17	1,403	349	350	351	353	352	353	17	
-326,895	-76,233	-79,667	-87,791	-83,204	-79,349	-87,426	-11,401	-2,868	-2,699	-2,687	-3,147	-2,781	-2,935	18	
-298,020	-69,184	-72,331	-80,534	-75,971	-71,961	-79,795	-2,702	-913	-639	-595	-555	-564	-733	19	
-263,505	-61,012	-63,755	-71,565	-67,173	-62,733	-70,388	.....	.....	.....	.....	.....	.....	.....	20
-34,515	-8,172	-8,576	-8,969	-8,798	-9,228	-9,407	-2,702	-913	-639	-595	-555	-564	-733	21	
-4,090	-901	-1,035	-1,036	-1,118	-1,064	-1,026	.....	.....	.....	.....	.....	.....	.....	22
-10,349	-2,547	-2,678	-2,732	-2,932	-2,805	-2,873	.....	.....	.....	.....	.....	.....	.....	23
-4,501	-1,103	-1,068	-1,160	-1,170	-1,223	-1,150	.....	.....	.....	.....	.....	.....	.....	24
-7,997	-1,809	-1,920	-2,109	-2,159	-2,230	-2,318	-1,384	-346	-377	-337	-324	-285	-461	25	
-284	-71	-71	-67	-75	-74	-72	-986	-471	-166	-169	-180	-185	-182	26	
-6,502	-1,538	-1,630	-1,655	-1,679	-1,642	-1,767	-330	-96	-95	-88	-51	-93	-90	27	
-792	-203	-174	-210	-205	-190	-201	-2	.....	.....	.....	.....	.....	.....	28
-28,875	-7,049	-7,336	-7,257	-7,233	-7,388	-7,631	-8,699	-1,955	-2,060	-2,092	-2,592	-2,217	-2,202	29	
-28,419	-6,913	-7,242	-7,175	-7,089	-7,243	-7,530	-8,699	-1,955	-2,060	-2,092	-2,592	-2,217	-2,202	30	
-17	96	-88	-85	60	-159	-209	-5,426	-1,158	-1,212	-1,253	-1,803	-1,365	-1,339	31	
-10,277	-2,676	-2,591	-2,611	-2,399	-2,381	-2,442	-3,253	-794	-835	-836	-788	-848	-857	32	
-18,125	-4,333	-4,563	-4,479	-4,750	-4,703	-4,879	-20	-3	-13	-3	-1	-4	-6	33	
-456	-136	-94	-82	-144	-145	-101	.....	.....	.....	.....	.....	.....	.....	34
-16,744	-3,524	-2,884	-3,707	-6,629	-3,414	-3,468	-10,211	-2,579	-2,538	-2,324	-2,770	-2,427	-2,722	35	
-8,427	-1,354	-1,008	-1,526	-4,539	-967	-1,321	-940	-261	-258	-198	-223	-257	-419	36	
-464	-122	-120	-98	-124	-119	-121	-1,146	-241	-137	-82	-686	-124	-84	37	
-7,853	-2,048	-1,756	-2,083	-1,966	-2,328	-2,026	-8,125	-2,077	-2,143	-2,044	-1,861	-2,046	-2,219	38	
111	28	33	17	33	25	35	.....	.....	.....	.....	.....	.....	.....	39
-825	4,377	-2,114	1,532	-4,620	-2,448	-1,957	-20,057	-3,723	-4,177	-7,221	-4,936	-3,935	-3,409	40	
.....	.....	.....	.....	.....	.....	.....	-5,267	-267	-959	-1,890	-2,151	566	1,223	41
.....	.....	.....	.....	.....	.....	.....	-149	-182	72	188	-227	563	-190	42
.....	.....	.....	.....	.....	.....	.....	-5,118	-85	-1,031	-2,078	-1,924	3	1,413	43
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	44
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	45
-136	-70	-351	162	123	11	-222	-1,161	-286	-317	-291	-267	-267	-289	46	
-1,454	-394	-632	-206	-222	-209	-299	-1,161	-286	-317	-291	-267	-267	-289	47	
1,270	366	251	365	288	326	208	.....	.....	.....	.....	.....	.....	.....	48
48	-42	30	3	57	-106	-131	.....	.....	.....	.....	.....	.....	.....	49
-689	4,447	-1,763	1,370	-4,743	-2,459	-1,735	-13,629	-3,170	-2,901	-5,040	-2,518	-4,234	-4,343	50	
-10,742	-2,188	-1,529	-2,784	-4,241	-6,725	-3,912	-11,768	-2,547	-2,994	-2,741	-3,486	-3,193	-3,022	51	
-5,959	-3,934	-6,691	3,804	862	-1,217	1,165	-597	-133	154	76	-694	49	-111	52	
1,677	-690	2,261	-386	492	-92	.....	3	18	-15	-45	45	-7	-1,829	53
14,335	11,259	4,196	736	-1,856	5,575	1,012	-1,267	-508	-46	-2,330	1,617	-1,083	619	54	
19,075	21,225	-3,185	-16,054	17,089	13,028	2,535	21,860	7,880	410	8,033	5,537	5,753	16,710	55	
(18)	(18)	(18)	(18)	(18)	(18)	(18)	2	.....	.....	.....	2	.....	.....	56
(18)	(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	.....	57
(18)	(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	.....	58
(18)	(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	.....	59
-2,561	-534	-1,094	-228	-705	-737	-255	2	.....	.....	.....	2	.....	.....	60
(18)	(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	.....	61
(18)	(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	.....	62
(18)	(18)	(18)	(18)	(18)	(18)	(18)	21,858	7,880	410	8,033	5,535	5,753	16,710	63	
32	-306	-182	-15	535	-48	158	4,415	1,046	1,085	1,123	1,161	1,197	1,232	64	
(18)	(18)	(18)	(18)	(18)	(18)	(18)	.....	.....	.....	.....	.....	.....	.....	65
-1,493	3,137	659	-7,245	1,956	3,119	3,417	51	-24	255	-155	-25	-148	-130	66	
-2,950	1,563	59	-1,665	-2,907	805	.....	16,622	746	2,349	7,277	6,250	2,440	3,057	67
18 26,047	18 17,365	18 -2,627	18 -6,901	18 18,210	18 9,889	18 -785	216	57	73	49	37	18	11,390	68	
110,562	221	35,263	54,623	20,455	20,816	36,348	18 554	18 6,055	18 -3,352	18 -261	18 -1,888	18 2,246	18 1,161	69	
-126,510	-26,752	-30,873	-40,287	-28,598	-31,059	-36,386	.....	.....	.....	.....	.....	.....	.....	71
20,573	5,716	5,016	5,571	4,270	5,017	4,571	1,939	254	484	540	661	554	471	72	
-105,937	-21,036	-25,857	-34,716	-24,328	-26,042	-31,815	1,939	254	484	540	661	554	471	73	
-6,242	-1,291	-1,256	-1,695	-2,000	-1,965	-1,678	16,299	4,075	4,088	4,162	3,974	4,105	4,154	74	
-16,744	-3,524	-2,884	-3,707	-6,629	-3,414	-3,468	-10,211	-2,579	-2,538	-2,324	-2,770	-2,427	-2,722	75	
-128,923	-25,851	-29,997	-40,118	-32,957	-31,421	-36,961	8,027	1,750	2,034	2,378	1,865	2,232	1,903	76	

U.S. International Services

Cross-Border Trade in 1998 and Sales Through Affiliates in 1997

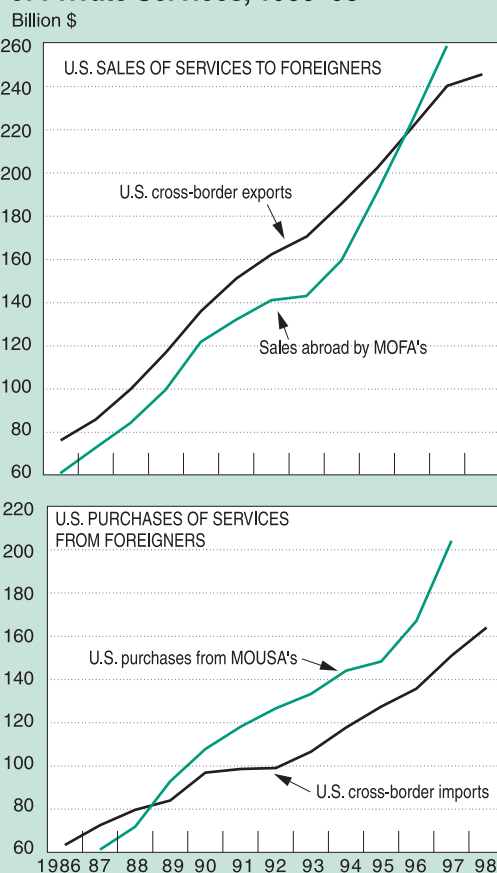
Michael A. Mann and Laura L. Brokenbaugh prepared the section on cross-border trade. Sylvia E. Bargas prepared the section on sales through affiliates.

THE UNITED States recorded another sizable surplus on cross-border trade in private services in 1998, but the surplus, at \$80.4 billion, was smaller than the surpluses recorded in both 1996 and 1997. The decrease reflected a considerably faster rate of growth in U.S. imports of private services than in U.S. exports of private services (chart 1). The growth in imports was 8 percent in 1998, down from 11 percent in 1997, but equal to the average annual rate of growth in 1986–97 (table A). In contrast, the growth in

exports was 2 percent—well below both the 9-percent rate in 1997 and the 11-percent average annual growth rate in 1986–97; the sharp slowdown reflected recessionary conditions in Japan and several other countries in Asia and Latin America. The recessionary conditions in Asia, together with a sharp depreciation of several Asian currencies against the U.S. dollar, especially affected travel and transportation receipts. The number of tourists from Asia to the United States declined, and freight and port expenditure re-

CHART 1

U.S. International Sales and Purchases of Private Services, 1986–98



NOTE—Data reflect the information in footnotes 2 and 3 to table A.

MOFA Majority-owned foreign affiliate of a U.S. company
 MOUSA Majority-owned U.S. affiliate of a foreign company
 U.S. Department of Commerce, Bureau of Economic Analysis

Table A.—Sales of Services to Foreign and U.S. Markets Through Cross-Border Trade and Through Affiliates

	Through cross-border trade ¹		Through nonbank majority-owned affiliates	
	U.S. exports (receipts)	U.S. imports (payments)	Sales to foreign persons by foreign affiliates of U.S. companies ²	Sales to U.S. persons by U.S. affiliates of foreign companies
	Billions of dollars			
1986	76.3	64.7	60.5	n.a.
1987	86.0	73.9	72.3	62.6
1988	100.1	81.0	83.8	73.2
1989	117.1	85.3	99.2	94.2
1990	136.2	98.2	121.3	109.2
1991	151.2	99.9	131.6	119.5
1992	162.3	100.4	140.6	128.0
1993	170.6	107.9	142.6	134.7
1994	186.0	119.1	159.1	145.4
1995	202.2	128.8	190.1	149.7
1996	221.1	137.1	223.2	168.4
1997	240.4	152.4	258.3	³ 205.5
1998	245.7	165.3	n.a.	n.a.
	Percent change from prior year			
1987	12.7	14.2	19.5	.....
1988	16.4	9.5	15.9	17.0
1989	17.0	5.3	18.4	28.7
1990	16.3	15.1	22.2	15.9
1991	11.1	1.8	8.5	9.5
1992	7.3	.4	6.8	7.1
1993	5.1	7.5	1.5	5.3
1994	9.0	10.3	11.6	8.0
1995	8.7	8.1	19.4	2.9
1996	9.4	6.4	17.4	12.5
1997	8.7	11.2	15.7	⁽³⁾
1998	2.2	8.4	n.a.	n.a.

n.a. Not available.

1. The estimates for 1986–97 are revised from those published in last year's article in this series. See the box "Revisions to the Estimates of Cross-Border Services Transactions."

2. The figures shown in this column for 1986–88 have been adjusted, for the purposes of this article, to be consistent with those for 1989 forward, which reflect definitional and methodological improvements made in the 1989 Benchmark Survey of U.S. Direct Investment Abroad. The primary improvement was that investment income of affiliates in finance and insurance was excluded from sales of services. The adjustment was made by assuming that investment income of finance and insurance affiliates in 1986–88 accounted for the same share of sales of services plus investment income as in 1989.

3. A discontinuity exists between 1996 and 1997 due to a change in the definition of sales of services by U.S. affiliates. See the box "Changes in the Definition and Classification of Sales of Services by U.S. Affiliates."

ceipts were depressed by declines in U.S. exports of goods to countries in the area.

The decrease in the surplus on private services coincided with a record increase in the deficit on trade in goods. The downward movements in the two balances reflected a faster rate of economic growth in the United States than in most other parts of the world. In the United States, real gross domestic product grew 3.9 percent in 1998; in most other industrial countries, economic growth ranged from 1 to 3 percent, and in many countries in Asia and Latin America, the economies were in recession.

The large U.S. surplus on cross-border trade in private services offset a third of the U.S. deficit on trade in goods. The persistent U.S. surplus suggests a U.S. comparative advantage in the provision of services. This advantage is especially apparent in the large U.S. surplus in royalties and license fees.¹ In 1998, U.S. receipts of royalties and licence fees exceeded payments by \$25.5 billion—a little less than a third of the total services surplus. Sizable surpluses were also recorded for “business, professional, and technical services,” travel, financial services, and education.

For services sold through majority-owned affiliates of multinational companies, U.S. sales also exceeded U.S. purchases in 1997—the most recent year for which data are available. The difference—\$52.7 billion—is smaller than the \$88.0 billion surplus on cross-border trade in 1997. However, the balance on services sold through affiliates is understated because of re-

definitions associated with a new industry classification system, which have raised the value of services sold in the United States by U.S. affiliates of foreign companies in 1997 (see the box “Changes in the Definition and Classification of Sales of Services by U.S. Affiliates” on page 61). A rough adjustment for the understatement would have made this balance about a third larger, but it still would have been smaller than the surplus on cross-border trade.

From 1996 to 1997, sales of services abroad by foreign affiliates of U.S. companies grew 16 percent. The measured growth in sales of services in the United States by U.S. affiliates of foreign companies was 22 percent, but about half of this growth reflects the redefinitions. Thus, based on consistent definitions, the growth in sales was somewhat greater for the foreign affiliates than for the U.S. affiliates.

This article presents detailed estimates of U.S. cross-border exports and imports of private services and of U.S. sales of services through, and purchases of services from, nonbank majority-owned affiliates of multinational companies. Cross-border exports and imports are transactions between U.S. residents and foreign residents. They represent international trade in the conventional sense and are recorded, in summary form, in the U.S. international transactions accounts.² Sales of services through nonbank majority-owned affiliates of multinational companies represent services sold in international

1. These fees represent receipts and payments for intellectual property rights, such as rights to use computer software, rights to industrial processes, and rights to sell a product under a particular trademark.

2. See tables 1 and 3 in the quarterly article on the U.S. international transactions in this issue. In table 1, cross-border exports of private services are presented in lines 6–10, and cross-border imports, in lines 23–27. In table 3, additional detail is provided.

Acknowledgments

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Other transportation—Patricia G. Watts and Edward F. Dozier.

Royalties and license fees and other private services—affiliated, Gregory G. Fouch (for transactions of U.S. affiliates) and Mark W. New (for transactions of U.S. parents); unaffiliated, Obie G. Whichard, David H. Galler, Shirley J. Davis, Christopher J. Emond, Rafael I. Font, Pamela Aiken, Debra M. Blagburn, Annette Boyd, Faith M. Brannam, Hope R. Jones, Eddie L. Key, Christine M. Locke-Paddon, Steven J. Muno,

John A. Sondheimer, Jane C. Newstedt, and Robert A. Becker.

The estimates of sales of services through majority-owned affiliates were prepared by staff members of the International Investment Division. The estimates for foreign affiliates of U.S. companies were prepared by the staff of the Annual and Benchmark Section of the Direct Investment Abroad Branch; the estimates for U.S. affiliates of foreign companies were prepared by the staff of the Annual and Benchmark Section of the Foreign Direct Investment in the United States Branch.

The information in tables 1, 2, 3, and 5 was consolidated by John A. Sondheimer, assisted by Robert A. Becker. Computer programming for data estimation and the generation of the remaining tables was provided by Arnold Gilbert, Marie Colosimo, and Karen E. Poffel, assisted by Diane I. Young and Tara L. O'Brien.

markets through the channel of direct investment (see the box “Channels of Delivery of Services Sold in International Markets”).³ The data are drawn from larger data sets on affiliate operations that are presented in annual articles on the operations of U.S. multinational companies and of U.S. affiliates of foreign companies.⁴

Highlights for 1997 include the following:

3. These data cover *all* sales of services by nonbank majority-owned affiliates, irrespective of the percentage of foreign ownership. The data are limited to nonbank affiliates because in most years, the surveys used to collect the data do not cover banking affiliates. The data exclude minority-owned affiliates because data on sales of services by foreign affiliates are collected only for affiliates that are majority-owned by U.S. direct investors. The exclusion of minority-owned affiliates may also be preferred because the direct investor may own as little as 10 percent of a minority-owned affiliate and thus have less interest than local investors in the affiliate's sales.

4. See Raymond J. Mataloni, Jr., “U.S. Multinational Companies: Operations in 1997,” *SURVEY OF CURRENT BUSINESS* 79 (July 1999): 8–35, and William J. Zeile, “Foreign Direct Investment in the United States: Preliminary Results From the 1997 Benchmark Survey,” *SURVEY* 79 (August 1999): 21–54.

- For both U.S. sales and U.S. purchases, the affiliate channel of delivery was more important than the cross-border channel, but the difference was greater for purchases than for sales. For U.S. sales of services, the affiliate channel was slightly larger in 1996, but the cross-border channel was larger in other recent years. For U.S. purchases of services, the affiliate channel has predominated in every year since 1989.
- For Europe, both sales and purchases were predominantly through the affiliate channel, and for Latin America, both were predominantly through the cross-border channel (chart 2). For Asia and Pacific, sales were mainly through the cross-border channel, but purchases through the two channels were about equal.

Channels of Delivery of Services Sold in International Markets: Cross-Border Trade and Sales Through Affiliates

Services are sold in international markets through two distinct channels. In the first channel, residents of one country sell services to residents of another country. These transactions—“cross-border trade”—consist of both trade within multinational companies (intrafirm trade) and trade between unaffiliated parties.¹ They are recorded in the international transactions accounts of both countries—as exports of services by the seller's country and as imports by the buyer's country.

The second channel of delivery is sales through foreign affiliates of multinational companies, which from the U.S. viewpoint, are sales to foreigners by foreign affiliates of U.S. companies or U.S. purchases from other countries' U.S. affiliates. These sales are not considered U.S. international transactions because under the residency principle of balance-of-payments accounting, affiliates of multinational companies are regarded as residents of the countries where they are located rather than of the countries of their owners. Thus, sales abroad by foreign affiliates are transactions between foreign residents, and sales in the United States by U.S. affiliates are transactions between U.S. residents. (However, the direct investors' shares of the profits earned on these sales are recorded as U.S. international transactions.)

Both channels may sometimes be involved in the delivery of a particular service. For example, if an affiliate sells services abroad and if the affiliate's parent does some of the work and bills the cost to the affiliate, the amount received by the affiliate from the foreign customer is recorded under sales through affiliates, and the funds received by the parent from the affiliate for its share of the work are recorded as intrafirm cross-border trade. However, because the parent's receipts are recorded under both channels—directly in cross-border trade and implicitly embodied in the sales through affiliates—the data for

the two channels may be duplicated and therefore cannot simply be added together.²

The two channels of delivery typically differ in their effect on an economy. For example, U.S. cross-border exports usually have a greater effect on the U.S. economy than the otherwise equivalent sales through foreign affiliates, because most or all of the income generated by the production of the services generally accrues to U.S.-supplied labor and capital. In contrast, for sales through foreign affiliates, only the U.S. parent company's share in profits accrues to the United States (and is recorded as a U.S. international transaction); the other income generated by production—including compensation of employees—accrues to foreigners.

Some services can be delivered equally well through either channel, but the channel of delivery is often largely predetermined by the nature of the service. For example, travel services are inherently delivered through the cross-border channel; in contrast, many business, professional, and technical services are delivered mainly through the affiliate channel because of the need for close and continuing contact between the service providers and their customers.

For specific services, the relative importance of the two channels is difficult to gauge because the available data on U.S. cross-border trade are generally classified by type of service, whereas the data on sales of services through affiliates are classified by primary industry of the affiliate. The difference in classification reflects BEA's effort in designing its direct investment surveys to strike a reasonable and appropriate balance between the needs of data users for detailed data and the concerns of respondents about the burdens imposed. A disaggregation of affiliate sales by type of service would be useful, but this detail would add significantly to the burden imposed on respondents.

1. “Cross-border trade” as used here should not be confused with “cross-border mode of supply,” which is a term used in connection with the General Agreement on Trade in Services; the latter term refers to the provision of a service by a resident of one country to a resident of another country, with neither the producer nor the consumer of the service going to the country of the other (for example, a consultant sending a report electronically or by mail).

2. At an aggregate level and for both goods and services, BEA has provided a duplication-free economic-accounting framework for integrating data on cross-border trade with data on sales by affiliates; however, because of differences in the basis of classification and for other technical reasons, this framework cannot be extended to the level of detail reflected in this article. For the most recent results under this framework, see Jeffrey H. Lowe, “An Ownership-Based Disaggregation of the U.S. Current Account, 1982–96,” *SURVEY* 78 (December 1998): 54–55.

- For the United Kingdom, Germany, and Canada, the affiliate channel predominated for both sales and purchases (chart 3). For Japan, most sales were through the cross-border channel, but most purchases were through the affiliate channel.

and it presents preliminary estimates for 1997 and revised estimates for 1996.

U.S. Cross-Border Trade in 1998

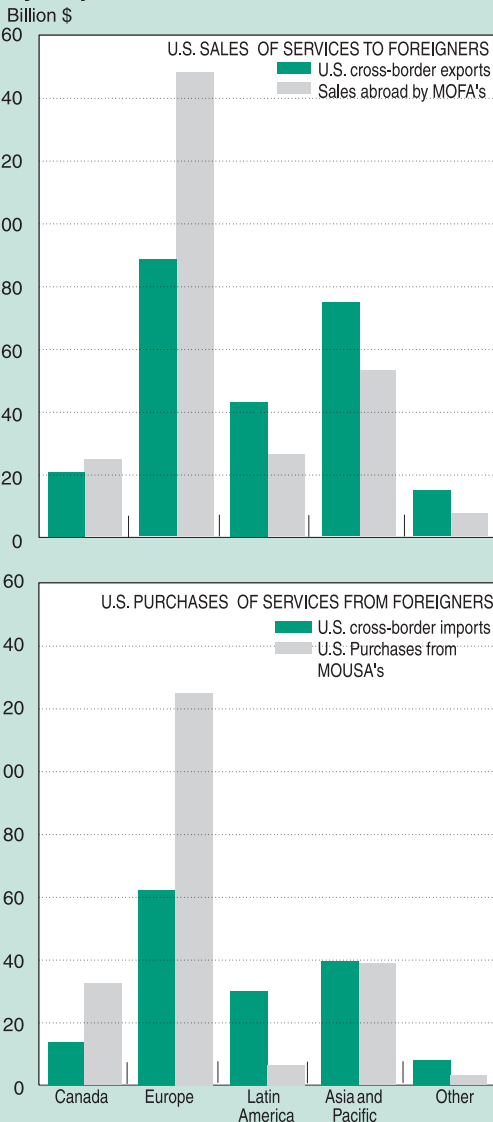
In 1998, U.S. exports of private services (receipts) increased 2 percent, to \$245.7 billion, following a 9-percent increase in 1997. U.S. imports of private services (payments) increased 8 percent, to \$165.3 billion, following an 11-percent increase in 1997. The U.S. surplus on private services decreased 9 percent to \$80.4 billion in 1998.

The slowdown in exports was primarily attributable to recessionary conditions in several Asian countries. These conditions, which were the result of a variety of financial problems, adversely affected many of the services accounts.

The remainder of this article is presented in two parts. The first part discusses cross-border trade, and it presents preliminary estimates for 1998 and revised estimates for 1986-97. The second part discusses sales through majority-owned affiliates,

CHART 2

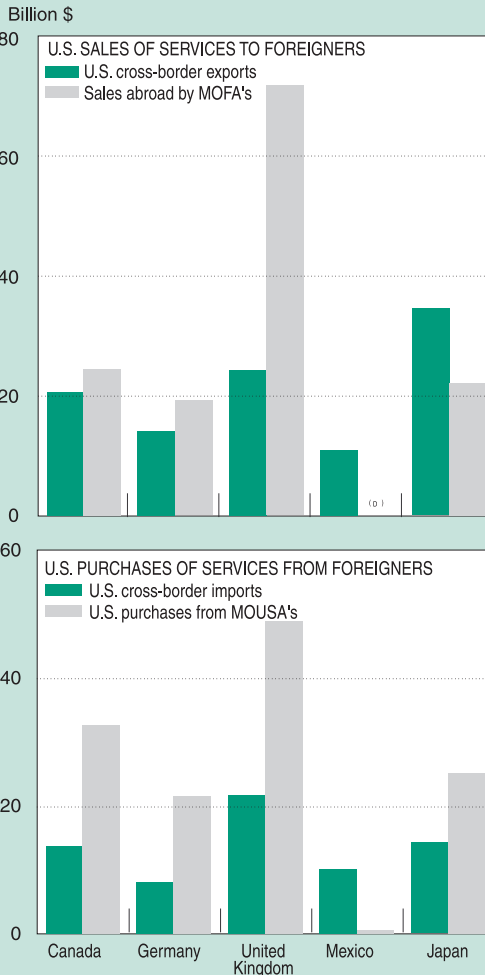
U.S. Sales and Purchases of Services by Major Area in 1997



MOFA Majority-owned foreign affiliate of a U.S. company
 MOUSA Majority-owned U.S. affiliate of a foreign company
 U.S. Department of Commerce, Bureau of Economic Analysis

CHART 3

U.S. Sales and Purchases of Services by Major Country in 1997



^o Suppressed to avoid disclosure of data of individual companies.
 MOFA Majority-owned foreign affiliate of a U.S. company
 MOUSA Majority-owned U.S. affiliate of a foreign company
 U.S. Department of Commerce, Bureau of Economic Analysis

Total U.S. exports of services to the Asia and Pacific area fell 8 percent, following a 6-percent increase in 1997. Travel and passenger fare receipts fell, reflecting a sharp decline in the number of visitors from Asia to the United States. "Other transportation" receipts fell when the weak demand for goods by Asian economies resulted in reduced shipments on U.S. carriers to Asia. In addition, a sizable drop in petroleum prices reduced expenditures by foreign vessels refueling in U.S. ports; the reduction in fuel prices was partly attributable to the Asian problems as the weakness in the economies in this area reduced world demand for petroleum. Financial services receipts slowed, as Asian and Latin American investors had fewer funds available to purchase U.S. securities. Several components of "business, professional, and technical services"—especially "computer and data processing services" and "industrial engineering services"—were also adversely affected by the Asian problems.

Several other factors also contributed to the slowdown in services exports. Purchases of U.S. services by Canadian residents—especially travel—were dampened by the continued depreciation of the Canadian dollar, which increased the prices of all U.S. services to Canadian residents. Telecommunications receipts fell as the continued decline in calling rates outpaced the increase in the volume of calls.

In contrast, both services exports and imports were strengthened by favorable business and financial conditions in Europe.

Additional highlights for 1998 are as follows:

- Trade in three of the five major categories of exports of services decreased; in contrast, trade in all major categories of imports of services increased. In percentage terms, the fastest growing category of exports was royalties and license fees, and the fastest growing categories of imports were royalties and license fees and "other private services."

	Percent change from prior year			
	Exports		Imports	
	1997	1998	1997	1998
Private services	9	2	11	8
Travel and passenger fares	4	-3	10	8
Other transportation	4	-6	6	5
Royalties and license fees	4	9	20	20
Other private services	18	8	16	9

- By country, U.S. exports of services to Japan declined 11 percent to \$30.7 billion, but U.S. exports to Japan exceeded those to any other

country. The decline was largely attributable to a falloff in the number of Japanese visitors to the United States. The U.S. surplus on trade in services with Japan decreased \$3.3 billion, to \$17.0 billion.

	Change from prior year in millions of dollars			
	Exports		Imports	
	1997	1998	1997	1998
Private services	19,323	5,245	15,366	12,874
Travel and passenger fares	3,926	-2,844	6,323	5,713
Other transportation	932	-1,488	1,556	1,498
Royalties and license fees	1,311	3,027	1,553	1,902
Other private services	13,154	6,550	5,934	3,761

- U.S. exports of services to the United Kingdom increased \$2.9 billion, the largest increase to any country. The U.S. surplus on trade in services with the United Kingdom increased to \$4.4 billion.

In the following sections, cross-border trade in services in 1998 by type of service and by geographic area are discussed. (These sections, along with the accompanying tables, provide information for more types of services and more geographic areas than are available in the quarterly U.S. international transactions accounts.) The estimates of cross-border transactions incorporate recent reclassifications of and improvements in source data (see the box "Revisions to the Estimates of Cross-Border Trade In Services"), and they cover transactions between U.S. residents and both affiliated and unaffiliated foreign residents.⁵

Affiliated transactions consist of intrafirm trade by multinational companies—specifically, the trade between U.S. parent companies and their foreign affiliates and between U.S. affiliates and their foreign parent groups. (Cross-border trade between affiliated enterprises differ from sales by affiliates, which are discussed in the second half of this article.)

By type of service

Cross-border trade in private services is classified into the same five, broad categories used in the U.S. international transactions accounts—travel, passenger fares, other transportation, royalties and license fees, and other private services.

5. The term "affiliated" refers to a direct investment relationship—that is, a relationship in which an investor in one country directly or indirectly owns or controls 10 percent or more of the voting stock of an incorporated business, or an equivalent interest of an unincorporated business, in another country.

Travel.—This category covers purchases of goods and services by U.S. persons traveling abroad and by foreign persons traveling in the United States for business or personal reasons for less than a year. The types of goods and services most likely to be purchased are lodging, food, recreation and entertainment, local transportation, and gifts. U.S. travel transactions with both Canada and Mexico include border transactions, which often involve stays of less than 24 hours.

U.S. receipts for travel decreased 3 percent in 1998, to \$71.3 billion, following a 5-percent increase in 1997. Visitors from Asia (including Japan) decreased 13 percent, and their average expenditures in the United States fell slightly; as a result, receipts from Asia decreased nearly 18 percent. Receipts from Canada fell nearly 10 percent, as the weak Canadian currency discouraged Canadians from traveling to the United States,

and the average expenditures in U.S. dollars of those who did visit decreased; the Canadian dollar depreciated 7 percent, reaching a level 30 percent below its value in 1990. Receipts from most other major regions and countries, particularly Europe and Central and South America, increased.

U.S. payments for travel increased 8 percent in 1998, to \$56.1 billion, following an 8-percent increase in 1997. The number of U.S. travelers increased 8 percent; growth in travelers to Canada and Western Europe remained strong, while growth in travelers to Asia slowed sharply. U.S. payments to Canada increased nearly 20 percent, as an attractive U.S. exchange rate made Canada a popular destination for U.S. travelers. Same day travelers to Canada by automobile increased 7 percent, and travelers who visited Canada for 1 or more nights increased 10 percent.

Revisions to the Estimates of Cross-Border Trade in Services

In this year's annual revision of the U.S. international transactions accounts, the estimates of cross-border trade in services were revised to incorporate reclassifications and improvements in source data. These estimates were first presented in tables 1 and 4 of "U.S. International Transactions, Revised Estimates for 1982-98" in the July 1999 SURVEY OF CURRENT BUSINESS. That article also discussed the sources of the revisions, which are summarized below.

Redefinition of services.—Compensation of employees, which was previously included in services, is now classified as income and thus is no longer part of services. This reclassification begins with the estimates for 1986 because the source data to make the reclassification for earlier years are not available. Compensation of employees includes wages, salaries, and other benefits, in cash or in kind, that are earned by or received from individuals in countries other than those in which they are residents.

Three components of compensation receipts have been reclassified: Compensation receipts of U.S. residents employed temporarily abroad, compensation receipts of U.S. residents employed by international organizations in the United States (such as the World Bank, the International Monetary Fund, and the United Nations), and compensation receipts of U.S. residents employed by embassies and consulates of foreign governments in the United States. The amount reclassified in 1998 was \$1.9 billion.

Four components of compensation payments have been reclassified: Compensation paid to Canadian and Mexican workers who commute to work in the United States, compensation paid to foreign students studying at colleges and universities in the United States, compensation paid to foreign professionals temporarily residing in the United States, and compensation paid to temporary agricultural and nonagricultural workers. The amount reclassified was \$4.6 billion in 1998.

Medical services.—Estimates of receipts for medical services provided to foreign residents at U.S. hospitals have been revised for 1995-98, using a revised methodology and newly available source data. These estimates are prepared by summing the estimates of inpatient and outpatient care. Inpatient estimates are based on information on

hospital inpatients (patients who spend at least 1 night at the hospital) provided by State regulatory agencies, hospital associations, and hospitals with international medical centers. Inpatient charges cover physicians' fees, tests, drugs, and room and board. Outpatient estimates are based on data provided by individual hospitals. Outpatient services cover outpatient surgery, physical rehabilitation and therapy, AIDS treatments, and consultations. The annual revisions to medical receipts for 1995-98 were small—\$16 million in 1995, \$132 million in 1996, \$224 million in 1997, and \$318 million in 1998.

Overseas travel payments.—Estimates of U.S. residents' expenditures while traveling overseas are revised to incorporate the results of a one-time survey by D.K. Shifflet covering 1998. The results of this survey, which was completed by U.S. residents after they returned home from their trip, were compared with the results of the International Trade Administration's ongoing in-flight survey that BEA uses to measure U.S. travelers' expenditures, which is completed by travelers on their flights as they depart the United States.

BEA used the one-time survey to determine the relationship between a U.S. traveler's expected expenditures and that traveler's post-trip reported expenditures by comparing expected per-person, per-day expenditures with post-trip expenditures for three major regions: Europe; Asia and Pacific; and Latin America and Other Western Hemisphere (excluding Mexico). The results of this comparison indicate that U.S. travelers' expected expenditures in Latin America understated post-trip reported expenditures by 8 percent, expected expenditures in the Asia and Pacific region understated post-trip reported expenditures by 5 percent, and expected expenditures in Europe neither understated nor overstated post-trip reported expenditures.

BEA has adjusted its estimates from the ongoing survey to correct for these understatements. These adjustments raised travel payments by \$1.7 billion in 1998. Limited information indicates that the differences between expected and post-trip expenditures to Latin America and to the Asia and Pacific region narrow before 1998. Therefore, BEA has adjusted its 1997 estimates of travel payments using one-half the value of the adjustments for 1998. BEA has not adjusted its estimates for the years before 1997.

Passenger fares.—This category covers fares paid by residents of one country to airline and vessel operators that reside in another country. Exports consist of fares received by U.S. operators for transporting foreign residents between the United States and a foreign country and between foreign countries. Imports consist of fares paid to foreign operators by U.S. residents for travel to and from the United States.

U.S. passenger fare receipts decreased 4 percent in 1998, to \$20.0 billion, following a 2-percent increase in 1997; the drop was more than accounted for by a reduction in the number of travelers from Asia. As a result of a slowdown in travel to Asia, U.S. passenger fare payments increased 9 percent, to \$19.8 billion, compared with a 15-percent increase in 1997.

Other transportation.—This category primarily covers receipts and payments for freight and port services for the transportation of goods by ocean, air, and truck to and from the United States. Freight receipts of U.S. carriers are for transporting U.S. goods exports and for transporting goods between two foreign points; freight payments to foreign carriers are for transporting U.S. goods imports.⁶ Port services receipts are the

value of the goods and services procured by foreign carriers in both U.S. sea and air ports; port services payments are the value of goods and services procured by U.S. carriers in foreign sea and air ports.

U.S. receipts for “other transportation” decreased 6 percent in 1998, to \$25.5 billion, following a 4-percent increase in 1997. Freight services receipts decreased 5 percent to \$11.2 billion, as a sharp decline in ocean freight services more than offset a slight increase in air freight services. This decrease in ocean freight receipts, which was spread among all major areas of the world, largely reflected lower export volumes. Freight receipts from Asia fell, as sluggish economies in the region reduced their demand for imported goods. The slump in export volumes also led to a sharp drop in freight rates, particularly on tramp vessels.⁷

Port services receipts decreased 6 percent to \$14.3 billion, as both ocean and air port services decreased. A decline in the export volumes car-

6. By balance-of-payments accounting convention, the importer is deemed to assume ownership of the goods when they cross the border of

the exporting country and to bear all subsequent transportation costs. Thus, receipts of U.S. carriers for transporting U.S. imports are excluded from U.S. transportation receipts because these receipts represent transactions between U.S. importers and U.S. vessel, airline, and truck operators. Similarly, payments to foreign carriers for transporting U.S. exports are excluded from U.S. payments because they represent transactions between foreign importers and foreign carriers.

7. Tramp vessels carry dry cargo on an unscheduled basis; liner vessels carry dry cargo on a schedule; and tanker vessels carry liquid cargo.

Detail on Intrafirm Trade in Services

The table below updates the estimates of cross-border trade in services between U.S. parents and their

Detail on Services Trade Between U.S. Parents and Their Foreign Affiliates, by Type, 1994–98¹

[Billions of dollars]

	1994	1995	1996	1997	1998
U.S. parents' receipts	10.8	10.4	11.3	14.0	14.8
Transportation services ² .....	.2	.3	.4	.4	.4
Other private services ³	10.6	10.1	11.0	13.6	14.4
Financial services .....	.8	.9	1.0	1.2	1.6
Computer and information services .....	.8	.8	1.0	1.1	1.0
Communication services .....	.1	.1	.1	.1	.1
Other	8.8	8.3	8.9	11.1	11.7
U.S. parents' payments	6.8	7.1	7.6	9.2	10.0
Transportation services ² .....	.5	.6	.6	.4	.4
Other private services ³	6.3	6.5	7.0	8.8	9.6
Insurance services ⁴ .....	.1	.1	.1	.1	.1
Financial services .....	.7	1.1	1.7	2.0	2.4
Computer and information services .....	.4	.3	.4	.5	.6
Communication services	(*)	.1	.1	.2	.1
Other	5.1	4.9	4.6	6.1	6.3

* Less than \$50 million.

1. The estimates for 1996 and 1997 are revised; those for 1998 are preliminary.

2. Included under “other transportation” in table 1.

3. Included in U.S. parents' transactions under “other private services,” affiliated, in table 1. (That item also includes receipts and payments and rentals for the use of tangible property and of film and television tape rentals.)

4. The transactions reported for insurance services are limited to those not already collected on other surveys—specifically, to purchases of primary insurance (and the related recovery of losses) by U.S. parent companies from foreign affiliates in insurance.

foreign affiliates by type of service that were first collected in the 1994 benchmark survey of U.S. direct investment abroad and that were first published in this article last year. Similar detail on services trade between foreign parents and their U.S. affiliates was first collected in the 1997 benchmark survey of foreign direct investment in the United States; those data will be published next year in *Foreign Direct Investment in the United States: Final Results From the 1997 Benchmark Survey*.

As shown in the table, more than three-fourths of receipts and about two-thirds of payments are in the “Other” category. A significant portion of this trade may be accounted for by overhead expenses, such as management services and research and development assessments, that are allocated among the various divisions or parts of an enterprise.

In the past year, on the basis of the detail on affiliated services by type of service, BEA identified and removed certain transactions from “Other private services” that had also been implicitly included in the transportation accounts, thus eliminating a small amount of double-counting in the estimates. The adjustment was made to the estimates for 1994 forward.

ried on foreign vessels and lower average costs in U.S. ports more than offset an increase in the import volumes on foreign vessels. The lower costs in U.S. ports were partly accounted for by lower prices for fuel paid by foreign vessels.

U.S. payments for "other transportation" increased 5 percent in 1998, to \$30.5 billion, following a 6-percent increase in 1997. A 10-percent increase in payments for freight services more than offset a 2-percent decrease in port services. The increase in freight payments reflected increases in import volumes transported by foreign ocean and air carriers—particularly the former. The decrease in port services was more than accounted for by a reduction in payments to Asian ports as a result of lower export volume to that region; lower fuel prices also contributed to the decrease.

Royalties and license fees.—This category covers transactions with foreign residents that involve patented and unpatented techniques, processes, formulas, and other intangible property rights used in the production of goods; transactions involving copyrights, trademarks, franchises, broadcast rights, and other intangible rights; the rights to distribute, use, and reproduce computer software; and the rights to sell products under a particular trademark, brand name, or signature.

Receipts of royalties and license fees increased 9 percent in 1998, to \$36.8 billion, following a 4-percent increase in 1997. Receipts from both affiliated and unaffiliated foreigners increased sharply. The increase in affiliated services was largely attributable to an increase in receipts of U.S. parent companies from their foreign affiliates. The increase in unaffiliated services was more than accounted for by royalties and license fees associated with industrial processes and software licensing fees.

Receipts from software-licensing fees, one of the fastest growing services categories, increased 20 percent, to \$3.2 billion, following a 40-percent increase. Software-licensing agreements remain the primary means through which computer-related services are delivered to foreign markets through cross-border channels. The value of computer-related services delivered through another cross-border channel—"computer and data processing services"—was \$2.0 billion in 1998.

Payments of royalties and license fees increased 20 percent in 1998, to \$11.3 billion, following a 20-percent increase in 1997. The increase in 1998 was largely accounted for by an increase in affiliated transactions, primarily payments by

U.S. affiliates to their foreign parents. Royalty and license fee payments to unaffiliated foreigners increased 20 percent in 1998; the substantial increase was largely due to payments to the International Olympic Committee for broadcast rights to the Winter Olympic Games.

Other private services.—This category consists of a variety of services: Education; financial services; insurance; telecommunications; business, professional, and technical services; and other affiliated and unaffiliated services.

Receipts for "other private services" increased 8 percent in 1998, to \$92.1 billion, following a 18-percent increase in 1997. Affiliated services receipts increased 4 percent to \$28.3 billion, reflecting increased receipts by U.S. parents from their foreign affiliates. Unaffiliated services receipts increased 9 percent to \$63.8 billion, reflecting increases across most services categories.

Payments for "other private services" increased 9 percent in 1998, to \$47.7 billion, following a 16-percent increase in 1997. Payments to affiliated foreigners increased 8 percent, to \$19.1 billion, following a 14-percent increase; the slowdown was partly attributable to reduced growth in payments by U.S. parents to their foreign affiliates. Payments to unaffiliated foreigners increased 9 percent, to \$28.6 billion, following a 17-percent increase in 1997; the slowdown partly reflected a deceleration in payments for financial services and a falloff in telecommunications services.

"Education" receipts consist of expenditures for tuition and living expenses by foreign students enrolled in U.S. colleges and universities; payments consist of tuition and living expenses of U.S. students for study abroad. The number of foreign students studying in the United States continued to greatly exceed the number of U.S. students studying abroad. Education receipts increased 7 percent to \$9.0 billion, and payments increased 10 percent to \$1.5 billion.

"Financial services" covers a variety of services that include funds management, credit card services, explicit fees and commissions on transactions in securities, fees on credit-related activities, and other miscellaneous financial services; implicit fees paid and received on bond trading are also covered. The increases in both receipts and payments in 1998 were substantially smaller than those in 1997. In 1998, receipts for financial services increased 19 percent to \$13.7 billion, as foreigners continued to make large purchases of U.S. stocks and corporate bonds. Payments increased 6 percent to \$3.8 billion, reflecting the slowdown in activity in world financial markets

that was caused by the financial problems and slower growth in Asian and Latin American countries.

“Insurance” includes premiums earned and paid for primary insurance and for reinsurance; losses paid by U.S. insurers and losses recovered from foreign insurers are netted against the premiums. Primary insurance consists of life insurance, accident and health insurance, and property and casualty insurance. Each type of primary insurance may be reinsured; reinsurance is the ceding of a portion of a premium to another insurer, who then assumes a corresponding portion of the risk. Reinsurance is one way of providing coverage for events with so high a degree of risk or liability that a single insurer is unwilling or unable to underwrite insurance against their occurrence.

In 1998, net insurance receipts increased 14 percent to \$2.8 billion. The increase was largely attributable to an increase in premiums received for reinsurance. Net insurance payments increased 15 percent to \$6.9 billion, as a sharp rise in premiums paid on reinsurance was only partly offset by a sharp rise in losses recovered from foreign reinsurers. Losses recovered from foreign reinsurers reached nearly \$12.0 billion in 1998, as the result of unusually large catastrophic losses from hurricanes, tornadoes, and storms.

“Telecommunications” consists of receipts and payments between U.S. and foreign communications companies for the transmission of messages between the United States and other countries; channel leasing; telex, telegram, and other jointly provided (basic) services; value-added services, such as electronic mail and video conferencing; and telecommunications support services. Receipts for telecommunications services decreased 7 percent to \$3.7 billion in 1998, and payments decreased 3 percent to \$8.1 billion; a reduction in calling rates more than offset an increase in the volume of calls. The United States continues to run a large trade deficit in telecommunications services because the minutes of outgoing calls from the United States exceed the minutes of incoming calls to the United States.⁸ The large number of outgoing calls from the United States reflect several factors, including the relatively low international calling rates from the United States, the relative wealth of the United States, and the large immigrant population.

8. Under the current settlements-based system for international telecommunications transactions, a carrier in one country agrees on a price (an accounting rate) for handling a call with a carrier from another country. If a carrier originates more minutes of calls to a foreign carrier than it completes, it periodically makes a settlement payment to the foreign carrier.

“Business, professional, and technical services” (BPT) covers a wide variety of services. Receipts increased 8 percent in 1998, to \$24.3 billion, following a 15-percent increase in 1997. The slowdown in activity in Asian markets contributed to this development. Receipts from Asian countries for the two subcategories that contributed most to this slowdown—“computer and data processing services” and “industrial engineering services”—fell nearly \$100 million in 1998 after increasing \$550 million in 1997.

Although growth in receipts for most BPT services categories slowed in 1998, growth in receipts for “construction, engineering, architectural, and mining services” accelerated. Construction receipts from Europe, Latin America, Africa, and the Middle East increased nearly 25 percent. Construction receipts from Asia were little changed, but construction receipts from one Asian country—Indonesia—continued to exceed those to any other country.

Receipts for legal services—one of the fastest growing categories of BPT services—increased 14 percent to \$2.5 billion in 1998. Cross-border receipts are realized when a U.S. resident attorney travels to a foreign country to provide services to a foreign client, provides services to a foreign client who has traveled to the United States, or provides services to a foreign client by E-mail, fax, phone, or postal delivery (and neither the attorney nor the client travels to the other’s country).

Receipts for “database and other information services” increased 33 percent in 1998, to \$2.0 billion, after increasing 27 percent in 1997. In percentage terms, this increase exceeded that of any other services export category in 1998. This service category covers business and economic database services, other database services, and information systems, such as reservation systems and credit-reporting systems.

Receipts for “computer and data processing services” were virtually unchanged at \$2.0 billion in 1998. “Computer and data processing services” covers systems analysis, design, engineering, and custom programming; data entry, processing, and tabulation; integrated hardware/software systems; and other services such as maintenance and repair. Cross-border exports of these services are dwarfed by the sales of these services through foreign affiliates.⁹ Computer-related services are also delivered from the United States to foreign

9. Sales of these services are made not only through foreign affiliates classified in this industry but also by affiliates in several other industries, particularly machinery manufacturing and wholesale trade.

markets through software-licensing agreements. (As mentioned in the section “Royalties and license fees,” computer-software-licensing fee receipts were \$3.2 billion in 1998.) The share of computer-related services delivered to foreign markets through cross-border channels is expected to increase as the Internet facilitates the transmission of services from remote locations.

Payments for BPT services increased 21 percent in 1998, to \$7.7 billion, following a 15-percent increase in 1997. The United Kingdom remained the leader in providing many types of these services to the United States. For example, the United Kingdom led in providing research, development, and testing services; management consulting and public relations services; and legal services.

Payments for “miscellaneous disbursements” increased 27 percent to \$1.4 billion; the step-up was largely accounted for by an increase in the production costs of motion picture companies and of companies producing broadcasts other than news broadcasts. Miscellaneous disbursements also covers outlays to fund the news-gathering costs of broadcasters and the print media, disbursements to maintain tourism and business promotion offices, and disbursements for participating in foreign trade shows.

“Other unaffiliated services” receipts increased 8 percent to \$10.3 billion. These receipts consists mainly of expenditures by foreign governments for services related to maintaining embassies and consulates in the United States; expenditures of international organizations—such as the United

Nations, the International Monetary Fund, and the World Bank—that are headquartered in the United States; receipts from unaffiliated foreigners for sales and rentals of U.S. motion picture and television films and tapes; and expenditures of foreign residents employed temporarily in the United States. “Other unaffiliated services” payments increased 7 percent to \$0.5 billion. These payments primarily consist of payments by U.S. film distributors to unaffiliated foreign residents for purchases and rentals of motion picture and television films and tapes.

By area

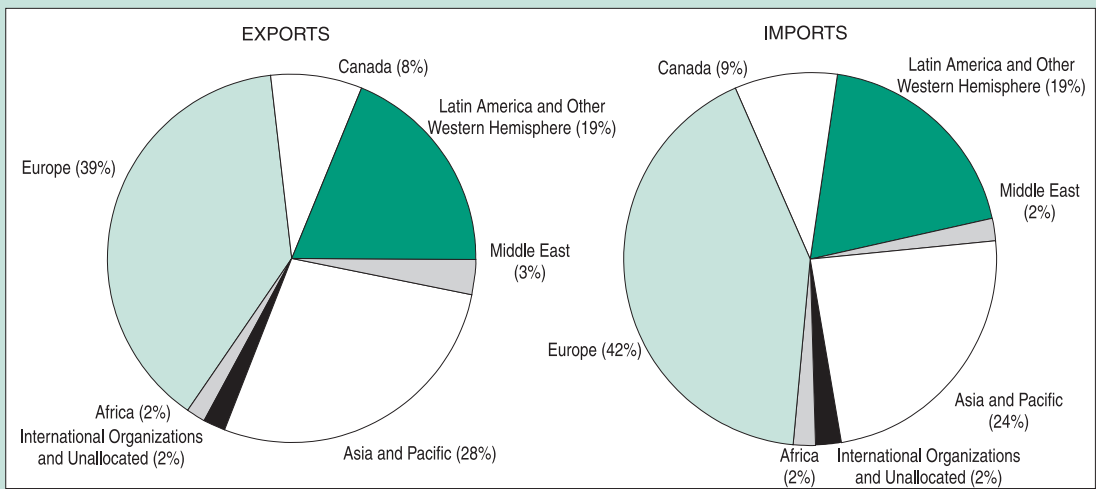
Europe and Asia and Pacific together accounted for two-thirds of total U.S. cross-border exports and for two-thirds of total U.S. cross-border imports of private services in 1998 (chart 4). Seven countries—the United Kingdom, Japan, Canada, Germany, Mexico, France, and the Netherlands—accounted for nearly half of both exports and imports of U.S. services and for half of the U.S. surplus on private services (table B).

Exports of private services increased \$5.2 billion, or 2 percent in 1998. A \$7.0 billion increase in U.S. exports to Europe and a \$4.0 billion increase to Latin America and Other Western Hemisphere more than offset a \$6.2 billion decrease in exports to Asia and Pacific and a \$1.0 billion decrease in exports to Canada.

Imports of private services increased \$12.9 billion, or 8 percent, fueled by the continuing

CHART 4

U.S. Cross-Border Services Transactions: Share By Area in 1998



strength of the U.S. economy. Imports from Europe and from Asia and Pacific accounted for two-thirds of the increase, and imports from Latin America and Other Western Hemisphere accounted for another 14 percent.

Europe.—Europe accounted for 39 percent of U.S. exports of private services, and for 42 percent of U.S. imports of private services in 1998. The U.S. services surplus with Europe decreased 3 percent, to \$25.4 billion, following a 5-percent decrease in 1997. Imports of private services increased 12 percent after a 15-percent increase, and exports increased 8 percent in both years.

The United Kingdom accounted for 11 percent of all U. S. exports of services in 1998, compared with 10 percent in 1997, and it ranked second to Japan as a destination of U.S. exports of services. Exports to the United Kingdom grew \$2.9 billion, or 12 percent, and accounted for more than half of the \$5.2 billion increase in total U.S. exports of private services. The strong growth reflected an

18-percent increase in “other private services” that was partly accounted for by a 24-percent increase in exports of financial services. The sharp increase in financial services was largely attributable to active British participation in U.S. equity markets. Receipts for travel and passenger fares from the United Kingdom increased \$0.5 billion, or 6 percent.

The United Kingdom accounted for 14 percent of all U.S. imports of services in both 1997 and 1998 and was the leading source of U. S. imports of services. Imports from the United Kingdom increased \$1.2 billion, or nearly 6 percent in 1998, compared with an 8-percent increase in total U.S. imports of private services. Payments by U.S. residents for travel and passenger fares to the United Kingdom increased \$1.0 billion, or 12 percent. The U.S. services surplus with the United Kingdom was \$4.4 billion, up 64 percent.

U.S. exports of private services to other European countries increased 6 percent, and U.S. imports from these other countries increased 16 percent. These countries accounted for about 28 percent of both U.S. exports and U.S. imports of services and for \$21.0 billion of the U.S. services surplus.

Table B.—Cross-Border Service Exports and Imports by Type and Country, 1998

[Millions of dollars]

	Total services	Travel	Passenger fares	Other transportation	Royalties and license fees	Other private services
EXPORTS						
All countries	245,688	71,250	19,996	25,518	36,808	92,116
12 major countries ¹	149,154	42,796	13,246	12,918	25,148	55,046
Japan	30,729	9,424	3,616	2,944	6,312	8,433
United Kingdom	27,169	7,582	2,216	1,654	3,707	12,010
Canada	19,521	6,206	1,477	2,329	1,645	7,864
Germany	15,271	4,149	1,320	1,064	3,307	5,431
Mexico	11,761	3,818	934	536	763	5,710
France	10,182	2,336	973	614	2,245	4,014
Netherlands	7,561	922	217	782	2,966	2,674
Brazil	6,513	2,753	1,070	542	596	1,552
Italy	5,590	1,907	651	304	1,087	1,641
Korea, Republic of	5,341	991	44	1,551	962	1,793
Switzerland	4,778	1,146	180	278	810	2,364
Australia	4,738	1,562	548	320	748	1,560
Other countries	96,534	28,454	6,750	12,600	11,660	37,070
IMPORTS						
All countries	165,321	56,105	19,797	30,457	11,292	47,670
12 major countries ¹	101,853	31,385	11,611	16,725	9,026	33,106
United Kingdom	22,779	5,132	3,767	2,404	2,063	9,413
Canada	15,065	5,719	585	2,911	424	5,426
Japan	13,746	2,761	824	4,229	2,313	3,619
Mexico	10,007	6,396	795	954	104	1,758
Germany	8,920	2,003	1,436	1,881	1,368	2,232
France	7,688	2,890	710	761	938	2,389
Netherlands	4,486	760	876	807	792	1,251
Korea, Republic of	4,061	1,135	1,049	1,403	40	434
Italy	4,046	2,370	389	547	101	639
Bermuda	4,011	400	0	0	30	3,581
Switzerland	3,876	704	713	224	835	1,400
Hong Kong	3,167	1,115	467	604	18	963
Other countries	63,468	24,720	8,186	13,732	2,266	14,564

1. Ranked by trade in dollar amounts.

Asia and Pacific.—This area accounted for 28 percent of exports of private services and for 24 percent of imports of private services in 1998. The U.S. services surplus with Asia and Pacific, the largest for any area, decreased \$7.1 billion, or 20 percent in 1998, to \$28.0 billion, following a 2-percent increase in 1997. The decrease in the surplus was attributable to a falloff in exports to this area, as the purchasing power of Asian economies was weakened by their financial problems and by the depreciation of several Asian currencies against the dollar.

Japan accounted for nearly 13 percent of total U.S. exports of services in 1998, down from 14 percent in 1997, but it was still first as a destination of U.S. services exports. U.S. services exports to Japan fell \$3.7 billion, or 11 percent. Receipts for travel and passenger fares from Japanese visitors to the United States fell \$3.5 billion, or 21 percent, to \$13.0 billion. The number of Japanese visitors declined, reflecting the 8-percent depreciation of the yen against the U.S. dollar and the weakened spending power of businesses and private consumers that was caused by the stagnant Japanese economy.

Japan accounted for 8 percent of total U.S. imports of services in 1998, ranking second as a source of U.S. imports of services. U.S. services imports from Japan decreased \$0.4 billion, or 3

percent, in 1998. "Other private services" more than accounted for this decrease. The U.S. services surplus with Japan was \$17.0 billion in 1998, down 16 percent from 1997. This drop—along with the \$8.2 billion, or 14-percent, increase in the trade deficit in goods with Japan—reflected the strength of the U.S. economy relative to that of Japan.¹⁰

U.S. exports of private services to all the other countries in Asia and Pacific decreased 6 percent in 1998, to \$37.5 billion, and U.S. imports increased 5 percent, to \$26.5 billion; the U.S. services surplus was \$11.0 billion. The combined exports of private services to the five countries that were most affected by the Asian financial problems—South Korea, Indonesia, Malaysia, Thailand, and Hong Kong—fell 16 percent. Exports to China increased 8 percent, exports to Singapore decreased 8 percent, and exports to Taiwan decreased nearly 17 percent.

Latin America and Other Western Hemisphere.—This area accounted for 19 percent of both exports and imports of private services in 1998. The U.S. services surplus with the region was \$15.2 billion in 1998, up 16 percent from 1997; U.S. exports to most of the major countries in this area increased more rapidly than imports. Travel and passenger fares accounted for \$6.2 billion, or 40 percent, of the surplus.

Mexico accounted for 5 percent of total U.S. exports of services and for 6 percent of total U.S. imports of services in 1998. Mexican visitors to the United States accounted for 5 percent of total U.S. travel and passenger fare receipts, and U.S. visitors to Mexico accounted for 9 percent of travel and passenger fare payments. U.S. exports to Mexico increased 8 percent, to \$11.8 billion, following a 16-percent increase. These increases reflected the continued strength of the Mexican economy, which grew 6.8 percent in 1997 and 4.8 percent in 1998. U.S. imports from Mexico decreased slightly to \$10.0 billion, following a 12-percent increase in 1997. The U.S. services surplus with Mexico was nearly \$1.8 billion, almost double the previous year.

U.S. exports of private services to all the other countries in Latin America and Other Western Hemisphere increased 10 percent, and imports increased 9 percent. The U.S. services surplus with the region was \$13.5 billion, up 10 percent.

Canada.—Canada accounted for 8 percent of U.S. exports of private services and 9 percent of U.S. imports of private services in 1998. U.S. imports from Canada increased 11 percent, while exports to Canada decreased 5 percent, reflecting the strength of the U.S. dollar against the Canadian dollar. The U.S. services surplus with Canada was \$4.5 billion in 1998, down 36 percent from 1997; nearly a third of the surplus in 1998 was attributable to travel and passenger fares. Partly reflecting the high volume of goods shipped by truck, pipeline, and inland waterway between the United States and Canada, both U.S. exports to, and imports from, Canada of "other transportation" services were second only to U.S. exports to, and imports from, Japan of these services. U.S. imports of "other private services" from Canada were second only to those from the United Kingdom.

Other.—The remaining areas—Africa, the Middle East, and "International organizations and unallocated"—combined accounted for 7 percent of exports of private services and for 5 percent of imports of private services in 1998. Exports to these areas increased 10 percent, and imports from these areas increased 13 percent. The U.S. services surplus with these areas was \$7.3 billion, up 8 percent.

Sales Through Affiliates in 1997

In 1997, the latest year for which data are available, worldwide sales of private services by U.S. multinational companies through their nonbank, majority-owned foreign affiliates were \$272.9 billion, up 15 percent from 1996 (table C).¹¹ Worldwide sales of services by foreign multinational companies through their nonbank, majority-owned U.S. affiliates, at \$219.0 billion, were 22 percent higher than in 1996, but about half of the increase reflects the changes in the definition of sales of services. As discussed in the box "Changes in the Definition and Classification of Sales of Services by U.S. Affiliates," there is a break in 1997 in the series on sales by U.S. affiliates of foreign companies due to the adoption of a definition of sales of services that is based on the North American Industry Classification System (NAICS).

Sales by affiliates—both of goods and of services—are predominantly local transactions. In 1997, 82 percent of worldwide sales of services

10. Real gross domestic product (GDP) in the United States grew 3.9 percent in both 1997 and 1998; real GDP in Japan decreased 2.8 percent in 1998 and grew 1.4 percent in 1997.

11. In this section, sales of services are defined as sales that are characteristic of establishments classified in particular industries. The industry groups used for this purpose are listed in the note to table C.

by foreign affiliates of U.S. companies were transactions with parties located in the same country as the affiliate (local sales); the corresponding share for goods was 63 percent. The larger share for services reflects the importance of proximity to the customer in the delivery of services, which ordinarily cannot be stored or transported. Sales to parties in other foreign countries accounted for 13 percent of worldwide sales of services by foreign affiliates; only 5 percent were sales to parties in the United States (U.S. persons), and three-fourths of these sales were transactions between the affiliate and its U.S. parent. Partly reflecting the large U.S. market, local sales by U.S. affiliates of foreign companies accounted for 94 percent of sales of services and for an estimated 89 percent of sales of goods.¹²

Sales by foreign affiliates to foreign persons and sales by U.S. affiliates to U.S. persons both

12. Because the data on sales of goods by U.S. affiliates are not disaggregated by destination, the local and foreign shares have been estimated using the data on exports of goods shipped by affiliates. Exports of goods shipped by U.S. affiliates in 1997 represented 11 percent of sales of goods by these affiliates during the year.

Table C.—Sales of Services by U.S. MNC's Through Their Nonbank MOFA's and by Foreign MNC's Through Their Nonbank MOUSA's, 1996–97

[Millions of dollars]

	1996	1997
Sales through MOFA's		
Total	238,114	272,919
To affiliated persons	28,091	31,678
To unaffiliated persons	210,023	241,241
To U.S. persons	14,939	14,666
To U.S. parents	9,163	11,027
To unaffiliated U.S. persons	5,776	3,639
To foreign persons	223,175	258,253
To other foreign affiliates	18,928	20,651
To unaffiliated foreign persons	204,248	237,602
Local sales	192,725	222,573
To other foreign affiliates	6,472	8,001
To unaffiliated foreigners	186,254	214,572
Sales to other countries	30,450	35,680
To other foreign affiliates	12,456	12,650
To unaffiliated foreigners	17,994	23,030
Sales through MOUSA's		
Total	179,401	218,968
To U.S. persons	168,444	205,548
To foreign persons	10,956	13,420
To the foreign parent group	6,520	5,823
To foreign affiliates	428	518
To other foreigners	4,009	7,080

NOTE.—In this table, sales of services by foreign affiliates in 1996 and 1997, and sales of services by U.S. affiliates in 1996, are those characteristic of establishments in the following SIC-based industry classifications: "services;" finance (except depository institutions), insurance, and real estate; agricultural, mining, and petroleum services; and transportation, communication and public utilities.

Sales of services by U.S. affiliates in 1997 are those characteristic of establishments in the following NAICS-based industry classifications: Support activities for agriculture and forestry; support activities for oil and gas operations; support activities for mining; transportation and warehousing; information; finance and insurance; real estate and rental and leasing; professional, scientific, and technical services; management of companies and enterprises; administrative and support, waste management, and remediation services; educational services; health care and social assistance; arts, entertainment, and recreation; accommodations and food services; and other services.

Depository institutions are excluded from both listings because data on them are not available.

MNC Multinational company

MOFA Majority-owned foreign affiliate

MOUSA Majority-owned U.S. affiliate

represent services delivered to international markets through the channel of direct investment. Unlike cross-border transactions, which are generally classified by type of service, these sales are classified by the primary industry of the affiliate; they are shown by country of affiliate or by ultimate beneficial owner (UBO) for 1990–97 in table 8.¹³ Sales by industry of affiliate that are cross-classified by country in 1996 and 1997 are shown in table 9 for foreign affiliates of U.S. companies and in tables 10.1 and 10.2 for U.S. affiliates of foreign companies. The industry disaggregation shown in table 10.2 for sales of services by U.S. affiliates in 1997 reflects the new NAICS-based classifications and a new treatment of petroleum-related activities (see the box on the changes in the definition and classification).

Foreign affiliates' sales to foreign persons

In 1997, sales of services to foreign persons by majority-owned foreign affiliates of U.S. companies were \$258.3 billion. By area, affiliates in Europe accounted for 57 percent of the total; about half of the sales by affiliates in Europe were accounted for by affiliates in the United Kingdom. Sales of services by affiliates in Canada and Japan were roughly equal, at about 9 percent of the total. By primary industry of the affiliate, affiliates classified in the "services" division of the Standard Industrial Classification (SIC) accounted for \$93.6 billion, or more than one-third of the total.¹⁴ Within "services," affiliates in computer and data processing services had the most sales. However, computer-related services are also likely to have been sold by affiliates in industries that are not classified in "services," particularly by those classified in "computer and office equipment manufacturing" (part of "machinery" in table 9) and wholesale trade in "professional and commercial equipment and supplies." The combined sales of services to foreigners by affiliates in these three industries were nearly \$60 billion in 1997.¹⁵ After "services," sales were largest for affil-

13. The UBO of a U.S. affiliate is 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.

14. In the SIC, the "services" division includes a variety of business and personal services (see the group "services" in tables 9 and 10.1), but it excludes several industries—such as finance, insurance, transportation, and communication—that are classified as services-producing industries in BEA's direct investment surveys in order to disaggregate total sales into sales of goods and sales of services.

15. Not all services sold by affiliates in these industries are computer and data processing services, but most of them probably are. In addition, some computer and data processing services may be sold by affiliates classified in other industries.

iates in insurance, followed by “other industries” (particularly electric, gas, and sanitary services).

Foreign affiliates’ sales increased \$35.1 billion, or 16 percent, in 1997, following a 17-percent increase in 1996. As in 1996, sales grew strongly despite a significant appreciation of the dollar against the currencies of host countries, which reduced the dollar value of foreign-currency-

denominated sales by foreign affiliates.¹⁶ The 1997 increase resulted from additions to the affiliate universe due to some large acquisitions by U.S. multinational companies, and from relatively favorable economic conditions in a number

16. In 1997, the weighted average U.S.-dollar price of the currencies of 23 major host countries (in terms of gross product of nonbank majority-owned foreign affiliates) fell 7.8 percent.

Changes in the Definition and Classification of Sales of Services by U.S. Affiliates

The 1997 data on sales of services by U.S. affiliates of foreign companies are based on new industry classifications derived from the 1997 North American Industry Classification System (NAICS); the data for prior years are based on classifications derived from the 1987 Standard Industrial Classification (SIC).¹ The industry disaggregation shown for the 1997 data on sales of services by U.S. affiliates reflects the NAICS-based classifications and a new treatment of petroleum-related activities; these activities are now distributed among the NAICS-based industry groups to which they belong rather than consolidated in the major industry “petroleum.” The use of the NAICS-based classifications—which provide greater industry detail than was previously available—required a redefinition of sales of services by U.S. affiliates. This redefinition has created a discontinuity in this series between the estimates for 1997 and the estimates for earlier years; it also has reduced the comparability between this series and the series on sales of services by foreign affiliates, for which data are still collected using SIC-based classifications.²

The NAICS is the new industry classification system of the United States, Canada, and Mexico; in the United States, it supplants the 1987 SIC system. Among other improvements, NAICS better reflects new and emerging industries, industries involved in the production of advanced technologies, and the growth and diversification of services industries. The International Survey Industry (ISI) classifications that are based on the NAICS were first used in the 1997 benchmark survey of foreign direct investment in the United States, which collected the data on sales of services by U.S. affiliates of foreign companies.³

The NAICS-based classifications also group industries that use similar processes to produce services. For example, the new NAICS sector “Information” groups industries that primarily create and disseminate intellectual property subject to copyright. This sector combines activities that produce information with the activities that provide the means for distributing it (other than through traditional trade distribution channels) (see table 10.2). In the 1987 SIC, activities in the “Information” sector are classified in a number of different industries; for example, publishing is classified in manufacturing; broadcasting, in communications; software production,

in computer services; and film production, in amusement services. The new NAICS sectors “Professional, Scientific and Technical Services” and “Health Care and Social Assistance” cover activities that had previously been included in the “Services” division of the 1987 SIC.⁴

As a result of using the NAICS-based classifications, sales of services by U.S. affiliates of foreign companies have been redefined. In the 1997 benchmark survey, respondents were instructed to report as sales of services all sales that were associated with any of a specified group of NAICS-based industries; previously, they reported all sales associated with any of a specified group of SIC-based industries (see the note to table C).

The redefinition raises the measure of sales of services by U.S. affiliates of foreign companies. For the most part, sales that are included under the NAICS-based definition of sales of services are also included under the SIC-based definition and vice versa. However, some sales that are included in services under the NAICS-based definition—particularly those characteristic of publishers of newspapers, periodicals, books, and records and those characteristic of restaurants—are included in sales of goods under the SIC-based definition. The NAICS-based definition also excludes some sales that the SIC-based definition includes, particularly those characteristic of land subdividers, of firms that reproduce software and video, and of dental laboratories. Neither the sales that are newly included in sales of services nor those that have been reclassified to sales of goods can be precisely measured with the data reported in the 1997 benchmark survey. However, those data—including information reported by affiliates on the distribution of their sales by industry of sales—indicate that there is a net movement of sales into services under the redefinition. As a result, sales of services account for a larger share—and sales of goods, for a smaller share—of total sales by U.S. affiliates under the NAICS-based definitions.

The NAICS-based definitions of “sales of goods” and “sales of services” are closer to the general concepts of “goods” and “services” than the SIC-based definitions. For example, restaurants are included in retail trade in the SIC, so sales by restaurants are treated as sales of goods; under the NAICS-based classification, restaurants are included in the service industry “accommodation and food services,” and their sales are treated as sales of services. The new treatment better reflects the importance of meal preparation, table service, and the provision of facilities for on-site consumption—services that differentiate restaurants from grocery stores and other establishments that provide unprepared food to retail customers (the sales of such establishments are treated as sales of goods).

1. See Office of Management and Budget, *North American Industry Classification System: United States, 1997* (Washington, DC, 1998), and Office of Management and Budget, *Standard Industrial Classification Manual, 1987* (Washington, DC: U.S. Government Printing Office, 1987). Information on NAICS can be accessed on the Internet at <www.census.gov/epcd/www/naics.html>.

2. The data on sales by foreign affiliates will be collected using NAICS-based classifications and definitions, beginning with the data for 1999. These data will be published in preliminary form in 2001.

3. Additional information on the new NAICS-based ISI classifications is provided in the box on industry classifications in the article on foreign direct investment in the United States in the *August 1999 SURVEY* and in the *Guide to Industry and Foreign Trade Classifications for International Surveys*, which can be accessed on BEA’s Web site at <www.bea.doc.gov/bea/surveys.htm>.

4. For additional information on the differences between the NAICS and the SIC classifications, see NAICS: *United States, 1997* and Bureau of the Census, *1997 Economic Census, Core Business Statistics Series, Advance Report* (Washington, DC, March 1999), which can be accessed at <www.census.gov/epcd/www/econ97.html>. A concordance between the NAICS-based ISI codes and the SIC-based ISI codes can be accessed at <www.bea.doc.gov/bea/surveys.htm>.

of major host countries. Some of the largest acquisitions were of investment firms, reflecting a continuing trend towards integration of the global securities markets; these acquisitions were spurred by the considerable potential for growth in the securities markets of Europe. Factors that are expected to fuel demand for securities in Europe include the creation of a single market for securities services in the European Union, a large number of unfunded—or “pay-as-you-go”—pension plans that are likely to be funded in coming years, and an aging population saving for retirement.¹⁷ In addition, there were several acquisitions of overseas electric power providers in response to recent privatization and deregulation programs in a number of foreign countries. In developing countries, these changes in policies were motivated by the need to meet rapidly growing demand for electricity and the need for outside sources of financing. In developed countries, the policy changes were motivated by the desire to introduce competition into the electric power industry in order to reduce the price of electricity and to improve the quality of service.¹⁸

Nearly two-thirds of the increase in sales of services by foreign affiliates of U.S. companies was accounted for by a \$21.3 billion increase in sales by affiliates in the United Kingdom; the increase primarily reflected the sales of newly acquired businesses—particularly the energy providers and investment firms. Foreign sales of services by affiliates in Latin America and Other Western Hemisphere rose \$8.5 billion—nearly a fourth of the total increase. In this area, half of the increase was accounted for by affiliates in Bermuda; much of the rest was accounted for by affiliates in Brazil. The increase in Bermuda reflected the growing presence of insurance and other financial affiliates of U.S. multinational companies that were attracted by a favorable regulatory and tax environment; the increase in Brazil reflected strong demand for computer-related services and sales by recently acquired insurance affiliates. Sales by affiliates in Canada increased \$3.2 billion, and sales by affiliates in the Asia and Pacific area increased \$3.1 billion. For the second consecutive year, sales by affiliates in Japan were virtually unchanged, reflecting problems in the Japanese economy, which

dampened demand for services provided by foreign affiliates, and a 14-percent appreciation of the dollar against the yen, which reduced the value of sales in terms of U.S. dollars.

By industry of affiliate, the largest increase was in “other industries”—particularly electric, gas, and sanitary services—followed by “services,” finance (except depository institutions), and insurance. In both “other industries” and finance, the increases primarily reflected sales by newly acquired businesses in the United Kingdom. The increase in “services”—also concentrated in the United Kingdom—reflected strong overseas demand for computer-related services and acquisitions of affiliates in the equipment rental and leasing industry. In insurance, the increase was concentrated in Bermuda.

U.S. affiliates' sales in the United States

In 1997, sales of services to U.S. businesses and to U.S. individuals by majority-owned U.S. affiliates of foreign companies were \$205.5 billion. By area, affiliates with UBO's in Europe accounted for 61 percent of the total, reflecting the large number of mature companies in Europe that have the ability and resources to take advantage of investment opportunities beyond their national and regional borders. Affiliates with UBO's in the Asia and Pacific area accounted for 19 percent of the total, those with UBO's in Canada accounted for 16 percent, and those with UBO's in Latin America accounted for 3 percent. By individual country, sales were highest among affiliates with UBO's in the United Kingdom, followed by those with UBO's in Canada and Japan.

By NAICS-based industry group, finance (except depository institutions) accounted for 35 percent of the total; insurance accounted for most of the sales in finance and for 29 percent of the total. The large foreign presence in the U.S. insurance market results from investment flows over many years. European and Canadian insurers that wanted to expand into foreign markets have been attracted to the U.S. insurance market because of its size and because the opportunities to invest in some other countries have been limited by restrictions on foreign participation in the local insurance market. Affiliates with UBO's in the United Kingdom accounted for the most sales in insurance in 1997. Affiliates with UBO's in Canada accounted for the most sales among life insurance carriers, and those with UBO's in Switzerland accounted for the most sales among carriers of other types of insurance.

17. See Department of the Treasury, *National Treatment Study* (Washington, DC: U.S. Government Printing Office, 1998): 210–216.

18. See Chris Melly, “Deregulation Fosters Globalization of the Electric Power Industry,” *Industry, Trade, and Technology Review* (September 1998): 31–58. For additional information about U.S. direct investment abroad in 1997, see Sylvia E. Bargas, “Direct Investment Positions for 1997: Country and Industry Detail,” *SURVEY* 78 (July 1998): 35–45, and Mataloni, “Operations in 1997.”

“Other industries” accounted for 25 percent of total sales, followed by information, at 16 percent. In “other industries,” sales were largest for affiliates in transportation and warehousing (particularly support activities for transportation), in administration, support, and waste management (which includes employment services and travel and reservation services), and in accommodation and food services. In information, sales were largest in publishing; sales were also large in motion picture and sound recording and in broadcasting and telecommunications.

As noted earlier, about half of the 22-percent measured growth in 1997 in sales of services in the United States by U.S. affiliates of foreign compa-

nies is due to the change in the definition of sales of services. Thus, the growth in 1997 that was unrelated to the change in definition was probably less than the 13-percent growth in 1996. The growth in 1997 was primarily accounted for by net additions to the affiliate universe—as a result of a large number of new direct investments by foreign multinational companies—rather than by existing affiliates.

Because of the discontinuity introduced by the use of the NAICS-based definition of sales of services by U.S. affiliates of foreign companies, changes between 1996 and 1997 cannot be analyzed in detail.

Tables 1 through 10 follow. 

Data Sources and Availability

Data sources

Most of the estimates presented in this article are based primarily on data from the surveys conducted by BEA. However, the estimates for some services are based on a variety of other sources, including surveys conducted by other Federal Government agencies, data provided by private sources, customs data, and data from partner countries.

BEA conducts 11 surveys of cross-border trade with unaffiliated foreigners, that is, with foreigners that neither own nor are owned by the U.S. party to the transaction. These surveys cover the following six categories of services: (1) Selected services (mainly miscellaneous business, professional, and technical services), (2) construction, engineering, architectural, and mining services, (3) insurance, (4) financial services, (5) royalties and license fees, and (6) transportation. Each of these categories is covered by a separate survey or by a group of surveys.

More detailed information on these surveys is available in *U.S. International Transactions in Private Services: A Guide to the Surveys Conducted by the Bureau of Economic Analysis*. The *Guide* presents general information about the classification, definition, and release schedules of all the surveys, and it provides details for each survey on the items covered, the frequency of the surveys, the numbers of respondents, and the methods that were used to prepare the estimates.

The *Guide* is available on BEA's Web site at <www.bea.doc.gov> or by writing to the International Investment Division, BE-50, Bureau of Economic Analysis, Washington, DC 20230. For further information, call 202-606-9804.

Data on cross-border trade with affiliated foreigners and on sales by majority-owned affiliates are collected in BEA's surveys of U.S. direct investment abroad and of foreign direct investment in the United States; the

methodologies for these surveys are described in *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results* (Washington, DC: U.S. Government Printing Office, 1998) and in *Foreign Direct Investment in the United States: 1992 Benchmark Survey, Final Results* (Washington, DC: U.S. Government Printing Office, 1995).

For additional information on the methodology used to prepare the estimates of cross-border trade—both affiliated and unaffiliated—and on the balance-of-payments concepts, see *The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures* (Washington DC: U.S. Government Printing Office, 1990). For changes in methodology that have been made since 1990, see the section “Technical Notes” in the quarterly articles on the U.S. international transactions in the June 1990 and 1991 issues of the SURVEY OF CURRENT BUSINESS, the section “Revised Estimates for 1976–91” in the June 1992 issue, and the annual articles on the revised estimates of U.S. international transactions in the June 1992–95 issues and in the July 1996–99 issues.

These methodologies and the SURVEY articles for July 1996–99 are available on BEA's Web site.

Data availability

The estimates of cross-border trade for 1986–98 and of sales through majority-owned affiliates for 1989–97 are available as “U.S. International Services, 1986–98,” which can be downloaded from BEA's Web site at <www.bea.doc.gov>.¹ To access the file on the Web site, click on Catalog of Products, and look under International Accounts Products, Balance of Payments.

1. The estimates of cross-border trade for 1986–91 do not include as much country detail as in this article. Some estimates of sales through majority-owned affiliates are available for years before 1989, but they are not comparable with the estimates beginning with 1989.

Table 1.—Private Services Trade by Type, 1986–98

[Millions of dollars]

	Exports												
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Total private services	76,297	85,960	100,082	117,064	136,151	151,220	162,329	170,597	186,001	202,176	221,120	240,443	245,688
Travel	20,385	23,563	29,434	36,205	43,007	48,385	54,742	57,875	58,417	63,395	69,751	73,301	71,250
Overseas	15,650	18,044	22,313	26,938	30,807	34,518	40,864	45,298	47,299	54,331	59,905	63,027	61,226
Canada	2,701	3,309	4,150	5,340	7,093	8,500	8,182	7,458	6,252	6,207	6,842	6,836	6,206
Mexico	2,034	2,210	2,971	3,927	5,107	5,367	5,696	5,119	4,866	2,857	3,004	3,438	3,818
Passenger fares	5,582	7,003	8,976	10,657	15,298	15,854	16,618	16,528	16,997	18,909	20,413	20,789	19,996
Other transportation	15,438	17,027	19,311	20,526	22,042	22,631	21,531	21,958	23,754	26,081	26,074	27,006	25,518
Freight	4,864	5,452	6,491	7,209	8,379	8,651	8,441	8,594	9,575	11,273	11,146	11,789	11,178
Port services	10,574	11,575	12,820	13,318	13,662	13,979	13,088	13,364	14,180	14,809	14,929	15,217	14,340
Royalties and license fees	8,113	10,174	12,139	13,818	16,634	17,819	20,841	21,695	26,712	30,289	32,470	33,781	36,808
Affiliated	6,174	7,888	9,493	10,961	13,250	14,106	15,659	15,688	20,275	22,859	24,556	25,024	26,761
U.S. parents' transactions	5,577	7,668	9,238	10,612	12,867	13,523	14,925	14,936	19,250	21,399	22,719	23,221	24,712
U.S. affiliates' transactions	180	220	256	349	383	583	733	752	1,025	1,460	1,837	1,803	2,049
Unaffiliated	1,939	2,286	2,646	2,857	3,384	3,712	5,183	6,007	6,437	7,430	7,914	8,757	10,047
Industrial processes	n.a.	1,593	1,863	1,947	2,333	2,435	2,525	2,820	3,026	3,513	3,566	3,552	4,138
Other	n.a.	694	782	910	1,052	1,277	2,657	3,187	3,411	3,917	4,348	5,205	5,909
Other private services	26,779	28,193	30,222	35,858	39,170	46,531	48,597	52,541	60,121	63,502	72,412	85,566	92,116
Affiliated services	8,385	8,494	9,568	12,295	13,622	14,538	16,823	16,813	19,825	20,483	22,931	27,272	28,321
U.S. parents' transactions	5,577	5,658	6,808	9,117	9,532	9,975	10,479	10,902	13,313	13,033	14,118	17,271	18,212
U.S. affiliates' transactions	2,808	2,836	2,760	3,179	4,090	4,563	6,344	5,911	6,512	7,450	8,813	10,001	10,109
Unaffiliated services	18,394	19,700	20,654	23,562	25,548	31,992	31,774	35,727	40,296	43,019	49,481	58,294	63,795
Education	3,495	3,821	4,142	4,575	5,126	5,679	6,186	6,738	7,174	7,515	7,887	8,343	8,964
Financial services	3,301	3,731	3,831	5,036	4,417	5,012	4,034	4,999	5,763	7,029	8,229	11,539	13,698
Insurance, net	1,385	1,573	847	103	230	491	682	1,020	1,676	1,296	2,168	2,485	2,842
Premiums	3,424	3,615	3,534	3,117	3,388	3,365	3,852	3,981	4,921	5,491	5,929	6,133	6,985
Losses	2,039	2,042	2,687	3,015	3,158	2,874	3,170	2,961	3,245	4,195	3,761	3,648	4,143
Telecommunications	1,827	2,111	2,196	2,519	2,735	3,291	2,885	2,785	2,865	3,228	3,301	3,949	3,689
Business, professional, and technical services	4,813	4,765	5,935	6,823	7,752	12,045	11,722	12,958	15,330	16,078	19,466	22,467	24,338
Accounting	21	27	37	124	119	168	164	164	132	181	222	331	344
Advertising, auditing, and bookkeeping services	94	109	145	145	130	274	315	338	487	425	543	624	575
Agricultural services	4	7	4	3	4	56	47	30	30	30	19	23	21
Computer and data processing services	985	649	1,198	978	1,031	1,738	776	986	1,306	1,340	1,617	2,065	2,037
Construction, engineering, architectural, and mining services	759	668	790	939	867	1,478	1,935	2,407	2,474	2,550	3,553	3,498	4,053
Data base and other information services	124	133	196	205	283	442	641	694	1,026	1,078	1,158	1,467	1,954
Industrial engineering	98	304	278	219	473	363	212	268	575	726	870	1,366	1,550
Installation, maintenance, and repair of equipment	1,033	1,087	1,276	1,717	2,031	2,574	2,744	2,978	3,497	3,218	3,648	3,630	3,668
Legal services	97	147	272	397	451	1,309	1,358	1,442	1,617	1,667	1,943	2,152	2,451
Mailing, reproduction, and commercial art	1	0	0	9	8	18	14	12	10	4	33	17	17
Management of health care facilities	1	0	(*)	0	0	22	19	18	18	18	18	22	24
Management of health care facilities and public relations services	306	327	344	300	354	870	728	826	1,134	1,489	1,460	1,596	1,657
Medical services	490	516	541	588	630	672	708	750	794	856	1,005	1,113	1,204
Miscellaneous disbursements	n.a.	n.a.	n.a.	n.a.	n.a.	89	97	222	222	251	333	589	533
Operational leasing	384	484	544	671	801	796	854	834	925	978	1,482	2,002	2,303
Personnel supply services	(P)	38	(P)	2	1	160	127	113	85	95	99	97	106
Research, development, and testing services	282	177	231	375	384	602	611	464	522	638	681	896	943
Sports and performing arts	32	60	(P)	43	47	71	43	77	86	116	149	192	140
Training services	73	60	54	109	138	345	320	319	388	421	388	442	388
Other business, professional, and technical services ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	246	345	370
Other unaffiliated services²	3,573	3,699	3,704	4,507	5,288	5,475	6,265	7,229	7,489	7,872	8,429	9,511	10,264

See footnotes at end of table.

Table 1.—Private Services Trade by Type, 1986–98—Continued
[Millions of dollars]

	Imports												
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Total private services	64,731	73,945	81,002	85,295	98,210	99,934	100,379	107,940	119,101	128,781	137,081	152,447	165,321
Travel	25,913	29,310	32,114	33,416	37,349	35,322	38,552	40,713	43,782	44,916	48,048	52,051	56,105
Overseas	20,311	23,313	25,260	25,746	28,929	26,506	29,838	31,859	34,534	35,281	37,406	40,667	43,990
Canada	3,034	2,939	3,232	3,394	3,541	3,705	3,554	3,692	3,914	4,319	4,670	4,904	5,719
Mexico	2,568	3,058	3,622	4,276	4,879	5,111	5,160	5,162	5,334	5,316	5,972	6,480	6,396
Passenger fares	6,505	7,283	7,729	8,249	10,531	10,012	10,603	11,410	13,062	14,663	15,818	18,138	19,797
Other transportation	17,766	19,010	20,891	22,172	24,966	24,975	23,767	24,524	26,019	27,034	27,403	28,959	30,457
Freight	12,512	12,618	13,792	13,997	15,046	14,554	13,571	14,518	16,006	16,455	16,539	17,654	19,412
Port services	5,254	6,392	7,099	8,176	9,920	10,421	10,197	10,005	10,013	10,579	10,864	11,305	11,048
Royalties and license fees	1,401	1,857	2,601	2,528	3,135	4,035	5,161	5,032	5,852	6,919	7,837	9,390	11,292
Affiliated	916	1,309	1,426	1,704	2,206	2,955	3,396	3,386	3,933	5,256	5,406	6,967	8,374
U.S. parents' transactions	118	168	141	71	239	166	189	234	420	583	761	989	1,169
U.S. affiliates' transactions	799	1,142	1,285	1,632	1,967	2,789	3,207	3,152	3,513	4,673	4,645	5,978	7,205
Unaffiliated	484	547	1,175	824	929	1,080	1,766	1,646	1,919	1,663	2,431	2,423	2,918
Industrial processes	n.a.	435	488	568	666	796	818	1,054	1,034	948	1,319	1,418	1,546
Other	n.a.	112	689	256	265	283	948	592	884	714	1,112	1,006	1,372
Other private services	13,146	16,485	17,667	18,930	22,229	25,590	22,296	26,261	30,386	35,249	37,975	43,909	47,670
Affiliated services	3,915	5,356	6,043	7,911	9,117	9,732	9,640	10,677	12,451	13,634	15,548	17,728	19,095
U.S. parents' transactions	2,391	3,050	3,461	4,783	5,334	5,260	5,355	5,721	6,538	6,961	7,084	8,927	9,730
U.S. affiliates' transactions	1,524	2,307	2,582	3,128	3,784	4,472	4,285	4,956	5,913	6,773	8,464	8,801	9,365
Unaffiliated services	9,231	11,129	11,624	11,019	13,111	15,859	12,656	15,585	17,935	21,615	22,427	26,181	28,575
Education	433	452	539	586	658	698	767	857	972	1,125	1,253	1,395	1,538
Financial services	1,769	2,077	1,656	2,056	2,475	2,669	986	1,371	1,654	2,472	2,907	3,563	3,771
Insurance, net	2,200	3,241	2,628	823	1,910	2,467	1,324	3,095	4,034	5,360	3,885	6,002	6,908
Premiums	7,217	8,538	8,954	9,909	10,222	11,207	11,738	12,093	14,075	15,284	14,522	15,233	18,581
Losses	5,017	5,297	6,326	9,086	8,312	8,740	10,414	8,998	10,041	9,925	10,637	9,231	11,673
Telecommunications	3,253	3,736	4,576	5,172	5,583	6,608	6,052	6,365	6,928	7,305	8,290	8,351	9,125
Business, professional, and technical services	1,303	1,367	1,926	2,059	2,093	3,015	3,102	3,504	3,869	4,822	5,547	6,358	7,684
Accounting, auditing, and bookkeeping services	29	37	31	22	57	89	104	103	130	170	218	280	329
Advertising	77	128	188	228	243	301	450	646	728	833	971	859	1,046
Agricultural services	5	7	4	2	(¹)	22	21	18	14	17	11	9	9
Computer and data processing services	32	74	107	46	44	116	71	101	83	126	276	276	365
Construction, engineering, architectural, and mining services	301	163	307	443	170	315	261	319	280	345	465	461	699
Data base and other information services	23	25	39	31	54	51	72	110	141	160	146	141	139
Industrial engineering	75	103	133	53	74	30	112	142	100	160	197	211	311
Installation, maintenance, and repair of equipment	467	496	616	704	714	538	191	175	164	160	239	316	432
Legal services	40	56	98	81	111	244	311	321	383	469	615	560	688
Mailing, reproduction, and commercial art	12	9	9	8	8	38	37	33	37	22	42	31	33
Management of health care facilities	(¹)	0	2	(¹)	(¹)	13	13	11	12	16	8	10	10
Management, consulting, and public relations services	60	67	73	143	135	271	243	287	321	465	497	731	914
Medical services	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Miscellaneous disbursements	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	342	395	371	538	843	750	1,090
Operational leasing	50	48	78	88	202	229	337	356	401	407	325	306	186
Personnel supply services	25	7	10	10	5	15	14	13	3	4	28	19	20
Research, development, and testing services	76	114	182	133	210	241	225	239	294	364	379	568	630
Sports and performing arts	21	25	40	54	48	84	145	156	122	120	200	260	253
Training services	7	9	10	13	17	77	101	101	137	145	140	155	158
Other business, professional, and technical services ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	40	77	84
Other unaffiliated services ²	272	255	298	323	392	402	425	394	477	532	546	511	549

n.a. Not available.

¹ Less than \$500,000.

² Suppressed to avoid disclosure of data of individual companies.

1. Other business, professional, and technical services consists of language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, oil spill and toxic waste clean-

up services, and merchanting services.

2. Exports include mainly film and tape rentals and expenditures of foreign governments and international organizations in the United States. Imports include mainly expenditures of U.S. residents temporarily working abroad and film and tape rentals.

Table 2.—Private Services Trade by Area and Country, 1986–98

[Millions of dollars]

	Exports												
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
All countries	76,297	85,960	100,082	117,064	136,151	151,220	162,329	170,597	186,001	202,176	221,120	240,443	245,688
Canada	8,465	9,371	10,703	13,324	15,684	17,750	17,380	16,971	17,216	17,927	19,408	20,520	19,521
Europe	24,896	30,259	35,721	41,593	48,192	53,570	60,182	62,137	67,472	73,093	81,303	88,100	95,098
Belgium-Luxembourg	1,027	1,025	1,202	1,475	1,763	1,945	2,308	2,207	2,782	2,843	2,880	2,881	2,964
France	2,912	3,648	3,878	4,642	5,542	6,166	6,998	6,816	6,694	7,965	8,876	10,005	10,182
Germany ¹	4,001	5,196	5,874	6,134	7,364	8,826	10,867	11,346	11,573	12,692	13,371	14,121	15,271
Italy	1,852	2,143	2,445	2,676	3,279	3,679	4,496	4,080	4,264	4,533	4,861	5,041	5,590
Netherlands	1,938	2,106	2,448	2,579	3,269	3,572	3,747	4,109	5,476	6,119	7,015	7,331	7,561
Norway							1,118	1,241	1,157	1,210	1,404	1,393	1,339
Spain							2,443	2,246	2,678	2,991	3,095	3,471	3,717
Switzerland							1,756	1,728	1,747	1,890	2,476	2,409	2,600
United Kingdom	6,502	8,389	10,106	12,448	12,989	14,091	15,726	17,163	17,847	18,626	20,218	24,226	27,169
Other							7,834	8,276	9,558	10,381	12,812	12,752	13,926
Latin America and Other Western Hemisphere	14,042	14,228	15,494	17,662	21,771	24,650	26,526	28,922	32,531	32,656	35,571	42,788	46,723
South and Central America	11,301	11,569	12,842	14,954	18,256	20,974	23,031	25,017	27,722	27,425	29,635	35,074	38,092
Argentina							1,779	2,129	2,463	2,394	2,742	3,343	3,469
Brazil							2,480	2,928	3,716	4,975	5,186	6,403	6,513
Chile							610	767	1,145	980	1,179	1,417	1,377
Mexico	4,531	4,445	4,912	6,609	8,590	9,666	10,492	10,440	11,344	8,705	9,454	10,924	11,761
Venezuela	937	829	913	1,027	1,273	1,565	1,993	2,428	2,145	2,496	2,411	2,757	3,107
Other							5,682	6,326	6,911	7,885	8,661	10,307	11,961
Other Western Hemisphere	2,740	2,658	2,651	2,707	3,516	3,676	3,494	3,904	4,810	5,234	5,935	7,713	8,633
Bermuda							414	533	755	604	848	942	902
Other							3,077	3,371	4,056	4,630	5,087	6,773	7,729
Africa, Middle East, and Asia and Pacific	25,600	28,257	33,334	39,326	45,323	51,188	54,855	58,604	64,937	74,508	80,256	84,639	79,704
Africa	2,234	2,328	2,579	2,869	3,047	3,459	4,068	4,068	4,068	4,068	4,068	4,068	4,068
South Africa	465	494	626	801	844	1,011	1,098	1,098	1,098	1,098	1,098	1,098	1,098
Other	1,771	1,835	1,954	2,069	2,204	2,449	2,969	2,969	2,969	2,969	2,969	2,969	2,969
Middle East	3,965	4,147	5,052	5,796	6,691	7,386	7,386	7,386	7,386	7,386	7,386	7,386	7,386
Israel	896	1,106	1,484	1,637	1,902	1,927	2,064	2,064	2,064	2,064	2,064	2,064	2,064
Saudi Arabia	1,356	1,239	1,864	2,084	1,892	1,785	1,852	1,852	1,852	1,852	1,852	1,852	1,852
Other	1,713	1,802	1,702	2,074	3,098	3,003	3,469	3,469	3,469	3,469	3,469	3,469	3,469
Asia and Pacific	48,656	52,130	57,306	65,843	70,518	74,466	68,249	68,249	68,249	68,249	68,249	68,249	68,249
Australia	1,593	1,842	2,311	2,825	3,260	3,213	3,459	3,558	3,790	4,267	4,526	4,984	4,738
China							1,568	1,919	2,049	2,531	3,174	3,626	3,932
Hong Kong							2,259	2,365	2,804	2,998	3,338	3,655	3,480
India							1,094	1,138	1,226	1,320	1,498	1,598	1,814
Indonesia							775	893	874	1,157	1,417	1,882	1,693
Japan	10,273	12,376	14,827	18,363	21,159	23,981	25,554	26,794	28,950	33,240	33,567	34,437	30,729
Korea, Republic of							3,375	3,638	4,599	5,693	7,440	7,114	5,341
Malaysia							601	680	892	1,032	1,279	1,284	1,068
New Zealand							761	795	834	996	1,177	1,265	1,103
Philippines							988	1,247	1,187	1,059	1,240	1,518	1,308
Singapore							2,155	2,414	2,646	3,148	3,854	4,108	3,772
Taiwan							3,173	3,466	4,168	4,429	4,048	4,750	3,961
Thailand							750	1,016	1,020	1,188	1,218	1,248	1,190
Other							2,161	2,205	2,267	2,786	2,742	2,998	4,123
International organizations and unallocated	3,294	3,845	4,830	5,159	5,181	4,062	3,385	3,962	3,845	3,988	4,575	4,392	4,640
Addenda:													
European Union ²	20,752	25,259	29,412	34,307	39,149	44,150	51,140	52,374	56,012	63,939	70,395	76,747	83,319
Eastern Europe ³	283	298	403	686	955	1,140	1,163	1,862	2,184	2,581	3,272	3,393	3,421

See footnotes at end of table.

Table 2.—Private Services Trade by Area and Country, 1986–98—Continued

[Millions of dollars]

	Imports												
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
All countries	64,731	73,945	81,002	85,295	98,210	99,934	100,379	107,940	119,101	128,781	137,081	152,447	165,321
Canada	6,311	6,854	8,350	8,640	9,130	9,716	8,688	9,223	10,132	11,160	12,451	13,576	15,065
Europe	24,132	28,313	30,866	33,010	39,815	39,262	39,718	44,417	48,939	52,708	53,868	61,973	69,693
Belgium-Luxembourg	604	556	622	813	1,022	958	1,028	1,048	1,245	1,480	1,498	1,746	2,033
France	2,264	2,679	2,931	3,517	4,169	3,927	4,581	4,958	5,749	5,951	6,023	6,785	7,688
Germany ¹	3,982	5,198	5,540	6,048	6,819	6,438	6,376	6,806	7,280	7,586	7,705	7,984	8,920
Italy	2,258	2,509	2,870	2,863	3,469	3,299	3,177	3,142	3,433	3,743	3,492	3,691	4,046
Netherlands	1,032	1,305	1,317	1,609	1,935	2,157	2,479	2,211	2,613	3,191	3,157	3,471	4,486
Norway							1,034	1,414	1,184	1,162	1,281	1,289	798
Spain							1,271	1,081	1,140	1,109	1,304	1,461	1,805
Sweden							779	942	857	844	884	884	850
Switzerland							1,710	1,945	2,317	2,285	2,636	2,792	3,876
United Kingdom	7,542	8,918	9,411	9,795	11,564	12,111	10,538	13,634	14,692	16,063	16,186	21,552	22,779
Other							6,746	7,237	8,380	9,293	9,702	10,320	12,412
Latin America and Other Western Hemisphere	13,010	14,964	15,648	16,840	18,643	19,602	20,127	20,588	22,783	24,252	26,921	29,672	31,514
South and Central America	7,522	9,074	10,241	11,180	12,737	13,254	13,439	13,582	14,850	15,500	17,711	19,317	20,044
Argentina							449	464	572	572	779	862	958
Brazil							679	740	917	1,165	1,421	1,764	1,810
Chile							332	362	415	427	519	525	823
Mexico	3,681	4,506	5,068	5,976	6,731	7,056	7,269	7,410	7,849	7,930	8,918	10,023	10,007
Venezuela	480	526	619	487	659	584	633	714	761	701	767	708	686
Other							4,077	3,899	4,352	4,708	5,308	5,436	5,758
Other Western Hemisphere	5,488	5,892	5,407	5,659	5,905	6,348	6,690	7,005	7,933	8,750	9,211	10,352	11,471
Bermuda							1,522	1,278	1,832	2,713	2,865	3,254	4,011
Other							5,167	5,727	6,100	6,036	6,346	7,099	7,463
Africa, Middle East, and Asia and Pacific	19,371	21,999	23,617	24,232	27,976	29,285	29,120	31,789	35,358	38,542	41,580	45,175	46,351
Africa							1,472	1,527	1,935	1,947	2,380	2,539	2,492
South Africa							199	228	294	398	543	726	821
Other							1,276	1,298	1,636	1,548	1,837	1,816	1,671
Middle East							2,053	2,172	2,274	2,663	3,152	3,242	3,626
Israel							1,016	1,068	1,201	1,171	1,369	1,521	1,467
Saudi Arabia							337	339	307	559	437	577	850
Other							698	764	740	936	1,346	1,143	1,306
Asia and Pacific							25,595	28,090	31,148	33,933	36,048	39,394	40,233
Australia	1,163	1,495	1,644	1,748	2,290	2,386	2,215	2,163	1,929	2,142	2,573	2,674	2,978
China							1,044	1,303	1,459	1,674	1,936	2,207	2,298
Hong Kong							1,420	1,336	1,881	1,901	2,920	3,027	3,167
India							636	687	760	851	1,093	1,224	1,452
Indonesia							440	428	438	443	550	551	330
Japan	6,662	7,527	8,396	8,927	10,529	11,772	10,607	11,785	12,584	13,463	12,907	14,156	13,746
Korea, Republic of							2,041	2,343	2,796	3,581	4,124	4,533	4,061
Malaysia							265	299	355	451	456	533	373
New Zealand							525	538	567	601	661	703	953
Philippines							785	851	1,036	1,121	1,361	1,442	1,290
Singapore							684	938	1,155	1,232	1,817	2,062	1,786
Taiwan							1,978	2,381	2,649	2,856	2,702	3,374	2,913
Thailand							389	377	475	677	802	752	760
Other							2,569	2,659	3,062	2,944	2,148	2,157	4,124
International organizations and unallocated	1,907	1,815	2,521	2,573	2,646	2,069	2,726	1,926	1,889	2,119	2,266	2,055	2,700
Addenda:													
European Union ²	20,412	23,961	25,813	28,057	33,394	32,924	32,960	36,680	40,238	45,301	45,498	53,246	59,408
Eastern Europe ³	345	477	508	582	797	1,052	1,596	1,513	1,965	2,171	2,346	2,158	2,535

1. Prior to 1990, this line includes data only for the Federal Republic of Germany. Beginning in 1990, this line also includes the former German Democratic Republic.

2. The European Union comprises Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, United Kingdom, Austria, Finland, and Sweden. The last three countries joined the Union on January 1, 1995. The estimates prior to 1995 do not reflect the addition of these three countries.

3. 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.

NOTE.—The full country and area detail shown in the stub is available only since 1992.

Table 3.1.—Travel, Passenger Fares, and Other Transportation, 1995

[Millions of dollars]

	Receipts											Payments										
	Travel	Pas- senger fares	Other transportation								Travel	Pas- senger fares	Other transportation									
			Total	Freight			Port services						Total	Freight				Port services				
				Total	Ocean	Air	Other	Total	Ocean	Air				Other	Total	Ocean	Air	Other				
All countries	63,395	18,909	26,081	11,273	5,278	3,657	2,337	14,809	8,298	6,361	149	44,916	14,663	27,034	16,455	11,514	3,113	1,828	10,579	2,555	7,947	77
Canada	6,207	1,284	2,275	1,806	59	55	1,692	469	29	291	149	4,319	306	2,513	1,968	88	54	1,826	545	197	271	77
Europe	20,665	6,192	8,228	2,777	1,608	1,089	80	5,451	2,942	2,509	.....	16,489	7,416	9,416	5,828	4,654	1,174	.....	3,588	635	2,953	.....
Belgium-Luxembourg	486	272	355	234	181	49	4	121	50	71	.....	312	106	426	149	70	79	.....	277	75	202	.....
France	2,063	976	410	226	54	166	6	184	13	171	.....	2,615	537	632	156	19	137	.....	476	35	441	.....
Germany	4,212	1,582	1,172	386	157	217	12	786	319	467	.....	2,247	845	1,489	809	538	271	.....	680	91	589	.....
Italy	1,344	483	452	108	54	51	3	344	194	150	.....	1,927	530	517	350	276	74	.....	167	30	137	.....
Netherlands	782	161	914	391	305	60	26	523	117	406	.....	442	699	676	314	135	179	.....	362	132	230	.....
Norway	251	.....	535	13	10	3	.....	522	522	.....	.....	124	50	863	860	860	.....	.....	3	3	.....	.....
Spain	753	452	170	97	56	41	.....	73	73	.....	563	137	44	26	.....	26	.....	.....	18	18	.....	.....
Sweden	506	212	283	41	21	20	.....	242	151	91	.....	162	49	257	250	218	.....	32	.....	7	.....	.....
Switzerland	1,252	325	240	35	35	.....	205	.....	205	.....	.....	510	456	109	109	.....	109	.....	.....	.....	.....	.....
United Kingdom	6,662	1,456	1,229	547	184	354	9	682	134	548	.....	4,304	2,616	1,450	473	260	213	.....	977	95	882	.....
Other	2,354	263	2,468	699	586	93	20	1,769	1,442	327	.....	3,283	1,391	2,953	2,332	2,278	54	.....	621	149	472	.....
Latin America and Other Western Hemisphere	13,482	3,584	3,363	1,776	869	667	240	1,587	397	1,190	.....	12,621	2,240	2,279	806	646	158	2	1,473	662	811	.....
South and Central America	11,699	3,087	2,778	1,508	667	631	210	1,270	305	965	.....	8,639	1,808	1,642	542	391	149	2	1,100	553	547	.....
Argentina	1,072	388	157	86	19	67	.....	71	6	65	.....	245	128	23	13	5	8	.....	10	10	.....	.....
Brazil	2,431	744	480	198	59	139	.....	282	43	239	.....	331	366	93	62	34	28	.....	31	31	.....	.....
Chile	441	122	118	30	6	24	.....	88	44	44	.....	188	74	96	95	59	36	.....	1	.....	.....	.....
Mexico	2,857	515	420	160	98	58	4	260	60	200	.....	5,316	569	481	88	78	8	2	393	107	286	.....
Venezuela	1,384	300	168	101	62	32	7	67	50	17	.....	2,244	72	276	62	60	2	.....	214	114	100	.....
Other	3,514	1,018	1,435	933	423	311	199	502	102	400	.....	2,335	599	673	222	155	67	.....	451	290	161	.....
Other Western Hemisphere	1,783	497	585	268	202	36	30	317	92	225	.....	3,982	432	637	264	255	9	.....	373	109	264	.....
Bermuda	15	4	7	7	2	5	.....	.....	.....	.....	.....	323	1	1	.....	.....	.....	.....	1	.....	.....	.....
Other	1,768	493	578	261	200	31	30	317	92	225	.....	3,659	431	636	264	255	9	.....	372	108	264	.....
Africa	699	33	568	347	305	35	7	220	81	139	.....	1,063	277	183	79	65	14	.....	104	101	3	.....
South Africa	344	1	84	16	5	4	7	67	2	65	.....	198	119	22	13	8	5	.....	9	6	3	.....
Other	355	32	484	331	300	31	.....	153	79	74	.....	865	158	161	66	57	9	.....	95	95	.....	.....
Middle East	1,852	371	938	491	438	53	.....	447	159	288	.....	1,058	396	445	313	198	115	.....	132	132	.....	.....
Israel	638	239	371	229	199	30	.....	142	.....	142	.....	439	214	139	73	.....	73	.....	66	66	.....	.....
Saudi Arabia	523	4	100	60	51	9	.....	40	.....	40	.....	343	60	41	26	.....	26	.....	15	15	.....	.....
Other	691	128	467	202	188	14	.....	265	159	106	.....	276	122	265	214	198	.....	16	51	51	.....	.....
Asia and Pacific	20,490	7,445	10,339	4,071	1,995	1,758	318	6,268	4,324	1,944	.....	9,366	4,028	11,327	6,590	4,992	1,598	.....	4,737	828	3,909	.....
Australia	1,639	431	279	125	2	88	35	154	19	135	.....	831	452	258	53	28	25	.....	205	4	201	.....
China	406	18	738	211	110	101	.....	527	370	157	.....	644	66	650	596	397	199	.....	54	54	.....	.....
Hong Kong	644	325	602	455	184	271	.....	147	147	.....	.....	776	414	176	104	104	.....	.....	72	72	.....	.....
India	445	17	140	98	91	7	.....	42	34	8	.....	414	134	71	36	23	13	.....	35	35	.....	.....
Indonesia	237	10	64	58	46	12	.....	6	4	2	.....	256	47	41	7	2	5	.....	34	34	.....	.....
Japan	11,760	6,043	3,270	1,351	583	694	74	1,919	1,377	542	.....	2,754	613	4,600	2,201	1,630	571	.....	2,399	220	2,179	.....
Korea	1,798	91	1,534	286	150	136	.....	1,248	791	457	.....	880	777	1,462	1,412	1,005	407	.....	50	50	.....	.....
Malaysia	228	.....	133	92	25	67	.....	41	9	32	.....	212	64	42	34	6	28	.....	8	8	.....	.....
New Zealand	493	134	123	36	17	7	12	87	74	84	.....	273	198	73	15	.....	15	.....	58	1	57	.....
Philippines	325	83	269	111	86	25	.....	158	74	84	.....	557	233	96	65	46	19	.....	31	31	.....	.....
Singapore	350	61	672	221	56	165	.....	451	310	141	.....	341	234	438	419	328	91	.....	19	19	.....	.....
Taiwan	1,559	120	1,313	371	239	132	.....	942	822	120	.....	580	532	1,408	1,282	1,146	136	.....	126	126	.....	.....
Thailand	331	2	151	112	73	39	.....	39	10	29	.....	403	64	47	10	5	.....	37	37	.....	.....
Other	275	110	1,051	544	333	14	197	507	357	150	.....	445	200	1,965	356	272	84	.....	1,609	137	1,472	.....
International organizations and unallocated .....	.....	.....	370	4	4	.....	.....	366	366	.....	.....	.....	.....	871	871	871	.....	.....	.....	.....	.....	.....
Addenda:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
European Union ¹	18,293	5,803	6,240	2,243	1,172	1,001	70	3,997	1,805	2,192	.....	14,379	6,477	7,045	3,763	2,727	1,036	.....	3,282	516	2,766	.....
Eastern Europe ²	691	57	535	383	351	24	8	152	87	65	.....	1,080	299	367	239	227	12	.....	128	84	44	.....

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 3.2.—Travel, Passenger Fares, and Other Transportation, 1996

[Millions of dollars]

	Receipts											Payments										
	Travel	Pas- senger fares	Other transportation								Travel	Pas- senger fares	Other transportation									
			Total	Freight			Port services						Total	Freight				Port services				
				Total	Ocean	Air	Other	Total	Ocean	Air				Other	Total	Ocean	Air	Other				
All countries	69,751	20,413	26,074	11,146	4,703	3,956	2,485	14,929	7,799	6,971	160	48,048	15,818	27,403	16,539	11,258	3,201	2,080	10,864	2,231	8,551	82
Canada	6,842	1,331	2,394	1,816	32	59	1,725	578	60	358	160	4,670	391	2,790	2,249	112	60	2,077	541	131	328	82
Europe	23,171	6,866	8,138	2,842	1,522	1,226	94	5,296	2,880	2,416		15,935	7,775	9,753	5,768	4,539	1,229		3,985	691	3,294	
Belgium-Luxembourg	557	294	326	270	204	61	5	56	19	37		268	149	445	119	41	78		326	98	228	
France	2,327	954	417	241	59	176	6	176	6	170		2,427	524	706	163	16	147		543	44	499	
Germany	4,403	1,714	860	368	132	223	13	492	393	99		2,013	939	1,545	776	501	275		769	102	667	
Italy	1,691	461	338	109	40	64	5	220	89	140		1,843	515	422	246	180	66		176	21	155	
Netherlands	1,141	222	883	395	281	83	31	488	68	420		1,495	688	700	297	123	174		403	142	261	
Norway	336	1	503	20	16	4		483	483			140	26	958	957	957			1	1		
Spain	831	366	195	90	47	43		105		105		671	155	99	28				71	13	58	
Sweden	635	234	308	45	18	27		263	167	96		200	39	344	335	299	36		9	9		
Switzerland	1,363	353	311	40		40		271	45	226		650	490	114	105		105		9		9	
United Kingdom	6,450	1,804	1,359	599	188	401	10	760	135	625		3,788	2,756	1,605	481	217	264		1,124	118	1,006	
Other	3,437	463	2,638	665	537	104	24	1,973	1,475	498		3,440	1,494	2,815	2,261	2,205	56		554	143	411	
Latin America and Other Western Hemisphere	14,984	4,098	3,178	1,746	661	799	286	1,432	395	1,037		14,108	2,438	2,253	811	659	149	3	1,442	493	949	
South and Central America	12,888	3,601	2,598	1,504	499	754	251	1,094	275	819		10,010	1,968	1,569	517	374	140	3	1,052	397	655	
Argentina	1,228	485	152	84	25	59		68	2	66		352	134	22	8	2	6		14	14		
Brazil	2,588	839	290	217	63	154		73	16	57		418	389	93	44	22	22		49	29	20	
Chile	489	164	158	50	28	22		108	68	40		228	93	116	105	73	32		11	11		
Mexico	3,004	761	549	186	96	86	4	363	88	275		5,972	650	525	106	95	8	3	419	82	337	
Venezuela	1,401	203	159	116	48	61		43	26	17		256	80	235	51	50			184	66	118	
Other	4,182	1,149	1,290	851	239	372	240	439	75	364		2,784	622	578	203	132	71		375	195	180	
Other Western Hemisphere	2,096	497	580	242	162	45	35	338	120	218		4,098	470	684	294	285	9		390	96	294	
Bermuda	14	4	4			4						312									9	
Other	2,082	493	576	238	162	41	35	338	120	218		3,786	470	684	294	285	9		390	96	294	
Africa	766	77	450	215	182	26	7	235	49	186		1,300	286	177	86	81	5		91	79	12	
South Africa	285	7	84	18	8	3	7	66	3	63		268	124	18	10	5	5		8	4	4	
Other	481	70	366	197	174	23		169	46	123		1,032	162	159	76	76			83	75	8	
Middle East	1,979	425	1,073	634	565	69		439	147	292		1,227	447	493	273	178	95		220	146	74	
Israel	694	264	481	348	318	30		133		133		446	261	251	75				176	107	69	
Saudi Arabia	454		88	49	49			39		39		208	71	22	20				2		2	
Other	831	161	504	237	198	39		267	147	120		573	115	220	178	178		42	39	3		
Asia and Pacific	22,009	7,616	10,312	3,875	1,725	1,777	373	6,437	3,755	2,682		10,808	4,481	10,959	6,374	4,711	1,663		4,585	691	3,894	
Australia	1,709	540	304	154	14	99	41	150	15	135		1,068	507	308	51	24	27		257	9	248	
China	807	100	597	132	76	56		465	301	164		733	107	611	557	343	214		54	50	4	
Hong Kong	624	380	459	389	139	250		70	69	1		1,101	480	585	141	139	2		444	65	379	
India	544	42	156	126	119	7		30	11	19		502	120	98	44	35	9		54	46	8	
Indonesia	337	19	86	41	33	8		45		45		276	62	63	38	34	4		25	25		
Japan	11,790	5,790	3,190	1,329	522	720	87	1,861	1,175	686		2,905	712	4,207	2,032	1,482	550		2,175	177	1,998	
Korea	2,345	308	2,339	374	238	136		1,965	1,082	873		945	763	1,950	1,690	1,249	441		260	116	144	
Malaysia	262		174	109	23	86		65	28	37		202	66	34	28	7	21		6	6		
New Zealand	608		130	30	9	8	13	100		100		300	193	76	17				59	2	57	
Philippines	476	82	227	93	61	32		134	46	88		754	235	128	61	43	18		67	13	54	
Singapore	377	49	626	220	39	181		406	258	148		474	309	713	542	426	116		171	6	165	
Taiwan	1,370	84	1,115	283	183	100		832	686	146		622	633	1,112	912	757	155		200	81	119	
Thailand	421	3	127	95	52	43		32	1	31		440	81	116	8	2	6		108	19	89	
Other	339	98	782	500	217	51	232	282	73	209		486	213	958	253	170	83		705	76	629	
International organizations and unallocated			529	16	16			513	513					978	978	978						
Addenda:																						
European Union ¹	20,004	6,390	6,092	2,386	1,156	1,148	82	3,706	1,770	1,936		13,158	6,848	7,456	3,773	2,670	1,103		3,683	585	3,098	
Eastern Europe ²	1,213	104	475	302	265	27	10	173	98	75		1,223	250	317	201	193	8		116	75	41	

1. See table 2, footnote 2.
2. See table 2, footnote 3.

Table 3.3.—Travel, Passenger Fares, and Other Transportation, 1997

[Millions of dollars]

	Receipts											Payments										
	Travel	Pas- senger fares	Other transportation								Travel	Pas- senger fares	Other transportation									
			Total	Freight			Port services						Total	Freight				Port services				
				Total	Ocean	Air	Other	Total	Ocean	Air				Other	Total	Ocean	Air	Other				
All countries	73,301	20,789	27,006	11,789	4,575	4,608	2,610	15,217	7,659	7,404	154	52,051	18,138	28,959	17,654	11,904	3,543	2,207	11,305	2,187	9,034	84
Canada	6,836	1,320	2,414	1,905	54	69	1,782	509	68	287	154	4,904	470	3,037	2,415	131	80	2,204	622	165	373	84
Europe	23,298	6,784	8,224	3,003	1,455	1,443	105	5,221	2,901	2,320	.....	17,866	9,081	10,566	6,340	5,031	1,309	.....	4,226	660	3,566	.....
Belgium-Luxembourg	514	294	355	304	226	72	6	51	24	27	.....	236	221	454	132	58	74	.....	322	111	211	.....
France	2,489	923	580	266	54	205	7	314	23	291	.....	2,751	611	687	226	66	160	.....	461	46	415	.....
Germany	4,142	1,360	964	411	156	240	15	553	460	93	.....	1,984	1,225	1,748	924	639	285	.....	824	107	717	.....
Italy	1,647	613	349	126	51	70	5	223	102	121	.....	2,109	441	468	337	271	66	.....	131	25	106	.....
Netherlands	972	188	766	386	253	99	34	380	61	319	.....	670	865	708	283	123	160	.....	425	118	307	.....
Norway	405	.....	360	21	14	7	.....	339	339	.....	.....	235	36	881	876	876	.....	5	5	.....	.....
Spain	964	339	182	98	52	46	.....	84	.....	84	.....	832	136	105	41	2	39	.....	64	20	44	.....
Sweden	665	183	300	59	23	36	.....	241	135	106	.....	171	49	253	244	204	40	.....	9	9	.....	.....
Switzerland	1,124	219	228	64	18	46	.....	164	.....	164	.....	655	590	138	111	.....	111	.....	27	.....	27	.....
United Kingdom	7,097	2,169	1,726	688	182	494	12	1,038	312	726	.....	4,703	3,212	2,205	786	474	312	.....	1,419	.....	1,308	.....
Other	3,279	496	2,414	590	426	128	26	1,834	1,445	389	.....	3,520	1,695	2,919	2,380	2,318	62	.....	539	108	431	.....
Latin America and Other Western Hemisphere	18,123	4,713	3,657	2,041	725	1,013	307	1,616	347	1,269	.....	15,375	2,781	2,464	761	591	167	3	1,703	566	1,137	.....
South and Central America	15,453	4,162	3,103	1,817	591	960	269	1,286	233	1,053	.....	11,038	2,209	1,747	479	317	159	3	1,268	450	818	.....
Argentina	1,536	634	202	113	49	64	.....	89	2	87	.....	443	143	28	10	3	7	.....	18	18	.....	.....
Brazil	3,021	841	623	330	111	219	.....	293	10	283	.....	615	462	121	58	11	47	.....	63	43	20	.....
Chile	549	193	196	62	35	27	.....	134	50	84	.....	232	92	117	105	56	49	.....	12	12	.....	.....
Mexico	3,438	859	567	239	96	95	48	328	75	253	.....	6,480	777	800	118	104	11	3	682	123	559	.....
Venezuela	1,440	291	201	165	64	93	8	36	20	16	.....	281	104	182	51	51	.....	131	126	5	.....
Other	5,469	1,344	1,314	908	236	462	213	406	76	330	.....	2,987	631	499	137	92	45	.....	362	128	234	.....
Other Western Hemisphere	2,670	551	554	224	134	53	38	330	114	216	.....	4,337	572	717	282	274	8	.....	435	116	319	.....
Bermuda	16	7	4	.....	.....	.....	.....	.....	.....	.....	.....	411	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Other	2,654	544	550	220	134	49	38	330	114	216	.....	3,926	572	717	282	274	8	.....	435	116	319	.....
Africa	1,054	65	389	190	152	29	9	199	44	155	.....	1,269	435	147	53	41	12	.....	94	75	19	.....
South Africa	370	.....	132	16	4	3	9	116	6	110	.....	272	239	29	22	14	8	.....	7	2	5	.....
Other	684	65	257	174	148	26	.....	83	38	45	.....	997	196	118	31	27	4	.....	87	73	14	.....
Middle East	2,316	509	1,023	507	430	77	.....	516	157	359	.....	1,164	399	599	347	228	119	.....	252	82	170	.....
Israel	822	290	287	162	162	.....	.....	125	.....	125	.....	493	253	283	80	.....	80	.....	203	57	146	.....
Saudi Arabia	558	11	125	87	57	30	.....	38	.....	38	.....	270	75	51	23	.....	23	.....	28	12	16	.....
Other	936	208	611	258	211	47	.....	353	157	196	.....	401	71	265	244	228	16	.....	21	13	8	.....
Asia and Pacific	21,674	7,398	10,750	4,129	1,745	1,977	407	6,621	3,607	3,014	.....	11,473	4,972	11,053	6,645	4,789	1,856	.....	4,408	639	3,769	.....
Australia	1,839	621	307	168	4	119	45	139	23	116	.....	997	546	230	63	36	27	.....	167	1	166	.....
China	1,101	142	565	209	120	89	.....	356	173	183	.....	918	149	636	516	253	263	.....	120	5	115	.....
Hong Kong	741	471	509	432	157	275	.....	77	75	2	.....	948	421	587	165	162	3	.....	422	51	371	.....
India	634	50	167	140	128	12	.....	27	5	22	.....	602	135	65	22	14	8	.....	43	43	.....	.....
Indonesia	392	24	91	50	35	15	.....	41	3	38	.....	296	66	22	14	8	.....	8	8	.....	.....
Japan	11,068	5,442	3,230	1,290	470	725	95	1,940	1,113	827	.....	3,036	757	4,182	2,045	1,467	578	.....	2,137	165	1,972	.....
Korea	2,056	132	2,040	340	231	109	.....	1,700	809	891	.....	1,207	1,083	1,762	1,502	945	557	.....	260	114	146	.....
Malaysia	268	.....	162	126	25	101	.....	36	3	33	.....	228	75	24	20	7	13	.....	4	4	.....	.....
New Zealand	616	108	178	25	.....	11	14	153	.....	153	.....	254	217	80	23	.....	23	.....	57	1	56	.....
Philippines	585	84	253	136	61	75	.....	117	23	94	.....	736	268	128	59	36	23	.....	69	8	61	.....
Singapore	383	77	684	272	57	215	.....	412	264	148	.....	559	249	811	654	519	135	.....	157	10	147	.....
Taiwan	1,287	114	1,491	268	101	167	.....	1,223	1,076	147	.....	780	678	1,528	1,368	1,203	165	.....	160	50	110	.....
Thailand	349	15	142	96	36	60	.....	46	4	42	.....	392	111	52	25	8	17	.....	27	5	22	.....
Other	355	118	931	577	320	4	253	354	36	318	.....	520	217	946	169	131	38	.....	777	174	603	.....
International organizations and unallocated .....	.....	.....	549	14	14	.....	.....	535	535	.....	.....	.....	1,093	1,093	1,093	.....	.....	.....	.....	.....	.....	.....
Addenda:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
European Union ¹	20,257	6,393	6,487	2,571	1,132	1,350	89	3,916	1,873	2,043	.....	15,118	7,956	8,144	4,238	3,063	1,175	.....	3,906	574	3,332	.....
Eastern Europe ²	1,249	144	434	291	249	32	10	143	73	70	.....	946	317	279	178	167	11	.....	101	58	43	.....

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 3.4.—Travel, Passenger Fares, and Other Transportation, 1998

[Millions of dollars]

	Receipts												Payments											
	Travel	Pas- senger fares	Other transportation										Travel	Pas- senger fares	Other transportation									
			Total	Freight			Port services				Total	Freight				Port services								
				Total	Ocean	Air	Other	Total	Ocean	Air		Other			Total	Ocean	Air	Other						
All countries	71,250	19,996	25,518	11,178	3,817	4,760	2,601	14,340	7,074	7,108	158	56,105	19,797	30,457	19,412	13,654	3,624	2,134	11,048	2,025	8,937	86		
Canada	6,206	1,477	2,329	1,857	89	74	1,694	472	37	277	158	5,719	585	2,911	2,284	96	56	2,132	627	160	381	86		
Europe	24,076	6,943	7,910	3,051	1,361	1,578	112	4,859	2,667	2,192	.....	20,113	10,378	11,366	6,927	5,433	1,494	.....	4,439	693	3,746	.....	
Belgium-Luxembourg	487	262	389	307	222	79	6	82	46	36	.....	388	329	523	157	81	76	.....	366	128	238	.....	
France	2,336	973	614	291	52	231	8	323	27	296	.....	2,890	710	761	257	92	165	.....	504	46	458	.....	
Germany	4,149	1,320	1,064	396	135	245	16	668	579	89	.....	2,003	1,436	1,881	1,186	892	294	.....	695	110	585	.....	
Italy	1,907	651	304	127	47	75	5	177	65	112	.....	2,370	389	547	445	377	68	.....	102	13	89	.....	
Netherlands	922	217	782	425	269	119	37	357	73	284	.....	760	876	607	336	171	165	.....	471	140	331	.....	
Norway	428	1	228	28	16	12	.....	200	200	.....	241	38	349	346	346	.....	.....	.....	3	3	.....	.....
Spain	961	387	231	139	76	63	.....	92	2	90	.....	1,068	164	116	35	7	28	.....	81	27	54	.....	
Sweden	675	263	220	69	22	47	.....	151	62	89	.....	704	48	171	161	124	37	.....	10	10	.....	.....
Switzerland	1,146	180	278	61	.....	61	.....	217	52	165	.....	704	713	224	205	97	108	.....	.....	19	.....	.....
United Kingdom	7,582	2,216	1,654	750	203	534	13	904	215	689	.....	5,132	3,767	2,404	764	409	355	.....	1,640	119	1,521	.....	
Other	3,483	473	2,146	458	319	112	27	1,688	1,346	342	.....	4,345	1,908	3,583	3,035	2,837	198	.....	548	97	451	.....	
Latin America and Other Western Hemisphere	19,498	5,573	3,429	1,942	481	1,125	336	1,487	234	1,253	.....	15,932	2,910	2,356	644	475	167	2	1,712	342	1,370	.....	
South and Central America	16,810	4,874	2,974	1,759	410	1,055	294	1,215	170	1,045	.....	11,710	2,231	1,826	468	307	159	2	1,358	301	1,057	.....	
Argentina	1,519	627	191	106	28	78	.....	85	.....	85	.....	579	121	13	7	.....	.....	.....	6	6	.....	.....
Brazil	2,753	1,070	542	287	45	242	.....	255	10	245	.....	738	418	86	40	18	22	.....	46	22	24	.....	
Chile	552	181	153	54	17	37	.....	99	27	72	.....	545	87	89	75	42	33	.....	14	5	9	.....	
Mexico	3,818	934	536	205	48	104	53	331	86	245	6,396	795	954	107	101	6	847	71	776	
Venezuela	1,592	323	191	155	33	113	9	36	20	16	.....	342	122	82	33	33	.....	.....	49	45	4	.....	
Other	6,576	1,739	1,361	952	239	481	232	409	27	382	.....	3,110	688	602	206	113	91	2	396	152	244	.....	
Other Western Hemisphere	2,688	699	455	183	71	70	42	272	64	208	.....	4,222	679	530	176	168	8	.....	354	41	313	.....	
Bermuda	18	7	8	.....	8	.....	.....	.....	.....	.....	.....	400	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Other	2,670	692	447	175	71	62	42	272	64	208	.....	3,822	679	530	176	168	8	.....	354	41	313	.....	
Africa	1,183	31	491	209	155	34	20	282	39	243	.....	1,141	501	165	82	66	16	.....	83	71	12	.....	
South Africa	386	.....	134	20	5	5	10	114	7	107	.....	325	276	37	29	21	8	.....	8	2	6	.....	
Other	797	31	357	189	150	29	10	168	32	136	.....	816	225	128	53	45	8	.....	75	69	6	.....	
Middle East	2,403	626	1,016	527	449	78	.....	489	131	358	.....	1,424	434	503	335	238	97	.....	168	96	72	.....	
Israel	809	412	297	172	142	30	.....	125	.....	125	.....	420	329	187	77	.....	77	.....	110	52	58	.....	
Saudi Arabia	542	19	124	86	68	18	.....	38	.....	38	.....	476	76	27	20	.....	20	.....	7	1	6	.....	
Other	1,052	195	595	269	239	30	.....	326	131	195	.....	528	29	289	238	238	.....	.....	51	43	8	.....	
Asia and Pacific	17,884	5,346	9,785	3,576	1,266	1,871	439	6,209	3,424	2,785	.....	11,776	4,989	11,775	7,756	5,962	1,794	.....	4,019	663	3,356	.....	
Australia	1,562	548	320	171	8	113	50	149	20	129	.....	1,231	599	214	64	37	27	.....	150	5	145	.....	
China	1,140	151	510	200	115	85	.....	310	115	195	.....	922	131	707	482	262	220	.....	225	62	163	.....	
Hong Kong	746	383	463	447	154	293	.....	16	16	.....	.....	1,115	467	604	217	215	2	.....	387	40	347	.....	
India	779	57	132	107	92	15	.....	25	3	22	.....	769	136	56	23	13	10	.....	33	28	5	.....	
Indonesia	179	109	63	60	53	7	.....	3	.....	3	.....	154	10	35	9	5	4	.....	26	26	.....	.....
Japan	9,424	3,616	2,944	1,063	319	639	105	1,881	1,082	799	.....	2,761	824	4,229	2,425	1,927	498	.....	1,804	145	1,659	.....	
Korea	991	44	1,551	206	146	60	.....	1,345	564	781	.....	1,135	1,049	1,403	1,295	840	455	.....	108	65	43	.....	
Malaysia	172	.....	142	106	24	82	.....	36	7	29	.....	161	68	45	35	14	21	.....	10	10	.....	.....
New Zealand	468	79	170	23	.....	7	16	147	.....	147	.....	389	319	75	22	.....	22	.....	53	2	51	.....	
Philippines	469	92	179	103	36	67	.....	76	26	50	.....	696	163	109	55	37	18	.....	54	10	44	.....	
Singapore	299	65	456	221	54	167	.....	235	91	144	.....	544	193	572	442	323	119	.....	130	10	120	.....	
Taiwan	1,035	80	985	259	104	155	.....	726	582	144	.....	775	636	1,070	938	778	160	.....	132	42	90	.....	
Thailand	209	21	123	73	19	54	.....	50	2	48	.....	397	129	58	28	7	21	.....	30	8	22	.....	
Other	391	101	1,747	537	142	127	268	1,210	916	294	.....	727	265	2,598	1,721	1,504	217	.....	877	210	667	.....	
International organizations and unallocated .....	.....	.....	558	16	16	.....	.....	542	542	.....	.....	.....	.....	1,384	1,384	1,384	.....	.....	.....	.....	.....	.....
Addenda:	
European Union ¹	20,927	6,566	6,494	2,737	1,167	1,471	99	3,757	1,844	1,913	.....	16,893	8,988	9,009	4,877	3,614	1,263	.....	4,132	623	3,509	.....	
Eastern Europe ²	1,257	159	279	167	124	32	11	112	35	77	.....	1,296	409	220	124	110	14	.....	96	52	44	.....	

1. See table 2, footnote 2.
2. See table 2, footnote 3.

Table 4.1.—Royalties and License Fees, 1995

[Millions of dollars]

	Receipts										Payments											
	Total	Affiliated			Unaffiliated							Total	Affiliated			Unaffiliated						
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Industrial processes	Books, records, and tapes	Broadcasting and recording of live events	Franchise fees	Trade-marks	Other		Total	Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Industrial processes	Books, records, and tapes	Broadcasting and recording of live events	Franchise fees	Trade-marks	Other
All countries	30,289	22,859	21,399	1,460	7,430	3,513	275	218	400	930	2,094	6,919	5,256	583	4,673	1,663	948	131	37	1	151	394
Canada	1,387	1,162	1,124	38	225	55	15	13	33	34	74	151	111	31	79	40	13	16	2	(*)	3	7
Europe	15,572	13,270	12,363	907	2,302	829	158	105	162	349	698	4,561	3,529	400	3,130	1,032	572	97	34	(*)	107	221
Belgium-Luxembourg	770	656	646	10	114	83	4	3	2	7	16	121	73	9	64	48	30	(*)	(*)	0	1	16
France	2,126	1,867	1,648	219	259	84	22	22	10	36	87	374	170	28	142	204	121	4	4	(*)	(*)	(*)
Germany	2,945	2,373	2,286	86	572	171	37	25	78	38	223	714	527	54	473	187	110	3	(*)	(*)	(*)	61
Italy	1,182	976	884	92	206	66	17	8	2	50	63	98	61	20	42	37	9	6	1	(*)	(*)	20
Netherlands	1,926	1,826	1,585	242	100	36	7	4	3	11	39	459	411	12	399	48	27	2	(*)	(*)	(*)	18
Norway	96	(D)	79	(D)	(D)	5	1	1	2	(D)	7	(D)	(D)	(D)	(D)	(D)	(D)	0	0	(*)	(*)	(*)
Spain	687	580	572	9	106	31	10	8	3	36	18	26	23	8	15	3	1	1	(*)	(*)	(*)	(*)
Sweden	367	216	215	1	151	106	4	4	2	7	25	53	47	2	45	6	3	1	1	(*)	(*)	(*)
Switzerland	597	517	506	11	80	41	5	3	2	11	18	642	551	38	512	91	79	1	(*)	(*)	(*)	3
United Kingdom	2,663	2,246	2,023	223	417	115	40	22	33	57	149	1,846	1,506	119	1,387	340	126	76	28	(*)	(*)	31
Other	2,211	(D)	1,919	(D)	(D)	90	12	6	22	(D)	54	220	(D)	(D)	(D)	(D)	(D)	2	(*)	(*)	(*)	(*)
Latin America and Other Western Hemisphere	1,449	1,067	1,036	31	382	88	19	46	39	78	112	91	67	14	53	25	14	5	(*)	1	1	4
South and Central America	1,315	(D)	950	(D)	(D)	(D)	18	43	28	(D)	107	67	(D)	13	(D)	(D)	(D)	3	(*)	1	1	4
Argentina	161	103	97	6	58	9	4	(D)	3	(D)	10	4	3	0	0	0	0	0	(*)	0	0	0
Brazil	355	269	269	0	85	9	6	10	3	19	38	1	1	1	1	1	1	0	(*)	(*)	(*)	(*)
Chile	38	15	15	0	23	8	1	4	3	6	2	3	3	0	2	2	0	0	(*)	(*)	(*)	2
Mexico	434	(D)	349	(D)	(D)	24	3	8	8	(D)	18	52	(D)	(D)	(D)	(D)	(D)	1	(*)	(*)	(*)	(*)
Venezuela	112	82	82	0	30	9	2	1	1	6	11	2	1	0	0	0	0	0	(*)	(*)	(*)	(*)
Other	216	(D)	137	(D)	(D)	3	(D)	12	(D)	27	27	6	2	2	4	4	2	2	(*)	(*)	(*)	(*)
Other Western Hemisphere	135	(D)	86	(D)	(D)	1	(D)	3	11	(D)	5	24	(D)	(D)	(D)	(D)	(D)	2	(*)	(*)	(*)	(*)
Bermuda	89	76	76	0	13	(D)	(D)	(D)	(D)	(D)	1	3	3	0	0	0	0	0	(*)	(*)	(*)	(*)
Other	46	(D)	10	(D)	(D)	2	1	2	11	(D)	4	21	(D)	(D)	(D)	(D)	(D)	2	(*)	(*)	(*)	(*)
Africa	205	114	113	1	91	35	8	1	6	20	21	2	1	1	0	1	1	1	0	0	0	0
South Africa	151	85	84	1	66	28	8	1	2	13	14	1	(*)	(*)	0	1	(*)	1	(*)	0	0	0
Other	54	29	29	0	25	7	(*)	(*)	4	7	6	1	(*)	(*)	0	0	0	0	(*)	0	0	0
Middle East	254	25	24	1	229	35	7	(*)	24	8	154	18	4	(*)	4	14	13	(*)	(*)	0	(*)	1
Israel	(D)	12	12	(*)	(D)	7	3	(*)	6	3	(D)	17	4	(*)	4	13	13	(*)	(*)	0	0	0
Saudi Arabia	(D)	9	9	(D)	(D)	26	4	(*)	8	2	(D)	1	(*)	(*)	1	1	0	0	(*)	0	0	0
Other	21	4	4	0	17	2	1	0	10	3	2	(*)	0	0	0	0	0	0	(*)	0	0	0
Asia and Pacific	9,846	6,077	5,668	410	3,768	2,462	56	48	125	421	656	1,666	1,248	103	1,145	417	333	7	(*)	(*)	(*)	9
Australia	658	514	505	8	144	34	8	8	10	24	61	22	13	8	5	3	3	2	(*)	(*)	(*)	2
China	113	54	52	2	59	31	1	1	4	8	14	1	(*)	(*)	0	1	(*)	0	(*)	0	0	1
Hong Kong	342	269	266	4	72	22	3	3	10	22	13	(D)	8	(D)	(D)	(D)	(D)	0	(*)	(*)	(*)	3
India	56	18	18	0	38	27	(*)	0	(*)	4	6	2	1	(*)	(*)	(*)	(*)	0	(*)	0	0	1
Indonesia	72	28	28	(*)	44	15	4	2	8	10	5	1	1	1	1	1	0	0	(*)	0	0	0
Japan	5,889	3,600	3,239	361	2,289	1,548	28	25	40	290	357	1,561	1,188	66	1,122	373	307	1	(*)	(*)	(*)	60
Korea, Republic of	909	192	188	4	717	607	5	1	10	23	70	(D)	9	1	(D)	(D)	(D)	0	(*)	(*)	(*)	1
Malaysia	109	70	69	(*)	(D)	1	1	1	8	(D)	4	(*)	0	0	0	0	0	0	(*)	0	0	0
New Zealand	64	46	46	0	17	3	1	3	5	5	5	2	2	(*)	(*)	(*)	(*)	0	(*)	0	0	0
Philippines	93	68	64	4	25	2	3	1	5	12	3	2	2	(*)	(*)	(*)	(*)	0	(*)	0	0	0
Singapore	1,074	(D)	(D)	19	(D)	34	(*)	1	4	3	(D)	5	3	2	2	1	1	1	(*)	(*)	(*)	1
Taiwan	316	(D)	(D)	7	(D)	80	1	3	11	9	(D)	24	23	8	15	1	1	0	(*)	(*)	(*)	1
Thailand	136	82	82	0	55	4	1	2	7	(D)	6	7	1	1	0	5	5	0	(*)	(*)	(*)	0
Other	16	4	4	0	12	4	(*)	(*)	3	3	1	(*)	0	0	0	(*)	(*)	0	(*)	(*)	(*)	0
International organizations and unallocated	1,576	1,143	1,070	73	433	8	12	4	10	20	379	431	297	34	263	134	3	4	(*)	0	32	94
Addenda:																						
European Union ¹	14,690	12,579	11,686	893	2,111	756	148	101	148	303	653	3,875	2,970	356	2,614	906	461	94	34	(*)	(*)	218
Eastern Europe ²	138	75	72	3	63	21	3	1	6	14	19	8	5	3	1	3	1	2	0	(*)	(*)	1

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 4.2.—Royalties and License Fees, 1996

[Millions of dollars]

	Receipts										Payments											
	Total	Affiliated			Unaffiliated							Total	Affiliated			Unaffiliated						
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Industrial processes	Books, records, and tapes	Broadcasting and recording of live events	Franchise fees	Trade-marks	Other		Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Industrial processes	Books, records, and tapes	Broadcasting and recording of live events	Franchise fees	Trade-marks	Other
All countries	32,470	24,556	22,719	1,837	7,914	3,566	323	315	419	964	2,326	7,837	5,406	761	4,645	2,431	1,319	146	523	6	145	293
Canada	1,526	1,279	1,229	50	247	82	15	12	36	35	67	225	128	22	106	97	66	20	3	0	2	7
Europe	16,863	14,120	12,866	1,254	2,743	1,042	193	122	170	333	882	4,835	3,705	541	3,164	1,129	782	94	(P)	6	(P)	126
Belgium-Luxembourg	816	683	623	59	134	90	3	4	2	11	23	118	(P)	(P)	70	(P)	(P)	(P)	(P)	0	1	(P)
France	2,419	2,115	1,720	395	304	123	26	20	10	37	87	470	203	30	173	267	192	6	4	0	3	(P)
Germany	2,841	2,174	2,099	74	668	219	41	28	81	32	267	719	543	60	483	176	148	4	(P)	0	10	14
Italy	1,170	949	906	43	221	66	21	10	3	45	78	126	73	18	55	52	49	2	1	0	1	(P)
Netherlands	2,169	(P)	1,859	(P)	(P)	80	9	6	3	13	(P)	393	366	16	350	27	24	2	(P)	0	0	(P)
Norway	108	84	83	(P)	24	3	2	1	2	6	11	12	4	1	3	7	5	1	(P)	0	0	(P)
Spain	709	591	589	1	118	28	13	9	4	40	25	16	13	11	1	4	1	(P)	0	0	0	(P)
Sweden	546	(P)	244	(P)	(P)	137	5	5	4	7	(P)	104	54	3	51	50	49	1	(P)	0	0	(P)
Switzerland	632	510	471	39	122	84	5	3	2	8	21	687	589	68	520	98	72	3	(P)	0	0	(P)
United Kingdom	3,017	2,532	2,204	328	485	129	52	(P)	34	49	(P)	1,915	1,589	165	1,423	326	135	71	33	0	42	44
Other	2,435	(P)	2,067	(P)	(P)	84	16	(P)	23	85	(P)	275	(P)	(P)	34	(P)	(P)	(P)	(P)	6	1	(P)
Latin America and Other Western Hemisphere	1,599	1,205	1,183	22	394	82	24	68	38	101	81	201	123	26	97	78	51	6	1	0	0	0
South and Central America	1,454	1,100	1,080	19	354	(P)	23	60	26	98	(P)	164	(P)	(P)	82	(P)	(P)	4	1	0	0	(P)
Argentina	202	148	145	3	54	4	17	3	20	6	38	(P)	(P)	4	(P)	(P)	1	0	0	0	0	(P)
Chile	426	311	311	0	115	14	11	19	2	30	38	(P)	(P)	0	(P)	(P)	0	0	0	0	0	(P)
Mexico	46	22	20	2	25	6	1	5	2	9	2	(P)	(P)	0	0	0	0	0	0	0	0	(P)
Venezuela	474	(P)	384	(P)	(P)	26	4	11	7	17	(P)	65	(P)	11	(P)	(P)	5	3	1	0	0	(P)
Other	110	(P)	82	(P)	(P)	7	1	2	1	7	(P)	35	(P)	2	(P)	(P)	1	1	(P)	0	0	(P)
Other Western Hemisphere	196	138	138	1	58	2	7	11	15	(P)	24	(P)	(P)	(P)	(P)	(P)	(P)	1	0	0	0	(P)
Bermuda	145	105	102	3	40	(P)	1	8	12	3	(P)	37	(P)	5	(P)	(P)	1	0	0	0	0	(P)
Other	83	(P)	(P)	0	(P)	0	0	(P)	(P)	(P)	2	(P)	(P)	1	(P)	(P)	0	0	0	0	0	(P)
Africa	237	144	142	1	93	28	5	1	9	21	28	6	1	1	0	5	4	1	0	0	0	0
South Africa	164	102	102	0	62	23	4	1	3	11	18	6	1	1	0	5	4	1	0	0	0	(P)
Other	73	41	40	1	31	5	1	(P)	6	10	10	(P)	(P)	(P)	0	0	0	0	0	0	0	(P)
Middle East	117	32	28	4	85	25	7	(P)	24	13	16	14	2	(P)	2	12	12	0	0	0	0	0
Israel	57	19	19	0	38	8	4	(P)	8	7	11	12	2	0	2	10	10	0	0	0	0	(P)
Saudi Arabia	32	6	6	(P)	26	11	3	0	7	3	2	(P)	(P)	0	0	0	0	0	0	0	0	(P)
Other	28	7	4	4	21	5	(P)	(P)	9	3	3	2	0	0	2	2	0	0	0	0	0	(P)
Asia and Pacific	10,407	6,546	6,132	414	3,861	2,299	64	(P)	131	454	(P)	1,641	1,153	129	1,024	488	401	20	1	0	15	52
Australia	696	542	540	2	154	36	13	9	14	22	61	35	18	11	6	17	9	4	0	0	0	(P)
China	153	90	87	3	63	43	1	1	5	7	6	(P)	(P)	0	(P)	(P)	(P)	0	0	0	0	(P)
Hong Kong	338	260	256	3	78	19	2	4	10	31	13	14	6	6	0	8	2	1	0	0	4	(P)
India	66	19	19	0	47	37	1	(P)	1	3	5	7	0	0	0	7	(P)	0	0	0	0	(P)
Indonesia	80	32	31	1	48	13	4	3	5	15	8	2	1	1	0	1	0	0	0	0	0	(P)
Japan	5,940	3,584	3,220	364	2,356	1,429	30	30	41	309	517	1,434	1,089	87	982	366	308	(P)	(P)	0	9	(P)
Korea, Republic of	823	231	(P)	593	478	4	1	9	21	80	47	10	10	0	(P)	(P)	(P)	0	0	0	0	(P)
Malaysia	127	72	71	1	55	(P)	(P)	(P)	8	3	(P)	3	0	0	0	3	3	0	0	0	0	(P)
New Zealand	80	57	57	0	23	5	1	2	3	5	8	(P)	(P)	0	0	0	0	0	0	0	0	(P)
Philippines	92	66	65	2	26	2	2	1	4	13	4	(P)	(P)	0	0	3	1	0	0	0	0	(P)
Singapore	1,457	1,374	(P)	(P)	83	37	3	1	8	4	30	(P)	(P)	1	(P)	2	1	1	0	0	0	(P)
Taiwan	402	135	131	4	267	130	2	4	10	9	111	16	14	11	2	3	2	0	0	0	0	(P)
Thailand	134	83	83	0	51	27	1	1	10	8	4	2	2	2	0	0	0	0	0	0	0	(P)
Other	21	2	2	0	19	(P)	(P)	(P)	3	5	(P)	(P)	(P)	0	0	0	0	0	0	0	0	(P)
International organizations and unallocated	1720	1230	1138	92	490	8	15	(P)	11	6	(P)	916	294	42	252	622	3	5	(P)	0	(P)	(P)
Addenda:																						
European Union ¹	15,924	13,416	12,202	1,214	2,508	937	182	116	153	302	818	4,071	3,106	467	2,639	965	649	89	38	6	58	124
Eastern Europe ²	145	83	83	0	62	11	4	3	8	8	28	12	6	5	1	6	4	2	0	0	0	(P)

¹ Less than \$500,000.

² Suppressed to avoid disclosure of data of individual companies.

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 4.3.—Royalties and License Fees, 1997

[Millions of dollars]

	Receipts											Payments										
	Total	Affiliated			Unaffiliated							Total	Affiliated			Unaffiliated						
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Industrial processes	Books, records, and tapes	Broadcasting and recording of live events	Franchise fees	Trade-marks	Other ¹		Total	Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Industrial processes	Books, records, and tapes	Broadcasting and recording of live events	Franchise fees	Trade-marks	Other^{2}
All countries	33,781	25,024	23,221	1,803	8,757	3,552	316	202	475	1,105	3,108	9,390	6,967	989	5,978	2,423	1,418	151	60	4	185	606
Canada	1,594	1,286	1,242	44	308	92	17	23	29	48	99	322	188	30	158	134	89	17	9	0	4	14
Europe	16,424	13,381	12,615	766	3,043	985	197	129	192	372	1,168	5,756	4,419	688	3,731	1,337	730	107	40	4	94	362
Belgium-Luxembourg	682	586	570	16	96	57	4	2	8	21	136	100	23	77	36	30	1	(*)	0	2	3	3
France	2,257	1,921	1,849	72	335	90	33	19	16	41	133	633	282	28	253	351	(*)	6	5	0	5	(*)
Germany	2,762	2,067	2,006	62	895	184	39	27	76	25	344	887	673	67	606	214	149	4	(*)	0	(*)	(*)
Italy	1,061	809	771	38	252	77	20	11	3	44	97	126	78	26	52	48	35	2	1	0	4	6
Netherlands	2,434	2,282	2,108	174	152	71	9	7	5	7	53	415	363	17	346	52	30	2	(*)	0	(*)	(*)
Norway	98	72	71	1	27	4	1	1	1	2	16	2	1	1	14	9	1	(*)	0	0	(*)	(*)
Spain	598	453	453	(*)	145	29	18	9	4	40	20	12	10	2	8	1	1	1	1	0	1	3
Sweden	404	(*)	215	(*)	(*)	116	5	4	4	8	(*)	149	(*)	6	(*)	(*)	61	1	(*)	0	6	(*)
Switzerland	689	561	467	95	128	84	5	3	2	28	793	689	73	615	104	86	2	8	0	3	5	(*)
United Kingdom	3,083	2,497	2,211	286	586	147	48	32	42	77	240	2,121	1,803	260	1,544	318	118	84	21	0	51	43
Other	2,354	(*)	1,894	(*)	(*)	126	16	12	31	110	(*)	461	(*)	176	(*)	(*)	3	2	4	(*)	(*)	17
Latin America and Other Western Hemisphere	2,126	1,718	1,656	62	408	82	24	18	44	110	130	222	150	52	98	71	50	(*)	2	0	1	(*)
South and Central America	1,764	1,377	1,318	59	387	81	23	16	31	108	128	162	115	28	87	47	28	(*)	1	0	1	(*)
Argentina	204	158	157	1	46	5	5	3	3	16	14	9	7	1	6	2	0	(*)	0	0	1	1
Brazil	504	371	366	5	134	17	11	6	3	38	59	11	1	1	(*)	9	4	(*)	0	0	(*)	5
Chile	48	27	26	1	21	6	1	1	1	0	0	0	0	0	0	0	0	(*)	0	0	0	1
Mexico	647	553	506	46	94	32	5	(*)	19	26	117	101	20	81	16	(*)	1	(*)	0	0	(*)	4
Venezuela	131	97	96	(*)	35	11	1	(*)	1	10	12	2	1	1	0	1	0	(*)	0	0	(*)	(*)
Other	230	172	166	(*)	58	11	1	(*)	14	18	13	24	5	4	1	18	(*)	0	0	0	(*)	(*)
Other Western Hemisphere	362	341	338	3	21	1	1	1	14	2	3	59	35	24	11	24	22	1	1	0	1	1
Bermuda	78	78	78	0	1	(*)	0	(*)	(*)	(*)	(*)	8	8	1	7	0	0	0	0	0	0	0
Other	284	263	260	3	21	(*)	1	1	14	2	2	52	27	23	4	24	22	0	1	0	0	1
Africa	231	121	121	0	110	15	4	2	12	22	55	18	(*)	(*)	0	(*)	5	1	4	0	0	(*)
South Africa	159	97	97	0	62	11	3	2	9	32	11	(*)	(*)	0	(*)	3	0	(*)	1	0	0	(*)
Other	72	24	24	0	48	4	1	(*)	7	12	24	7	4	4	0	3	0	(*)	3	0	0	0
Middle East	168	39	35	5	129	41	9	1	34	10	35	29	(*)	(*)	1	(*)	9	0	0	0	1	(*)
Israel	67	18	18	0	49	(*)	4	1	8	5	(*)	27	(*)	(*)	1	(*)	9	(*)	0	0	1	(*)
Saudi Arabia	52	14	13	(*)	39	17	5	0	9	5	1	(*)	(*)	0	1	0	0	0	0	0	1	(*)
Other	50	8	3	4	42	(*)	1	0	17	2	(*)	0	0	0	0	0	0	0	0	0	0	(*)
Asia and Pacific	11,421	7,230	6,392	837	4,192	2,302	49	28	147	516	1,150	2,465	1,810	145	1,665	655	530	15	5	0	26	79
Australia	703	539	535	4	164	32	9	7	15	25	76	90	(*)	9	(*)	(*)	4	2	0	0	2	(*)
China	250	165	164	1	85	53	1	1	5	6	20	(*)	1	1	0	(*)	0	0	0	0	1	(*)
Hong Kong	367	(*)	280	(*)	(*)	21	2	6	11	27	(*)	30	(*)	10	(*)	(*)	1	1	0	0	0	(*)
India	76	20	20	0	56	29	(*)	(*)	4	11	11	13	(*)	0	13	(*)	0	1	0	0	0	1
Indonesia	86	36	36	(*)	50	27	2	(*)	10	5	3	1	1	0	1	0	0	0	0	0	0	1
Japan	6,695	4,083	3,360	723	2,611	1,508	26	10	28	374	665	2,110	1,670	86	1,584	440	360	1	1	1	23	55
Korea, Republic of	877	(*)	241	(*)	(*)	389	2	1	16	22	(*)	39	22	17	5	17	(*)	0	0	0	0	(*)
Malaysia	119	81	77	3	38	12	1	(*)	4	12	10	4	0	0	0	0	0	0	0	0	0	(*)
New Zealand	94	70	70	0	24	4	0	(*)	4	4	12	10	0	0	0	10	3	8	0	0	0	3
Philippines	102	70	68	1	33	7	3	(*)	6	14	2	2	(*)	(*)	0	2	0	0	0	0	0	(*)
Singapore	1,379	1,301	1,282	19	78	39	1	(*)	5	5	27	7	(*)	1	(*)	2	2	2	(*)	0	0	0
Taiwan	497	160	159	1	337	144	2	(*)	15	11	164	22	(*)	2	(*)	4	4	0	0	0	0	(*)
Thailand	160	96	96	0	64	36	1	(*)	11	4	12	9	(*)	0	(*)	0	0	0	0	0	0	(*)
Other	15	3	3	0	12	1	(*)	(*)	3	5	2	(*)	(*)	0	(*)	0	0	0	1	0	0	0
International organizations and unallocated	1816	1249	1159	90	567	36	14	2	17	27	470	579	378	53	325	201	4	(*)	(*)	(*)	59	(*)
Addenda:																						
European Union ³	15,323	12,579	11,911	668	2,744	883	186	122	170	325	1,057	4,848	3,717	603	3,114	1,131	559	103	30	4	90	345
Eastern Europe ⁴	218	139	136	3	79	7	4	2	8	7	51	18	6	5	1	12	2	2	(*)	0	(*)	8

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. Receipts include \$2.7 billion for the rights to distribute, use, and reproduce computer software. In order to avoid disclosure of data for individual companies, BEA cannot provide data for individual countries.

2. Payments include \$0.5 billion for the rights to distribute, use, and reproduce computer software. In order to avoid disclosure of data for individual companies, BEA cannot provide data for individual countries.

3. See table 2, footnote 2.

4. See table 2, footnote 3.

Table 4.4.—Royalties and License Fees, 1998

[Millions of dollars]

	Receipts										Payments												
	Total	Affiliated			Unaffiliated							Total	Affiliated			Unaffiliated							
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Industrial processes	Books, records, and tapes	Broadcasting and recording of live events	Franchise fees	Trademarks	Other ¹		Total	Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Industrial processes	Books, records, and tapes	Broadcasting and recording of live events	Franchise fees	Trademarks	Other ²
All countries	36,808	26,761	24,712	2,049	10,047	4,138	298	179	480	1,210	3,742	11,292	8,374	1,169	7,205	2,918	1,546	185	403	4	166	614	
Canada	1,645	1,291	1,250	41	354	91	22	23	29	64	126	424	295	25	270	129	90	16	9	(*)	6	8	
Europe	19,119	15,601	14,340	1,262	3,517	1,210	169	117	207	331	1,483	7,006	5,468	887	4,581	1,538	829	140	(P)	4	95	(P)	
Belgium-Luxembourg	688	549	544	5	119	74	3	3	7	29	165	127	25	102	38	33	1	(*)	0	2	2	(P)	
France	2,245	1,879	1,832	47	366	122	22	17	16	30	158	938	482	18	464	457	(P)	7	1	0	4	(P)	
Germany	3,307	2,460	2,254	206	848	223	35	31	82	27	449	1,368	1,125	56	1,069	243	177	4	1	0	7	54	
Italy	1,087	809	785	24	278	85	17	12	4	41	119	101	57	16	41	44	(P)	1	1	0	4	(P)	
Netherlands	2,966	2,775	2,648	127	191	97	9	7	6	6	67	792	(P)	(P)	367	(P)	48	2	0	0	13	(P)	
Norway	112	81	80	1	31	3	2	1	5	6	20	13	4	1	3	9	8	0	0	0	1	(P)	
Spain	652	504	504	0	147	30	10	8	4	49	17	9	7	2	8	4	2	0	0	0	1	(P)	
Sweden	464	(P)	247	(P)	123	5	4	2	7	4	(P)	147	(P)	1	(P)	61	2	0	0	0	5	(P)	
Switzerland	810	637	523	114	172	112	4	4	2	7	43	835	705	82	622	130	104	2	0	0	4	(P)	
United Kingdom	3,707	3,086	2,430	655	621	166	46	21	38	56	295	2,063	1,707	134	1,573	357	133	115	24	0	55	29	
Other	3,099	(P)	2,491	(P)	(P)	174	16	9	40	106	(P)	567	(P)	(P)	(P)	100	(P)	3	4	0	0	(P)	
Latin America and Other Western Hemisphere	2,532	1,952	1,780	172	580	112	27	14	52	189	186	246	127	54	73	119	97	5	(P)	(P)	1	(P)	
South and Central America	2,116	1,595	1,425	170	521	102	26	13	36	184	(P)	166	99	33	65	67	58	5	1	0	1	2	
Argentina	263	(P)	177	(P)	10	5	2	3	3	30	(P)	10	9	2	7	1	(*)	0	0	0	0	0	
Brazil	596	(P)	401	(P)	16	12	3	2	2	61	(P)	7	(*)	(*)	0	7	5	0	0	0	0	0	
Chile	81	34	29	5	27	5	1	1	1	12	5	(*)	(*)	(*)	0	0	0	0	0	0	0	0	
Mexico	783	629	544	86	133	36	5	(*)	7	38	40	(P)	72	24	48	(P)	3	1	0	0	1	1	
Venezuela	149	101	99	2	48	14	1	1	1	15	15	5	5	3	2	2	0	0	0	0	0	0	
Other	285	210	175	35	76	(P)	2	1	17	28	(P)	12	5	8	2	0	0	0	0	0	1	1	
Other Western Hemisphere	417	358	355	3	59	(P)	1	(*)	17	4	(P)	80	28	21	8	52	38	0	0	0	0	0	
Bermuda	(P)	79	79	(*)	(P)	0	0	0	(*)	1	16	30	0	0	(P)	(P)	(P)	0	0	0	0	0	
Other	(P)	279	276	3	(P)	1	1	(*)	17	4	(P)	51	21	21	(P)	(P)	(P)	0	0	0	0	0	
Africa	343	209	184	25	134	21	4	1	11	25	72	6	3	3	0	3	1	(*)	2	0	0	0	
South Africa	196	(P)	101	(P)	15	3	1	5	5	(P)	43	2	1	1	0	0	0	0	0	0	0	0	
Other	147	(P)	83	(P)	6	1	(*)	7	7	29	29	5	2	2	0	3	1	0	0	0	0	0	
Middle East	174	31	27	4	143	39	9	1	38	11	45	38	29	28	(*)	9	8	(*)	0	0	1	(P)	
Israel	74	17	17	0	57	6	4	1	8	6	33	37	29	28	(*)	8	7	0	0	0	0	0	
Saudi Arabia	43	7	7	(*)	36	10	5	0	10	10	8	(*)	(*)	(*)	0	0	0	0	0	0	0	0	
Other	57	7	3	4	50	23	1	0	19	3	4	(*)	0	0	0	0	0	0	0	0	0	0	
Asia and Pacific	11,015	6,337	5,896	442	4,677	2,628	57	20	127	554	1,291	2,586	1,998	108	1,889	589	520	16	5	(*)	21	26	
Australia	748	550	530	20	197	33	9	5	12	31	107	39	24	1	23	15	5	4	2	0	2	3	
China	326	213	211	1	113	58	(*)	(*)	5	5	45	105	(P)	(*)	(P)	(P)	(P)	0	0	0	0	0	
Hong Kong	362	288	283	4	74	17	2	5	11	22	17	18	10	10	0	8	7	0	0	0	0	0	
India	83	18	18	0	65	39	(*)	(*)	4	3	18	5	0	0	0	5	5	0	1	0	0	0	
Indonesia	72	17	17	(*)	55	30	2	(*)	1	6	1	1	1	1	0	1	0	0	0	0	0	0	
Japan	6,312	3,528	3,201	327	2,784	1,563	34	8	32	424	722	2,313	1,933	77	1,856	379	338	1	1	0	19	21	
Korea, Republic of	962	(P)	164	(P)	590	2	2	10	18	2	(P)	40	(P)	13	(P)	(P)	(P)	0	0	0	0	0	
Malaysia	98	53	51	3	44	21	1	(*)	10	10	10	(*)	0	0	0	0	0	0	0	0	0	0	
New Zealand	75	54	54	(*)	20	4	(*)	(*)	3	3	10	11	0	0	(*)	0	0	0	0	0	0	1	
Philippines	86	52	52	0	34	10	3	(*)	6	11	3	2	2	2	2	2	2	1	1	0	0	0	
Singapore	1,186	1,109	1,094	15	77	49	1	1	4	3	19	9	5	4	1	4	3	0	0	0	0	0	
Taiwan	562	158	155	3	404	169	2	(*)	14	14	205	(P)	3	1	2	2	0	0	0	0	0	0	
Thailand	128	64	60	4	64	40	2	(*)	8	4	11	(P)	(*)	(*)	0	0	0	0	0	0	0	0	
Other	17	(P)	4	(P)	(P)	2	(*)	0	4	4	(P)	(P)	(*)	(*)	0	0	0	0	1	0	0	0	
International organizations and unallocated	1979	1338	1235	103	641	38	10	3	16	36	539	986	456	64	392	530	2	7	(P)	0	43	(P)	
Addenda:																							
European Union ³	17,811	14,666	13,530	1,136	3,145	1,078	159	111	181	290	1,326	6,073	4,755	801	3,955	1,317	640	136	28	4	91	418	
Eastern Europe ⁴	287	190	162	18	107	12	3	2	11	8	72	10	4	3	6	2	2	0	0	0	(*)	3	

* Less than \$500,000.

P Suppressed to avoid disclosure of data of individual companies.

1. Receipts include \$3.2 billion for the rights to distribute, use, and reproduce computer software. In order to avoid disclosure of data for individual companies, BEA cannot provide data for individual countries.

2. Payments include \$.5 billion for the rights to distribute, use, and reproduce computer software. In order to avoid disclosure of data for individual companies, BEA cannot provide data for individual countries.

3. See table 2, footnote 2.

4. See table 2, footnote 3.

Table 5.1.—Other Private Services, 1995

[Millions of dollars]

	Receipts													Addendum Film and tape rentals
	Total	Affiliated				Unaffiliated								
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Education	Financial services	Insurance			Telecom- munications	Business, professional, and technical services	Other services	
								Net	Premiums	Losses				
All countries	63,502	20,483	13,033	7,450	43,019	7,515	7,029	1,296	5,491	4,195	3,228	16,078	7,872	2,602
Canada	6,774	3,508	2,573	935	3,267	403	580	373	1,106	734	299	1,230	382	159
Europe	22,436	10,086	6,711	3,375	12,350	1,245	2,948	270	2,575	2,306	950	5,135	1,803	1,499
Belgium-Luxembourg	960	365	338	27	595	17	143	52	149	97	40	286	58	48
France	2,390	1,173	791	362	1,217	101	246	89	216	127	72	495	214	181
Germany	2,771	1,327	593	734	1,444	148	196	61	264	204	118	613	308	268
Italy	1,072	387	293	94	685	47	121	29	62	34	92	205	191	176
Netherlands	2,336	1,657	1,242	415	679	32	179	19	42	24	40	339	70	31
Norway	328	147	57	90	181	38	20	5	34	29	33	63	22	17
Spain	(D)	(D)	180	(D)	648	86	70	6	23	16	45	173	268	261
Sweden	522	115	44	71	407	61	51	8	33	25	24	191	72	65
Switzerland	1,429	799	578	221	630	29	303	-45	89	133	44	262	37	28
United Kingdom	6,616	3,146	2,093	1,053	3,469	137	1,272	6	1,556	1,550	215	1,499	339	290
Other	(D)	(D)	502	(D)	2,394	550	346	10	108	68	227	1,008	223	135
Latin America and Other Western Hemisphere	10,778	1,367	825	542	9,413	793	1,705	140	801	654	750	2,746	3,272	318
South and Central America	8,546	781	558	223	7,765	606	679	210	470	261	633	2,424	3,213	307
Argentina	606	57	51	6	549	34	111	46	110	65	30	256	73	63
Brazil	965	184	97	87	781	84	122	8	14	6	86	376	105	93
Chile	261	36	34	2	225	15	42	19	44	26	27	102	20	15
Mexico	4,479	302	252	50	4,177	151	160	37	101	65	251	683	2,894	69
Venezuela	(D)	(D)	46	(D)	478	69	60	9	17	8	39	269	33	28
Other	(D)	(D)	78	(D)	1,555	253	184	92	183	92	200	738	89	40
Other Western Hemisphere	2,234	586	267	319	1,648	187	1,027	-63	330	393	117	322	59	11
Bermuda	189	331	79	252	158	10	184	-139	198	337	13	87	3	(*)
Other	1,745	255	188	67	1,490	177	843	76	132	56	104	235	55	11
Africa	1,364	142	86	56	1,222	341	66	6	13	7	111	640	58	32
South Africa	221	19	16	3	202	34	20	3	5	1	28	81	36	29
Other	1,144	124	71	53	1,020	307	46	3	9	6	83	559	22	3
Middle East	2,381	325	92	233	2,056	355	206	21	36	15	171	1,234	69	30
Israel	(D)	(D)	2	(D)	328	44	54	7	19	11	66	121	36	19
Saudi Arabia	(D)	(D)	16	(D)	1,052	67	46	2	4	3	38	884	15	5
Other	767	92	74	18	675	244	106	11	13	1	67	229	18	7
Asia and Pacific	17,723	4,957	2,648	2,309	12,766	4,379	1,406	418	833	415	942	4,830	791	549
Australia	1,260	446	406	46	814	40	121	50	101	51	81	367	155	134
China	1,256	68	30	32	1,188	530	23	23	25	2	73	471	68	6
Hong Kong	1,085	359	314	45	726	174	191	26	47	21	64	248	23	23
India	662	7	7	(*)	655	451	29	4	6	2	59	101	11	1
Indonesia	774	134	128	6	640	160	83	5	9	4	19	346	28	21
Japan	6,278	2,687	718	1,969	3,591	745	482	241	461	220	306	1,588	229	200
Korea, Republic of	(D)	(D)	90	(D)	1,261	452	89	15	26	11	112	530	63	47
Malaysia	(D)	(D)	91	(D)	378	183	36	5	14	8	27	114	13	9
New Zealand	182	41	39	2	141	15	13	14	19	5	14	52	33	29
Philippines	289	38	38	(*)	251	47	30	6	14	8	31	114	24	16
Singapore	991	628	551	77	363	60	105	3	28	25	28	149	18	17
Taiwan	1,121	180	154	26	941	490	76	20	71	51	79	249	27	27
Thailand	568	64	63	1	504	146	36	5	8	3	21	273	22	16
Other	1,334	19	19	0	1,315	886	91	2	3	1	30	228	77	2
International organizations and unallocated	2,042	98	98	0	1,941	0	117	61	127	65	4	262	1,497	14
Addenda:														
European Union ¹	18,913	9,072	6,025	3,047	9,839	674	2,501	320	2,434	2,114	737	4,001	1,606	1,385
Eastern Europe ²	1,160	59	42	17	1,101	213	54	-1	14	15	92	664	79	40

See footnotes at end of table.

Table 5.1.—Other Private Services, 1995—Continued

[Millions of dollars]

	Payments														
	Total	Affiliated				Unaffiliated									Addendum Film and tape rentals
		Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Education	Financial services	Insurance			Telecom- munications	Business, professional, and technical services	Other services		
								Net	Premiums	Losses					
All countries	35,249	13,634	6,861	6,773	21,615	1125	2,472	5,360	15,284	9,925	7,305	4,822	532	232	
Canada	3,871	1,875	452	1,423	1,995	9	190	609	1,266	657	381	629	177	59	
Europe	14,826	7,098	3,611	3,487	7,728	650	1,413	1,855	6,995	5,139	1,561	2,066	183	114	
Belgium-Luxembourg	515	273	186	87	242	8	57	32	57	25	57	84	4	(*)	
France	1,793	934	442	492	859	90	101	308	646	338	120	215	26	11	
Germany	2,291	1,084	616	468	1,207	40	250	329	1,153	824	215	348	25	11	
Italy	671	252	100	152	419	81	39	44	227	184	158	85	13	4	
Netherlands	915	672	209	463	243	8	73	-7	26	33	55	100	15	(P)	
Norway	116	45	4	41	71	0	6	37	4	6	14	13	1	(P)	
Spain	(P)	(P)	31	(P)	281	93	22	4	(*)	101	57	4	1	(*)	
Sweden	323	140	39	101	183	1	33	84	130	46	21	41	3	3	
Switzerland	568	487	135	352	81	3	98	-154	684	839	60	67	7	3	
United Kingdom	5,847	2,685	1,763	922	3,162	226	611	1,177	3,654	2,477	275	802	71	65	
Other	(P)	(P)	86	(P)	979	99	125	1	371	370	487	253	14	(P)	
Latin America and Other Western Hemisphere	7,021	887	456	431	6,132	304	259	2,691	6,292	3,601	2,527	305	46	23	
South and Central America	3,344	358	236	122	2,986	263	173	-12	16	28	2,228	291	43	21	
Argentina	172	29	26	3	143	7	10	-2	(*)	2	99	29	0	0	
Brazil	374	120	76	44	254	9	30	-9	(*)	10	169	53	2	2	
Chile	66	0	(*)	(*)	66	19	5	1	2	1	32	9	0	0	
Mexico	1,512	139	94	45	1,373	119	79	-1	2	2	1,067	102	6	18	
Venezuela	(P)	(P)	15	(P)	104	5	12	2	(*)	1	88	15	2	2	
Other	(P)	(P)	25	(P)	1,048	104	37	-2	11	13	793	84	33	(*)	
Other Western Hemisphere	3,675	529	220	309	3,146	41	87	2,702	6,276	3,574	300	14	2	1	
Bermuda	2,385	256	147	109	2,129	1	13	2,099	3,980	1,881	15	1	0	1	
Other	1,289	273	73	200	1,016	40	74	603	2,296	1,693	284	13	2	(*)	
Africa	422	13	5	8	409	22	10	5	7	3	234	138	(*)	(*)	
South Africa	58	5	3	2	53	1	5	-1	-1	1	33	16	0	0	
Other	363	8	2	6	355	21	5	6	8	2	201	122	0	(*)	
Middle East	746	147	135	12	599	32	12	7	16	9	455	93	(*)	(*)	
Israel	362	124	116	8	238	31	2	-2	1	3	175	32	0	(*)	
Saudi Arabia	(P)	(P)	0	107	0	2	2	(*)	(*)	(*)	88	17	0	0	
Other	(P)	(P)	5	253	1	8	8	8	14	6	192	44	0	0	
Asia and Pacific	7,546	3,319	1,907	1,412	4,227	107	517	162	681	519	1,876	1,484	80	32	
Australia	579	205	176	29	374	36	43	52	124	72	70	153	21	7	
China	313	22	12	10	291	6	3	-2	4	7	246	38	0	(*)	
Hong Kong	521	320	265	55	201	1	78	-91	63	154	132	80	1	1	
India	230	10	8	2	220	2	7	(*)	5	4	176	35	0	0	
Indonesia	98	14	13	1	84	1	13	(*)	1	1	42	28	0	0	
Japan	3,935	2,374	1,219	1,155	1,555	26	248	191	457	266	276	779	36	14	
Korea, Republic of	438	115	34	81	323	2	16	2	9	8	227	71	5	5	
Malaysia	133	57	53	4	76	0	36	-1	(*)	(*)	29	12	0	(*)	
New Zealand	55	11	6	5	44	3	6	1	1	1	16	16	4	4	
Philippines	233	3	3	(*)	230	0	9	(*)	(*)	(*)	179	41	1	1	
Singapore	214	109	84	25	105	0	22	1	3	3	45	37	0	(*)	
Taiwan	312	69	31	38	243	1	6	4	8	8	183	49	0	(*)	
Thailand	156	8	2	6	148	1	18	3	3	(*)	60	66	0	(*)	
Other	334	2	1	1	332	30	13	2	2	(*)	197	78	13	0	
International organizations and unallocated	817	293	293	0	525	0	71	31	28	-4	270	107	47	2	
Addenda:															
European Union ¹	13,525	6,536	3,470	3,066	6,981	579	1,246	1,968	6,261	4,293	1,175	1,846	168	110	
Eastern Europe ²	417	19	1	18	397	34	15	(*)	(*)	(*)	232	116	(*)	(*)	

* Less than \$500,000.

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

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 5.2.—Other Private Services, 1996

[Millions of dollars]

	Receipts													Addendum Film and tape rentals
	Total	Affiliated				Unaffiliated								
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Education	Financial services	Insurance			Telecom- munications	Business, professional, and technical services	Other services	
								Net	Premiums	Losses				
All countries	72,412	22,931	14,118	8,813	49,481	7,887	8,229	2,168	5,929	3,761	3,301	19,466	8,429	4,982
Canada	7,315	3,626	2,387	1,239	3,690	425	593	357	1,011	654	294	1,637	384	341
Europe	26,265	11,752	7,348	4,404	14,513	1,352	3,563	683	2,727	2,044	915	6,005	1,995	3,234
Belgium-Luxembourg	887	(D)	330	(D)	166	17	138	65	73	32	182	81	(D)	81
France	2,759	1,426	814	612	1,332	103	303	31	204	172	84	617	194	426
Germany	3,553	1,735	580	1,155	1,818	162	270	129	312	183	77	737	443	524
Italy	1,201	441	298	143	759	50	166	15	74	60	46	289	193	232
Netherlands	2,600	1,801	1,408	393	800	35	216	-14	42	56	32	447	84	865
Norway	456	209	79	130	247	40	27	44	65	21	40	62	33	27
Spain	(D)	(D)	173	(D)	689	84	102	9	33	24	34	220	239	292
Sweden	753	275	46	229	478	70	89	20	42	22	20	224	55	68
Switzerland	1,639	926	613	313	713	30	338	-4	86	127	36	317	32	29
United Kingdom	7,588	3,317	2,274	1,044	4,269	143	1,488	385	1,602	1,217	287	1,614	353	487
Other	(D)	965	734	230	(D)	619	398	40	129	89	227	1,295	(D)	204
Latin America and Other Western Hemisphere	11,712	1,398	898	500	10,313	837	2,022	416	1,033	617	854	2,916	3,269	325
South and Central America	9,094	894	674	220	8,200	643	916	229	553	324	736	2,477	3,199	311
Argentina	479	(D)	72	(D)	(D)	38	160	43	122	79	30	279	(D)	38
Brazil	1,043	171	132	39	872	97	173	5	22	17	86	407	104	109
Chile	322	(D)	28	(D)	(D)	18	57	26	65	40	35	135	(D)	17
Mexico	4,666	351	292	59	4,315	153	249	43	98	55	350	648	2,872	65
Venezuela	538	55	48	7	484	79	71	19	26	7	40	234	42	35
Other	1,844	208	101	107	1,636	259	206	94	220	126	194	774	110	47
Other Western Hemisphere	2,617	504	224	280	2,113	194	1,106	187	480	294	118	439	69	14
Bermuda	443	260	80	180	483	11	290	108	352	245	15	55	4	4
Other	1,874	244	144	100	1,630	183	816	79	128	49	103	384	66	10
Africa	1,517	117	92	26	1,400	359	101	5	16	11	109	752	74	59
South Africa	304	(D)	17	(D)	(D)	35	26	1	7	6	51	104	(D)	55
Other	1,214	(D)	75	(D)	(D)	324	75	4	9	5	58	649	(D)	4
Middle East	3,097	296	91	205	2,801	363	249	17	45	28	162	1,925	85	38
Israel	406	37	9	28	369	45	62	7	25	18	52	162	41	22
Saudi Arabia	(D)	(D)	19	(D)	926	72	62	1	4	3	30	741	20	7
Other	(D)	(D)	63	(D)	1,506	245	125	10	16	6	80	1,022	24	9
Asia and Pacific	20,174	5,665	3,227	2,438	14,509	4,551	1,688	441	911	470	963	5,929	938	960
Australia	1,277	388	359	28	887	43	157	36	111	75	68	434	150	240
China	1,517	(D)	84	(D)	(D)	556	39	(*)	10	10	183	526	(D)	7
Hong Kong	1,537	578	518	60	959	169	264	25	53	28	67	403	31	32
India	690	18	18	(*)	672	446	31	3	7	4	52	128	13	2
Indonesia	895	90	84	6	805	180	61	4	16	12	23	508	29	21
Japan	6,857	2,887	880	2,007	3,971	785	480	319	520	201	213	1,892	282	433
Korea, Republic of	1,625	242	105	137	1,383	509	121	7	25	18	126	539	81	88
Malaysia	716	105	99	5	611	197	42	2	14	12	14	341	15	10
New Zealand	238	39	38	1	199	15	21	7	15	8	13	102	41	37
Philippines	363	46	39	7	317	44	45	6	15	9	36	157	29	19
Singapore	1,345	884	788	96	461	58	165	12	25	12	36	173	18	17
Taiwan	1,077	154	114	39	923	459	77	14	87	74	80	262	31	33
Thailand	533	82	73	8	451	171	45	5	12	7	21	183	27	19
Other	1,502	(D)	26	(D)	(D)	921	140	0	0	0	30	279	(D)	2
International organizations and unallocated	2,326	76	76	0	2,253	0	13	249	186	-62	4	302	1,685	25
Addenda:														
European Union ¹	21,985	10,452	6,493	3,958	11,533	699	3,056	660	2,548	1,888	691	4,672	1,755	3,088
Eastern Europe ²	1,335	65	59	6	1,271	252	76	9	21	12	101	729	105	60

See footnotes at end of table.

Table 5.2.—Other Private Services, 1996—Continued

[Millions of dollars]

	Payments													Addendum Film and tape rentals
	Total	Affiliated			Unaffiliated									
		Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Education	Financial services	Insurance			Telecommunications	Business, professional, and technical services	Other services	
								Net	Premiums	Losses				
All countries	37,975	15,548	7,084	8,464	22,427	1253	2,907	3,885	14,522	10,637	8,290	5,547	546	183
Canada	4,375	2,494	536	1,958	1,881	10	173	458	1,060	602	350	681	208	76
Europe	15,570	8,522	4,014	4,508	7,048	714	1,651	553	6,547	5,994	1,374	2,594	162	72
Belgium-Luxembourg	518	(D)	(D)	107	(D)	9	52	30	72	42	40	60	22	1
France	1,896	1,111	489	622	785	93	126	158	477	319	102	273	33	19
Germany	2,489	1,450	617	833	1,039	43	181	253	1,298	1,045	119	424	20	2
Italy	586	276	104	173	308	95	43	-24	60	84	105	81	8	(*)
Netherlands	881	630	222	408	251	8	71	-5	27	33	50	113	14	5
Norway	145	20	74	52	0	8	11	17	7	10	7	22	0	0
Spain	363	73	51	22	290	103	22	5	11	6	72	81	6	0
Sweden	197	168	28	140	29	1	26	-51	54	105	16	33	4	(*)
Switzerland	695	652	122	530	43	3	114	-272	684	956	58	123	17	17
United Kingdom	6,122	3,206	1,971	1,235	2,917	249	901	461	3,332	2,870	270	996	41	26
Other	1,678	(D)	(D)	365	(D)	109	107	-12	515	527	531	389	(D)	1
Latin America and Other Western Hemisphere	7,921	1,005	534	471	6,917	359	390	2,822	6,347	3,525	2,978	322	46	6
South and Central America	4,000	446	251	194	3,554	310	273	41	91	50	2,582	304	44	4
Argentina	233	33	33	(*)	200	8	26	1	(D)	(D)	133	31	1	1
Brazil	520	136	77	58	384	10	63	35	(D)	(D)	202	72	2	2
Chile	82	3	1	2	79	15	8	2	2	1	40	13	0	(*)
Mexico	1,706	168	108	60	1,537	157	125	-3	5	5	1,162	89	7	(*)
Venezuela	(D)	(D)	9	(D)	130	5	5	6	(*)	(*)	91	21	2	(*)
Other	(D)	(D)	23	(D)	1,225	115	46	(*)	19	19	954	78	32	(*)
Other Western Hemisphere	3,922	559	282	276	3,363	49	117	2,782	6,256	3,474	395	18	2	1
Bermuda	2,551	273	159	114	2,278	0	53	2,201	4,087	1,887	18	6	0	1
Other	1,371	285	123	162	1,086	49	64	581	2,169	1,588	378	12	2	(*)
Africa	611	65	29	36	546	26	18	3	5	2	346	152	1	0
South Africa	127	(D)	24	(D)	(D)	7	7	(*)	1	(*)	52	20	(D)	0
Other	484	(D)	5	(D)	(D)	19	11	3	4	1	294	132	(D)	0
Middle East	971	170	156	14	801	22	10	18	10	-8	560	190	0	0
Israel	399	148	138	10	251	21	4	12	2	-10	169	45	0	0
Saudi Arabia	136	6	6	0	130	0	2	0	(*)	(*)	109	19	0	0
Other	436	16	12	4	420	1	4	6	9	3	282	127	0	0
Asia and Pacific	8,159	3,244	1,766	1,479	4,915	122	662	6	536	531	2,439	1,608	78	25
Australia	655	220	193	27	436	38	56	48	132	85	84	195	16	3
China	432	14	12	2	418	9	5	4	1	-3	356	44	0	0
Hong Kong	740	413	295	119	327	3	70	-85	80	165	210	129	1	1
India	366	12	6	5	354	3	15	0	3	(*)	300	36	0	(*)
Indonesia	147	29	26	3	118	1	17	3	3	(*)	68	29	0	0
Japan	3,649	2,169	1,002	1,166	1,481	24	268	15	278	263	308	824	42	19
Korea, Republic of	419	73	34	39	346	3	19	6	12	6	238	80	0	2
Malaysia	151	63	49	14	88	0	39	(*)	(*)	0	32	17	0	0
New Zealand	81	27	25	2	54	0	9	7	(D)	(D)	24	13	0	0
Philippines	241	2	(*)	1	239	0	11	1	(D)	(D)	184	42	0	(*)
Singapore	307	158	97	69	149	1	32	3	5	1	63	50	0	0
Taiwan	319	47	20	27	272	1	9	(*)	6	6	188	74	0	0
Thailand	163	14	3	11	149	1	16	2	2	(*)	91	38	0	(*)
Other	491	3	2	1	488	39	96	3	(D)	(D)	294	37	19	0
International organizations and unallocated	372	50	50	0	322	0	3	25	16	-9	244	(*)	50	5
Addenda:														
European Union ¹	13,965	7,760	3,866	3,894	6,205	639	1,457	810	5,846	5,036	927	2,233	140	55
Eastern Europe ²	544	10	5	6	536	38	14	(*)	(*)	(*)	295	189	1	0

* Less than \$500,000.

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

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 5.3.—Other Private Services, 1997

[Millions of dollars]

	Receipts													Addendum Film and tape rentals
	Total	Affiliated			Unaffiliated									
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Education	Financial services	Insurance			Telecom- munications	Business, professional, and technical services	Other services	
								Net	Premiums	Losses				
All countries	85,566	27,272	17,271	10,001	58,294	8,343	11,539	2,485	6,133	3,648	3,949	22,467	9,511	6,019
Canada	8,356	4,231	2,949	1,281	4,127	438	602	389	996	606	300	2,032	365	333
Europe	33,370	13,925	9,125	4,800	19,445	1,447	5,291	1,015	2,568	1,553	1,229	7,841	2,622	3,998
Belgium-Luxembourg	1,036	392	363	29	645	18	172	53	98	45	91	246	65	72
France	3,756	1,447	869	578	2,308	108	922	131	220	89	90	784	272	495
Germany	4,893	2,414	1,173	1,241	2,479	171	350	223	486	263	81	951	703	755
Italy	1,371	446	338	108	925	54	167	39	78	39	45	362	258	295
Netherlands	2,971	2,075	1,788	287	897	36	227	-38	41	79	72	532	69	977
Norway	530	231	79	152	299	42	40	11	49	37	89	89	28	21
Spain	(D)	(P)	297	(P)	936	86	147	16	24	8	38	281	368	424
Sweden	857	291	52	240	566	76	101	10	28	18	36	296	47	53
Switzerland	2,205	1,115	664	452	1,090	34	442	-1	55	56	57	526	32	24
United Kingdom	10,151	4,176	2,890	1,286	5,977	142	2,206	521	1,331	811	353	2,303	452	655
Other	(D)	(P)	613	(P)	3,323	678	517	50	157	107	277	1,472	329	227
Latin America and Other Western Hemisphere	14,169	1,605	1,063	543	12,563	914	3,116	600	1,391	791	1,025	3,320	3,588	410
South and Central America	10,592	1,090	841	249	9,502	702	1,246	163	595	433	905	2,982	3,504	396
Argentina	767	79	64	15	688	42	234	4	115	111	39	309	60	48
Brazil	1,414	200	185	15	1,214	115	294	8	26	18	111	568	119	147
Chile	431	29	25	4	402	18	71	20	80	61	50	212	30	24
Mexico	5,413	454	371	83	4,959	167	286	47	114	67	452	850	3,157	83
Venezuela	694	86	69	16	608	85	100	11	29	17	49	276	87	37
Other	1,950	243	127	116	1,707	274	261	73	232	159	204	768	127	57
Other Western Hemisphere	3,576	515	221	294	3,061	212	1,870	438	796	358	120	338	84	13
Bermuda	637	213	71	142	624	11	475	66	364	298	15	54	4	4
Other	2,741	302	150	152	2,439	201	1,395	372	432	60	106	285	80	9
Africa	1,720	171	132	39	1,549	400	102	7	16	9	144	807	90	54
South Africa	350	50	47	3	300	36	32	4	8	4	60	117	52	42
Other	1,371	121	85	36	1,250	364	70	4	9	5	84	690	38	12
Middle East	2,698	230	77	153	2,468	359	262	13	50	37	204	1,526	104	52
Israel	461	53	16	37	408	45	68	(*)	35	34	71	180	44	22
Saudi Arabia	(D)	(P)	10	(P)	919	77	61	2	3	1	40	719	19	5
Other	(D)	(P)	51	(D)	1,140	237	133	10	12	2	93	627	41	24
Asia and Pacific	23,223	7,031	3,845	3,186	16,192	4,785	2,115	394	894	501	1,040	6,774	1,083	1,146
Australia	1,514	440	403	37	1,075	44	193	32	117	85	89	524	193	284
China	1,568	170	116	54	1,398	626	72	-14	14	28	98	528	88	9
Hong Kong	1,567	657	577	80	910	161	275	12	37	25	102	315	44	44
India	671	23	22	(*)	648	451	34	(*)	7	7	58	91	14	2
Indonesia	1,289	99	89	10	1,190	183	76	-2	15	17	43	860	30	21
Japan	8,002	3,542	985	2,556	4,462	834	614	287	484	197	223	2,191	313	468
Korea, Republic of	(D)	(P)	143	(P)	1,527	547	159	6	23	18	127	600	88	118
Malaysia	735	161	153	8	574	214	31	3	13	9	23	267	36	30
New Zealand	(D)	(P)	26	(P)	243	15	28	9	13	4	16	122	53	49
Philippines	494	76	68	8	418	41	46	5	15	10	44	252	30	20
Singapore	1,585	1,047	1,001	45	538	55	196	20	30	10	47	194	27	25
Taiwan	1,361	193	156	36	1,168	449	131	28	111	83	117	397	46	59
Thailand	582	87	76	11	495	198	43	8	14	6	23	199	23	15
Other	1,579	29	28	1	1,550	968	217	0	2	2	31	236	98	2
International organizations and unallocated	2,027	79	79	0	1,948	0	51	66	216	150	6	166	1,659	27
Addenda:														
European Union ¹	28,287	12,453	8,260	4,193	15,838	722	4,600	991	2,433	1,441	898	6,255	2,373	3,857
Eastern Europe ²	1,348	77	71	6	1,273	291	97	11	25	13	135	618	121	72

See footnotes at end of table.

Table 5.3.—Other Private Services, 1997—Continued
[Millions of dollars]

	Payments													Addendum Film and tape rentals
	Total	Affiliated			Unaffiliated									
		Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Education	Financial services	Insurance			Telecommunications	Business, professional, and technical services	Other services	
								Net	Premiums	Losses				
All countries	43,909	17,728	8,927	8,801	26,181	1,395	3,563	6,002	15,233	9,231	8,351	6,358	511	158
Canada	4,843	2,722	790	1,932	2,122	11	222	520	1,094	574	333	843	193	45
Europe	18,704	9,460	4,967	4,493	9,244	802	2,199	1,885	6,877	4,991	1,370	2,827	160	85
Belgium-Luxembourg	699	(P)	(P)	206	(P)	8	49	35	80	45	35	93	(P)	(*)
France	2,103	1,190	562	628	914	101	138	320	561	242	111	226	18	7
Germany	2,140	1,359	623	736	779	46	109	163	1,311	1,148	123	313	25	(P)
Italy	547	208	73	136	336	110	25	0	70	103	90	90	2	(P)
Netherlands	813	676	271	405	139	11	48	-109	32	141	57	120	11	4
Norway	121	68	6	61	53	0	11	15	14	23	17	0	0	0
Spain	(P)	(P)	49	(P)	296	114	39	2	7	5	64	72	5	0
Sweden	262	179	26	153	83	1	32	-5	72	76	22	32	1	(*)
Switzerland	616	521	175	347	95	3	137	-247	591	839	60	134	9	7
United Kingdom	9,311	4,106	2,704	1,402	5,205	287	1,506	1,765	3,646	1,880	276	1,307	63	52
Other	1,725	604	(P)	(P)	1,121	121	105	-40	492	531	496	423	16	(P)
Latin America and Other Western Hemisphere	8,830	974	565	410	7,855	395	503	3,320	6,709	3,389	2,984	609	44	5
South and Central America	4,161	404	330	74	3,757	342	268	-11	45	55	2,544	573	41	4
Argentina	239	55	55	(*)	184	10	31	-5	(P)	(P)	103	44	1	1
Brazil	555	123	111	12	432	11	72	-8	1	8	249	107	1	1
Chile	83	2	1	1	81	18	6	-1	2	1	36	22	0	(*)
Mexico	1,849	172	125	48	1,677	171	139	-5	2	7	1,104	263	5	0
Venezuela	139	18	11	7	122	4	8	-1	4	6	92	16	3	1
Other	1,295	33	27	6	1,262	128	12	9	(P)	(P)	960	122	31	(*)
Other Western Hemisphere	4,667	570	234	336	4,097	53	235	3,330	6,664	3,334	440	36	3	2
Bermuda	2,835	288	100	188	2,547	1	47	2,461	4,357	1,896	19	19	0	(*)
Other	1,832	282	134	147	1,550	52	188	869	2,307	1,438	420	17	3	1
Africa	670	(P)	59	(P)	(P)	32	28	5	8	2	345	170	(P)	*
South Africa	175	(P)	57	(P)	(P)	5	9	-1	1	2	54	22	(P)	(*)
Other	498	4	2	1	494	28	19	6	6	1	292	149	1	0
Middle East	1,051	(P)	203	(P)	(P)	22	11	3	6	4	497	297	(P)	3
Israel	465	193	(P)	(P)	272	22	6	-1	1	2	142	103	0	0
Saudi Arabia	180	4	4	0	176	0	1	0	(*)	(*)	92	80	3	3
Other	406	(P)	(P)	4	(P)	0	4	4	5	1	263	114	(P)	0
Asia and Pacific	9,431	4,235	2,312	1,922	5,196	132	577	223	503	280	2,594	1,613	57	19
Australia	811	300	263	37	510	43	62	84	189	105	138	174	9	6
China	400	24	16	8	376	9	2	-14	1	15	325	54	0	(*)
Hong Kong	1,041	575	508	67	466	2	97	6	-13	212	135	1	1	1
India	409	30	10	19	379	3	17	1	3	3	314	42	2	2
Indonesia	164	23	22	1	141	1	22	3	3	(*)	75	40	0	0
Japan	4,071	2,654	1,100	1,555	1,414	24	173	116	260	144	318	754	29	8
Korea, Republic of	(P)	(P)	39	(P)	338	2	27	4	9	5	222	83	0	0
Malaysia	202	118	77	41	84	0	28	-1	(*)	1	36	21	0	0
New Zealand	(P)	(P)	36	(P)	104	5	8	10	12	1	80	20	0	0
Philippines	308	2	2	(*)	306	0	40	-4	1	5	210	59	0	(*)
Singapore	436	269	182	88	167	1	38	-1	6	7	67	62	0	(*)
Taiwan	366	77	44	33	289	1	14	0	5	5	201	73	0	0
Thailand	188	14	9	4	174	1	12	3	5	1	94	64	0	(*)
Other	(P)	(P)	3	(P)	448	38	37	2	3	3	323	32	16	1
International organizations and unallocated	383	31	31	0	350	0	23	47	38	-10	228	(*)	52	1
Addenda:														
European Union ¹	17,180	8,844	4,772	4,072	8,336	724	2,000	2,128	6,269	4,141	938	2,400	147	78
Eastern Europe ²	598	25	12	12	580	39	14	3	1	-2	273	252	(*)	0

* Less than \$500,000.

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

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 5.4.—Other Private Services, 1998

[Millions of dollars]

	Receipts													Addendum Film and tape rentals
	Total	Affiliated			Unaffiliated									
		Total	By U.S. parents from their foreign affiliates	By U.S. affiliates from their foreign parents	Total	Education	Financial services	Insurance			Telecom- munications	Business, professional, and technical services	Other services	
								Net	Premiums	Losses				
All countries	92,116	28,321	18,212	10,109	63,795	8,964	13,698	2,842	6,985	4,143	3,689	24,338	10,264	6,461
Canada	7,864	3,628	2,861	766	4,234	442	792	324	1,072	748	293	1,993	391	320
Europe	37,050	15,220	9,572	5,648	21,830	1,578	6,277	1,452	2,975	1,523	957	8,555	3,011	4,195
Belgium-Luxembourg	1,158	432	375	57	725	18	232	65	137	72	69	280	60	62
France	4,014	1,489	843	646	2,525	118	1,036	105	328	223	76	861	329	559
Germany	5,431	2,573	1,313	1,260	2,957	183	497	254	552	298	66	1,042	815	848
Italy	1,641	484	361	123	1,157	61	226	50	97	47	39	476	305	365
Netherlands	2,674	1,803	1,363	440	872	38	232	11	36	25	65	453	73	766
Norway	570	277	97	180	293	45	58	33	58	25	32	97	28	21
Spain	1,486	520	339	181	966	84	135	17	34	17	42	263	425	493
Sweden	978	401	47	354	577	86	87	10	33	23	46	294	54	57
Switzerland	2,364	1,375	740	635	989	36	385	7	62	55	33	496	32	24
United Kingdom	12,010	4,764	3,358	1,407	7,246	152	2,731	881	1,464	583	262	2,704	516	737
Other	4,725	1,102	736	365	3,623	758	658	18	174	156	227	1,589	373	263
Latin America and Other Western Hemisphere	15,691	1,830	1,230	599	13,862	981	3,815	500	1,681	1,181	1,036	3,704	3,826	543
South and Central America	11,318	1,234	963	271	10,084	777	1,264	141	674	533	906	3,259	3,737	529
Argentina	869	83	70	13	786	47	224	20	130	111	48	378	69	57
Brazil	1,552	276	246	30	1,276	134	273	7	29	22	127	580	156	222
Chile	430	33	26	7	397	22	67	19	91	71	42	212	35	28
Mexico	5,710	511	407	103	5,199	183	282	39	124	85	441	918	3,336	114
Venezuela	852	93	87	7	759	91	193	0	34	34	43	334	99	43
Other	2,000	238	127	111	1,762	300	225	57	265	209	205	836	139	65
Other Western Hemisphere	4,374	596	268	328	3,778	204	2,551	359	1,007	648	130	445	89	14
Bermuda	755	216	40	177	539	10	546	-95	424	519	14	60	4	4
Other	3,617	379	228	151	3,238	194	2,005	453	583	129	116	385	85	10
Africa	2,020	218	191	27	1,802	426	123	5	18	14	121	1,032	95	52
South Africa	382	67	66	1	316	39	58	4	8	4	33	133	49	39
Other	1,637	151	125	26	1,486	387	65	1	11	10	88	899	46	14
Middle East	3,167	300	99	201	2,867	365	336	19	66	46	235	1,796	116	61
Israel	472	37	14	23	435	49	65	5	43	38	75	193	48	26
Saudi Arabia	(D)	(D)	7	(D)	966	84	71	4	9	5	47	739	21	6
Other	(D)	(D)	78	(D)	1,465	232	200	10	14	4	112	864	47	29
Asia and Pacific	24,219	7,062	4,194	2,868	17,157	5,173	2,347	356	900	544	1,046	7,067	1,168	1,272
Australia	1,560	461	415	46	1,099	47	212	13	127	114	94	539	194	290
China	1,805	239	163	76	1,566	706	49	-17	13	30	114	620	94	8
Hong Kong	1,526	679	593	86	847	145	209	4	37	33	86	357	46	49
India	783	27	27	(*)	736	509	31	1	8	8	63	118	15	2
Indonesia	1,270	89	86	2	1,181	200	38	0	14	15	42	871	30	21
Japan	8,433	3,587	1,105	2,482	4,847	878	755	281	456	175	216	2,365	353	553
Korea, Republic of	(D)	(D)	130	(D)	1,592	645	168	4	30	26	124	558	93	113
Malaysia	(D)	(D)	178	(D)	465	219	30	1	13	11	21	153	40	34
New Zealand	291	26	26	1	265	16	28	12	17	5	18	133	58	54
Philippines	482	77	74	3	405	42	50	2	16	14	40	231	40	29
Singapore	1,766	1,132	1,096	36	634	58	201	22	33	11	45	280	28	26
Taiwan	1,299	210	169	41	1,089	464	109	28	116	89	124	308	56	74
Thailand	709	107	98	9	602	227	32	8	17	9	29	280	26	17
Other	1,867	36	35	1	1,831	1,017	435	-1	2	3	30	255	96	2
International organizations and unallocated	2,103	63	63	0	2,041	0	8	185	273	87	1	190	1,657	18
Addenda:														
European Union ¹	31,521	13,426	8,604	4,822	18,093	767	5,492	1,405	2,825	1,420	749	6,944	2,736	4,032
Eastern Europe ²	1,439	93	76	16	1,355	349	105	9	24	15	105	645	141	88

See footnotes at end of table.

Table 5.4.—Other Private Services, 1998—Continued
[Millions of dollars]

	Payments													Addendum Film and tape rentals
	Total	Affiliated			Unaffiliated									
		Total	By U.S. parents to their foreign affiliates	By U.S. affiliates to their foreign parents	Total	Education	Financial services	Insurance			Telecommunications	Business, professional, and technical services	Other services	
								Net	Premiums	Losses				
All countries	47,670	19,095	9,730	9,365	28,575	1,538	3,771	6,908	18,581	11,673	8,125	7,684	549	176
Canada	5,426	3,085	739	2,346	2,340	12	231	509	1,050	541	333	1,086	169	39
Europe	20,830	10,832	5,915	4,918	9,998	900	2,314	1,677	7,952	6,274	1,276	3,636	196	97
Belgium-Luxembourg	628	(D)	(D)	110	(D)	9	66	53	120	67	30	95	(*)	(*)
France	2,389	1,372	622	750	1,017	113	146	327	651	324	101	306	24	9
Germany	2,232	1,556	667	890	676	52	147	-40	1,531	1,571	119	366	32	11
Italy	639	263	86	177	375	123	36	-16	81	97	91	131	10	3
Netherlands	1,251	935	298	637	316	13	60	3	43	40	44	180	17	6
Norway	157	82	5	77	75	0	11	10	15	5	13	40	0	0
Spain	440	89	63	26	351	130	41	6	10	5	61	105	7	0
Sweden	272	186	24	162	86	1	41	-36	82	118	21	58	1	(*)
Switzerland	1,400	752	182	570	648	3	137	289	1,235	947	60	146	14	11
United Kingdom	9,413	4,580	3,386	1,194	4,834	327	1,451	1,117	3,661	2,544	283	1,591	65	53
Other	2,009	(D)	(D)	325	(D)	129	178	-35	522	557	455	616	(D)	2
Latin America and Other Western Hemisphere	10,070	1,121	559	562	8,951	427	583	4,427	8,888	4,462	2,908	557	50	8
South and Central America	4,111	487	340	147	3,624	370	268	-20	37	57	2,460	500	45	5
Argentina	235	46	46	(*)	189	11	30	-5	20	25	102	51	1	1
Brazil	561	148	134	15	413	11	61	1	1	0	220	118	1	1
Chile	102	10	4	6	92	19	4	2	(*)	2	48	22	0	0
Mexico	1,758	244	131	113	1,515	185	95	2	5	4	1,082	143	8	1
Venezuela	(D)	16	11	5	(D)	5	12	-4	2	6	80	22	(D)	2
Other	(D)	23	15	9	(D)	139	66	-12	10	21	928	144	(D)	(*)
Other Western Hemisphere	5,960	634	219	415	5,326	56	315	4,446	8,851	4,405	448	57	4	2
Bermuda	3,581	356	87	269	3,225	1	109	3,068	5,849	2,782	18	29	0	1
Other	2,381	278	132	146	2,103	55	206	1,379	3,002	1,623	430	28	4	2
Africa	679	91	87	4	588	35	33	5	8	3	348	165	2	*
South Africa	181	83	83	0	98	5	10	-1	1	2	60	23	1	(*)
Other	497	7	3	4	490	29	23	6	8	2	288	142	1	0
Middle East	1,227	244	230	14	983	24	35	5	9	4	522	392	5	5
Israel	494	219	210	10	275	23	11	(*)	2	1	132	109	0	(*)
Saudi Arabia	271	5	5	0	266	0	10	-1	(*)	1	96	156	5	5
Other	460	19	15	5	441	1	14	5	7	2	294	127	0	0
Asia and Pacific	9,107	3,696	2,174	1,522	5,411	141	575	242	624	381	2,536	1,848	69	27
Australia	895	330	298	32	564	48	65	122	264	141	129	189	11	7
China	433	33	24	9	400	10	1	-3	-4	0	325	67	0	0
Hong Kong	963	558	490	68	405	2	70	24	3	-21	171	138	0	1
India	486	(D)	17	(D)	4	14	3	4	2	311	105	(D)	2	2
Indonesia	130	14	11	3	116	1	11	0	(*)	77	27	0	0	0
Japan	3,619	2,131	965	1,166	1,491	24	182	83	309	226	319	846	37	15
Korea, Republic of	434	(D)	27	(D)	2	21	3	10	7	214	109	(D)	0	0
Malaysia	93	(D)	17	(D)	0	17	0	(*)	1	35	17	(D)	0	0
New Zealand	159	44	41	4	115	6	5	15	17	2	69	20	0	(*)
Philippines	320	3	3	(*)	317	0	29	0	6	6	210	78	0	0
Singapore	468	300	214	85	168	1	53	-3	3	6	65	51	1	1
Taiwan	419	101	50	51	318	1	17	-3	3	6	202	101	0	0
Thailand	176	14	3	162	1	16	4	6	2	85	56	0	0	(*)
Other	506	(D)	5	(D)	(D)	40	74	-1	3	5	325	44	(D)	1
International organizations and unallocated	330	27	27	0	303	0	0	43	51	7	201	(*)	59	1
Addenda:														
European Union ¹	18,445	9,950	5,705	4,245	8,497	819	2,092	1,375	6,701	5,327	888	3,147	176	86
Eastern Europe ²	600	46	4	43	575	41	27	4	1	-3	242	261	1	0

* Less than \$500,000.

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

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 6.1.—Insurance, 1995

[Millions of dollars]

	Receipts									Payments								
	Total			Primary insurance			Reinsurance			Total			Primary insurance			Reinsurance		
	Net	Pre- miums received	Losses paid	Net	Pre- miums received	Losses paid	Net	Pre- miums received	Losses paid	Net	Pre- miums paid	Losses recovered	Net	Pre- miums paid	Losses recovered	Net	Pre- miums paid	Losses recovered
All countries	1,296	5,491	4,195	349	834	484	947	4,658	3,711	5,360	15,284	9,925	1,520	1,845	325	3,839	13,439	9,600
Canada	373	1,106	734	126	368	242	247	739	492	609	1,266	657	102	(P)	(P)	507	(P)	(P)
Europe	270	2,575	2,306	36	136	100	234	2,439	2,205	1,855	6,995	5,139	864	1,135	271	991	5,860	4,869
Belgium-Luxembourg	52	149	97	2	6	5	50	142	92	32	57	25	13	(P)	(P)	20	(P)	(P)
France	89	216	127	4	15	11	86	201	116	308	646	338	163	163	(*)	145	483	338
Germany	61	264	204	13	27	14	48	237	190	329	1,153	824	15	(P)	(P)	314	(P)	(P)
Italy	29	62	34	2	7	5	27	55	29	44	227	184	21	(P)	(P)	23	(P)	(P)
Netherlands	19	42	24	5	5	(*)	14	38	24	-7	26	33	1	(P)	0	-8	26	33
Norway	5	34	20	2	8	7	3	25	22	37	43	6	36	38	2	1	5	4
Spain	6	23	16	1	6	5	5	17	12	4	4	(*)	0	0	0	4	(*)	(*)
Sweden	8	33	25	1	6	5	7	27	20	84	130	46	10	(*)	(*)	74	120	45
Switzerland	-45	89	133	2	6	4	-46	83	129	-154	684	839	53	53	0	-207	631	839
United Kingdom	6	1,556	1,550	(*)	36	36	7	1,520	1,513	1,177	3,654	2,477	526	783	257	651	2,871	2,220
Other	40	108	68	6	15	9	34	93	59	1	371	370	27	(P)	(P)	-25	(P)	(P)
Latin America and Other Western Hemisphere	147	801	654	109	155	46	38	645	608	2,691	6,292	3,601	469	502	33	2,222	5,790	3,568
South and Central America	210	470	261	103	149	46	107	321	215	-12	16	28	11	11	0	-23	5	28
Argentina	46	110	65	37	(P)	(P)	8	(P)	(P)	-2	(*)	2	(*)	(*)	0	-2	(*)	2
Brazil	8	14	6	6	8	2	2	6	5	-9	(*)	10	(*)	(*)	0	-10	(*)	10
Chile	19	44	26	6	8	1	13	37	24	1	2	1	2	0	0	-1	1	2
Mexico	37	101	65	10	16	6	26	85	58	-1	2	2	(*)	(*)	0	0	2	2
Venezuela	9	17	8	4	5	1	5	12	7	2	2	(*)	0	0	0	2	(*)	(*)
Other Western Hemisphere	92	183	92	39	(P)	(P)	53	(P)	(P)	-2	11	13	9	9	0	-11	1	13
Bermuda	-63	330	393	6	6	(*)	-69	324	393	2,702	6,276	3,574	458	491	33	2,245	5,785	3,541
Other	-139	198	337	1	1	(*)	-140	197	337	2,099	3,980	1,881	436	469	33	1,663	3,511	1,848
Other	76	132	56	5	5	(*)	71	127	56	603	2,296	1,693	21	21	0	582	2,275	1,693
Africa	6	13	7	2	3	2	5	10	5	5	7	3	7	7	0	-2	1	3
South Africa	3	5	1	(*)	(*)	0	3	4	1	-1	1	0	0	0	0	-1	1	1
Other	3	9	6	1	3	2	2	6	4	6	8	2	7	7	0	-1	1	2
Middle East	21	36	15	2	3	1	19	33	14	7	16	9	11	(P)	(P)	-5	(P)	(P)
Israel	7	19	11	1	1	(*)	7	18	11	-2	1	3	1	0	0	-3	(*)	(*)
Saudi Arabia	2	4	3	1	1	1	1	3	2	(*)	(*)	(*)	(*)	(*)	0	(*)	(*)	(*)
Other	11	13	1	(*)	1	(*)	11	12	1	8	14	6	10	(P)	(P)	-2	(P)	(P)
Asia and Pacific	418	833	415	31	57	26	387	775	388	162	681	519	61	63	3	101	617	516
Australia	50	101	51	6	12	6	44	89	46	52	124	72	4	4	0	48	120	72
China	23	25	2	(*)	(P)	(P)	23	25	2	-2	4	7	2	2	0	-4	3	7
Hong Kong	26	47	21	8	(P)	(P)	18	(P)	(P)	-91	63	154	3	(P)	(P)	-94	(P)	(P)
India	4	6	2	(*)	1	1	4	5	1	(*)	4	0	0	0	0	1	5	4
Indonesia	5	9	4	1	1	1	4	8	4	(*)	1	1	1	1	0	-1	(*)	(*)
Japan	241	461	220	5	9	4	236	452	216	191	457	266	51	(P)	(P)	141	(P)	(P)
Korea, Republic of	15	26	11	2	3	1	13	24	10	2	9	8	1	1	0	-1	9	8
Malaysia	5	14	8	1	1	1	5	12	8	(*)	(*)	(*)	0	0	0	1	(*)	(*)
New Zealand	14	19	5	(*)	1	(*)	14	16	4	(*)	1	1	0	0	0	-1	1	1
Philippines	6	14	8	2	3	1	4	11	7	(*)	(*)	(*)	0	0	0	0	(*)	(*)
Singapore	3	28	25	4	(P)	(P)	-1	(P)	(P)	1	3	3	3	(*)	(*)	1	3	3
Taiwan	20	71	51	2	6	5	18	65	47	4	6	4	0	0	0	4	6	4
Thailand	5	8	3	(*)	(*)	(*)	5	8	3	3	3	3	0	0	0	3	3	3
Other	2	3	1	(*)	(*)	(*)	2	3	1	2	2	2	(*)	(*)	0	2	2	2
International organizations and unallocated	61	127	65	43	111	67	18	16	-2	31	28	-4	6	7	1	25	20	-4
Addenda:																		
European Union ¹	320	2,434	2,114	32	119	87	288	2,314	2,026	1,968	6,261	4,293	775	1,044	269	1,193	5,216	4,024
Eastern Europe ²	-1	14	15	(*)	1	(*)	-1	13	14	(*)	(*)	(*)	(*)	(*)	0	(*)	(*)	(*)

* Less than \$500,000.

P Suppressed to avoid disclosure of data of individual companies.

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 6.2.—Insurance, 1996
[Millions of dollars]

	Receipts									Payments								
	Total			Primary insurance			Reinsurance			Total			Primary insurance			Reinsurance		
	Net	Pre- miums received	Losses paid	Net	Pre- miums received	Losses paid	Net	Pre- miums received	Losses paid	Net	Pre- miums paid	Losses recov- ered	Net	Pre- miums paid	Losses recov- ered	Net	Pre- miums paid	Losses recov- ered
All countries	2,168	5,929	3,761	710	967	257	1,458	4,962	3,504	3,885	14,522	10,637	1,310	1,528	217	2,575	12,994	10,420
Canada	357	1,011	654	115	286	170	242	725	484	458	1,060	602	60	^(D)	^(D)	398	^(D)	^(D)
Europe	683	2,727	2,044	194	263	69	489	2,464	1,975	553	6,547	5,994	897	985	88	-344	5,563	5,907
Belgium-Luxembourg	65	138	73	5	8	3	61	130	69	30	72	42	9	9	0	21	63	42
France	31	204	172	12	20	8	19	184	165	158	477	319	66	^(D)	^(D)	92	^(D)	^(D)
Germany	129	312	183	16	25	9	113	287	174	253	1,298	1,045	16	^(*)	^(*)	236	1,282	1,045
Italy	15	74	60	6	9	3	9	65	56	-24	80	84	1	^(*)	^(*)	-25	59	84
Netherlands	-14	42	56	5	6	1	-19	36	55	-5	27	33	0	^(*)	^(*)	-5	27	33
Norway	44	65	21	^(D)	^(D)	4	^(D)	^(D)	17	11	17	7	12	^(D)	^(D)	-1	^(D)	^(D)
Spain	9	33	24	5	8	3	4	25	21	5	11	6	^(*)	^(*)	0	5	11	6
Sweden	20	42	22	4	8	4	15	34	18	-51	54	105	1	2	1	-52	52	104
Switzerland	-41	86	127	4	8	3	-46	78	124	-272	684	956	16	16	^(*)	-288	668	956
United Kingdom	385	1,602	1,217	113	133	19	272	1,470	1,198	461	3,332	2,870	774	853	79	-312	2,479	2,792
Other	40	129	89	^(D)	^(D)	11	^(D)	^(D)	77	-12	515	527	3	^(*)	^(*)	-15	513	527
Latin America and Other Western Hemisphere	416	1,033	617	118	175	57	298	858	560	2,822	6,347	3,525	338	443	105	2,484	5,904	3,420
South and Central America	229	553	324	112	163	51	118	390	273	41	91	50	^(D)	^(D)	^(D)	105	^(D)	^(D)
Argentina	43	122	79	38	51	12	5	71	66	1	^(D)	^(D)	^(*)	^(*)	0	1	^(D)	^(D)
Brazil	5	22	17	8	9	1	-2	13	15	35	^(D)	^(D)	^(*)	^(*)	0	35	^(D)	^(D)
Chile	26	65	40	6	7	1	19	58	39	2	2	1	2	^(*)	^(*)	-1	1	1
Mexico	43	98	55	19	26	7	23	72	48	-3	2	5	^(*)	^(*)	0	-3	2	5
Venezuela	19	26	7	8	8	1	11	18	7	6	6	^(*)	5	0	0	1	^(*)	^(*)
Other	94	220	126	33	62	29	61	158	98	^(*)	19	19	^(D)	^(D)	0	^(D)	^(D)	19
Other Western Hemisphere	187	480	294	6	12	6	181	468	287	2,782	6,256	3,474	^(D)	^(D)	105	^(D)	^(D)	3,370
Bermuda	108	352	245	-1	2	3	109	351	242	2,201	4,087	1,887	307	412	105	1,894	3,676	1,782
Other	79	128	49	7	11	4	72	117	45	581	2,169	1,588	^(D)	^(D)	0	^(D)	^(D)	1,588
Africa	5	16	11	3	4	1	2	11	9	3	5	2	4	4	0	-1	1	2
South Africa	1	7	6	1	1	^(*)	^(*)	6	5	^(*)	1	0	0	0	0	^(*)	1	^(*)
Other	4	9	5	2	3	1	2	6	4	3	4	1	4	4	0	-1	1	1
Middle East	17	45	28	2	4	1	15	41	26	18	10	-8	8	8	0	10	3	-8
Israel	7	25	18	1	1	^(*)	6	24	18	12	2	-10	2	2	0	10	0	-10
Saudi Arabia	1	4	3	1	1	^(*)	^(*)	3	2	0	^(*)	^(*)	0	0	0	0	0	0
Other	10	16	6	^(*)	1	1	9	15	6	6	9	3	6	6	^(*)	0	3	3
Asia and Pacific	441	911	470	50	80	30	391	831	440	6	536	531	2	^(D)	^(D)	4	^(D)	^(D)
Australia	36	111	75	20	13	3	30	92	62	48	132	85	-8	^(D)	^(D)	56	^(D)	^(D)
China	^(*)	10	10	^(*)	1	^(*)	0	9	10	4	1	-3	0	0	0	4	^(D)	^(D)
Hong Kong	25	53	28	8	13	5	17	40	23	-85	80	165	4	^(D)	^(D)	-89	^(D)	^(D)
India	3	7	4	^(*)	1	^(*)	2	6	4	0	3	4	0	0	0	0	1	4
Indonesia	4	16	12	1	2	^(*)	2	14	12	3	3	0	2	2	0	0	1	^(*)
Japan	319	520	201	9	11	2	310	509	199	15	278	263	2	2	^(*)	13	275	263
Korea, Republic of	7	25	18	2	3	1	4	22	18	6	12	6	^(*)	^(*)	0	5	12	6
Malaysia	2	14	12	^(*)	1	^(*)	2	13	12	^(*)	^(*)	0	0	0	0	^(*)	^(*)	0
New Zealand	7	15	8	1	1	^(*)	7	14	7	7	7	0	0	0	0	7	^(D)	^(D)
Philippines	6	15	9	1	2	1	6	13	7	1	1	0	0	0	0	1	^(D)	^(D)
Singapore	12	25	12	11	^(D)	^(D)	2	^(D)	^(D)	3	5	1	1	^(*)	^(*)	3	4	1
Taiwan	14	87	74	8	^(D)	^(D)	6	^(D)	^(D)	^(*)	6	6	0	^(*)	^(*)	^(*)	6	6
Thailand	5	12	7	1	1	^(*)	4	11	7	2	2	0	0	0	0	2	2	2
Other	0	0	0	^(*)	1	^(*)	-1	-1	-1	3	^(D)	^(D)	2	^(D)	^(D)	1	^(D)	^(D)
International organizations and unallocated	249	186	-62	229	156	-72	20	30	10	25	16	-9	2	3	1	23	13	-10
Addenda:																		
European Union ¹	660	2,548	1,888	171	232	61	488	2,316	1,827	810	5,846	5,036	869	956	87	-59	4,890	4,949
Eastern Europe ²	9	21	12	1	2	1	8	19	11	^(*)	^(*)	^(*)	^(*)	^(*)	0	^(*)	^(*)	^(*)

* Less than \$500,000.

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

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 6.3.—Insurance, 1997

[Millions of dollars]

	Receipts									Payments								
	Total			Primary insurance			Reinsurance			Total			Primary insurance			Reinsurance		
	Net	Pre-miums received	Losses paid	Net	Pre-miums received	Losses paid	Net	Pre-miums received	Losses paid	Net	Pre-miums paid	Losses recovered	Net	Pre-miums paid	Losses recovered	Net	Pre-miums paid	Losses recovered
All countries	2,485	6,133	3,648	444	865	421	2,040	5,268	3,227	6,002	15,233	9,231	1,602	1,697	95	4,400	13,536	9,136
Canada	389	996	606	83	186	103	306	810	504	520	1,094	574	109	(D)	(D)	411	(D)	(D)
Europe	1,015	2,568	1,553	163	222	59	852	2,346	1,494	1,885	6,877	4,991	1,200	1,225	25	685	5,652	4,967
Belgium-Luxembourg	53	98	45	2	5	3	51	94	43	35	80	45	14	14	(*)	21	66	45
France	131	220	89	7	12	125	209	84	320	561	242	88	88	88	(*)	232	473	241
Germany	223	486	263	11	17	212	468	257	163	1,311	1,148	33	33	(*)	131	1,278	1,147	
Italy	39	78	39	3	5	36	73	37	0	70	70	3	3	(*)	-3	68	70	
Netherlands	-38	41	79	2	5	-40	37	77	-109	32	141	(*)	(*)	(*)	-110	31	141	
Norway	11	49	37	(D)	(D)	(D)	(D)	(D)	1	15	14	7	10	2	-6	5	11	
Spain	16	24	8	2	4	13	20	6	2	7	5	(*)	(*)	(*)	2	7	5	
Sweden	10	28	18	2	4	8	24	16	-5	72	76	1	1	(*)	-6	70	76	
Switzerland	-1	55	56	2	4	-3	51	53	-247	591	839	28	34	6	-278	557	833	
United Kingdom	521	1,331	811	115	137	23	406	1,194	788	1,765	3,646	1,880	1,015	1,031	16	750	2,615	1,864
Other	50	157	107	(D)	(D)	7	(D)	(D)	101	-40	492	531	10	10	(*)	-50	481	531
Latin America and Other Western Hemisphere	600	1,391	791	130	191	60	470	1,201	731	3,320	6,709	3,389	271	(D)	(D)	3,049	(D)	(D)
South and Central America	163	595	433	115	172	57	47	423	376	-11	45	55	25	(D)	(D)	-36	(D)	(D)
Argentina	4	115	111	33	45	12	-29	70	99	(D)	(D)	(*)	(*)	(*)	-5	(D)	(D)	
Brazil	8	26	18	10	13	2	-3	13	16	-8	1	(*)	(*)	(*)	-8	(*)	(*)	
Chile	20	80	61	6	7	2	14	74	60	-1	1	2	1	(*)	-2	(*)	8	
Mexico	47	114	67	22	31	9	25	82	58	-5	2	7	(*)	(*)	-5	2	7	
Venezuela	11	29	17	9	10	1	3	19	16	-1	4	6	(D)	(D)	(D)	(D)	6	
Other	73	232	159	36	67	32	37	164	127	9	(D)	(D)	(D)	(D)	(D)	(D)	(D)	
Other Western Hemisphere	438	796	358	15	18	3	423	778	355	3,330	6,664	3,334	245	299	54	3,085	6,365	3,280
Bermuda	66	364	298	4	4	1	62	360	298	2,461	4,357	1,896	234	287	53	2,227	4,070	1,843
Other	372	432	60	11	14	3	361	418	57	869	2,307	1,438	12	13	1	858	2,294	1,437
Africa	7	16	9	2	3	1	5	13	8	5	8	2	2	2	3	6	2	2
South Africa	4	8	4	1	1	(*)	3	7	4	-1	1	2	(*)	(*)	(*)	-1	2	2
Other	4	9	5	1	3	1	2	6	4	6	6	1	2	(*)	(*)	4	5	(*)
Middle East	13	50	37	2	2	(*)	11	48	37	3	6	4	2	2	1	4	4	4
Israel	(*)	35	34	(*)	1	(*)	0	34	34	-1	2	(*)	(*)	(*)	(*)	-1	1	2
Saudi Arabia	2	3	1	1	1	0	1	3	2	0	(*)	(*)	(*)	(*)	(*)	0	(*)	(*)
Other	10	12	2	1	1	(*)	10	11	2	4	5	1	2	2	2	2	3	1
Asia and Pacific	394	894	501	26	82	56	368	812	444	223	503	280	19	19	(*)	204	483	280
Australia	32	117	85	-4	19	23	36	96	62	84	189	105	9	9	(*)	75	180	105
China	-14	14	28	(*)	(*)	(*)	-15	14	28	-14	1	15	(*)	(*)	(*)	-14	1	15
Hong Kong	-12	37	25	1	(D)	(D)	11	(D)	(D)	19	6	-3	3	(*)	(*)	16	3	-13
India	(*)	7	7	0	1	1	6	6	1	3	3	3	(*)	(*)	(*)	1	3	2
Indonesia	-2	15	17	1	1	-3	14	16	3	3	(*)	(*)	(*)	(*)	(*)	2	(*)	(*)
Japan	287	484	197	7	11	280	472	192	116	260	144	5	5	(*)	111	256	144	
Korea, Republic of	6	23	18	1	5	5	19	14	4	9	5	5	(*)	(*)	(*)	-3	9	5
Malaysia	9	13	9	1	1	3	12	9	-1	1	1	1	(*)	(*)	(*)	-1	1	1
New Zealand	9	13	4	1	1	9	12	3	10	12	1	1	(*)	(*)	(*)	10	11	1
Philippines	5	15	10	0	2	2	5	13	8	5	5	5	(*)	(*)	(*)	1	5	5
Singapore	20	30	10	8	(D)	(D)	11	(D)	(D)	-4	7	7	(*)	(*)	(*)	-4	7	7
Taiwan	28	111	83	10	12	3	19	99	80	0	6	5	5	(*)	(*)	-1	6	5
Thailand	8	14	6	1	1	0	7	13	6	3	5	5	(*)	(*)	(*)	3	5	5
Other	0	2	2	(*)	(*)	0	-1	1	2	2	3	1	(*)	(*)	(*)	2	3	1
International organizations and unallocated	66	216	150	38	178	140	28	38	10	47	38	-10	(*)	(*)	0	47	38	-10
Addenda:																		
European Union ¹	991	2,433	1,441	147	198	51	845	2,235	1,390	2,128	6,269	4,141	1,163	1,180	17	964	5,089	4,124
Eastern Europe ²	11	25	13	(*)	1	1	11	23	12	3	1	-2	(*)	(*)	(*)	3	(*)	-2

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 6.4.—Insurance, 1998

[Millions of dollars]

	Receipts									Payments								
	Total			Primary insurance			Reinsurance			Total			Primary insurance			Reinsurance		
	Net	Pre-miums received	Losses paid	Net	Pre-miums received	Losses paid	Net	Pre-miums received	Losses paid	Net	Pre-miums paid	Losses recovered	Net	Pre-miums paid	Losses recovered	Net	Pre-miums paid	Losses recovered
All countries	2,842	6,985	4,143	455	835	380	2,387	6,150	3,763	6,908	18,581	11,673	1,101	1,243	143	5,808	17,338	11,530
Canada	324	1,072	748	45	162	117	279	910	631	509	1,050	541	129	129	(*)	380	921	541
Europe	1,452	2,975	1,523	127	213	86	1,325	2,762	1,437	1,677	7,952	6,274	815	861	45	862	7,091	6,229
Belgium-Luxembourg	65	137	72	2	5	2	63	132	70	53	120	67	11	11	0	42	109	67
France	105	328	223	5	16	11	100	311	212	327	651	324	41	42	(*)	286	609	323
Germany	254	552	298	8	19	11	246	533	286	-40	1,531	1,571	21	21	(*)	-60	1,510	1,571
Italy	50	97	47	(*)	5	8	50	89	39	-16	81	97	1	1	(*)	-17	80	97
Netherlands	11	36	25	3	5	1	8	31	24	3	43	40	1	1	0	2	42	40
Norway	33	58	25	6	10	4	27	48	21	10	15	5	8	9	(*)	1	6	5
Spain	17	34	17	(*)	8	8	17	26	9	6	10	5	(*)	(*)	0	5	10	5
Sweden	10	33	23	2	4	2	9	29	21	-36	82	118	1	1	0	-37	82	118
Switzerland	7	62	55	2	4	2	5	58	53	289	1,235	947	12	16	4	276	1,219	943
United Kingdom	881	1,464	583	95	126	31	786	1,337	551	1,117	3,661	2,544	712	752	41	405	2,909	2,504
Other	18	174	156	3	8	5	15	166	151	-35	522	557	7	7	(*)	-42	515	557
Latin America and Other Western Hemisphere	500	1,681	1,181	125	186	61	375	1,495	1,120	4,427	8,888	4,462	131	227	97	4,296	8,661	4,365
South and Central America	141	674	533	113	169	56	28	505	477	-20	37	57	2	2	0	-22	35	57
Argentina	20	130	111	32	44	12	-12	87	99	-5	20	25	0	0	(*)	-5	20	25
Brazil	7	29	22	7	10	3	0	19	19	1	1	0	(*)	(*)	0	0	0	0
Chile	19	91	71	6	7	1	13	84	70	-1	(*)	2	0	0	0	-1	(*)	2
Mexico	39	124	85	19	33	14	20	91	72	2	5	4	0	0	0	1	5	4
Venezuela	0	34	34	9	10	1	-9	24	33	-4	2	6	1	1	0	-6	6	6
Other	57	265	209	39	65	25	18	201	183	-12	10	21	(*)	(*)	0	-12	9	21
Other Western Hemisphere	359	1,007	648	12	17	5	347	990	643	4,446	8,851	4,405	128	225	97	4,318	8,626	4,308
Bermuda	-95	424	519	3	4	1	-98	420	518	3,068	5,849	2,782	133	(D)	(D)	2,934	(D)	(D)
Other	453	583	129	8	13	5	445	569	124	1,379	3,002	1,623	-5	(D)	(D)	1,384	(D)	(D)
Africa	5	18	14	2	3	2	3	15	12	5	8	3	1	1	0	5	8	3
South Africa	4	8	4	(*)	(*)	(*)	4	7	4	-1	1	2	(*)	(*)	0	-1	1	2
Other	1	11	10	1	3	2	-1	8	8	6	8	2	(*)	(*)	0	6	7	1
Middle East	19	66	46	2	2	(*)	17	64	46	5	9	4	4	4	0	1	5	4
Israel	5	43	38	(*)	1	(*)	5	43	38	(*)	2	1	(*)	(*)	0	(*)	2	1
Saudi Arabia	4	9	5	1	1	0	3	8	5	-1	(*)	1	0	0	0	-1	(*)	1
Other	10	14	4	(*)	1	(*)	10	13	3	5	7	2	4	4	0	1	3	2
Asia and Pacific	356	900	544	28	85	56	328	815	487	242	624	381	21	22	(*)	221	602	381
Australia	13	127	114	-1	22	23	14	105	91	122	264	141	14	14	0	109	250	141
China	-17	13	30	(*)	(*)	(*)	-17	13	30	-3	-4	0	(*)	(*)	0	-3	-4	-1
Hong Kong	4	37	33	(*)	14	14	4	22	19	-24	3	-21	0	0	0	24	3	-21
India	1	8	8	-1	(*)	1	2	8	6	3	4	2	0	0	0	2	4	2
Indonesia	0	14	15	1	1	1	-1	14	15	0	(*)	(*)	(*)	(*)	0	0	(*)	(*)
Japan	281	456	175	6	10	4	274	446	172	83	309	226	4	4	0	78	304	226
Korea, Republic of	4	30	26	3	7	3	1	23	22	3	10	7	0	0	0	3	10	7
Malaysia	1	13	11	(*)	(*)	0	1	12	11	0	(*)	(*)	(*)	(*)	0	0	(*)	(*)
New Zealand	12	17	5	1	1	1	12	16	5	15	17	2	2	2	0	13	15	2
Philippines	2	16	14	-1	2	2	3	15	12	0	6	6	0	0	0	0	6	6
Singapore	22	33	11	10	14	5	12	18	6	-3	3	6	0	0	(*)	-3	3	6
Taiwan	28	116	89	7	10	3	20	106	86	4	6	2	0	0	0	4	6	2
Thailand	8	17	9	2	2	(*)	5	15	9	4	6	2	0	0	0	4	6	2
Other	-1	2	3	(*)	(*)	0	-1	2	3	-1	3	5	0	0	0	-1	3	5
International organizations and unallocated	185	273	87	126	184	58	59	88	29	43	51	7	(*)	(*)	0	43	51	7
Addenda:																		
European Union ¹	1,405	2,825	1,420	117	198	81	1,288	2,626	1,339	1,375	6,701	5,327	794	836	41	580	5,866	5,285
Eastern Europe ²	9	24	15	1	(*)	0	8	24	15	4	1	-3	(*)	(*)	0	4	1	-3

* Less than \$500,000.

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

1. See table 2, footnote 2.

2. See table 2, footnote 3.

Table 7.1.—Business, Professional, and Technical Services, Unaffiliated, 1995

[Millions of dollars]

	Receipts											Payments										
	Total	Advertising	Computer and data processing services	Data base and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, engineering, architectural, and mining services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²	Total	Advertising	Computer and data processing services	Data base and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, engineering, architectural, and mining services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²
All countries	16,078	425	1,340	1,078	638	1,489	1,667	2,550	726	3,218	2,948	4,822	833	126	160	364	465	469	345	160	160	1,742
Canada	1,230	80	179	106	52	94	107	38	75	258	241	629	49	27	8	44	70	27	70	34	31	269
Europe	5,135	164	469	531	288	605	912	401	105	942	737	2,066	314	46	114	198	187	240	133	(P)	79	(P)
Belgium-Luxembourg	286	1	10	22	8	12	55	5	(*)	93	79	84	10	9	15	5	7	3	3	(*)	5	29
France	495	17	42	72	28	20	162	12	11	78	54	215	48	9	8	14	9	16	16	(P)	8	(P)
Germany	613	23	78	84	29	69	133	49	15	76	57	348	72	1	13	28	24	46	6	(P)	4	21
Italy	205	20	16	64	9	13	26	11	19	24	85	19	1	(*)	5	8	8	6	6	(P)	1	16
Netherlands	339	2	67	26	13	20	47	10	117	32	100	8	9	16	10	5	8	8	8	(P)	2	2
Norway	173	4	10	17	21	3	10	23	7	45	13	2	(*)	(*)	2	2	2	2	2	(P)	4	10
Spain	191	(P)	30	16	17	19	18	6	10	29	(P)	41	5	1	(*)	8	(P)	8	8	(P)	0	(*)
Sweden	282	7	41	20	43	36	34	3	8	40	30	67	9	9	2	11	8	8	2	(*)	1	18
Switzerland	1,499	57	107	141	81	144	330	94	13	282	250	802	91	6	68	68	74	106	25	23	16	324
United Kingdom	1,008	(P)	59	65	17	264	84	187	32	147	(P)	253	25	1	5	35	(P)	27	10	(P)	5	105
Other																						
Latin America and Other Western Hemisphere	2,746	84	159	82	26	190	91	486	125	401	1,101	305	46	9	2	29	40	41	21	(*)	7	110
South and Central America	2,424	53	152	67	26	134	69	391	125	379	1,029	291	46	9	1	28	39	39	20	(*)	7	103
Argentina	256	1	14	7	(*)	7	5	32	8	46	136	29	3	1	2	6	5	5	2	0	1	8
Brazil	376	5	57	10	10	10	14	8	18	248	53	8	1	(*)	10	12	8	8	0	(*)	13	2
Chile	102	(*)	3	4	1	5	2	6	8	71	9	1	(*)	0	1	2	2	2	0	(*)	2	2
Mexico	683	14	48	30	10	39	26	43	24	211	240	102	28	1	5	5	15	9	9	0	4	36
Venezuela	289	(P)	17	6	1	6	11	121	1	55	42	15	1	(*)	2	4	4	4	0	(*)	5	5
Other	738	(P)	13	10	12	67	14	176	(P)	41	292	84	4	5	9	12	7	6	6	(*)	2	38
Other Western Hemisphere	322	32	7	15	1	46	23	95	1	22	72	14	(*)	1	1	1	1	2	1	(*)	0	7
Bermuda	87	(P)	2	4	(*)	56	12	1	0	(*)	(P)	1	(*)	0	0	(*)	(*)	1	0	(*)	0	1
Other	235	(P)	5	11	1	10	10	94	(P)	22	(P)	13	(*)	1	1	1	1	1	1	(*)	0	6
Africa	640	1	27	34	29	140	7	214	14	62	112	138	3	(*)	22	27	4	25	(*)	4	52	
South Africa	81	1	18	25	3	9	3	3	(*)	9	10	16	1	(*)	3	1	2	2	(*)	2	8	
Other	559	(*)	9	9	26	132	4	211	14	53	102	122	2	(*)	19	27	2	24	(*)	2	44	
Middle East	1,234	3	213	38	18	119	39	255	57	434	59	93	14	3	10	8	6	22	(*)	4	27	
Israel	121	2	(P)	16	3	10	12	23	(P)	13	20	32	6	1	9	1	2	2	(*)	1	11	
Saudi Arabia	884	1	(P)	10	13	82	12	122	(P)	375	24	17	5	2	2	1	1	1	0	(*)	3	
Other	229	(*)	3	12	1	26	15	110	(*)	46	15	44	3	(*)	1	5	2	21	0	(*)	12	
Asia and Pacific	4,830	86	283	282	235	317	480	1,156	346	1,121	522	1,484	401	33	33	52	113	118	72	(P)	33	
Australia	367	2	77	71	21	44	26	12	8	67	39	153	19	9	2	5	16	14	11	(P)	13	
China	471	(*)	20	5	2	9	11	262	13	106	44	38	2	2	1	4	5	5	1	(P)	41	
Hong Kong	248	23	17	18	2	36	47	18	(P)	33	(P)	80	17	1	1	4	12	1	1	(*)	18	
India	101	(*)	8	9	2	11	1	29	14	13	12	35	(*)	5	2	1	8	1	1	(*)	17	
Indonesia	346	2	6	1	7	37	5	134	(P)	21	(P)	28	1	2	(*)	1	2	2	0	(*)	0	
Japan	1,588	39	83	105	155	72	328	117	(P)	382	(P)	779	293	3	20	23	30	59	25	(P)	266	
Korea, Republic of	530	6	22	13	15	4	26	232	34	146	27	71	27	4	1	5	9	10	1	(*)	11	
Malaysia	114	(*)	5	7	3	4	1	28	2	47	15	12	1	(*)	0	3	3	1	0	(*)	3	
New Zealand	52	(*)	6	11	1	7	2	(*)	1	16	8	16	2	1	3	(*)	2	0	0	(*)	2	
Philippines	114	(*)	4	3	2	23	2	30	4	34	10	41	1	2	5	12	1	14	0	(*)	5	
Singapore	149	3	9	21	2	9	7	16	9	65	8	37	(P)	(*)	(*)	3	2	1	1	(*)	13	
Taiwan	249	6	15	6	11	8	12	45	19	112	15	49	13	2	1	6	5	5	2	(*)	0	
Thailand	273	1	9	9	5	8	2	(P)	2	48	(P)	66	2	1	3	(P)	1	1	1	(*)	2	
Other	228	2	2	4	6	40	9	(P)	(P)	32	61	78	(P)	(*)	(*)	3	(P)	16	0	(*)	51	
International organizations and unallocated	262	6	11	4	8	24	30	1	3	(*)	176	107	6	8	3	8	20	33	3	1	1	25
Addenda:																						
European Union ³	4,001	178	390	492	216	313	821	222	78	732	560	1,846	302	37	112	166	150	216	126	46	76	616
Eastern Europe ⁴	664	1	27	7	7	244	40	151	14	98	76	116	1	(*)	(*)	18	22	10	2	1	1	60

* Less than \$500,000.

P Suppressed to avoid disclosure of data of individual companies.

1. Receipts for engineering, architectural, construction, and mining services are published net of merchandise exports, which are included in merchandise trade in the U.S. international transactions accounts, and net of outlays abroad for wages, services, materials, and other expenses. In 1995, net receipts of \$2,550 million were derived as gross operating revenues of \$4,788 million less merchandise exports of \$787 million and foreign expenses of \$1,451 million. Payments for engineering, architectural, construction, and mining services are not published net of merchandise imports and outlays for wages and other expenses. Data are not collected for merchandise imports

and wages and other expenses, and no estimates are made because they are believed to be small.

2. Consists of accounting, auditing, and bookkeeping services, agricultural services, mailing, reproduction, and commercial art, management of health care facilities, medical services, miscellaneous disbursements, operational leasing, personnel supply services, sports and performing arts, training services, and other business, professional, technical services (see footnote 1 table 1).

3. See table 2, footnote 2.

4. See table 2, footnote 3.

Table 7.2.—Business, Professional, and Technical Services, Unaffiliated, 1996

[Millions of dollars]

	Receipts											Payments										
	Total	Advertising	Computer and data processing services	Data base and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, engineering, architectural, and mining services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²	Total	Advertising	Computer and data processing services	Data base and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, engineering, architectural, and mining services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²
All countries	19,466	543	1,617	1,158	681	1,460	1,943	3,553	870	3,648	3,994	5,547	971	276	146	379	497	615	465	197	239	1,763
Canada	1,637	101	202	115	49	124	123	98	(P)	273	(P)	681	46	38	6	33	72	53	100	24	26	282
Europe	6,005	251	713	564	216	553	1,003	434	105	965	1,200	2,594	417	155	107	246	203	309	166	46	158	786
Belgium-Luxembourg	182	(P)	16	17	9	12	60	(P)	2	25	(P)	60	13	3	(*)	5	7	4	1	1	1	20
France	617	27	81	74	24	21	194	15	4	83	95	273	54	(P)	8	11	20	24	13	(P)	3	64
Germany	737	36	107	71	38	54	153	23	9	112	135	424	99	(P)	4	33	25	64	(P)	(P)	10	99
Italy	289	19	24	70	7	18	26	(P)	2	34	(P)	81	23	1	(*)	2	6	11	1	3	9	26
Netherlands	447	4	109	25	12	17	27	43	(P)	122	(P)	113	6	6	20	9	6	9	21	(*)	3	33
Norway	62	1	13	5	2	1	9	1	1	12	18	22	2	9	3	1	4	1	1	(*)	2	15
Spain	220	6	16	16	5	3	11	38	(P)	62	(P)	81	37	2	4	3	4	11	3	2	3	2
Sweden	224	(P)	36	19	13	15	25	3	10	41	(P)	33	7	1	(*)	8	3	6	0	(*)	2	5
Switzerland	317	13	50	25	47	24	36	7	(P)	41	(P)	123	15	3	2	31	8	7	7	(*)	7	49
United Kingdom	1,614	89	194	172	43	135	364	58	12	226	322	996	136	45	64	68	94	130	22	(P)	(P)	(P)
Other	1,295	8	66	72	16	253	98	203	13	206	361	389	25	3	5	30	37	(P)	2	(P)	(P)	(P)
Latin America and Other Western Hemisphere	2,916	80	204	86	24	177	111	591	247	417	978	322	56	5	1	73	40	49	12	3	5	120
South and Central America	2,477	38	195	69	23	153	75	410	245	371	898	304	55	5	(*)	29	38	46	11	2	5	112
Argentina	279	1	65	7	(*)	8	8	23	24	71	112	31	6	(*)	2	4	6	1	(*)	(*)	1	11
Brazil	407	3	65	10	5	23	14	61	7	50	170	72	17	(*)	13	8	11	1	1	3	17	
Chile	135	(P)	8	4	(*)	1	4	51	(P)	6	39	13	2	(*)	0	2	3	3	1	0	2	
Mexico	648	11	62	32	9	49	32	81	24	158	191	89	22	2	(*)	3	6	12	4	1	2	37
Venezuela	234	1	15	8	1	9	7	99	21	24	50	21	1	(*)	0	4	4	1	0	0	11	
Other Western Hemisphere	774	(P)	25	8	8	62	10	95	(P)	62	337	78	7	(*)	0	9	13	9	5	(*)	7	
Other	439	41	9	17	(*)	24	36	181	3	47	80	18	1	(*)	1	3	2	3	0	0	0	34
Bermuda	55	(P)	2	4	(*)	5	19	(*)	1	(P)	6	1	(*)	(*)	(*)	1	1	1	0	0	0	4
Other	384	(P)	7	13	(*)	19	17	181	3	46	(P)	12	1	(*)	1	3	1	1	0	0	0	3
Africa	752	1	22	39	14	146	10	235	(P)	130	(P)	152	6	(*)	(*)	25	35	5	31	(*)	1	50
South Africa	104	(*)	12	(P)	5	8	8	10	8	8	(P)	20	3	(*)	(*)	2	1	2	(*)	0	(*)	11
Other	649	(*)	10	(P)	9	139	2	225	8	122	(P)	132	2	(*)	(*)	22	34	3	31	(*)	1	39
Middle East	1,925	5	38	51	97	119	49	1,028	46	418	73	190	31	2	(*)	4	12	11	(P)	(P)	3	3
Israel	162	3	9	17	6	24	13	26	5	28	31	45	(P)	1	(*)	2	4	5	(*)	(*)	1	3
Saudi Arabia	741	1	21	(P)	88	63	12	(P)	36	354	(P)	19	(*)	1	(*)	2	3	3	2	3	1	3
Other	1,022	1	7	(P)	3	32	24	(P)	3	37	(P)	127	(P)	(*)	0	5	4	3	(P)	(P)	1	1
Asia and Pacific	5,929	106	438	303	280	340	645	1,166	376	1,435	841	1,608	416	76	31	39	135	188	(P)	(P)	46	(P)
Australia	434	4	75	74	27	41	32	37	6	75	63	195	25	11	1	17	21	28	2	2	3	(P)
China	526	2	17	5	4	10	19	165	34	140	130	44	4	1	3	2	1	7	3	2	19	(P)
Hong Kong	403	33	22	24	2	23	78	3	1	104	114	129	18	5	1	(*)	7	27	5	0	68	
India	128	1	9	13	3	15	3	30	25	13	16	36	2	2	(*)	3	4	2	2	0	11	
Indonesia	508	2	9	2	13	37	8	248	(P)	62	(P)	29	3	1	(*)	1	4	5	5	0	1	
Japan	1,892	40	195	100	169	88	415	178	104	429	174	824	310	39	20	14	29	87	(P)	(P)	(P)	
Korea, Republic of	539	6	30	13	23	10	48	137	32	186	54	80	21	2	1	2	16	16	1	1	1	
Malaysia	341	(*)	11	6	4	3	2	183	(*)	74	(P)	17	2	(*)	(*)	7	7	1	(*)	(*)	2	
New Zealand	102	1	7	12	(*)	8	3	0	(*)	14	57	13	3	(*)	(*)	3	2	4	(*)	(*)	4	
Philippines	157	1	14	3	3	21	6	53	5	27	24	42	2	5	4	1	14	2	8	0	6	
Singapore	173	6	9	32	5	6	8	14	13	66	13	50	11	5	1	3	1	5	0	0	1	
Taiwan	262	8	21	6	19	12	15	28	40	62	31	74	11	4	1	1	4	9	9	1	4	
Thailand	183	2	17	7	5	6	4	49	11	69	11	38	2	(*)	(*)	2	(P)	3	3	0	1	
Other	279	(*)	1	4	3	58	4	41	(P)	93	(P)	37	3	(*)	(*)	2	9	1	9	0	13	
International organizations and unallocated	302	0	0	0	1	2	1	(*)	0	9	289	(*)	0	0	0	0	(*)	0	(*)	0	0	0
Addenda:																						
European Union ³	4,672	236	621	519	163	288	901	250	78	755	859	2,233	393	142	105	156	169	277	132	46	152	660
Eastern Europe ⁴	729	1	24	7	4	224	51	153	4	114	148	189	3	(*)	(*)	55	22	16	(P)	(*)	1	(P)

* Less than \$500,000.

P Suppressed to avoid disclosure of data of individual companies.

1. Receipts for engineering, architectural, construction, and mining services are published net of merchandise exports, which are included in merchandise trade in the U.S. international transactions accounts, and net of outlays abroad for wages, services, materials, and other expenses. In 1996, net receipts of \$3,553 million were derived as gross operating revenues of \$6,521 million less merchandise exports of \$1,535 million and foreign expenses

of \$1,433 million. Payments for engineering, architectural, construction, and mining services are not published net of merchandise imports and outlays for wages and other expenses. Data are not collected for merchandise imports and wages and other expenses, and no estimates are made because they are believed to be small.

2. See table 7.1, footnote 2.

3. See table 2, footnote 2.

4. See table 2, footnote 3.

Table 7.3.—Business, Professional, and Technical Services, Unaffiliated, 1997

[Millions of dollars]

	Receipts										Payments											
	Total	Advertising	Computer and data processing services	Data base and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, engineering, architectural, and mining services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²	Total	Advertising	Computer and data processing services	Data base and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, engineering, architectural, and mining services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²
All countries	22,467	624	2,065	1,467	896	1,596	2,152	3,498	1,366	3,630	5,173	6,358	859	276	141	568	731	560	461	211	316	2,236
Canada	2,032	115	224	150	64	173	158	99	86	269	694	843	53	71	2	52	95	39	59	44	59	369
Europe	7,841	269	892	703	362	604	1,171	717	209	1,100	1,814	2,827	342	104	100	322	274	289	219	49	183	943
Belgium-Luxembourg	246	4	40	25	23	8	69	4	2	34	38	93	15	7	5	5	9	12	(D)	1	2	(D)
France	784	43	97	79	28	37	213	19	9	96	164	226	35	7	(D)	21	15	19	3	4	7	(D)
Germany	951	39	145	99	69	69	154	48	18	133	177	313	72	14	3	36	26	44	10	19	11	(D)
Italy	362	25	28	95	27	19	37	11	4	47	70	90	19	1	(*)	10	5	8	(*)	2	12	31
Netherlands	532	9	84	30	14	24	40	16	(D)	141	(D)	120	8	6	(*)	20	9	7	34	(*)	3	23
Norway	89	1	22	6	2	3	12	1	2	11	30	17	3	(*)	5	1	4	(*)	(*)	(*)	3	(D)
Spain	281	13	28	21	7	6	12	10	20	54	110	72	28	9	(*)	7	4	9	(*)	(*)	(*)	12
Sweden	296	(D)	41	24	38	18	23	2	8	38	(D)	32	6	1	(*)	2	5	5	(*)	1	3	7
Switzerland	526	17	45	36	64	29	45	(D)	(D)	132	(D)	134	15	4	3	25	19	8	4	1	5	49
United Kingdom	2,303	66	274	175	47	189	454	286	25	258	530	1,307	114	47	53	104	156	129	81	14	133	476
Other	1,472	(D)	89	115	43	201	114	(D)	36	157	406	423	27	9	(D)	87	30	45	(D)	6	(D)	(D)
Latin America and Other Western Hemisphere	3,320	113	210	149	30	223	136	458	193	522	1,285	609	48	9	3	32	88	61	33	2	7	325
South and Central America	2,982	68	198	132	27	203	98	427	185	456	1,187	573	47	7	2	31	85	54	31	2	6	309
Argentina	309	4	15	2	7	10	22	24	2	25	178	44	3	(*)	3	3	7	(D)	(D)	(D)	(D)	(D)
Brazil	568	9	74	25	4	67	16	49	15	74	233	107	17	2	(*)	12	32	15	5	(*)	2	(D)
Chile	212	(D)	4	7	(*)	4	10	68	(D)	5	(D)	22	2	(*)	2	3	2	2	(*)	(*)	(*)	12
Mexico	850	15	58	54	9	52	29	103	16	253	259	263	10	3	(*)	4	20	14	8	(*)	3	200
Venezuela	276	1	18	11	2	10	13	99	41	22	80	16	1	1	(*)	2	4	4	(*)	(*)	(*)	7
Other	768	(D)	23	20	10	62	20	86	(D)	76	(D)	122	14	1	(*)	9	25	12	(*)	(*)	(*)	(D)
Other Western Hemisphere	338	44	13	17	3	20	38	31	8	67	98	36	1	2	1	2	3	7	2	2	1	16
Bermuda	54	(D)	2	5	1	3	17	(*)	(*)	(*)	19	1	1	1	(*)	1	1	4	1	1	1	7
Other	285	(D)	11	12	2	18	21	31	8	66	(D)	17	1	1	1	2	2	2	(*)	(*)	(*)	8
Africa	807	3	34	45	19	125	7	299	41	59	174	170	6	1	4	27	32	6	24	3	1	66
South Africa	117	1	23	30	4	12	4	9	(*)	13	18	22	4	1	1	1	2	2	(*)	(*)	(*)	10
Other	690	2	11	15	15	113	3	291	41	43	156	149	2	(*)	3	26	30	3	24	3	1	56
Middle East	1,526	7	55	67	19	64	120	395	120	395	297	14	7	1	(D)	9	9	9	(D)	(D)	(D)	5
Israel	180	5	12	9	5	18	21	14	(D)	49	(D)	103	2	2	(*)	(D)	(D)	4	4	(*)	(*)	(D)
Saudi Arabia	719	1	34	22	11	24	11	205	(D)	286	(D)	80	2	4	(*)	(D)	(D)	1	2	(*)	(*)	(D)
Other	627	1	10	35	2	(D)	31	398	(D)	60	(D)	114	10	(*)	(*)	2	6	4	(D)	(D)	(D)	(D)
Asia and Pacific	6,774	118	649	353	397	350	617	1,308	714	1,278	990	1,613	395	84	30	(D)	156	(D)	113	61	482	
Australia	524	22	118	76	30	48	38	5	10	89	87	174	23	11	1	9	24	22	5	1	4	75
China	528	2	22	6	5	9	19	170	55	81	159	54	5	2	2	2	6	8	1	1	2	25
Hong Kong	315	11	25	24	7	11	68	19	1	35	114	135	10	11	1	7	7	26	(D)	(D)	(D)	6
India	91	2	11	19	4	15	2	2	10	9	17	42	5	8	1	3	5	5	(D)	(D)	(D)	1
Indonesia	860	1	11	5	10	25	9	602	(D)	46	(D)	40	2	1	(*)	5	7	3	(*)	(*)	(*)	17
Japan	2,191	54	290	110	239	126	370	106	219	449	228	754	291	20	16	24	31	57	24	4	19	(D)
Korea, Republic of	600	7	45	19	35	9	57	145	51	173	58	83	19	4	1	5	13	14	1	4	3	19
Malaysia	267	1	16	7	3	8	2	59	(D)	60	(D)	21	3	1	(*)	(D)	(D)	1	(*)	(*)	(*)	2
New Zealand	122	1	9	19	3	2	4	0	1	23	59	20	4	1	(*)	2	1	4	(*)	(*)	(*)	7
Philippines	252	2	21	5	3	25	3	113	6	40	34	59	3	9	2	3	28	2	3	3	1	8
Singapore	194	5	24	33	6	7	12	12	9	66	20	62	9	5	4	2	4	4	(*)	(*)	(*)	7
Taiwan	397	8	33	11	33	3	24	22	(D)	84	(D)	73	15	9	(*)	5	2	6	2	2	2	(D)
Thailand	199	2	13	10	13	16	4	43	(D)	51	(D)	64	3	2	1	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Other	236	(*)	11	7	6	47	5	10	25	73	53	32	3	(*)	1	(D)	4	2	(D)	(D)	(D)	15
International organizations and unallocated	166	(*)	(*)	(*)	4	(D)	(*)	(*)	1	6	(D)	(*)	(*)	0	0	(*)	(*)	(*)	(*)	0	(*)	(*)
Addenda:																						
European Union ³	6,255	245	792	615	278	385	1,049	487	158	891	1,355	2,400	314	96	94	228	231	248	148	45	174	822
Eastern Europe ⁴	618	3	29	32	17	158	57	102	17	32	173	252	6	4	3	61	19	25	(D)	3	1	(D)

* Less than \$500,000.

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

1. Receipts for engineering, architectural, construction, and mining services are published net of merchandise exports, which are included in merchandise trade in the U.S. international transactions accounts, and net of outlays abroad for wages, services, materials, and other expenses. In 1997, net receipts of \$3,498 million were derived as gross operating revenues of \$7,313 million less merchandise exports of \$1,958 million and foreign expenses

of \$1,858 million. Payments for engineering, architectural, construction, and mining services are not published net of merchandise imports and outlays for wages and other expenses. Data are not collected for merchandise imports and wages and other expenses, and no estimates are made because they are believed to be small.

2. See table 7.1, footnote 2.

3. See table 2, footnote 2.

4. See table 2, footnote 3.

Table 7.4.—Business, Professional, and Technical Services, Unaffiliated, 1998

[Millions of dollars]

	Receipts											Payments										
	Total	Advertising	Computer and data processing services	Data base and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, engineering, architectural, and mining services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²	Total	Advertising	Computer and data processing services	Data base and other information services	Research, development, and testing services	Management, consulting, and public relations services	Legal services	Construction, engineering, architectural, and mining services ¹	Industrial engineering	Installation, maintenance, and repair of equipment	Other ²
All countries	24,338	575	2,037	1,954	943	1,657	2,451	4,053	1,550	3,668	5,450	7,684	1,046	365	139	630	914	688	699	311	431	2,459
Canada	1,993	106	294	202	98	209	153	87	100	215	528	1,086	54	73	7	75	138	40	73	35	69	520
Europe	8,555	258	857	963	427	652	1,381	880	296	949	1,892	3,636	453	139	91	384	341	376	402	96	251	1,103
Belgium-Luxembourg	290	6	42	38	25	8	82	5	11	27	35	95	18	4	5	9	9	17	1	(*)	2	30
France	861	49	96	91	37	65	245	21	13	84	160	306	55	7	10	19	18	30	4	6	9	112
Germany	1,042	34	149	117	84	86	177	64	24	138	171	366	84	30	8	39	33	64	6	11	13	79
Italy	476	23	41	125	26	14	46	5	12	76	109	131	27	3	(*)	14	5	10	7	(*)	14	(*)
Netherlands	453	8	69	34	15	29	57	10	(*)	84	(*)	180	11	4	14	28	19	10	58	1	5	29
Norway	97	1	22	8	3	11	2	2	2	11	35	40	4	(*)	7	1	5	4	2	3	(*)	(*)
Spain	263	8	30	28	9	4	12	14	22	115	105	37	4	1	6	10	9	1	(*)	(*)	7	(*)
Sweden	294	32	34	28	43	20	37	4	13	34	50	58	5	(*)	9	4	6	(*)	(*)	(*)	3	(*)
Switzerland	496	23	30	59	76	38	60	29	37	107	146	25	5	3	30	9	8	17	2	1	47	(*)
United Kingdom	2,704	62	243	305	62	186	532	355	41	322	596	1,591	149	43	46	141	187	160	45	15	185	620
Other	1,589	12	102	129	47	199	124	372	(*)	115	(*)	616	34	(*)	3	47	57	224	5	10	(*)	(*)
Latin America and Other Western Hemisphere	3,704	106	216	185	33	209	153	624	253	533	1,391	557	77	16	7	27	75	79	18	4	27	225
South and Central America	3,259	60	202	163	30	179	103	503	247	477	1,295	500	75	12	1	26	72	62	17	3	27	203
Argentina	378	3	18	23	5	6	15	25	(*)	18	(*)	51	9	(*)	1	3	3	9	(*)	(*)	3	14
Brazil	580	6	8	31	4	43	17	33	23	66	274	118	25	2	(*)	10	26	18	2	(*)	13	23
Chile	212	3	4	11	(*)	1	9	94	7	11	72	22	2	(*)	1	(*)	3	1	(*)	(*)	14	(*)
Mexico	918	14	55	62	9	41	36	98	43	282	278	143	14	4	(*)	4	12	16	2	3	5	83
Venezuela	334	1	18	17	2	14	12	160	28	17	66	22	2	(*)	(*)	(*)	5	4	(*)	(*)	10	10
Other Western Hemisphere	836	33	25	19	10	74	15	92	77	83	409	144	23	5	(*)	7	26	13	3	(*)	6	58
Bermuda	445	46	14	22	2	30	50	122	6	56	96	57	2	4	6	1	3	17	1	1	1	23
Other	60	12	4	7	(*)	1	25	122	(*)	1	9	28	(*)	2	4	1	1	7	(*)	(*)	1	13
Africa	1,032	4	32	56	20	132	8	383	(*)	161	(*)	165	8	1	5	20	(*)	6	(*)	4	1	65
South Africa	133	1	17	40	2	11	5	11	(*)	18	28	23	6	(*)	1	1	3	(*)	(*)	1	1	10
Other	899	3	16	16	18	122	3	372	(*)	143	(*)	142	2	1	4	19	(*)	4	(*)	4	(*)	56
Middle East	1,796	7	44	77	19	114	60	699	(*)	517	(*)	392	19	8	1	63	(*)	12	(*)	(*)	10	66
Israel	193	3	14	9	5	19	23	14	14	45	46	109	4	2	(*)	62	2	6	5	(*)	8	20
Saudi Arabia	739	1	22	33	12	59	10	231	51	306	13	156	2	6	(*)	1	2	10	(*)	(*)	2	(*)
Other	864	3	8	34	2	36	26	454	(*)	166	(*)	127	13	1	1	(*)	4	2	(*)	(*)	(*)	(*)
Asia and Pacific	7,067	94	593	471	341	339	697	1,379	690	1,285	1,179	1,848	436	128	28	61	203	175	96	170	72	480
Australia	539	15	65	99	26	71	46	1	6	110	99	189	27	8	2	11	26	26	7	1	4	77
China	620	3	16	12	7	8	17	205	26	96	230	67	5	3	2	8	10	1	2	2	31	(*)
Hong Kong	357	16	19	53	6	9	75	13	3	67	95	138	16	11	1	3	8	22	5	(*)	6	66
India	118	1	11	26	4	12	2	13	14	17	105	4	64	2	5	4	3	(*)	5	3	15	(*)
Indonesia	871	(*)	9	5	7	25	7	627	115	42	34	27	2	2	(*)	7	3	2	(*)	(*)	2	10
Japan	2,365	40	329	141	194	87	423	128	302	441	280	846	323	21	12	23	37	61	42	154	16	158
Korea, Republic of	558	3	38	16	29	10	67	123	24	136	111	109	18	1	(*)	3	10	17	(*)	(*)	5	16
Malaysia	153	2	12	11	3	8	2	29	13	45	28	17	2	(*)	(*)	7	1	(*)	(*)	(*)	1	4
New Zealand	133	(*)	11	24	2	3	4	1	1	24	64	20	5	1	(*)	2	1	5	(*)	(*)	1	5
Philippines	231	1	14	5	4	26	6	92	8	44	31	78	3	10	3	(*)	2	2	4	(*)	1	18
Singapore	280	5	23	44	7	6	14	56	18	78	29	51	7	2	4	1	4	4	2	2	5	18
Taiwan	308	5	33	14	33	4	25	39	20	79	57	101	15	3	(*)	5	(*)	9	(*)	(*)	14	(*)
Thailand	280	1	10	13	13	15	4	48	41	41	56	4	1	1	5	(*)	4	4	5	(*)	2	(*)
Other	255	(*)	3	7	4	56	6	4	(*)	65	(*)	44	2	(*)	1	2	4	4	(*)	(*)	1	(*)
International organizations and unallocated	190	(*)	(*)	1	5	1	(*)	1	0	8	175	(*)	0	0	0	0	(*)	0	(*)	0	0	(*)
Addenda:																						
European Union ³	6,944	229	767	848	334	431	1,238	588	184	860	1,465	3,147	413	119	87	289	296	329	294	89	246	984
Eastern Europe ⁴	645	3	32	35	12	148	69	141	(*)	14	(*)	261	6	3	(*)	57	23	26	86	3	(*)	55

* Less than \$500,000.

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

1. Receipts for engineering, architectural, construction, and mining services are published net of merchandise exports, which are included in merchandise trade in the U.S. international transactions accounts, and net of outlays abroad for wages, services, materials, and other expenses. In 1998, net receipts of \$4,053 million were derived as gross operating revenues of \$8,589 million less merchandise exports of \$1,956 million and foreign expenses

of \$2,580 million. Payments for engineering, architectural, construction, and mining services are not published net of merchandise imports and outlays for wages and other expenses. Data are not collected for merchandise imports and wages and other expenses, and no estimates are made because they are believed to be small.

2. See table 7.1, footnote 2.

3. See table 2, footnote 2.

4. See table 2, footnote 3.

Table 8.—Sales of Services to Foreign Persons by U.S. MNC's Through Their Nonbank MOFA's and to U.S. Persons by Foreign MNC's Through Their Nonbank MOUSA's, by Country, 1990–97

[Millions of dollars]

Country ¹	Sales by MOFA's to foreign persons								Sales by MOUSA's to U.S. persons							
	1990	1991	1992	1993	1994	1995	1996	1997	1990	1991	1992	1993	1994	1995	1996	1997 ²
All countries	121,259	131,623	140,553	142,603	159,149	190,057	223,175	258,253	109,169	119,520	127,969	134,700	145,414	149,663	168,444	205,548
Canada	18,214	17,967	17,531	18,265	17,776	18,534	21,160	24,389	21,994	20,875	20,138	23,507	22,285	26,620	27,282	32,436
Europe	69,233	74,091	80,124	79,578	84,599	105,111	128,665	147,906	64,540	71,983	77,531	78,255	86,156	89,978	101,296	124,903
Belgium	3,206	3,591	(^D)	(^D)	3,886	4,277	4,260	4,386	415	469	767	533	471	164	349	134
France	8,376	9,349	10,869	10,897	10,292	10,897	14,183	15,868	15,147	5,104	5,649	6,923	7,506	11,315	12,141	12,260
Germany	8,339	9,730	11,379	12,744	12,434	17,618	21,829	19,073	5,564	8,416	8,850	10,687	10,728	11,904	16,991	21,441
Italy	4,842	5,337	6,005	5,187	4,528	5,176	6,462	6,358	(^D)	(^D)	785	819	917	750	993	877
Netherlands	7,989	7,537	6,925	7,740	8,111	9,134	10,668	11,010	8,145	8,634	10,374	8,667	(^D)	9,860	10,511	14,348
Norway	635	704	846	793	878	(^D)	1,626	1,822	177	300	358	479	539	527	2,031	1,667
Spain	2,001	2,298	2,608	2,095	2,211	2,869	3,106	3,117	220	204	147	168	179	182	215	312
Sweden	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)	2,883	3,145	(^D)	(^D)	(^D)	(^D)	(^D)	2,413	1,490	1,811
Switzerland	2,968	2,776	2,759	3,140	3,187	4,006	4,497	4,286	10,211	11,029	11,577	11,655	12,589	12,758	15,174	18,282
United Kingdom	26,131	27,636	29,480	28,496	31,810	38,114	50,330	71,652	30,336	30,616	32,661	33,359	35,563	35,409	37,812	48,647
Other	(^D)	(^D)	(^D)	(^D)	(^D)	6,003	7,126	7,909	2,174	2,469	(^D)	(^D)	(^D)	3,871	3,468	2,373
Latin America and Other Western Hemisphere	7,972	8,441	8,999	9,526	12,588	15,791	17,457	25,988	2,309	2,630	2,523	3,432	4,100	4,209	5,474	6,463
South and Central America	(^D)	4,042	4,705	5,580	8,354	10,893	12,143	16,111	497	518	756	819	944	969	1,098	1,119
Argentina	437	509	612	751	1,463	2,012	2,584	(^D)	10	10	3	3	3	3	2	3
Brazil	1,921	1,700	1,685	1,875	2,361	3,008	3,457	5,042	16	20	(^D)	36	40	40	59	121
Chile	184	218	399	465	865	1,530	1,146	1,425	(*)	(*)	0	0	0	0	(*)	(^D)
Mexico	626	796	(^D)	1,310	1,772	1,850	2,003	(^D)	105	133	321	348	488	517	554	546
Venezuela	(^D)	348	(^D)	1,054	(^D)	1,689	(^D)	99	120	(^D)	197	214	223	256	224	224
Other	(^D)	689	519	(^D)	839	(^D)	1,263	1,792	267	236	229	235	199	186	227	(^D)
Other Western Hemisphere	(^D)	4,399	4,294	3,946	4,233	4,898	5,313	9,877	1,813	2,112	1,769	2,613	3,156	3,240	4,376	5,344
Bermuda	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)	697	894	968	1,133	1,373	1,460	1,752	2,630
Other	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)	1,115	1,217	801	1,480	1,783	1,780	2,624	2,714
Africa, Middle East, and Asia and Pacific	23,187	28,008	31,348	32,496	41,663	48,088	53,336	57,006	19,810	23,399	(^D)	(^D)	(^D)	28,226	33,495	40,636
Africa	650	637	(^D)	727	(^D)	1,677	1,776	2,145	187	126	(^D)	(^D)	(^D)	237	248	234
South Africa	39	35	35	35	109	529	(^D)	1,000	(^D)	(^D)	154	173	179	169	202	190
Other	611	601	(^D)	692	(^D)	1,148	(^D)	1,144	(^D)	(^D)	(^D)	(^D)	(^D)	68	46	44
Middle East	1,205	1,420	(^D)	1,808	(^D)	1,643	1,879	2,042	1,459	1,462	1,657	1,848	1,915	1,803	1,955	1,748
Israel	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)	(^D)	92	159	200	172	164	251	237	332
Saudi Arabia	(^D)	614	772	809	720	(^D)	(^D)	(^D)	359	352	439	533	570	591	703	500
Other	421	(^D)	700	(^D)	(^D)	633	(^D)	756	1,008	951	1,018	1,143	1,181	961	1,015	915
Asia and Pacific	21,332	25,952	28,753	29,961	39,033	44,768	49,681	52,819	18,164	21,811	24,312	26,756	30,069	26,186	31,293	38,655
Australia	4,124	4,282	4,238	3,964	5,550	6,489	8,821	9,722	4,431	(^D)	(^D)	(^D)	(^D)	4,321	5,886	8,766
China	133	128	(^D)	59	320	453	575	726	(*)	2	40	42	45	58	63	(^D)
Hong Kong	3,088	3,293	2,970	3,351	4,043	4,424	5,310	5,952	776	1,024	1,163	1,682	1,759	2,003	1,829	1,487
India	(^D)	(^D)	(^D)	47	116	102	219	(^D)	1	15	16	24	30	(^D)	93	(^D)
Indonesia	255	237	266	256	249	324	415	(^D)	10	19	27	44	53	40	49	57
Japan	9,934	12,072	13,859	15,672	19,545	21,693	21,921	22,010	12,489	15,097	17,705	20,337	23,203	18,621	21,398	25,063
Korea, Republic of	366	419	598	699	1,141	1,299	1,273	(^D)	66	191	(^D)	375	252	238	827	280
Malaysia	298	353	568	642	1,136	(^D)	1,391	(^D)	17	22	50	124	180	162	272	326
New Zealand	430	1,746	1,798	394	848	1,175	1,075	1,051	43	(^D)	(^D)	19	15	14	20	47
Philippines	(^D)	214	243	257	397	(^D)	518	582	39	39	10	12	12	10	10	7
Singapore	1,179	1,458	1,613	1,733	2,234	2,492	3,103	3,681	85	107	110	112	188	244	343	1,747
Taiwan	771	1,009	1,542	1,898	2,473	3,028	3,362	3,941	140	147	154	148	283	310	386	535
Thailand	495	629	797	879	(^D)	1,593	1,618	1,388	2	2	2	2	2	2	2	(*)
Other	(^D)	(^D)	107	(^D)	(^D)	(^D)	172	254	65	(^D)	53	(^D)	(^D)	134	(^D)	(^D)
International ³	2,652	3,116	2,550	2,738	2,523	2,531	2,567	2,964	.....	.....	.....	.....	.....	.....	.....	.....
United States ⁴ .....	.....	.....	.....	.....	.....	.....	.....	.....	517	632	(^D)	(^D)	(^D)	630	898	1,110
Addenda:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
European Union ⁵	62,867	67,676	73,540	72,315	76,497	99,012	121,510	140,545	52,107	56,777	61,803	64,243	71,319	76,612	83,987	104,873
Eastern Europe ⁶	(^D)	(^D)	12	53	423	438	577	817	16	17	13	10	12	20	22	13

* Less than \$500,000.

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

1. For MOFA's, "country" is the country of the affiliate; for MOUSA's, it is the country of the affiliate's ultimate beneficial owner.

2. See table A, footnote 3.

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

4. Contains data for U.S. affiliates that have a foreign parent but whose ultimate beneficial owner is a U.S. person.

5. See table 2, footnote 2.

6. See table 2, footnote 3.

MNC Multinational company

MOFA Majority-owned foreign affiliate

MOUSA Majority-owned U.S. affiliate

Table 9.—Sales of Services to Foreign Persons by U.S. MNC's Through Their Nonbank MOFA's, Industry of Affiliate by Country of Affiliate, 1996–97
[Millions of dollars]

	All countries	Canada	Europe						Latin America and Other Western Hemisphere	Other countries			International
			Total	Of which:						Total	Of which:		
				France	Germany	Netherlands	Switzerland	United Kingdom			Australia	Japan	
1996													
All industries	223,175	21,160	128,655	15,868	21,829	10,668	4,497	50,330	17,457	53,336	8,821	21,921	2,567
Petroleum	9,789	810	3,147	210	92	537	(P)	1,445	1,983	2,302	246	164	1,547
Manufacturing	20,478	1,476	13,039	3,390	4,550	57	13	3,810	(P)	(P)	153	(P)	
Food and kindred products	210	1	95	0	1	35	0	48	78	36	34	0	
Chemicals and allied products	82	8	65	4	0	0	7	53	0	9	0	(*)	
Primary and fabricated metals	39	2	29	3	4	0	0	7	5	2	2	0	
Machinery	16,190	(P)	9,751	(P)	(P)	8	1	(P)	397	(P)	50	(P)	
Other manufacturing	3,958	(P)	3,099	(P)	(P)	14	6	(P)	(P)	(P)	67	4	
Wholesale trade	15,099	1,092	8,966	632	564	962	667	1,269	817	4,224	442	1,262	
Retail trade	1,220	(P)	(P)	(P)	(P)	(P)	36	120	88	225	(P)	(P)	
Finance, except depository institutions	(P)	2,768	(P)	909	(P)	(P)	(P)	(P)	1,295	(P)	981	2,641	
Insurance	41,000	4,870	16,201	540	5,204	703	(P)	8,050	4,075	15,855	483	8,698	
Real estate	(P)	9	(P)	12	(P)	(P)	(*)	(P)	28	(P)	5	28	
Services	82,968	6,206	57,664	9,482	8,119	(P)	2,817	17,523	(P)	(P)	4,347	4,008	
Hotels and other lodging places	2,866	286	1,595	171	206	43	(P)	298	479	506	253	0	
Advertising	(P)	(P)	3,691	466	856	344	96	750	352	873	215	179	
Equipment rental and leasing, except autos and computers	(P)	(P)	(P)	(P)	(P)	(P)	(P)	(P)	211	69	6	22	
Computer and data processing services	28,862	(P)	(P)	(P)	(P)	(P)	1,623	(P)	(P)	5,604	1,897	(P)	
Motion pictures, including television tape and film	8,513	497	6,345	719	536	(P)	1	1,259	390	1,290	391	748	
Engineering, architectural, and surveying services	8,682	471	5,691	(P)	179	1,178	59	2,637	663	1,857	466	(P)	
Accounting, research, management and related services	7,738	750	5,321	373	1,079	140	666	1,519	379	1,287	367	327	
Health services	487	0	466	0	0	0	(P)	184	21	(*)	0	0	
Other services	(P)	(P)	(P)	4,072	(P)	698	237	4,450	1,105	(P)	753	633	
Other industries	29,632	(P)	(P)	(P)	(P)	(P)	131	9,612	(P)	(P)	(P)	441	1,020
Agriculture, forestry, and fishing	127	14	8	0	0	0	0	0	12	93	(P)	0	
Mining	132	120	11	0	7	0	0	0	2	0	0	4	
Construction	716	21	483	1	0	3	0	421	(P)	(P)	20	0	
Transportation	10,621	1,842	4,818	362	1,359	327	103	1,914	476	2,465	197	371	1,020
Communication	6,351	(P)	(P)	12	(P)	71	28	1,750	1,631	792	55	67	
Public utilities	11,684	459	7,476	(P)	(P)	(P)	0	5,527	595	3,154	1,627	0	
1997													
All industries	258,253	24,389	147,906	15,147	19,073	11,010	4,286	71,652	25,988	57,006	9,722	22,010	2,964
Petroleum	12,413	1,126	3,909	178	61	534	33	2,355	2,532	2,832	312	238	2,013
Manufacturing	17,280	(P)	10,220	2,710	3,133	61	7	2,792	589	(P)	130	(P)	
Food and kindred products	312	43	158	0	0	25	0	79	39	71	24	0	
Chemicals and allied products	93	0	80	0	0	0	6	55	0	13	0	(*)	
Primary and fabricated metals	231	(*)	213	1	42	0	0	79	18	0	0	0	
Machinery	(P)	(P)	(P)	(P)	(P)	27	1	2,329	408	(P)	44	(P)	
Other manufacturing	(P)	(P)	(P)	(P)	(P)	9	0	249	124	89	61	4	
Wholesale trade	14,847	1,129	8,846	537	467	776	869	1,502	1,550	3,322	531	893	
Retail trade	(P)	(P)	(P)	(P)	(P)	(P)	(P)	140	154	(P)	173	(P)	
Finance, except depository institutions	(P)	2,810	(P)	757	(P)	725	258	(P)	2,054	5,219	1,085	2,438	
Insurance	47,240	4,457	17,249	569	5,118	1,215	(P)	8,478	8,573	16,961	465	8,984	
Real estate	(P)	22	(P)	(P)	(P)	(*)	(*)	(P)	30	(P)	6	35	
Services	93,589	7,119	63,614	9,712	7,315	6,766	2,719	24,063	6,978	15,878	4,819	4,575	
Hotels and other lodging places	3,335	553	1,673	232	133	41	(P)	436	604	505	233	0	
Advertising	(P)	380	4,012	618	752	321	110	966	482	(P)	210	171	
Equipment rental and leasing, except autos and computers	(P)	227	(P)	30	51	17	(P)	3,005	394	65	6	18	
Computer and data processing services	(P)	1,465	(P)	2,742	3,550	1,991	1,461	(P)	(P)	(P)	2,036	2,591	
Motion pictures, including television tape and film	8,415	708	5,981	753	433	(P)	51	1,433	398	1,329	371	748	
Engineering, architectural, and surveying services	9,338	450	6,411	365	133	1,021	(*)	3,682	591	1,886	(P)	42	
Accounting, research, management and related services	8,529	895	5,545	349	1,068	166	739	1,737	414	1,674	380	310	
Health services	351	0	331	0	0	0	0	42	20	(*)	0	0	
Other services	(P)	2,442	14,881	4,623	1,195	(P)	227	(P)	(P)	2,219	(P)	695	
Other industries	(P)	5,790	(P)	377	(P)	(P)	157	18,303	3,529	7,742	2,201	438	951
Agriculture, forestry, and fishing	87	15	8	0	0	0	0	0	15	50	49	0	
Mining	104	92	10	0	(P)	0	0	0	2	0	0	0	
Construction	269	26	(P)	0	0	3	0	64	13	(P)	59	4	
Transportation	11,061	1,974	4,837	336	1,248	344	136	2,003	536	2,763	205	364	951
Communication	8,807	(P)	3,957	41	(P)	91	21	2,556	2,174	(P)	101	70	
Public utilities	(P)	(P)	15,301	0	(P)	(P)	0	13,680	789	3,876	1,787	0	

* Less than \$500,000.
(P) Suppressed to avoid disclosure of data of individual companies.
MNC Multinational company
MOFA Majority-owned foreign affiliate

Table 10.1.—Sales of Services to U.S. Persons by Foreign MNC's Through Their Nonbank MOUSA's, Industry of Affiliate by Country of UBO, 1996
 [Millions of dollars]

	All countries	Canada	Europe					Latin America and Other Western Hemisphere	Other countries			United States	
			Total	Of which:					Total	Of which:			
				France	Germany	Netherlands	Switzerland			United Kingdom	Australia		Japan
All industries	168,444	27,282	101,296	12,260	16,991	10,511	15,174	37,812	5,474	33,495	5,886	21,398	898
Petroleum	3,278	225	1,243	107	27	43	48	(D)	(D)	(D)	105	4	3
Manufacturing	11,577	1,570	8,530	251	723	298	1,803	5,004	92	1,367	51	954	18
Food and kindred products	483	20	186	0	0	2	(*)	184	0	277	0	230	(*)
Chemicals and allied products	2,820	(*)	2,679	15	34	0	(D)	(D)	1	141	0	26	0
Primary and fabricated metals	565	20	310	5	81	0	0	219	78	156	0	156	0
Machinery	3,427	(D)	2,915	189	585	114	(D)	(D)	0	(D)	0	177	11
Other manufacturing	4,282	(D)	2,441	43	23	182	127	1,789	13	(D)	51	365	7
Wholesale trade	8,996	156	3,286	56	2,101	401	332	337	17	5,537	3	4,819	0
Retail trade	504	13	176	50	(*)	39	0	26	101	213	3	122	0
Finance, except depository institutions	10,736	719	5,809	305	672	453	1,793	2,224	179	(D)	38	3,744	(D)
Insurance	56,820	11,894	43,909	5,546	7,877	6,402	8,266	13,957	192	708	(D)	573	116
Real estate	11,489	1,519	4,049	337	959	915	241	1,229	624	(D)	301	3,151	(D)
Services	43,250	6,641	25,752	4,090	3,807	1,070	2,343	10,673	2,415	8,334	368	5,326	109
Hotels and other lodging places	7,833	80	2,361	881	43	(D)	(D)	1,046	276	5,115	5	2,986	0
Advertising	3,652	4	3,383	1,195	4	0	4	2,176	(D)	(D)	0	181	4
Equipment rental and leasing, except autos and computers	1,845	8	1,387	420	84	7	0	450	(D)	(D)	(D)	41	0
Computer and data processing services	4,660	781	3,421	522	(D)	12	4	1,681	16	439	4	321	2
Motion pictures, including television tape and film	5,054	(D)	1,815	42	6	0	0	1,766	127	(D)	7	(D)	0
Engineering, architectural, and surveying services	3,472	209	3,019	(D)	230	354	37	144	0	244	0	235	0
Accounting, research, management and related services	2,037	38	1,695	217	39	170	41	(D)	18	284	8	257	2
Health services	3,540	1,005	(D)	0	(D)	0	0	0	(D)	(D)	17	6	0
Other services	11,157	(D)	(D)	49	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	100
Other industries	21,795	4,545	8,542	1,518	824	890	348	(D)	(D)	8,107	(D)	2,706	(D)
Agriculture, forestry, and fishing	94	28	57	16	13	0	16	(*)	1	8	3	3	0
Mining	37	14	23	0	16	0	0	0	0	0	0	0	0
Construction	1,157	15	619	136	(D)	0	0	(*)	9	514	0	421	0
Transportation	12,114	3,502	5,699	355	(D)	888	332	2,606	119	(D)	31	2,209	(D)
Communication	5,975	88	1,013	(D)	0	2	0	(D)	5	(D)	(D)	(D)	(D)
Public utilities	2,418	899	1,131	(D)	0	0	0	(D)	(D)	(D)	(D)	(D)	0

* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

MNC Multinational company

MOUSA Majority-owned U.S. affiliate

UBO Ultimate beneficial owner

2000 Release Dates for BEA Estimates

<i>Subject</i>	<i>Release Date*</i>	<i>Subject</i>	<i>Release Date*</i>
U.S. International Trade in Goods and Services, November 1999.....	Jan. 20 †	U.S. International Trade in Goods and Services, May 2000.....	July 19 †
State Personal Income, 3rd quarter 1999.....	Jan. 26	State Personal Income, 1st quarter 2000.....	July 25
Gross Domestic Product, 4th quarter 1999 (advance)....	Jan. 28	Gross Domestic Product, 2nd quarter 2000 (advance)...	July 28
Personal Income and Outlays, December 1999.....	Jan. 31		
U.S. International Trade in Goods and Services, December 1999.....	Feb. 18 †	Personal Income and Outlays, June 2000.....	Aug. 1
Gross Domestic Product, 4th quarter 1999 (preliminary)	Feb. 25	U.S. International Trade in Goods and Services, June 2000.....	Aug. 18 †
Personal Income and Outlays, January 2000.....	Feb. 28	Gross Domestic Product, 2nd quarter 2000 (preliminary) and Corporate Profits, 2nd quarter 2000 (preliminary).....	Aug. 25
U.S. International Transactions, 4th quarter 1999.....	Mar. 15	Personal Income and Outlays, July 2000.....	Aug. 28
U.S. International Trade in Goods and Services, January 2000.....	Mar. 21 †		
Gross Domestic Product, 4th quarter 1999 (final) and Corporate Profits, 4th quarter 1999.....	Mar. 30	U.S. International Transactions, 2nd quarter 2000.....	Sept. 13
Personal Income and Outlays, February 2000.....	Mar. 31	U.S. International Trade in Goods and Services, July 2000.....	Sept. 20 †
U.S. International Trade in Goods and Services, February 2000.....	Apr. 19 †	Gross Domestic Product, 2nd quarter 2000 (final) and Corporate Profits, 2nd quarter 2000 (revised).....	Sept. 28
Gross Domestic Product, 1st quarter 2000 (advance)....	Apr. 27	Personal Income and Outlays, August 2000.....	Sept. 29
Personal Income and Outlays, March 2000.....	Apr. 28		
State Personal Income, 4th quarter 1999 and Per Capita Personal Income, 1999 (preliminary).....	May 17	U.S. International Trade in Goods and Services, August 2000.....	Oct. 19 †
U.S. International Trade in Goods and Services, March 2000.....	May 19 †	State Personal Income, 2nd quarter 2000.....	Oct. 25
Gross Domestic Product, 1st quarter 2000 (preliminary) and Corporate Profits, 1st quarter 2000 (preliminary)	May 25	Gross Domestic Product, 3rd quarter 2000 (advance)...	Oct. 27
Personal Income and Outlays, April 2000.....	May 26	Personal Income and Outlays, September 2000.....	Oct. 30
Foreign Investors' Spending to Acquire or Establish U.S. Businesses, 1999.....	June 7	U.S. International Trade in Goods and Services, September 2000.....	Nov. 21 †
Local Area Personal Income, 1998.....	June 15	Gross Domestic Product, 3rd quarter 2000 (preliminary) and Corporate Profits, 3rd quarter 2000 (preliminary).....	Nov. 29
U.S. International Trade in Goods and Services, April 2000.....	June 20 †	Personal Income and Outlays, October 2000.....	Nov. 30
U.S. International Transactions, 1st quarter 2000.....	June 20		
Gross Domestic Product, 1st quarter 2000 (final) and Corporate Profits, 1st quarter 2000 (revised).....	June 29	U.S. International Transactions, 3rd quarter 2000.....	Dec. 14
International Investment Position of the United States, 1999.....	June 29	U.S. International Trade in Goods and Services, October 2000.....	Dec. 19 †
Personal Income and Outlays, May 2000.....	June 30	Gross Domestic Product, 3rd quarter 2000 (final) and Corporate Profits, 3rd quarter 2000 (revised).....	Dec. 21
		Personal Income and Outlays, November 2000.....	Dec. 22

* These are target dates and are subject to revision.

† Joint release by Bureau of the Census and BEA.

For further information, call 202-606-9900, E-mail <webmaster@bea.doc.gov>, or write to Public Information Office (BE-53), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

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 September 30, 1999 and include the "final" estimates for the second quarter of 1999.

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. Most of the "annual only" NIPA tables were presented in the August 1998 SURVEY OF CURRENT BUSINESS; table 8.26 was presented in the September 1998 SURVEY; and the remaining "annual only" tables—tables 3.15–3.20 and 9.1–9.6—were presented in the October 1998 SURVEY.

The news release on gross domestic product (GDP) is available within minutes of the time of release, and the "Selected NIPA Tables" are available later that day, on STAT-USA's Web site <www.stat-usa.gov>; for information, call STAT-USA on 202-482-1986. The GDP news release is also available within minutes of the time of release, and the "Selected NIPA Tables" a day or two later, on BEA's Web site <www.bea.doc.gov>.

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

NOTE.—An article in this issue of the SURVEY describes the statistical changes that will be introduced in the upcoming comprehensive revision of the NIPA's.

1. National Product and Income

Table 1.1.—Gross Domestic Product

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Gross domestic product	8,110.9	8,511.0	8,384.2	8,440.6	8,537.9	8,681.2	8,808.7	8,873.4
Personal consumption expenditures	5,493.7	5,807.9	5,676.5	5,773.7	5,846.7	5,934.8	6,050.6	6,155.0
Durable goods	673.0	724.7	705.1	720.1	718.9	754.5	771.2	784.9
Nondurable goods	1,600.6	1,662.4	1,633.1	1,655.2	1,670.0	1,691.3	1,736.0	1,770.6
Services	3,220.1	3,420.8	3,338.2	3,398.4	3,457.7	3,488.9	3,543.4	3,599.5
Gross private domestic investment	1,256.0	1,367.1	1,366.6	1,345.0	1,364.4	1,392.4	1,417.4	1,417.4
Fixed investment	1,188.6	1,307.8	1,271.1	1,305.8	1,307.5	1,346.7	1,377.9	1,410.0
Nonresidential	860.7	938.2	921.3	941.9	931.6	957.9	972.6	994.2
Structures	240.2	246.9	245.0	245.4	246.2	250.9	255.0	256.1
Producers' durable equipment	620.5	691.3	676.3	696.6	685.4	706.9	717.6	738.1
Residential	327.9	369.6	349.8	363.8	375.8	388.9	405.3	415.7
Change in business inventories	67.4	59.3	95.5	39.2	57.0	45.7	39.5	7.5
Net exports of goods and services	-93.4	-151.2	-123.7	-159.3	-165.5	-156.2	-196.9	-240.6
Exports	965.4	959.0	973.3	949.6	936.2	976.8	962.7	973.8
Goods	688.3	680.8	694.5	668.8	663.3	696.6	677.7	683.8
Services	277.1	278.2	278.8	280.8	272.9	280.2	285.0	290.0
Imports	1,058.8	1,110.2	1,097.1	1,108.9	1,101.7	1,133.0	1,159.6	1,214.4
Goods	888.3	932.4	920.9	931.8	924.7	952.2	975.2	1,022.5
Services	170.4	177.8	176.2	177.1	177.0	180.8	184.5	191.9
Government consumption expenditures and gross investment	1,454.6	1,487.1	1,464.9	1,481.2	1,492.3	1,510.2	1,537.5	1,541.5
Federal	520.2	520.6	511.6	520.7	519.4	530.7	536.6	532.8
National defense	346.0	340.4	331.6	339.8	343.7	346.4	345.5	343.4
Nondefense	174.3	180.2	180.0	180.9	175.7	184.3	191.1	189.4
State and local	934.4	966.5	953.3	960.4	972.9	979.5	1,000.9	1,008.7

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

Table 1.2.—Real Gross Domestic Product

[Billions of chained (1992) dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Gross domestic product	7,269.8	7,551.9	7,464.7	7,498.6	7,566.5	7,677.7	7,759.6	7,790.6
Personal consumption expenditures	4,913.5	5,153.3	5,055.1	5,130.2	5,181.8	5,246.0	5,331.9	5,394.8
Durable goods	668.6	737.1	710.3	729.4	733.7	775.0	798.9	817.5
Nondurable goods	1,486.3	1,544.1	1,521.2	1,540.9	1,549.1	1,565.1	1,600.9	1,612.1
Services	2,761.5	2,879.5	2,829.3	2,866.8	2,904.8	2,917.2	2,946.8	2,981.2
Gross private domestic investment	1,206.4	1,330.1	1,321.8	1,306.5	1,331.6	1,360.6	1,388.5	1,389.7
Fixed investment	1,138.0	1,267.8	1,224.9	1,264.1	1,270.9	1,311.0	1,344.0	1,375.6
Nonresidential	859.4	960.7	931.9	960.4	958.7	991.9	1,012.2	1,038.5
Structures	203.2	203.0	203.1	201.9	202.0	205.0	207.8	207.3
Producers' durable equipment	660.9	770.2	738.8	771.3	769.3	801.5	819.8	849.5
Residential	282.8	312.0	298.5	309.1	316.5	324.1	335.9	341.8
Change in business inventories	63.2	57.4	91.4	38.2	55.7	44.2	38.7	7.4
Net exports of goods and services	-136.1	-238.2	-198.5	-245.2	-259.0	-250.0	-303.6	-338.0
Exports	970.0	984.7	991.9	972.1	965.3	1,009.6	996.5	1,008.5
Goods	726.5	742.6	748.5	726.3	727.3	768.4	751.2	760.9
Services	247.0	246.4	247.8	248.8	242.1	247.0	249.6	252.1
Imports	1,106.1	1,222.9	1,190.4	1,217.3	1,224.3	1,259.6	1,300.1	1,346.6
Goods	945.7	1,054.4	1,021.0	1,048.8	1,056.3	1,091.7	1,127.6	1,171.7
Services	161.8	171.2	171.3	171.0	170.8	171.6	176.5	179.6
Government consumption expenditures and gross investment	1,285.0	1,296.9	1,283.0	1,294.8	1,299.6	1,310.3	1,323.9	1,317.5
Federal	458.0	453.3	446.1	454.1	452.5	460.6	458.4	454.2
National defense	308.9	300.4	293.3	300.3	303.5	304.6	299.4	296.8
Nondefense	148.6	152.1	151.9	152.9	148.4	155.2	158.0	156.5
State and local	827.1	843.8	837.1	840.9	847.3	850.0	865.8	863.5
Residual	-7.3	-11.1	-14.2	-8.4	-6.1	-16.3	-9.1	-4.7

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

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

Chain-type quantity indexes for the series in this table appear 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]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Gross domestic product	8,110.9	8,511.0	8,384.2	8,440.6	8,537.9	8,681.2	8,808.7	8,873.4
Plus: Receipts of factor income from the rest of the world	265.5	269.2	270.3	270.6	265.0	270.7	274.3	286.4
Less: Payments of factor income to the rest of the world	273.5	289.6	285.1	289.3	292.1	291.9	294.6	306.7
Equals: Gross national product	8,102.9	8,490.5	8,369.4	8,421.8	8,510.9	8,660.0	8,788.4	8,853.1
Less: Consumption of fixed capital	871.8	908.0	894.5	902.3	912.3	923.0	931.9	943.1
Private	720.2	753.3	741.1	748.5	757.3	766.4	774.9	784.6
Capital consumption allowances	760.5	810.4	790.5	803.2	816.8	831.0	844.7	858.4
Less: Capital consumption adjustment	40.4	57.0	49.4	54.7	59.5	64.6	69.8	73.8
Government	151.6	154.7	153.4	153.7	155.0	156.6	157.0	158.4
General government	128.3	130.4	129.4	129.6	130.6	131.9	132.0	133.1
Government enterprises	23.4	24.3	24.0	24.2	24.4	24.7	25.0	25.4
Equals: Net national product	7,231.1	7,582.5	7,474.9	7,519.6	7,598.5	7,737.1	7,856.5	7,910.1
Less: Indirect business tax and nontax liability	627.2	655.3	641.9	647.7	656.5	675.1	673.6	681.1
Business transfer payments	35.1	36.1	35.6	36.0	36.3	36.4	36.4	37.0
Statistical discrepancy	-55.8	-76.5	-54.1	-85.7	-102.0	-64.2	-93.1	-120.1
Plus: Subsidies less current surplus of government enterprises	21.9	27.1	23.5	23.9	24.6	36.3	25.5	32.6
Equals: National income	6,646.5	6,994.7	6,875.0	6,945.5	7,032.3	7,126.0	7,265.2	7,344.8
Less: Corporate profits with inventory valuation and capital consumption adjustments	817.9	824.6	829.2	820.6	827.0	821.7	868.8	859.3
Net interest	432.0	449.3	440.5	447.1	454.0	455.6	463.9	469.2
Contributions for social insurance	727.0	767.5	755.0	762.9	771.6	780.7	798.2	807.2
Wage accruals less disbursements	3.7	4.0	4.0	4.0	4.0	4.0	0	0
Plus: Personal interest income	747.3	764.8	757.0	763.0	769.2	769.9	771.0	777.8
Personal dividend income	260.3	263.1	261.6	262.1	263.0	265.7	268.8	272.7
Government transfer payments to persons	1,083.3	1,120.8	1,111.2	1,117.7	1,124.6	1,129.6	1,146.2	1,152.1
Business transfer payments to persons	27.2	28.2	27.8	28.1	28.3	28.6	28.9	29.3
Equals: Personal income	6,784.0	7,126.1	7,003.9	7,081.9	7,160.8	7,257.9	7,349.3	7,441.0
Addenda:								
Gross domestic income	8,166.7	8,587.5	8,438.4	8,526.3	8,639.9	8,745.4	8,901.8	8,993.5
Gross national income	8,158.7	8,567.0	8,423.6	8,507.6	8,612.8	8,724.2	8,881.5	8,973.3
Net domestic product	7,239.1	7,603.0	7,489.8	7,538.3	7,625.6	7,758.2	7,876.8	7,930.3

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

[Billions of chained (1992) dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Gross domestic product	7,269.8	7,551.9	7,464.7	7,498.6	7,566.5	7,677.7	7,759.6	7,790.6
Plus: Receipts of factor income from the rest of the world	238.0	239.5	241.0	241.0	235.7	240.4	242.8	252.2
Less: Payments of factor income to the rest of the world	240.7	252.7	249.6	252.8	254.6	253.9	255.3	264.3
Equals: Gross national product	7,266.2	7,537.8	7,455.2	7,485.9	7,546.7	7,663.3	7,746.3	7,777.4
Less: Consumption of fixed capital	808.8	861.5	841.1	854.4	867.8	882.6	898.1	914.3
Private	672.2	713.9	694.4	707.2	719.8	734.0	748.9	764.6
Government	137.4	139.4	138.6	139.0	139.8	140.3	140.8	141.4
General government	116.1	117.5	116.9	117.2	117.8	118.1	118.5	118.9
Government enterprises	20.6	21.2	21.0	21.1	21.3	21.5	21.6	21.8
Equals: Net national product	6,457.3	6,680.8	6,617.8	6,635.8	6,683.8	6,785.8	6,853.9	6,870.0
Addenda:								
Gross domestic income ¹	7,319.7	7,619.7	7,512.9	7,574.8	7,656.8	7,734.5	7,841.6	7,896.0
Gross national income ²	7,316.2	7,605.7	7,503.4	7,562.1	7,637.0	7,720.1	7,828.3	7,883.0
Net domestic product	6,460.8	6,695.4	6,627.8	6,649.0	6,704.0	6,800.7	6,867.6	6,883.7

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

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

NOTE.—Except as noted in footnotes 1 and 2, chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

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

Table 1.11.—Command-Basis Real Gross National Product

[Billions of chained (1992) dollars]

Gross national product	7,266.2	7,537.8	7,455.2	7,485.9	7,546.7	7,663.3	7,746.3	7,777.4
Less: Exports of goods and services and receipts of factor income from the rest of the world	1,208.2	1,224.2	1,232.8	1,213.7	1,201.1	1,249.2	1,239.4	1,261.6
Plus: Command-basis exports of goods and services and receipts of factor income ¹	1,246.7	1,294.8	1,296.5	1,283.4	1,275.1	1,324.2	1,320.8	1,332.3
Equals: Command-basis gross national product	7,304.7	7,608.4	7,518.9	7,555.6	7,620.7	7,738.2	7,827.7	7,848.1
Addendum:								
Terms of trade ²	103.2	105.8	105.2	105.7	106.2	106.0	106.6	105.6

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

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

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

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

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

Table 1.14.—National Income by Type of Income

(Billions of dollars)

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
National income	6,646.5	6,994.7	6,875.0	6,945.5	7,032.3	7,126.0	7,265.2	7,344.8
Compensation of employees ...	4,687.2	4,981.0	4,882.8	4,945.2	5,011.6	5,084.3	5,166.5	5,237.4
Wage and salary accruals	3,893.6	4,153.9	4,065.9	4,121.6	4,181.1	4,246.8	4,317.0	4,378.5
Government	664.2	689.3	679.5	685.8	692.7	699.2	711.2	716.2
Other	3,229.4	3,464.6	3,386.4	3,435.8	3,488.4	3,547.6	3,605.7	3,662.3
Supplements to wages and salaries	793.7	827.1	816.8	823.5	830.5	837.5	849.6	858.9
Employer contributions for social insurance	400.7	420.1	414.1	417.9	422.1	426.5	434.9	439.3
Other labor income	392.9	406.9	402.8	405.7	408.4	411.0	414.7	419.6
Proprietors' income with inventory valuation and capital consumption adjustments	551.2	577.2	564.2	571.7	576.1	596.9	598.3	609.0
Farm	35.5	28.7	27.4	27.7	25.2	34.7	22.5	22.4
Proprietors' income with inventory valuation adjustment	43.0	36.0	34.7	35.0	32.3	41.9	29.6	29.5
Capital consumption adjustment	-7.5	-7.2	-7.3	-7.2	-7.2	-7.2	-7.1	-7.1
Nonfarm	515.8	548.5	536.8	544.0	550.9	562.2	575.8	586.6
Proprietors' income	485.3	514.6	502.9	511.6	516.9	527.0	539.6	552.7
Inventory valuation adjustment .....	.6	1.0	2.4	-1	.7	1.0	.8	-2.2
Capital consumption adjustment	29.9	32.9	31.5	32.4	33.3	34.2	35.4	36.1
Rental income of persons with capital consumption adjustment	158.2	162.6	158.3	161.0	163.6	167.5	167.7	169.8
Rental income of persons	208.6	214.5	209.5	212.2	215.7	220.6	221.2	224.0
Capital consumption adjustment	-50.4	-51.9	-51.2	-51.3	-52.0	-53.1	-53.5	-54.2
Corporate profits with inventory valuation and capital consumption adjustments	817.9	824.6	829.2	820.6	827.0	821.7	868.8	859.3
Corporate profits with inventory valuation adjustment	741.2	732.3	744.3	731.3	732.1	721.5	764.2	750.6
Profits before tax	734.4	717.8	719.1	723.5	720.5	708.1	752.6	768.0
Profits tax liability	246.1	240.1	239.9	241.6	243.2	235.6	250.7	257.0
Profits after tax	488.3	477.7	479.2	481.8	477.3	472.5	501.9	511.0
Dividends	275.1	279.2	277.3	278.1	279.0	282.3	285.6	289.7
Undistributed profits	213.2	198.5	201.8	203.7	198.3	190.2	216.4	221.3
Inventory valuation adjustment	6.9	14.5	25.3	7.8	11.7	13.4	11.6	-17.4
Capital consumption adjustment	76.6	92.3	84.9	89.4	94.8	100.2	104.6	108.7
Net interest	432.0	449.3	440.5	447.1	454.0	455.6	463.9	469.2
Addenda:								
Corporate profits after tax with inventory valuation and capital consumption adjustments	571.8	584.5	589.3	579.0	583.7	586.2	618.1	602.3
Net cash flow with inventory valuation and capital consumption adjustments ...	774.1	806.0	804.5	798.7	807.9	812.8	847.5	834.3
Undistributed profits with inventory valuation and capital consumption adjustments	296.7	305.4	312.0	300.9	304.8	303.9	332.5	312.6
Consumption of fixed capital	477.3	500.6	492.5	497.8	503.1	508.9	514.9	521.7
Less: Inventory valuation adjustment	6.9	14.5	25.3	7.8	11.7	13.4	11.6	-17.4
Equals: Net cash flow	767.2	791.4	779.2	790.9	796.2	799.3	835.9	851.7

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

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Gross domestic product of corporate business	4,960.9	5,252.1	5,160.6	5,210.0	5,286.0	5,351.8	5,452.8	5,510.0
Consumption of fixed capital	477.3	500.6	492.5	497.8	503.1	508.9	514.9	521.7
Net domestic product	4,483.5	4,751.5	4,668.0	4,712.2	4,782.8	4,842.9	4,937.8	4,988.4
Indirect business tax and nontax liability plus business transfer payments less subsidies	477.8	506.5	495.0	499.2	506.5	525.1	519.0	524.4
Domestic income	4,005.7	4,245.0	4,173.0	4,213.0	4,276.3	4,317.8	4,418.9	4,463.9
Compensation of employees	3,139.8	3,353.5	3,283.2	3,327.8	3,375.1	3,427.9	3,483.1	3,535.3
Wage and salary accruals	2,644.4	2,837.2	2,773.3	2,813.7	2,856.7	2,905.1	2,952.8	2,999.1
Supplements to wages and salaries	495.5	516.3	509.9	514.1	518.4	522.8	530.3	536.2
Corporate profits with inventory valuation and capital consumption adjustments	718.9	729.0	730.6	723.3	737.0	724.9	767.4	759.1
Profits before tax	635.4	622.1	620.5	626.2	630.5	611.3	651.2	667.7
Profits tax liability	246.1	240.1	239.9	241.6	243.2	235.6	250.7	257.0
Profits after tax	389.3	382.0	380.6	384.5	387.3	375.7	400.5	410.8
Dividends	234.7	254.0	240.6	259.9	251.0	264.6	250.6	283.4
Undistributed profits	154.5	128.0	140.0	124.6	136.3	111.1	149.9	127.4
Inventory valuation adjustment	6.9	14.5	25.3	7.8	11.7	13.4	11.6	-17.4
Capital consumption adjustment	76.6	92.3	84.9	89.4	94.8	100.2	104.6	108.7
Net interest	147.1	162.5	159.2	161.9	164.1	164.9	168.3	169.6
Gross domestic product of financial corporate business	546.4	594.7	586.4	591.2	597.1	604.0	625.0	623.8
Gross domestic product of nonfinancial corporate business	4,414.5	4,657.4	4,574.2	4,618.8	4,688.9	4,747.8	4,827.7	4,886.2
Consumption of fixed capital	415.4	435.3	428.5	433.1	437.4	442.3	447.3	453.0
Net domestic product	3,999.1	4,222.1	4,145.7	4,185.7	4,251.4	4,305.5	4,380.4	4,433.2
Indirect business tax and nontax liability plus business transfer payments less subsidies	436.8	461.3	450.5	454.2	461.1	479.2	472.5	477.4
Domestic income	3,562.3	3,760.8	3,695.2	3,731.4	3,790.3	3,826.4	3,907.9	3,955.8
Compensation of employees	2,871.2	3,066.6	3,002.3	3,043.1	3,086.3	3,134.6	3,185.1	3,232.8
Wage and salary accruals	2,416.6	2,592.9	2,534.5	2,571.4	2,610.7	2,654.9	2,698.5	2,740.8
Supplements to wages and salaries	454.6	473.7	467.8	471.7	475.6	479.7	486.6	491.9
Corporate profits with inventory valuation and capital consumption adjustments	594.2	598.7	599.3	593.2	607.5	594.8	623.8	623.3
Profits before tax	505.4	487.9	484.2	491.8	497.3	478.2	505.0	529.5
Profits tax liability	169.8	160.4	159.7	162.1	163.8	156.1	165.8	175.2
Profits after tax	335.6	327.4	324.5	329.6	333.5	322.1	339.3	354.3
Dividends	229.3	249.6	237.3	254.3	247.3	259.3	247.8	275.7
Undistributed profits	106.3	77.9	87.2	75.3	86.2	62.8	91.5	78.6
Inventory valuation adjustment	6.9	14.5	25.3	7.8	11.7	13.4	11.6	-17.4
Capital consumption adjustment	81.9	96.3	89.8	93.7	98.5	103.2	107.2	111.2
Net interest	96.9	95.6	93.6	95.2	96.5	96.9	99.0	99.7
Billions of chained (1992) dollars								
Gross domestic product of nonfinancial corporate business¹ ...	4,154.4	4,388.8	4,309.2	4,352.0	4,417.2	4,477.0	4,550.6	4,594.0
Consumption of fixed capital ²	394.6	422.4	409.3	417.7	426.6	436.0	446.0	456.5
Net domestic product³	3,759.8	3,966.4	3,899.9	3,934.3	3,990.6	4,040.9	4,104.6	4,137.5

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

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

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

2. Personal Income and Outlays

Table 2.1.—Personal Income and Its Disposition

(Billions of dollars)

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Personal income	6,784.0	7,126.1	7,003.9	7,081.9	7,160.8	7,257.9	7,349.3	7,441.0
Wage and salary disbursements	3,889.8	4,149.9	4,061.9	4,117.6	4,177.1	4,242.8	4,317.0	4,378.5
Private industries	3,225.7	3,460.5	3,382.4	3,431.8	3,484.4	3,543.5	3,605.7	3,662.3
Goods-producing industries	975.0	1,026.9	1,019.0	1,023.2	1,028.0	1,037.4	1,048.1	1,060.7
Manufacturing	719.5	751.5	750.4	750.8	750.9	754.1	759.2	767.5
Distributive industries	879.8	939.6	918.9	932.2	945.8	961.5	971.4	982.7
Service industries	1,370.8	1,494.0	1,444.5	1,476.4	1,510.6	1,544.6	1,586.2	1,618.9
Government	664.2	689.3	679.5	685.8	692.7	699.2	711.2	716.2
Other labor income	392.9	406.9	402.8	405.7	408.4	411.0	414.7	419.6
Proprietors' income with inventory valuation and capital consumption adjustments	551.2	577.2	564.2	571.7	576.1	596.9	598.3	609.0
Farm	35.5	28.7	27.4	27.7	25.2	34.7	22.5	22.4
Nonfarm	515.8	548.5	536.8	544.0	550.9	562.2	575.8	586.6
Rental income of persons with capital consumption adjustment	158.2	162.6	158.3	161.0	163.6	167.5	167.7	169.8
Personal dividend income	260.3	263.1	261.6	262.1	263.0	265.7	268.8	272.7
Personal interest income	747.3	764.8	757.0	763.0	769.2	769.9	771.0	777.8
Transfer payments to persons	1,110.4	1,149.0	1,139.0	1,145.8	1,152.9	1,158.3	1,175.2	1,181.4
Old-age, survivors, disability, and health insurance benefits	565.9	586.5	581.6	585.0	589.0	590.6	597.9	601.4
Government unemployment insurance benefits	19.9	19.5	19.6	19.5	19.5	19.5	19.6	19.4
Veterans benefits	22.4	23.3	23.3	23.2	23.3	23.3	24.4	24.2
Government employees retirement benefits	151.4	159.2	156.8	158.4	160.3	161.4	164.6	166.6
Other transfer payments	350.8	360.4	357.6	359.6	360.9	363.5	368.7	369.9
Family assistance ¹	19.7	17.6	18.7	18.0	17.1	16.7	16.3	15.7
Other	331.1	342.8	338.9	341.6	343.8	346.8	352.4	354.3
Less: Personal contributions for social insurance	326.2	347.4	340.9	345.1	349.5	354.1	363.4	367.9
Less: Personal tax and nontax payments	989.0	1,098.3	1,066.8	1,092.9	1,108.4	1,124.9	1,144.1	1,162.4
Equals: Disposable personal income	5,795.1	6,027.9	5,937.1	5,988.9	6,052.4	6,133.1	6,205.2	6,278.5
Less: Personal outlays	5,674.1	6,000.2	5,864.0	5,963.3	6,039.8	6,133.6	6,250.7	6,358.6
Personal consumption expenditures	5,493.7	5,807.9	5,676.5	5,773.7	5,846.7	5,934.8	6,050.6	6,155.0
Interest paid by persons	161.5	172.4	168.3	169.8	173.2	178.3	179.9	182.3
Personal transfer payments to the rest of the world (net)	18.9	19.9	19.2	19.9	20.0	20.6	20.2	21.3
Equals: Personal saving	121.0	27.7	73.0	25.6	12.6	-6	-45.5	-80.1
Addenda:								
Disposable personal income: Total, billions of chained (1992) dollars ²	5,183.1	5,348.5	5,287.1	5,321.5	5,364.1	5,421.2	5,468.2	5,503.1
Per capita: Current dollars	21,633	22,304	22,046	22,192	22,373	22,604	22,811	23,027
Chained (1992) dollars	19,349	19,790	19,632	19,719	19,829	19,980	20,101	20,183
Population (mid-period, millions)	267.9	270.3	269.3	269.9	270.5	271.3	272.0	272.7
Personal saving as a percentage of disposable personal income	2.1	.5	1.2	.4	.2	0	-.7	-1.3

1. Consists of aid to families with dependent children and, beginning with 1996, assistance programs operating under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

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

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

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

(Billions of dollars)

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Personal consumption expenditures	5,493.7	5,807.9	5,676.5	5,773.7	5,846.7	5,934.8	6,050.6	6,155.0
Durable goods	673.0	724.7	705.1	720.1	718.9	754.5	771.2	784.9
Motor vehicles and parts	269.5	290.5	277.0	288.8	282.6	313.6	311.0	317.5
Furniture and household equipment	271.4	292.2	288.5	288.9	294.1	297.3	309.6	313.1
Other	132.1	141.9	139.6	142.3	142.2	143.6	150.6	154.3
Nondurable goods	1,600.6	1,662.4	1,633.1	1,655.2	1,670.0	1,691.3	1,736.0	1,770.6
Food	780.9	815.3	796.9	810.2	818.7	835.6	844.1	850.1
Clothing and shoes	278.0	293.8	291.0	295.3	293.7	295.1	308.1	313.9
Gasoline and oil	126.5	112.1	116.2	111.6	111.7	109.0	107.6	122.7
Fuel oil and coal	11.2	9.6	9.5	9.8	9.8	9.0	10.0	10.8
Other	403.9	431.6	419.4	428.3	436.2	442.7	466.2	473.1
Services	3,220.1	3,420.8	3,338.2	3,398.4	3,457.7	3,488.9	3,543.4	3,599.5
Housing	829.8	877.9	859.1	871.9	883.8	896.7	908.1	919.9
Household operation	327.3	338.6	327.6	339.2	348.4	339.0	346.6	354.5
Electricity and gas	126.2	122.1	116.8	124.1	129.8	117.6	121.8	126.2
Other household operation	201.1	216.5	210.9	215.1	218.5	221.5	224.9	228.4
Transportation	240.3	252.7	249.5	253.2	253.4	254.8	257.8	261.2
Medical care	843.4	888.2	871.5	884.2	893.0	904.0	915.3	926.0
Other	979.3	1,063.5	1,030.5	1,049.8	1,079.1	1,094.4	1,115.6	1,137.8

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

(Billions of chained (1992) dollars)

	1997	1998	1998	1998	1998	1998	1998	1998
Personal consumption expenditures	4,913.5	5,153.3	5,055.1	5,130.2	5,181.8	5,246.0	5,331.9	5,394.8
Durable goods	668.6	737.1	710.3	729.4	733.7	775.0	798.9	817.5
Motor vehicles and parts	239.3	259.6	247.8	258.9	252.6	279.3	278.9	284.5
Furniture and household equipment	307.7	347.3	335.8	339.3	352.0	362.1	381.6	392.0
Other	127.7	138.5	135.1	138.6	139.1	141.0	148.7	152.0
Nondurable goods	1,486.3	1,544.1	1,521.2	1,540.9	1,549.1	1,565.1	1,600.9	1,612.1
Food	699.3	718.0	706.8	716.3	718.9	730.1	734.3	737.2
Clothing and shoes	288.4	310.3	307.4	311.4	309.8	312.5	333.1	336.2
Gasoline and oil	117.9	119.9	118.5	118.4	121.1	121.5	121.4	121.5
Fuel oil and coal	10.3	9.6	9.2	9.7	9.9	9.5	10.7	11.2
Other	373.0	390.3	383.5	389.2	393.4	395.2	407.3	412.0
Services	2,761.5	2,879.5	2,829.3	2,866.8	2,904.8	2,917.2	2,946.8	2,981.2
Housing	717.4	735.0	728.7	732.7	737.1	741.5	746.8	751.0
Household operation	301.3	316.8	306.3	316.5	326.3	318.2	325.6	334.2
Electricity and gas	116.0	116.2	110.5	117.4	123.8	112.9	116.9	121.1
Other household operation	185.1	200.5	195.6	198.9	202.4	205.0	208.4	212.8
Transportation	212.2	220.4	217.9	221.4	220.5	221.8	223.6	225.5
Medical care	701.7	723.2	714.9	721.6	725.3	730.8	734.5	739.7
Other	830.5	886.0	862.9	876.7	898.2	906.3	918.4	933.6
Residual	-13.0	-21.5	-19.5	-20.3	-22.3	-23.5	-32.7	-35.5

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

Chain-type quantity indexes for the series in this table appear in table 7.4.

3. Government Receipts, Current Expenditures, and Gross Investment

Table 3.1.—Government Receipts and Current Expenditures

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Receipts	2,589.2	2,761.2	2,703.6	2,745.2	2,779.7	2,816.2	2,866.6	2,907.7
Personal tax and nontax receipts	989.0	1,098.3	1,066.8	1,092.9	1,108.4	1,124.9	1,144.1	1,162.4
Corporate profits tax accruals	246.1	240.1	239.9	241.6	243.2	235.6	250.7	257.0
Indirect business tax and nontax accruals	627.2	655.3	641.9	647.7	656.5	675.1	673.6	681.1
Contributions for social insurance	727.0	767.5	755.0	762.9	771.6	780.7	798.2	807.2
Current expenditures	2,476.1	2,538.2	2,504.6	2,529.5	2,538.9	2,579.8	2,574.1	2,598.4
Consumption expenditures	1,219.2	1,250.2	1,227.5	1,248.7	1,252.6	1,271.9	1,282.0	1,292.8
Transfer payments (net)	1,096.0	1,134.0	1,121.1	1,126.7	1,135.8	1,152.2	1,156.1	1,163.7
To persons	1,083.3	1,120.8	1,111.2	1,117.7	1,124.6	1,129.6	1,146.2	1,152.1
To the rest of the world (net)	12.7	13.2	9.9	9.0	11.2	22.6	9.9	11.6
Net interest paid	153.8	143.1	148.2	146.2	141.9	136.1	127.3	126.3
Interest paid	316.9	312.3	314.3	314.5	312.0	308.3	300.8	301.9
To persons and business	229.4	222.3	224.4	223.4	221.7	219.9	212.4	211.6
To the rest of the world	87.5	89.9	89.9	91.0	90.3	88.5	88.3	90.3
Less: Interest received by government	163.1	169.2	166.1	168.3	170.1	172.2	173.5	175.6
Less: Dividends received by government	14.8	16.1	15.7	16.0	16.0	16.6	16.7	17.0
Subsidies less current surplus of government enterprises	21.9	27.1	23.5	23.9	24.6	36.3	25.5	32.6
Subsidies	33.4	34.2	31.8	31.4	31.0	42.8	34.8	42.7
Less: Current surplus of government enterprises	11.5	7.2	8.4	7.5	6.4	6.5	9.3	10.1
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	113.1	223.0	199.0	215.7	240.7	236.3	292.4	309.3
Social insurance funds	138.5	161.9	152.0	158.3	163.8	173.3	183.1	190.2
Other	-25.4	61.1	47.0	57.4	76.9	63.0	109.3	119.1

Table 3.2.—Federal Government Receipts and Current Expenditures

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Receipts	1,719.9	1,844.2	1,809.1	1,838.3	1,858.8	1,870.4	1,914.7	1,946.4
Personal tax and nontax receipts	769.1	858.0	836.5	855.7	863.8	875.9	891.3	909.3
Income taxes	745.8	829.6	810.0	826.3	836.5	845.7	860.7	876.1
Estate and gift taxes	20.6	25.1	23.5	26.2	23.8	26.8	27.1	29.8
Nontaxes	2.7	3.3	3.0	3.2	3.5	3.4	3.4	3.4
Corporate profits tax accruals	210.0	204.9	204.8	206.2	207.5	201.0	213.8	219.1
Federal Reserve banks	20.6	21.7	21.6	21.5	21.8	21.7	21.5	21.6
Other	189.5	183.2	183.2	184.7	185.7	179.3	192.3	197.5
Indirect business tax and nontax accruals	93.8	95.9	93.9	95.2	98.3	96.0	95.7	95.9
Excise taxes	59.5	62.6	60.7	61.9	63.8	64.0	63.9	64.4
Customs duties	19.6	19.6	19.1	19.3	20.7	19.2	19.1	19.0
Nontaxes	14.6	13.6	14.1	13.9	13.7	12.8	12.6	12.5
Contributions for social insurance	647.0	685.4	673.9	681.2	689.2	697.5	714.0	722.1
Current expenditures	1,741.0	1,771.4	1,750.3	1,763.9	1,766.7	1,804.6	1,792.0	1,806.3
Consumption expenditures	460.4	461.0	450.9	464.0	458.7	470.6	471.8	469.5
Transfer payments (net)	791.9	816.6	808.5	811.1	817.0	829.8	830.4	835.0
To persons	779.2	803.4	798.6	802.1	805.8	807.2	820.5	823.4
To the rest of the world (net)	12.7	13.2	9.9	9.0	11.2	22.6	9.9	11.6
Grants-in-aid to State and local governments	225.0	231.1	228.7	226.9	231.4	237.4	241.1	245.5
Net interest paid	231.2	226.1	228.8	228.3	225.7	221.4	214.3	215.0
Interest paid	253.6	248.4	250.7	250.6	248.0	244.2	236.5	237.4
To persons and business	166.1	158.4	160.7	159.6	157.7	155.7	148.1	147.2
To the rest of the world	87.5	89.9	89.9	91.0	90.3	88.5	88.3	90.3
Less: Interest received by government	22.4	22.3	21.8	22.3	22.3	22.8	22.2	22.5
Subsidies less current surplus of government enterprises	32.5	36.6	33.4	33.5	34.0	45.4	34.5	41.4
Subsidies	33.0	33.9	31.5	31.0	30.6	42.4	34.4	42.3
Less: Current surplus of government enterprises	.5	-2.7	-1.9	-2.5	-3.4	-3.0	-1	.9
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	-21.1	72.8	58.8	74.4	92.0	65.8	122.7	140.2
Social insurance funds	70.3	94.2	84.5	90.6	96.4	105.4	115.3	122.1
Other	-91.4	-21.5	-25.7	-16.2	-4.4	-39.6	7.4	18.0

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

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Receipts	1,094.3	1,148.1	1,123.3	1,133.8	1,152.3	1,183.1	1,192.9	1,206.7
Personal tax and nontax receipts	219.9	240.3	230.4	237.2	244.6	248.9	252.8	253.2
Income taxes	164.3	180.7	172.3	178.3	184.5	187.7	190.5	190.0
Nontaxes	32.0	34.5	33.6	34.2	34.9	35.5	36.2	36.9
Other	23.6	25.0	24.5	24.7	25.3	25.7	26.1	26.3
Corporate profits tax accruals	36.0	35.2	35.1	35.4	35.7	34.5	36.9	37.9
Indirect business tax and nontax accruals	533.4	559.4	548.0	552.5	558.2	579.1	577.9	585.1
Sales taxes	261.5	271.6	268.4	270.4	271.1	276.6	283.8	287.5
Property taxes	209.1	217.4	213.9	216.3	218.5	221.1	223.9	225.9
Other	62.8	70.4	65.7	65.9	68.6	81.3	70.1	71.7
Contributions for social insurance	79.9	82.1	81.1	81.7	82.4	83.2	84.2	85.1
Federal grants-in-aid	225.0	231.1	228.7	226.9	231.4	237.4	241.1	245.5
Current expenditures	960.1	997.9	983.0	992.5	1,003.6	1,012.6	1,023.2	1,037.6
Consumption expenditures	758.8	789.1	776.7	784.7	793.9	801.2	810.2	823.3
Transfer payments to persons	304.1	317.4	312.6	315.6	318.8	322.5	325.7	328.7
Net interest paid	-77.4	-83.0	-80.7	-82.2	-83.7	-85.3	-87.0	-88.7
Interest paid	63.3	63.9	63.6	63.8	64.0	64.2	64.3	64.5
Less: Interest received by government	140.6	146.9	144.3	146.0	147.7	149.4	151.4	153.1
Less: Dividends received by government	14.8	16.1	15.7	16.0	16.0	16.6	16.7	17.0
Subsidies less current surplus of government enterprises	-10.6	-9.5	-9.9	-9.6	-9.4	-9.1	-9.0	-8.8
Subsidies	.4	.4	.4	.4	.4	.4	.4	.4
Less: Current surplus of government enterprises	10.9	9.9	10.3	10.0	9.8	9.5	9.4	9.2
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	134.1	150.2	140.2	141.3	148.7	170.5	169.7	169.1
Social insurance funds	68.1	67.6	67.5	67.7	67.4	67.9	67.8	68.0
Other	66.0	82.5	72.7	73.6	81.3	102.6	101.9	101.1

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

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Government consumption expenditures and gross investment¹	1,454.6	1,487.1	1,464.9	1,481.2	1,492.3	1,510.2	1,537.5	1,541.5
Federal	520.2	520.6	511.6	520.7	519.4	530.7	536.6	532.8
National defense	346.0	340.4	331.6	339.8	343.7	346.4	345.5	343.4
Consumption expenditures	306.3	301.5	293.3	303.0	302.9	306.7	303.7	300.1
Durable goods ²	20.7	21.2	20.4	20.8	21.8	21.6	21.0	21.9
Nondurable goods	7.4	6.7	6.5	6.4	7.3	6.6	6.2	7.3
Services	278.2	273.6	266.4	275.8	273.8	278.4	276.5	270.9
Compensation of general government employees, except force-account construction ³	133.3	132.2	133.4	132.2	132.3	130.9	133.9	133.5
Consumption of general government fixed capital ⁴	56.3	54.8	55.3	54.8	54.5	54.7	54.2	53.9
Other services	88.6	86.6	77.7	88.9	87.0	92.8	88.4	83.4
Gross investment	39.7	38.9	38.3	36.8	40.9	39.7	41.8	43.3
Structures	5.7	5.2	5.4	4.9	5.5	5.0	5.1	5.2
Equipment	34.0	33.7	32.9	31.9	35.4	34.7	36.7	38.2
Nondefense	174.3	180.2	180.0	180.9	175.7	184.3	191.1	189.4
Consumption expenditures	154.2	159.6	157.6	160.9	155.8	164.0	168.0	169.4
Durable goods ²	1.0	-3	1.2	1.3	-4.8	1.1	1.1	1.1
Nondurable goods	6.8	7.9	7.3	7.6	8.1	8.4	8.6	9.8
Commodity Credit Corporation inventory change ...	-1	.5	0	.2	.8	.9	1.2	2.3
Other nondurables	6.9	7.4	7.3	7.4	7.3	7.4	7.4	7.5
Services	146.3	152.0	149.1	152.0	152.5	154.5	158.3	158.5
Compensation of general government employees, except force-account construction ³	80.2	82.7	81.5	82.3	82.7	84.4	87.9	87.1
Consumption of general government fixed capital ⁴	11.5	12.1	11.8	11.9	12.2	12.4	12.4	12.5
Other services	54.7	57.2	55.8	57.9	57.5	57.8	58.0	58.9
Gross investment	20.1	20.7	22.4	20.0	19.9	20.4	23.1	20.0
Structures	10.0	10.8	10.6	10.4	11.3	11.0	10.9	10.3
Equipment	10.0	9.8	11.8	9.6	8.6	9.4	12.1	9.7
State and local	934.4	966.5	953.3	960.4	972.9	979.5	1,000.9	1,008.7
Consumption expenditures	758.8	789.1	776.7	784.7	793.9	801.2	810.2	823.3
Durable goods ²	16.2	16.8	16.6	16.7	16.9	17.1	17.3	17.4
Nondurable goods	79.7	78.1	78.0	78.4	78.4	77.7	78.0	82.1
Services	662.9	694.2	682.1	689.6	698.5	706.4	714.9	723.8
Compensation of general government employees, except force-account construction ³	566.7	590.9	581.1	587.8	594.2	600.3	607.4	613.9
Consumption of general government fixed capital ⁴	60.5	63.5	62.4	62.9	63.9	64.8	65.4	66.6
Other services	35.7	39.8	38.6	38.9	40.4	41.3	42.1	43.3
Gross investment	175.6	177.4	176.6	175.7	179.0	178.3	190.7	185.4
Structures	142.4	141.9	142.0	140.6	143.2	141.8	153.7	147.6
Equipment	33.2	35.5	34.6	35.2	35.8	36.5	37.0	37.8
Addenda:								
Compensation of general government employees ³	784.7	810.4	800.6	806.8	813.9	820.2	834.2	839.3
Federal	213.5	215.0	215.0	214.6	215.2	215.4	222.0	220.7
State and local	571.2	595.3	585.6	592.2	598.8	604.8	612.2	618.6

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

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

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

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

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

[Billions of chained (1992) dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Government consumption expenditures and gross investment¹	1,285.0	1,296.9	1,283.0	1,294.8	1,299.6	1,310.3	1,323.9	1,317.5
Federal	458.0	453.3	446.1	454.1	452.5	460.6	458.4	454.2
National defense	308.9	300.4	293.3	300.3	303.5	304.6	299.4	296.8
Consumption expenditures	272.4	264.1	257.9	266.1	265.1	267.3	261.1	257.0
Durable goods ²	20.4	21.0	20.1	20.7	21.7	21.6	20.9	21.8
Nondurable goods	7.0	7.1	6.7	6.7	7.8	7.1	6.8	7.5
Services	244.9	236.1	231.1	238.7	235.9	238.7	233.4	228.1
Compensation of general government employees, except force-account construction ³	112.9	109.4	110.6	109.5	109.4	108.0	107.0	106.5
Consumption of general government fixed capital ⁴	50.5	49.1	49.6	49.3	49.0	48.7	48.4	48.1
Other services	81.8	77.9	70.8	80.3	77.8	82.6	78.5	73.7
Gross investment	36.5	36.3	35.4	34.1	38.5	37.2	38.5	40.0
Structures	4.5	4.1	4.3	3.8	4.3	3.9	4.0	3.9
Equipment	31.9	32.2	31.0	30.3	34.2	33.4	34.6	36.2
Nondefense	148.6	152.1	151.9	152.9	148.4	155.2	158.0	156.5
Consumption expenditures	128.7	131.5	130.0	132.9	128.4	134.6	135.1	136.0
Durable goods ²	1.4	.3	1.5	1.7	-3.3	1.4	1.5	1.5
Nondurable goods	6.1	7.2	6.6	6.9	7.6	7.8	8.0	9.6
Commodity Credit Corporation inventory change ...	-1	.6	0	.3	1.0	1.1	1.4	2.9
Other nondurables	6.2	6.6	6.5	6.6	6.6	6.7	6.7	6.7
Services	121.4	124.2	122.0	124.5	124.5	125.8	126.0	126.0
Compensation of general government employees, except force-account construction ³	60.8	61.5	60.7	61.4	61.5	62.6	62.7	61.9
Consumption of general government fixed capital ⁴	11.0	11.6	11.3	11.4	11.7	11.8	11.9	12.0
Other services	50.3	52.1	51.0	52.8	52.2	52.3	52.4	53.2
Gross investment	19.8	20.7	22.2	19.9	19.9	20.5	23.3	20.2
Structures	8.6	8.9	8.8	8.6	9.3	9.0	8.9	8.4
Equipment	11.6	12.1	14.1	11.7	10.7	11.8	15.4	12.4
State and local	827.1	843.8	837.1	840.9	847.3	850.0	865.8	863.5
Consumption expenditures	672.3	689.3	682.8	687.3	691.6	695.6	700.8	704.5
Durable goods ²	15.1	15.6	15.4	15.6	15.7	15.9	16.0	16.1
Nondurable goods	73.4	75.7	74.9	75.4	76.0	76.6	77.2	77.8
Services	583.9	598.1	592.7	596.5	600.1	603.3	607.8	610.8
Compensation of general government employees, except force-account construction ³	492.8	501.9	498.1	500.9	503.4	505.3	508.0	509.7
Consumption of general government fixed capital ⁴	54.8	57.0	56.1	56.7	57.2	57.8	58.4	58.9
Other services	37.7	41.2	40.2	40.7	41.5	42.4	43.7	44.6
Gross investment	154.8	154.4	154.2	153.5	155.6	154.3	165.0	158.9
Structures	121.0	117.5	118.5	117.0	118.2	116.1	125.5	119.0
Equipment	34.3	38.3	36.7	37.7	38.8	39.8	40.9	42.0
Residual	-2.9	-4.8	-3.9	-4.3	-5.1	-5.6	-6.9	-7.3
Addenda:								
Compensation of general government employees ³	670.2	676.2	672.8	675.1	677.7	679.2	681.3	681.5
Federal	174.2	171.5	171.8	171.5	171.6	171.3	170.4	169.2
State and local	496.7	505.6	501.9	504.6	507.1	509.0	512.0	513.5

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

Chain-type quantity indexes for the series in this table appear in table 7.11. See footnotes to table 3.7.

Table 3.10.—National Defense Consumption Expenditures and Gross Investment

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
National defense consumption expenditures and gross investment¹	346.0	340.4	331.6	339.8	343.7	346.4	345.5	343.4
Consumption expenditures	306.3	301.5	293.3	303.0	302.9	306.7	303.7	300.1
Durable goods²	20.7	21.2	20.4	20.8	21.8	21.6	21.0	21.9
Aircraft	9.6	10.1	9.3	10.1	9.9	10.9	9.6	9.6
Missiles	2.6	2.4	2.4	2.2	2.7	2.3	2.8	2.6
Ships .....	.7	.6	.7	.6	.6	.7	.7	.8
Vehicles .....	.9	1.0	1.0	.9	1.0	1.0	1.0	1.1
Electronics	2.6	2.5	2.6	2.5	2.5	2.4	2.5	2.7
Other durable goods	4.3	4.6	4.4	4.6	5.1	4.4	4.5	5.1
Nondurable goods	7.4	6.7	6.5	6.4	7.3	6.6	6.2	7.3
Petroleum products	2.9	1.9	2.0	2.0	2.0	1.7	1.6	2.3
Ammunition	1.5	1.7	1.4	1.2	2.3	1.8	1.5	1.6
Other nondurable goods	3.0	3.1	3.1	3.1	3.0	3.2	3.1	3.4
Services	278.2	273.6	266.4	275.8	273.8	278.4	276.5	270.9
Compensation of general government employees, except force-account construction ³	133.3	132.2	133.4	132.2	132.3	130.9	133.9	133.5
Military	84.2	84.5	85.0	84.4	84.5	84.0	85.6	85.1
Civilian	49.1	47.7	48.4	47.8	47.8	46.9	48.3	48.4
Consumption of general government fixed capital ⁴	56.3	54.8	55.3	54.8	54.5	54.7	54.2	53.9
Other services	88.6	86.6	77.7	88.9	87.0	92.8	88.4	83.4
Research and development	28.9	27.0	22.0	27.5	28.4	29.9	26.5	23.3
Installation support	26.3	25.5	25.1	25.8	25.2	25.7	25.6	24.7
Weapons support	6.4	6.1	5.6	6.4	5.8	6.7	6.6	6.2
Personnel support	20.1	20.8	18.6	21.5	20.3	22.7	21.7	20.8
Transportation of material	4.6	4.7	4.6	4.7	4.7	5.0	5.2	5.6
Travel of persons	3.6	3.5	3.5	3.5	3.5	3.5	3.5	3.6
Other	-1.3	-1.0	-1.8	-6	-8	-7	-7	-7
Gross investment	39.7	38.9	38.3	36.8	40.9	39.7	41.8	43.3
Structures	5.7	5.2	5.4	4.9	5.5	5.0	5.1	5.2
Equipment	34.0	33.7	32.9	31.9	35.4	34.7	36.7	38.2
Aircraft	6.0	5.6	5.1	4.3	6.1	7.1	6.2	6.8
Missiles	3.0	2.9	3.2	2.7	2.9	3.0	4.3	4.2
Ships	6.1	6.4	6.3	6.0	6.5	6.8	6.8	6.6
Vehicles	1.5	1.5	1.3	1.8	1.5	1.4	1.4	1.8
Electronics	3.6	3.4	3.4	3.6	3.3	3.2	3.3	3.6
Other equipment	13.9	13.8	13.6	13.5	15.1	13.1	14.7	15.2
Addendum:								
Compensation of general government employees ³	133.3	132.2	133.5	132.2	132.3	130.9	133.9	133.5

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

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

[Billions of chained (1992) dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
National defense consumption expenditures and gross investment¹	308.9	300.4	293.3	300.3	303.5	304.6	299.4	296.8
Consumption expenditures	272.4	264.1	257.9	266.1	265.1	267.3	261.1	257.0
Durable goods²	20.4	21.0	20.1	20.7	21.7	21.6	20.9	21.8
Aircraft	9.4	9.9	9.1	9.9	9.7	10.8	9.4	9.5
Missiles	2.7	2.5	2.5	2.3	2.9	2.5	2.9	2.7
Ships .....	.7	.6	.7	.6	.6	.6	.7	.8
Vehicles .....	.8	.8	.8	.7	.8	.8	.8	.9
Electronics	2.8	2.7	2.8	2.7	2.8	2.7	2.8	3.1
Other durable goods	4.1	4.4	4.2	4.4	4.8	4.2	4.3	4.8
Nondurable goods	7.0	7.1	6.7	6.7	7.8	7.1	6.8	7.5
Petroleum products	2.8	2.6	2.5	2.7	2.8	2.4	2.5	2.9
Ammunition	1.4	1.6	1.3	1.2	2.2	1.7	1.4	1.5
Other nondurable goods	2.8	2.9	2.9	2.9	2.8	3.0	2.9	3.2
Services	244.9	236.1	231.1	238.7	235.9	238.7	233.4	228.1
Compensation of general government employees, except force-account construction ³	112.9	109.4	110.6	109.5	109.4	108.0	107.0	106.5
Military	74.8	73.1	73.8	73.1	73.2	72.4	71.8	71.4
Civilian	38.3	36.5	37.0	36.7	36.5	35.8	35.4	35.4
Consumption of general government fixed capital ⁴	50.5	49.1	49.6	49.3	49.0	48.7	48.4	48.1
Other services	81.8	77.9	70.8	80.3	77.8	82.6	78.5	73.7
Research and development	28.5	26.0	21.4	26.6	27.4	28.7	25.3	22.2
Installation support	23.8	22.6	22.6	23.1	22.2	22.5	22.5	21.7
Weapons support	5.6	5.3	4.9	5.6	5.0	5.8	5.6	5.2
Personnel support	17.5	17.3	15.8	18.1	16.8	18.6	17.6	16.7
Transportation of material	4.5	4.6	4.5	4.5	4.5	4.9	5.0	5.3
Travel of persons	3.4	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Other	-1.1	-8	-1.5	-5	-7	-6	-6	-6
Gross investment	36.5	36.3	35.4	34.1	38.5	37.2	38.5	40.0
Structures	4.5	4.1	4.3	3.8	4.3	3.9	4.0	3.9
Equipment	31.9	32.2	31.0	30.3	34.2	33.4	34.6	36.2
Aircraft	4.9	4.8	4.2	3.5	5.4	6.1	4.7	5.1
Missiles	3.1	3.0	3.2	2.8	2.9	3.1	4.3	4.4
Ships	5.4	5.8	5.6	5.4	5.8	6.2	6.1	6.0
Vehicles	1.3	1.4	1.2	1.6	1.4	1.3	1.2	1.6
Electronics	4.9	5.2	5.0	5.4	5.3	5.2	5.5	6.0
Other equipment	13.0	12.9	12.7	12.6	14.1	12.3	13.7	14.2
Residual	-1.5	-1.6	-9	-1.8	-2.1	-2.1	-1.9	-2.3
Addendum:								
Compensation of general government employees ³	112.9	109.4	110.6	109.5	109.5	108.0	107.0	106.5

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

Chain-type indexes for the series in the table appear in table 7.12.
 See footnotes to table 3.10.

4. Foreign Transactions

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

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Receipts from the rest of the world	1,230.9	1,228.1	1,243.6	1,220.2	1,201.2	1,247.5	1,237.0	1,260.2
Exports of goods and services ...	965.4	959.0	973.3	949.6	936.2	976.8	962.7	973.8
Goods ¹	688.3	680.8	694.5	668.8	663.3	696.6	677.7	683.8
Durable	483.0	487.4	495.4	474.3	476.6	503.3	491.7	494.8
Nondurable	205.3	193.4	199.2	194.5	186.6	193.3	186.0	189.1
Services ¹	277.1	278.2	278.8	280.8	272.9	280.2	285.0	290.0
Receipts of factor income	265.5	269.2	270.3	270.6	265.0	270.7	274.3	286.4
Capital grants received by the United States (net)	0	0	0	0	0	0	0	0
Payments to the rest of the world	1,230.9	1,228.1	1,243.6	1,220.2	1,201.2	1,247.5	1,237.0	1,260.2
Imports of goods and services ...	1,058.8	1,110.2	1,097.1	1,108.9	1,101.7	1,133.0	1,159.6	1,214.4
Goods ¹	888.3	932.4	920.9	931.8	924.7	952.2	975.2	1,022.5
Durable	589.5	637.6	625.6	634.1	630.1	660.6	678.4	703.1
Nondurable	298.8	294.8	295.2	297.7	294.6	291.6	296.7	319.4
Services ¹	170.4	177.8	176.2	177.1	177.0	180.8	184.5	191.9
Payments of factor income	273.5	289.6	285.1	289.3	292.1	291.9	294.6	306.7
Transfer payments (net)	39.5	41.0	37.0	36.8	39.1	51.0	37.5	40.6
From persons (net)	18.9	19.9	19.2	19.9	20.0	20.6	20.2	21.3
From government (net)	12.7	13.2	9.9	9.0	11.2	22.6	9.9	11.6
From business	8.0	7.9	7.9	7.9	8.0	7.8	7.4	7.7
Net foreign investment	-140.9	-212.6	-175.6	-214.8	-231.6	-228.3	-254.7	-301.4

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 Factor Income

[Billions of chained (1992) dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Exports of goods and services	970.0	984.7	991.9	972.1	965.3	1,009.6	996.5	1,008.5
Goods ¹	726.5	742.6	748.5	726.3	727.3	768.4	751.2	760.9
Durable	554.5	573.3	577.9	556.2	562.9	596.4	584.6	591.7
Nondurable	180.8	179.7	181.1	179.3	174.9	183.5	178.1	180.8
Services ¹	247.0	246.4	247.8	248.8	242.1	247.0	249.6	252.1
Receipts of factor income	238.0	239.5	241.0	241.0	235.7	240.4	242.8	252.2
Imports of goods and services	1,106.1	1,222.9	1,190.4	1,217.3	1,224.3	1,259.6	1,300.1	1,346.6
Goods ¹	945.7	1,054.4	1,021.0	1,048.8	1,056.3	1,091.7	1,127.6	1,171.7
Durable	667.7	752.8	726.9	745.5	749.8	789.1	813.3	852.9
Nondurable	280.3	305.4	297.6	306.7	309.9	307.6	319.3	325.0
Services ¹	161.8	171.2	171.3	171.0	170.8	171.6	176.5	179.6
Payments of factor income	240.7	252.7	249.6	252.8	254.6	253.9	255.3	264.3

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

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. Chain-type quantity indexes for the series in this table appear in table 7.9.

5. Saving and Investment

Table 5.1.—Gross Saving and Investment

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Gross saving	1,406.3	1,468.0	1,482.5	1,448.5	1,474.5	1,466.6	1,511.4	1,484.9
Gross private saving	1,141.6	1,090.4	1,130.1	1,079.0	1,078.7	1,073.7	1,061.9	1,017.2
Personal saving	121.0	27.7	73.0	25.6	12.6	-6	-45.5	-80.1
Undistributed corporate profits with inventory valuation and capital consumption adjustments	296.7	305.4	312.0	300.9	304.8	303.9	332.5	312.6
Undistributed profits	213.2	198.5	201.8	203.7	198.3	190.2	216.4	221.3
Inventory valuation adjustment	6.9	14.5	25.3	7.8	11.7	13.4	11.6	-17.4
Capital consumption adjustment	76.6	92.3	84.9	89.4	94.8	100.2	104.6	108.7
Corporate consumption of fixed capital	477.3	500.6	492.5	497.8	503.1	508.9	514.9	521.7
Noncorporate consumption of fixed capital	242.8	252.7	248.6	250.7	254.2	257.5	260.0	262.9
Wage accruals less disbursements	3.7	4.0	4.0	4.0	4.0	4.0	0	0
Gross government saving	264.7	377.6	352.4	369.4	395.7	392.9	449.4	467.7
Federal	49.5	142.5	128.7	143.9	161.6	135.8	192.3	209.6
Consumption of fixed capital	70.6	69.7	69.9	69.5	69.6	70.0	69.5	69.4
Current surplus or deficit (-), national income and product accounts	-21.1	72.8	58.8	74.4	92.0	65.8	122.7	140.2
State and local	215.2	235.1	223.7	225.6	234.2	257.1	257.2	258.1
Consumption of fixed capital	81.1	85.0	83.5	84.3	85.4	86.6	87.5	89.0
Current surplus or deficit (-), national income and product accounts	134.1	150.2	140.2	141.3	148.7	170.5	169.7	169.1
Capital grants received by the United States (net)	0	0	0	0	0	0	0	0
Gross investment	1,350.5	1,391.5	1,428.4	1,362.7	1,372.5	1,402.4	1,418.3	1,364.7
Gross private domestic investment	1,256.0	1,367.1	1,366.6	1,345.0	1,364.4	1,392.4	1,417.4	1,417.4
Gross government investment	235.4	237.0	237.4	232.5	239.7	238.3	255.6	248.7
Net foreign investment	-140.9	-212.6	-175.6	-214.8	-231.6	-228.3	-254.7	-301.4
Statistical discrepancy	-55.8	-76.5	-54.1	-85.7	-102.0	-64.2	-93.1	-120.1
Addendum:								
Gross saving as a percentage of gross national product	17.4	17.3	17.7	17.2	17.3	16.9	17.2	16.8

Table 5.4.—Private Fixed Investment by Type

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Private fixed investment	1,188.6	1,307.8	1,271.1	1,305.8	1,307.5	1,346.7	1,377.9	1,410.0
Nonresidential	860.7	938.2	921.3	941.9	931.6	957.9	972.6	994.2
Structures	240.2	246.9	245.0	245.4	246.2	250.9	255.0	256.1
Nonresidential buildings, including farm	177.3	184.1	180.6	181.8	183.7	190.1	195.9	194.1
Utilities	33.5	34.7	34.2	34.7	35.0	35.1	35.5	36.0
Mining exploration, shafts, and wells	22.7	21.3	23.5	22.4	20.7	18.7	16.6	17.5
Other structures	6.7	6.8	6.6	6.5	6.8	7.1	7.0	8.5
Producers' durable equipment	620.5	691.3	676.3	696.6	685.4	706.9	717.6	738.1
Information processing and related equipment	206.6	233.3	226.5	231.6	235.2	239.9	247.4	262.7
Computers and peripheral equipment ¹	81.1	95.1	91.8	94.8	95.6	98.0	100.3	105.6
Other	125.5	138.3	134.7	136.8	139.5	142.0	147.1	157.1
Industrial equipment	138.6	147.0	145.4	146.8	147.4	148.3	146.0	148.1
Transportation and related equipment	152.0	175.1	172.4	181.2	164.0	182.8	181.0	186.7
Other	123.3	135.9	132.0	137.0	138.8	135.9	143.2	140.6
Residential	327.9	369.6	349.8	363.8	375.8	388.9	405.3	415.7
Structures	319.9	361.1	341.5	355.4	367.3	380.3	396.4	406.7
Single family	164.4	187.3	175.8	183.8	190.9	198.7	209.0	210.9
Multifamily	22.6	24.4	25.1	23.5	23.9	25.3	27.6	27.8
Other structures	132.8	149.4	140.6	148.1	152.6	156.3	159.8	168.0
Producers' durable equipment	8.0	8.5	8.3	8.5	8.5	8.6	8.9	9.1

1. Includes new computers and peripheral equipment only.

Table 5.5.—Real Private Fixed Investment by Type

[Billions of chained (1992) dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Private fixed investment	1,138.0	1,267.8	1,224.9	1,264.1	1,270.9	1,311.0	1,344.0	1,375.6
Nonresidential	859.4	960.7	931.9	960.4	958.7	991.9	1,012.2	1,038.5
Structures	203.2	203.0	203.1	201.9	202.0	205.0	207.8	207.3
Nonresidential buildings, including farm	150.5	150.9	150.1	149.8	150.1	153.8	157.8	155.1
Utilities	28.7	29.5	29.2	29.5	29.7	29.7	30.2	30.7
Mining exploration, shafts, and wells	17.9	16.7	17.9	17.0	16.4	15.3	13.7	14.4
Other structures	5.8	5.7	5.6	5.5	5.8	6.0	5.9	7.0
Producers' durable equipment	660.9	770.2	738.8	771.3	769.3	801.5	819.8	849.5
Information processing and related equipment	298.0	388.1	353.4	376.8	399.6	422.5	448.2	486.3
Computers and peripheral equipment ¹	214.8	351.8	292.2	331.5	370.5	413.0	452.9	501.6
Other	126.6	141.2	136.7	139.7	142.8	145.6	151.0	161.5
Industrial equipment	125.9	132.7	131.5	132.5	133.1	133.5	131.2	133.2
Transportation and related equipment	140.3	162.0	159.6	167.9	151.7	168.7	166.2	171.3
Other	113.0	123.3	120.2	124.6	125.8	122.5	128.9	126.4
Residential	282.8	312.0	298.5	309.1	316.5	324.1	335.9	341.8
Structures	275.1	303.9	290.5	300.9	308.3	315.7	327.3	332.9
Single family	137.2	153.0	145.2	151.3	155.6	159.7	167.0	167.1
Multifamily	20.2	21.3	22.1	20.7	20.8	21.7	23.6	23.5
Other structures	118.5	130.2	123.8	129.6	132.6	135.0	137.3	143.0
Producers' durable equipment	7.7	8.2	8.0	8.2	8.2	8.3	8.6	8.9
Residual	-69.1	-158.7	-117.2	-143.7	-172.2	-201.8	-230.3	-268.1

1. Includes new computers and peripheral equipment only.

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

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

Table 5.10.—Change in Business Inventories by Industry Group

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Change in business inventories	67.4	59.3	95.5	39.2	57.0	45.7	39.5	7.5
Farm	4.3	6.7	5.0	7.7	7.7	6.3	3.1	2.2
Nonfarm	63.1	52.7	90.5	31.5	49.3	39.3	36.4	5.2
Change in book value ¹	52.1	33.2	56.3	21.2	32.0	23.3	19.4	28.3
Inventory valuation adjustment ²	11.0	19.5	34.3	10.3	17.3	16.0	17.1	-23.0
Manufacturing	21.4	20.9	31.8	25.1	20.1	6.5	-3.3	-7.4
Durable goods	12.5	14.5	21.9	19.9	12.3	3.9	-1.8	-6.7
Nondurable goods	8.9	6.4	9.9	5.3	7.7	2.6	-1.5	-8
Wholesale trade	23.3	20.1	28.1	7.9	30.5	14.1	9.7	11.9
Durable goods	13.8	13.9	25.8	1.6	15.5	12.5	7.9	9.3
Nondurable goods	9.5	6.3	2.3	6.2	15.0	1.5	1.7	2.6
Merchant wholesalers	19.6	18.2	26.0	4.8	29.2	12.5	9.1	9.5
Durable goods	11.4	12.1	23.3	-1	13.8	11.4	7.0	5.8
Nondurable goods	8.2	6.0	2.7	5.0	15.4	1.1	2.2	3.7
Nonmerchant wholesalers	3.8	2.0	2.0	3.0	1.3	1.6	5	2.4
Durable goods	2.4	1.8	2.4	1.8	1.7	1.1	9	3.6
Nondurable goods	1.4	.2	-.4	1.2	-.4	.5	-.4	-1.2
Retail trade	7.3	3.0	18.3	-12.7	-5.5	11.7	17.1	-5.4
Durable goods	5.1	-2.9	1.8	-17.8	-8.2	12.5	6.9	-8.3
Motor vehicle dealers ³	1.3	-6.4	-4.1	-15.3	-10.0	3.7	1.3	-11.9
Other ³	3.9	3.5	5.9	-2.5	1.8	8.7	5.5	3.6
Nondurable goods	2.2	5.9	16.5	5.1	2.7	-7	10.3	2.9
Other	11.0	8.7	12.3	11.2	4.3	7.0	12.9	6.2
Durable goods	2.2	-.2	.4	.8	-.1	-1.9	3.4	1.7
Nondurable goods	8.8	8.9	11.9	10.4	4.4	9.0	9.5	4.5

1. Beginning with 1982, this series is derived from the Census Bureau series "current cost inventories." For earlier periods, it is derived from the Census Bureau "book value inventories" series. The series differ in the treatment of inventories reported on a last-in, first-out (LIFO) basis: The series prior to 1982 is a mix of LIFO and non-LIFO inventories; the series beginning with 1982 is entirely on a non-LIFO basis.

2. Beginning with 1973, 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 (first-in, first-out; last-in, first-out; etc.) 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. Prior to 1973, the two IVA's are the same because information required for separate estimates is not available.

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

Table 5.11.—Real Change in Business Inventories by Industry Group

[Billions of chained (1992) dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Change in business inventories	63.2	57.4	91.4	38.2	55.7	44.2	38.7	7.4
Farm	4.3	7.6	5.3	8.7	9.1	7.2	3.6	2.6
Nonfarm	58.8	50.1	85.9	29.9	47.0	37.5	35.1	5.0
Manufacturing	20.1	19.9	30.2	23.9	19.2	6.2	-3.3	-7.2
Durable goods	12.0	14.0	21.0	19.1	12.0	3.8	-1.7	-6.5
Nondurable goods	8.1	5.9	9.2	4.9	7.2	2.4	-1.6	-7
Wholesale trade	22.0	19.5	27.0	7.6	29.6	13.7	9.4	11.4
Durable goods	13.3	13.5	25.1	1.6	15.2	12.3	7.8	9.2
Nondurable goods	8.7	6.0	2.3	5.9	14.3	1.5	1.7	2.3
Merchant wholesalers	18.5	17.5	24.8	4.7	28.3	12.2	8.9	9.0
Durable goods	11.0	11.8	22.6	-2	13.5	11.2	6.9	5.7
Nondurable goods	7.5	5.7	2.6	4.7	14.5	1.1	2.1	3.4
Nonmerchant wholesalers	3.6	2.0	2.1	3.0	1.3	1.5	.5	2.4
Durable goods	2.3	1.7	2.4	1.8	1.7	1.1	.9	3.6
Nondurable goods	1.2	.2	-.3	1.2	-.4	.4	-.4	-1.1
Retail trade	6.8	2.8	17.3	-11.9	-5.7	10.9	16.1	-5.0
Durable goods	4.7	-2.8	1.6	-16.3	-7.7	11.4	6.3	-7.6
Motor vehicle dealers	1.1	-5.8	-3.7	-13.8	-9.1	3.3	1.2	-10.7
Other	3.6	3.2	5.5	-2.3	1.7	8.1	5.2	3.3
Nondurable goods	2.1	5.7	16.1	4.9	2.6	-7	9.9	2.7
Other	9.9	8.1	11.5	10.4	4.0	6.6	12.3	5.8
Durable goods	1.9	-.2	.4	.7	-.1	-1.7	3.0	1.4
Nondurable goods	8.1	8.6	11.5	10.0	4.3	8.8	9.5	4.4
Residual	0	-1.0	-1.2	-1.5	-1.3	-.8	.1	-.7

NOTE.—Chained (1992) dollar series for real change in business 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 5.12.—Inventories and Domestic Final Sales of Business by Industry Group

[Billions of dollars]

	Seasonally adjusted quarterly totals					
	1998				1999	
	I	II	III	IV	I	II
Inventories ¹	1,363.6	1,366.5	1,369.1	1,372.7	1,388.0	1,400.9
Farm	110.8	108.9	103.9	104.6	111.7	111.7
Nonfarm	1,252.8	1,257.6	1,265.2	1,268.1	1,276.3	1,289.3
Durable goods	721.5	720.0	721.8	724.6	727.4	730.6
Nondurable goods	531.3	537.6	543.4	543.5	548.9	558.7
Manufacturing	466.1	469.1	471.1	467.5	465.3	467.7
Durable goods	292.1	295.4	296.1	293.9	292.7	292.5
Nondurable goods	174.0	173.7	175.0	173.6	172.6	175.3
Wholesale trade	324.8	326.0	332.0	334.8	336.9	341.0
Durable goods	206.2	205.6	208.4	210.8	212.5	215.4
Nondurable goods	118.6	120.4	123.6	124.0	124.4	125.6
Merchant wholesalers	280.2	280.7	286.7	289.5	291.0	293.7
Durable goods	178.7	177.9	180.4	182.6	184.1	186.0
Nondurable goods	101.4	102.8	106.3	106.9	107.0	107.7
Nonmerchant wholesalers	44.6	45.2	45.4	45.3	45.9	47.3
Durable goods	27.4	27.7	28.0	28.2	28.4	29.4
Nondurable goods	17.2	17.5	17.3	17.1	17.5	17.9
Retail trade	325.3	323.6	323.0	326.6	330.8	331.8
Durable goods	175.8	171.3	169.8	173.1	174.3	173.3
Motor vehicle dealers	86.9	83.2	81.2	82.3	81.8	79.3
Other	88.8	88.1	88.6	90.9	92.5	94.1
Nondurable goods	149.5	152.3	153.2	153.5	156.5	158.4
Other	136.6	138.9	139.1	139.2	143.4	148.7
Durable goods	47.4	47.6	47.5	46.8	48.0	49.4
Nondurable goods	89.2	91.3	91.6	92.4	95.4	99.4
Final sales of domestic business ²	582.3	590.6	596.0	607.8	617.3	624.5
Final sales of goods and structures of domestic business ²	312.5	315.2	316.9	325.7	331.3	334.6
Ratio of inventories to final sales of domestic business						
Inventories to final sales	2.34	2.31	2.30	2.26	2.25	2.24
Nonfarm inventories to final sales	2.15	2.13	2.12	2.09	2.07	2.06
Nonfarm inventories to final sales of goods and structures	4.01	3.99	3.99	3.89	3.85	3.85

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

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

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

[Billions of chained (1992) dollars]

	Seasonally adjusted quarterly totals					
	1998				1999	
	I	II	III	IV	I	II
Inventories ¹	1,300.3	1,309.9	1,323.8	1,334.8	1,344.5	1,346.4
Farm	110.9	113.1	115.3	117.1	118.0	118.7
Nonfarm	1,188.9	1,196.4	1,208.1	1,217.5	1,226.3	1,227.5
Durable goods	684.2	685.3	689.9	696.4	700.3	699.4
Nondurable goods	504.6	511.0	518.1	521.1	525.9	528.0
Manufacturing	442.8	448.7	453.5	455.1	454.3	452.5
Durable goods	281.1	285.9	288.9	289.8	289.4	287.8
Nondurable goods	161.8	163.0	164.8	165.4	165.0	164.9
Wholesale trade	311.6	313.5	320.9	324.3	326.7	329.5
Durable goods	200.8	201.2	205.0	208.1	210.0	212.3
Nondurable goods	111.2	112.6	116.2	116.6	117.0	117.6
Merchant wholesalers	267.5	268.7	275.7	278.8	281.0	283.2
Durable goods	173.6	173.6	177.0	179.8	181.5	182.9
Nondurable goods	94.1	95.3	99.0	99.2	99.8	100.6
Nonmerchant wholesalers	44.1	44.8	45.2	45.5	45.7	46.3
Durable goods	27.1	27.6	28.0	28.3	28.5	29.4
Nondurable goods	17.0	17.3	17.2	17.3	17.2	16.9
Retail trade	307.3	304.3	302.9	305.7	309.7	308.4
Durable goods	161.6	157.5	155.6	158.4	160.0	158.1
Motor vehicle dealers	78.7	75.3	73.0	73.8	74.1	71.4
Other	82.9	82.3	82.8	84.8	86.1	86.9
Nondurable goods	145.3	146.6	147.2	147.1	149.5	150.2
Other	127.3	129.9	130.9	132.5	135.6	137.1
Durable goods	41.0	41.2	41.2	40.8	41.5	41.9
Nondurable goods	86.4	88.9	90.0	92.2	94.5	95.6
Residual .....	.4	-2	-6	-8	-6	-8
Final sales of domestic business ²	521.6	528.4	532.2	542.1	549.0	553.8
Final sales of goods and structures of domestic business ²	294.0	296.5	298.0	306.6	311.7	313.9
Ratio of inventories to final sales of domestic business						
Inventories to final sales	2.49	2.48	2.49	2.46	2.45	2.43
Nonfarm inventories to final sales	2.28	2.26	2.27	2.25	2.23	2.22
Nonfarm inventories to final sales of goods and structures	4.04	4.03	4.05	3.97	3.93	3.91

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

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

NOTE.—Chained (1992) dollar inventory series are calculated as the product of the chain-type quantity index and the average of the end-of-year fixed-weighted inventories for 1991 and 1992, divided by 100. Chained (1992) dollar final sales series are calculated as the product of the chain-type index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines for inventories.

6. Income and Employment by Industry

Table 6.1C.—National Income Without Capital Consumption Adjustment by Industry Group

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
National income without capital consumption adjustment	6,598.0	6,928.6	6,817.1	6,882.3	6,963.3	7,051.9	7,185.8	7,261.3
Domestic industries	6,606.0	6,949.3	6,832.2	6,901.3	6,990.6	7,073.3	7,206.3	7,281.9
Private industries	5,728.5	6,043.0	5,937.2	5,999.1	6,080.4	6,155.5	6,274.1	6,344.1
Agriculture, forestry, and fishing	106.0	104.2	99.9	102.0	100.9	114.0	102.8	104.1
Mining	52.5	50.6	54.9	51.2	49.0	47.4	46.5	42.3
Construction	305.1	331.1	320.1	326.7	334.3	343.1	350.6	355.2
Manufacturing	1,151.0	1,168.7	1,170.9	1,169.3	1,170.3	1,164.1	1,181.1	1,193.7
Durable goods	659.4	684.2	678.8	680.2	682.7	695.2	691.1	702.9
Nondurable goods	491.6	484.4	492.1	489.1	487.6	468.9	490.0	490.8
Transportation and public utilities	480.9	500.8	497.3	495.1	503.9	506.9	515.5	514.0
Transportation	208.0	216.2	213.7	214.9	217.2	219.1	219.7	219.2
Communications	139.3	149.3	148.5	147.3	150.8	150.4	156.9	158.5
Electric, gas, and sanitary services	133.6	135.3	135.0	132.9	136.0	137.4	138.9	136.4
Wholesale trade	384.2	409.2	400.9	408.5	414.0	413.5	420.4	425.3
Retail trade	543.2	580.0	567.0	576.5	584.4	592.3	606.2	612.8
Finance, insurance, and real estate	1,192.0	1,273.5	1,245.4	1,264.4	1,281.8	1,302.4	1,339.2	1,351.2
Services	1,513.6	1,624.9	1,580.6	1,605.4	1,641.6	1,671.7	1,711.9	1,745.5
Government	877.5	906.3	895.0	902.2	910.2	917.8	932.2	937.8
Rest of the world	-8.0	-20.4	-14.8	-18.8	-27.0	-21.2	-20.3	-20.2

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

Table 6.16C.—Corporate Profits by Industry Group

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Corporate profits with inventory valuation and capital consumption adjustments	817.9	824.6	829.2	820.6	827.0	821.7	868.8	859.3
Domestic industries	718.9	729.0	730.6	723.3	737.0	724.9	767.4	759.1
Financial	124.7	130.3	131.3	130.1	129.5	130.1	143.5	135.8
Nonfinancial	594.2	598.7	599.3	593.2	607.5	594.8	623.8	623.3
Rest of the world	99.0	95.7	98.6	97.3	89.9	96.8	101.4	100.2
Receipts from the rest of the world	149.5	145.8	146.1	146.0	140.5	150.6	161.5	168.3
Less: Payments to the rest of the world	50.4	50.1	47.5	48.7	50.5	53.8	60.1	68.1
Corporate profits with inventory valuation adjustment	741.2	732.3	744.3	731.3	732.1	721.5	764.2	750.6
Domestic industries	642.2	636.6	645.8	633.9	642.2	624.7	662.8	650.4
Financial	130.0	134.2	136.3	134.4	133.2	133.0	146.2	138.2
Federal Reserve banks	23.3	24.6	24.5	24.4	24.7	24.6	24.4	24.5
Other	106.6	109.7	111.8	110.0	108.5	108.4	121.8	113.7
Nonfinancial	512.3	502.4	509.4	499.5	509.0	491.7	516.6	512.2
Manufacturing	214.4	192.8	197.1	194.6	195.0	184.5	195.5	197.3
Durable goods	107.3	108.3	100.8	104.5	109.4	118.7	112.7	117.2
Primary metal industries	5.6	5.4	6.3	5.7	4.9	4.8	1.2	1.0
Fabricated metal products	15.5	15.0	12.6	15.5	17.5	14.6	16.5	16.5
Industrial machinery and equipment	27.6	29.2	23.2	28.5	30.4	34.5	32.7	34.9
Electronic and other electric equipment	24.8	21.8	21.9	19.8	20.5	25.0	24.6	24.8
Motor vehicles and equipment	3.8	5.8	6.2	4.9	4.6	7.3	7.9	8.6
Other	30.0	31.2	30.7	30.1	31.5	32.4	29.7	31.5
Nondurable goods	107.1	84.5	96.2	90.2	85.6	65.8	82.9	80.1
Food and kindred products	22.7	17.9	20.6	21.4	22.0	7.5	18.4	19.5
Chemicals and allied products	28.1	21.1	27.0	18.9	18.4	20.0	24.8	21.0
Petroleum and coal products	18.0	8.4	10.9	10.0	7.2	5.4	2.3	2.2
Other	38.3	37.1	37.8	39.8	38.0	32.9	37.4	37.3
Transportation and public utilities	88.4	90.4	91.7	87.5	92.7	89.7	94.1	89.8
Transportation	17.6	17.7	17.3	17.5	18.5	17.7	16.5	14.7
Communications	31.2	33.3	34.1	32.5	34.8	31.9	37.1	37.7
Electric, gas, and sanitary services	39.7	39.3	40.3	37.5	39.5	40.0	40.5	37.4
Wholesale trade	49.8	51.3	51.5	53.5	53.9	46.3	50.0	50.0
Retail trade	61.2	67.2	67.4	67.4	67.1	66.8	73.0	72.2
Other	98.5	100.7	101.8	96.5	100.2	104.4	103.9	102.9
Rest of the world	99.0	95.7	98.6	97.3	89.9	96.8	101.4	100.2

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

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

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted					
			1998				1999	
			I	II	III	IV	I	II
Gross domestic product:								
Current dollars	129.89	136.30	134.27	135.17	136.73	139.02	141.06	142.10
Chain-type quantity index	116.42	120.94	119.54	120.09	121.17	122.95	124.26	124.76
Chain-type price index	111.57	112.71	112.33	112.57	112.85	113.08	113.53	113.91
Implicit price deflator	111.57	112.70	112.32	112.56	112.84	113.07	113.52	113.90
Final sales of domestic product:								
Current dollars	128.95	135.50	132.89	134.69	135.97	138.45	140.59	142.14
Chain-type quantity index	115.49	120.10	118.20	119.54	120.36	122.31	123.70	124.63
Chain-type price index	111.66	112.84	112.45	112.69	112.99	113.22	113.68	114.07
Implicit price deflator	111.66	112.82	112.43	112.67	112.97	113.20	113.66	114.05
Gross domestic purchases:								
Current dollars	130.77	138.06	135.61	137.07	138.72	140.86	143.54	145.27
Chain-type quantity index	117.89	123.78	121.85	123.03	124.30	125.94	127.95	128.88
Chain-type price index	110.92	111.54	111.29	111.42	111.60	111.84	112.18	112.71
Implicit price deflator	110.92	111.54	111.29	111.42	111.60	111.85	112.18	112.71
Final sales to domestic purchasers:								
Current dollars	129.84	137.27	134.23	136.60	137.97	140.29	143.07	145.31
Chain-type quantity index	116.97	122.95	120.51	122.49	123.50	125.30	127.39	128.76
Chain-type price index	111.00	111.66	111.40	111.53	111.72	111.97	112.31	112.86
Implicit price deflator	111.00	111.65	111.39	111.52	111.71	111.96	112.30	112.86
Addenda:								
Chain-type price indexes for gross domestic purchases:								
Food	111.24	112.89	112.18	112.50	113.16	113.73	114.23	114.48
Energy	107.69	98.07	100.84	98.80	97.22	95.43	94.71	100.83
Gross domestic purchases less food and energy	111.05	112.01	111.69	111.88	112.09	112.39	112.75	113.08

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

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

[Index numbers, 1992=100]

Gross national product:								
Current dollars	129.53	135.73	133.79	134.63	136.05	138.44	140.49	141.53
Chain-type quantity index	116.16	120.50	119.18	119.67	120.64	122.51	123.83	124.33
Chain-type price index	111.51	112.65	112.28	112.51	112.79	113.01	113.46	113.84
Implicit price deflator	111.52	112.64	112.26	112.50	112.78	113.01	113.45	113.83
Less: Exports of goods and services and receipts of factor income:								
Chain-type quantity index	155.43	157.49	158.60	156.14	154.52	160.71	159.45	162.31
Plus: Command-basis exports of goods and services and receipts of factor income:								
Chain-type quantity index	160.36	166.55	166.77	165.08	164.02	170.33	169.90	171.38
Equals: Command-basis gross national product:								
Chain-type quantity index	116.77	121.62	120.19	120.78	121.82	123.70	125.13	125.46

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

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

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted					
			1998				1999	
			I	II	III	IV	I	II
Chain-type quantity indexes								
Personal consumption expenditures	116.44	122.12	119.79	121.58	122.80	124.32	126.36	127.85
Durable goods	136.86	150.87	145.39	149.30	150.18	158.64	163.53	167.34
Motor vehicles and parts	115.66	125.51	119.77	125.13	122.10	135.03	134.82	137.50
Furniture and household equipment	162.50	183.42	177.34	179.20	185.88	191.25	201.53	207.03
Other	138.41	150.02	146.43	150.12	150.74	152.81	161.09	164.65
Nondurable goods	112.44	116.81	115.09	116.57	117.19	118.41	121.12	121.96
Food	105.96	108.80	107.10	108.54	108.93	110.64	111.26	111.70
Clothing and shoes	127.87	137.57	136.29	138.07	137.36	138.54	147.70	149.07
Gasoline and oil	110.59	112.47	111.18	111.10	113.60	114.00	113.89	114.02
Fuel oil and coal	93.96	87.87	84.48	89.08	91.10	86.82	98.20	102.37
Other	116.99	122.43	120.30	122.06	123.39	123.97	127.76	129.23
Services	114.61	119.51	117.42	118.98	120.56	121.07	122.30	123.73
Housing	110.92	113.63	112.67	113.28	113.95	114.64	115.46	116.10
Household operation	121.36	127.63	123.38	127.48	131.47	128.20	131.17	134.63
Electricity and gas	108.85	109.00	103.67	110.13	116.21	105.99	109.73	113.67
Other household operation	130.63	141.50	138.04	140.42	142.87	144.66	147.08	150.20
Transportation	134.28	139.45	137.85	140.09	139.49	140.35	141.47	142.68
Medical care	108.52	111.83	110.55	111.60	112.17	113.02	113.59	114.40
Other	117.02	124.85	121.58	123.53	126.57	127.70	129.40	131.54
Chain-type price indexes								
Personal consumption expenditures	111.81	112.70	112.30	112.55	112.84	113.14	113.48	114.10
Durable goods	100.66	98.33	99.27	98.72	97.98	97.35	96.53	96.01
Motor vehicles and parts	112.65	111.87	111.79	111.55	111.89	112.26	111.51	111.59
Furniture and household equipment	88.20	84.18	85.92	85.14	83.55	82.09	81.13	79.87
Other	103.41	102.52	103.29	102.74	102.21	101.86	101.31	101.58
Nondurable goods	107.69	107.66	107.35	107.41	107.80	108.06	108.43	109.83
Food	111.67	113.54	112.74	113.10	113.88	114.43	114.96	115.31
Clothing and shoes	96.39	94.69	94.68	94.84	94.79	94.44	92.49	93.37
Gasoline and oil	107.33	93.51	98.05	94.17	92.19	89.64	88.56	100.96
Fuel oil and coal	109.60	99.60	103.44	101.20	98.30	95.46	93.22	96.26
Other	108.30	110.58	109.36	110.06	110.90	112.01	114.47	114.84
Services	116.61	118.80	118.00	118.55	119.05	119.61	120.26	120.75
Housing	115.66	119.44	117.90	119.00	119.92	120.94	121.61	122.50
Household operation	108.65	106.85	106.96	107.19	106.73	106.52	106.44	106.08
Electricity and gas	108.79	105.10	105.69	105.76	104.86	104.09	104.15	104.18
Other household operation	108.68	107.97	107.80	108.12	107.93	108.04	107.88	107.29
Transportation	113.23	114.66	114.51	114.35	114.92	114.86	115.29	115.81
Medical care	120.18	122.82	121.92	122.54	123.13	123.70	124.62	125.19
Other	117.91	120.05	119.45	119.78	120.17	120.78	121.50	121.91
Addenda:								
Price indexes for personal consumption expenditures:								
Food	111.67	113.54	112.74	113.10	113.88	114.43	114.96	115.31
Energy ¹	108.13	99.24	101.89	99.93	98.44	96.72	96.12	102.26
Personal consumption expenditures less food and energy	112.10	113.41	112.89	113.25	113.57	113.94	114.31	114.65

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

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

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted					
			1998				1999	
			I	II	III	IV	I	II
Chain-type quantity indexes								
Private fixed investment	145.25	161.82	156.36	161.36	162.23	167.35	171.56	175.58
Nonresidential	154.04	172.21	167.04	172.15	171.84	177.79	181.44	186.16
Structures	120.09	120.00	120.06	119.36	119.42	121.16	122.85	122.54
Nonresidential buildings, including farm	132.99	133.35	132.62	132.32	132.58	135.90	139.47	137.07
Utilities	83.31	85.65	84.77	85.64	86.08	86.12	87.66	88.98
Mining exploration, shafts, and wells	134.77	125.35	134.72	127.70	123.57	115.40	103.15	108.42
Other structures	70.12	69.81	68.64	67.01	70.27	73.33	71.89	85.66
Producers' durable equipment	170.04	198.16	190.08	198.43	197.91	206.20	210.92	218.55
Information processing and related equipment	222.13	289.24	263.41	280.84	297.80	314.91	334.06	362.43
Computers and peripheral equipment ¹	488.82	800.44	664.79	754.21	843.02	939.75	1,030.61	1,141.37
Other	140.28	156.49	151.52	154.79	158.26	161.38	167.33	179.03
Industrial equipment	140.93	148.53	147.28	148.36	148.98	149.49	146.84	149.13
Transportation and related equipment	162.83	188.02	185.27	194.89	176.07	195.83	192.93	198.83
Other	142.95	155.99	152.09	157.63	159.20	155.04	163.07	159.98
Residential	125.36	138.34	132.34	137.05	140.31	143.68	148.93	151.52
Structures	125.33	138.43	132.34	137.10	140.43	143.84	149.09	151.64
Single family	117.72	131.29	124.67	129.88	133.54	137.05	143.30	143.43
Multifamily	154.04	162.96	169.09	158.07	158.70	165.96	180.12	179.56
Other structures	131.79	144.85	137.71	144.15	147.42	150.12	152.69	159.05
Producers' durable equipment	126.88	135.09	132.40	135.23	135.42	137.33	142.44	147.04
Chain-type price indexes								
Private fixed investment	104.45	103.20	103.81	103.33	102.91	102.76	102.56	102.54
Nonresidential	100.15	97.71	98.90	98.12	97.21	96.61	96.12	95.77
Structures	118.22	121.58	120.58	121.49	121.85	122.40	122.67	123.52
Nonresidential buildings, including farm	117.79	121.90	120.29	121.38	122.38	123.53	124.06	125.08
Utilities	116.62	117.60	117.13	117.36	117.91	117.99	117.35	117.39
Mining exploration, shafts, and wells	126.85	127.66	131.00	131.83	126.05	121.77	121.10	121.68
Other structures	115.51	118.16	117.66	117.60	118.43	118.95	119.24	120.53
Producers' durable equipment	93.88	89.82	91.57	90.35	89.13	88.23	87.56	86.92
Information processing and related equipment	69.31	60.33	64.12	61.49	58.89	56.81	55.21	54.04
Computers and peripheral equipment ¹	37.75	27.21	31.23	28.40	25.65	23.57	21.99	20.91
Other	99.14	97.99	98.58	98.04	97.79	97.56	97.50	97.31
Industrial equipment	110.12	110.79	110.52	110.77	110.80	111.07	111.31	111.21
Transportation and related equipment	108.35	108.08	107.99	107.91	108.06	108.33	108.89	108.99
Other	109.15	110.25	109.84	109.97	110.33	110.88	111.12	111.20
Residential	115.96	118.42	117.21	117.71	118.77	120.00	120.66	121.65
Structures	116.29	118.82	117.58	118.10	119.17	120.45	121.15	122.18
Single family	119.90	122.40	121.04	121.45	122.68	124.42	125.21	126.23
Multifamily	112.20	114.51	113.25	113.62	114.78	116.40	117.14	118.09
Other structures	112.11	114.71	113.59	114.27	115.14	115.82	116.39	117.46
Producers' durable equipment	104.03	103.68	103.92	103.41	103.92	103.45	102.72	102.01

1. Includes new computers and peripheral equipment only.

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

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted					
			1998				1999	
			I	II	III	IV	I	II
Chain-type quantity indexes								
Exports of goods and services	151.70	154.00	155.12	152.03	150.96	157.89	155.85	157.73
Goods ¹	161.92	165.52	166.82	161.87	162.10	171.27	167.43	169.60
Durable	184.30	190.56	192.06	184.87	187.09	198.20	194.31	196.64
Nondurable	122.31	121.60	122.56	121.32	118.34	124.17	120.49	122.34
Services ¹	129.48	129.20	129.91	130.46	126.93	129.48	130.84	132.14
Receipts of factor income	172.59	173.71	174.77	174.79	170.96	174.30	176.10	182.91
Imports of goods and services	165.35	182.81	177.95	181.97	183.02	188.30	194.35	201.29
Goods ¹	173.56	193.53	187.38	192.49	193.87	200.36	206.95	215.05
Durable	192.73	217.30	209.81	215.18	216.42	227.78	234.75	246.19
Nondurable	141.26	153.94	149.97	154.59	156.18	155.03	160.94	163.82
Services ¹	130.39	137.93	138.03	137.82	137.60	138.29	142.20	144.71
Payments of factor income	189.82	199.28	196.82	199.34	200.76	201.21	201.31	208.43
Chain-type price indexes								
Exports of goods and services	99.53	97.39	98.13	97.68	96.98	96.75	96.61	96.56
Goods ¹	94.75	91.67	92.78	92.07	91.18	90.64	90.20	89.86
Durable	87.10	84.98	85.69	85.23	84.64	84.36	84.07	83.59
Nondurable	113.58	107.67	109.99	108.54	106.75	105.39	104.51	104.61
Services ¹	112.18	112.89	112.52	112.84	112.73	113.46	114.20	115.05
Receipts of factor income	111.56	112.37	112.16	112.27	112.42	112.64	112.94	113.56
Imports of goods and services	95.72	90.69	92.05	90.98	89.87	89.84	89.09	90.08
Goods ¹	93.94	88.33	90.07	88.72	87.42	87.11	86.37	87.15
Durable	88.29	84.67	86.02	85.01	83.98	83.66	83.37	82.38
Nondurable	106.63	96.31	98.99	96.82	94.86	94.59	92.71	98.04
Services ¹	105.33	103.83	102.85	103.52	103.63	105.32	104.50	106.81
Payments of factor income	113.61	114.59	114.23	114.46	114.71	114.97	115.38	116.02

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, 1992=100]

	Seasonally adjusted									Seasonally adjusted							
	1997	1998	1998				1999			1997	1998	1998				1999	
			I	II	III	IV	I	II				I	II	III	IV	I	II
Chain-type quantity indexes									Chain-type price indexes								
Government consumption expenditures and gross investment¹	101.68	102.63	101.53	102.45	102.84	103.69	104.76	104.25	Government consumption expenditures and gross investment¹	113.20	114.66	114.17	114.39	114.82	115.25	116.13	117.00
Federal	86.75	85.86	84.50	86.00	85.71	87.24	86.81	86.03	Federal	113.58	114.83	114.66	114.66	114.77	115.21	117.05	117.29
National defense	82.20	79.95	78.06	79.93	80.78	81.05	79.67	78.98	National defense	112.00	113.27	113.04	113.12	113.22	113.71	115.38	115.68
Consumption expenditures	85.20	82.62	80.68	83.25	82.94	83.62	81.67	80.40	Consumption expenditures	112.45	114.14	113.74	113.88	114.23	114.73	116.34	116.74
Durable goods ²	67.69	69.85	66.85	68.76	71.98	71.80	69.44	72.39	Durable goods ²	101.39	100.66	101.27	100.78	100.47	100.14	100.70	100.63
Nondurable goods	73.78	74.65	70.67	70.54	82.71	74.67	71.71	79.37	Nondurable goods	106.50	95.17	97.81	95.53	93.70	93.65	90.96	96.81
Services	87.41	84.29	82.50	85.21	84.23	85.23	83.33	81.44	Services	113.61	115.88	115.30	115.57	116.04	116.63	118.46	118.74
Compensation of general government employees, except force-account construction ³	78.91	76.43	77.29	76.52	76.48	75.44	74.73	74.44	Compensation of general government employees, except force-account construction ³	118.01	120.87	120.65	120.72	120.87	121.26	125.23	125.33
Consumption of general government fixed capital ⁴	93.02	90.60	91.52	90.92	90.26	89.71	89.20	88.67	Consumption of general government fixed capital ⁴	111.51	111.54	111.45	111.06	111.22	112.43	111.96	112.15
Other services	98.89	94.10	85.52	96.98	94.05	99.85	94.81	89.01	Other services	108.31	111.15	109.72	110.72	111.83	112.32	112.67	113.26
Gross investment	65.05	64.68	63.03	60.76	68.59	66.36	68.52	71.29	Gross investment	108.78	107.00	108.04	107.59	105.96	106.40	108.48	108.04
Structures	86.49	77.68	81.96	73.21	81.62	73.94	75.53	75.08	Structures	126.09	127.93	126.74	127.27	128.23	129.47	129.94	131.45
Equipment	62.69	63.35	60.95	59.47	67.26	65.72	67.96	71.15	Equipment	106.61	104.34	105.67	105.08	103.13	103.49	105.74	105.09
Nondefense	97.64	99.93	99.83	100.48	97.47	101.97	103.80	102.79	Nondefense	117.27	118.49	118.46	118.30	118.44	118.78	120.96	121.09
Consumption expenditures	97.99	100.08	98.96	101.14	97.74	102.47	102.81	103.55	Consumption expenditures	119.76	121.38	121.20	121.12	121.38	121.82	124.42	124.58
Durable goods ²									Durable goods ²								
Nondurable goods									Nondurable goods								
Commodity Credit Corporation inventory change									Commodity Credit Corporation inventory change								
Other nondurables	86.09	92.52	91.27	92.77	92.11	93.93	93.36	93.98	Other nondurables	112.06	110.94	111.36	110.86	111.02	110.52	110.70	111.46
Services	97.40	99.68	97.95	99.91	99.89	100.97	101.15	101.10	Services	120.57	122.39	122.14	122.09	122.50	122.82	125.60	125.87
Compensation of general government employees, except force-account construction ³	89.88	90.93	89.68	90.69	90.87	92.47	92.60	91.53	Compensation of general government employees, except force-account construction ³	131.80	134.44	134.30	134.06	134.53	134.88	140.31	140.59
Consumption of general government fixed capital ⁴	118.62	124.30	121.32	122.27	126.31	127.32	128.34	129.21	Consumption of general government fixed capital ⁴	104.37	104.29	104.48	104.27	104.08	104.31	104.17	104.44
Other services	105.56	109.30	106.99	110.76	109.65	109.82	109.94	111.55	Other services	108.69	109.91	109.44	109.65	110.13	110.42	110.64	110.89
Gross investment	95.18	99.18	106.68	95.76	95.72	98.54	111.95	97.10	Gross investment	101.35	100.05	100.98	100.29	99.61	99.32	98.90	98.82
Structures	83.49	86.87	85.90	83.93	90.07	87.56	86.86	81.28	Structures	116.95	121.00	120.10	120.56	121.31	122.04	122.40	123.26
Equipment	110.14	114.55	133.92	110.55	101.53	112.20	146.59	118.00	Equipment	86.56	81.40	83.67	82.23	80.40	79.30	78.38	77.72
State and local	112.42	114.68	113.77	114.28	115.16	115.52	117.67	117.36	State and local	112.96	114.55	113.89	114.23	114.83	115.25	115.61	116.82
Consumption expenditures	111.38	114.20	113.12	113.86	114.58	115.23	116.09	116.71	Consumption expenditures	112.86	114.48	113.76	114.18	114.80	115.20	115.63	116.87
Durable goods ²	122.03	126.15	124.47	125.59	126.71	127.85	129.00	130.15	Durable goods ²	106.77	107.66	107.40	107.43	107.83	107.99	107.95	107.81
Nondurable goods	120.55	124.36	122.94	123.88	124.83	125.79	126.76	127.73	Nondurable goods	108.52	103.14	104.14	103.87	103.18	101.40	101.03	105.47
Services	110.11	112.79	111.76	112.48	113.16	113.77	114.61	115.18	Services	113.53	116.06	115.10	115.63	116.41	117.09	117.64	118.51
Compensation of general government employees, except force-account construction ³	107.91	109.90	109.07	109.68	110.22	110.64	111.24	111.61	Compensation of general government employees, except force-account construction ³	114.99	117.73	116.68	117.36	118.06	118.82	119.56	120.45
Consumption of general government fixed capital ⁴	117.41	122.11	120.31	121.50	122.70	123.91	125.13	126.37	Consumption of general government fixed capital ⁴	110.45	111.49	111.13	111.08	111.63	112.13	112.12	113.00
Other services	139.74	152.74	149.08	151.07	153.72	157.10	162.11	165.51	Other services	94.83	96.67	96.11	95.48	97.54	97.53	96.48	97.05
Gross investment	117.11	116.84	116.71	116.15	117.74	116.77	124.84	120.26	Gross investment	113.46	114.88	114.51	114.49	115.01	115.52	115.60	116.64
Structures	111.88	108.63	109.60	108.20	109.31	107.42	116.04	110.04	Structures	117.75	120.79	119.82	120.13	121.14	122.07	122.51	124.06
Equipment	142.55	159.08	152.56	156.83	161.21	165.71	169.96	174.47	Equipment	96.79	92.85	94.35	93.28	92.28	91.50	90.48	90.01
Addenda:									Addenda:								
Compensation of general government employees ³	99.90	100.80	100.29	100.64	101.03	101.25	101.56	101.59	Compensation of general government employees ³	117.09	119.84	119.00	119.50	120.09	120.76	122.44	123.15
Federal	82.61	81.36	81.48	81.33	81.38	81.23	80.82	80.25	Federal	122.57	125.34	125.15	125.10	125.37	125.74	130.23	130.39
State and local	107.98	109.93	109.11	109.70	110.25	110.65	111.31	111.64	State and local	115.00	117.74	116.69	117.37	118.08	118.84	119.58	120.47

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

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

3. Compensation of government employees engaged in new force-account construction and related expenditures

for goods and services are classified as investment in structures. The compensation of all general government employees is shown in the addenda.

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

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

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted					
			1998				1999	
			I	II	III	IV	I	II
Chain-type quantity indexes								
Gross domestic product	116.42	120.94	119.54	120.09	121.17	122.95	124.26	124.76
Business ¹	118.91	124.10	122.53	123.11	124.33	126.42	127.94	128.50
Nonfarm ¹	119.02	124.23	122.66	123.25	124.45	126.57	128.10	128.67
Nonfarm less housing	119.95	125.61	124.02	124.56	125.77	128.08	129.65	130.18
Housing	111.29	113.01	111.60	112.58	113.64	114.22	115.50	116.39
Farm	112.04	114.75	113.12	113.40	116.17	116.30	116.19	116.01
Households and institutions	115.20	117.82	117.06	117.43	118.04	118.77	119.32	119.85
Private households	101.12	98.50	97.46	98.19	98.78	99.56	100.47	101.07
Nonprofit institutions	115.74	118.57	117.82	118.17	118.78	119.51	120.05	120.57
General government ²	100.66	101.61	101.10	101.44	101.84	102.07	102.39	102.46
Federal	85.80	84.53	84.71	84.51	84.55	84.36	83.97	83.45
State and local	108.83	111.02	110.12	110.76	111.37	111.84	112.55	112.96
Chain-type price indexes								
Gross domestic product	111.57	112.71	112.33	112.57	112.85	113.08	113.53	113.91
Business ¹	110.89	111.76	111.52	111.66	111.86	111.99	112.30	112.61
Nonfarm ¹	111.06	112.08	111.83	111.96	112.21	112.33	112.72	113.10
Nonfarm less housing	110.54	111.28	111.16	111.19	111.37	111.39	111.75	112.10
Housing	115.66	119.26	117.76	118.79	119.75	120.75	121.48	122.16
Farm	99.93	90.29	91.17	92.03	88.09	89.85	84.31	79.37
Households and institutions	112.42	115.74	113.59	115.33	116.54	117.49	118.62	119.63
Private households	117.56	121.63	120.13	121.10	122.21	123.09	123.79	124.86
Nonprofit institutions	112.24	115.53	113.36	115.13	116.34	117.29	118.43	119.44
General government ²	116.12	118.54	117.80	118.19	118.75	119.43	120.83	121.52
Federal	119.48	121.53	121.38	121.25	121.47	122.02	125.23	125.41
State and local	114.57	117.14	116.16	116.77	117.46	118.19	118.85	119.75

1. Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Gross nonfarm product equals gross domestic business product less gross farm product.

2. Equals compensation of general government employees plus general government consumption of fixed capital.

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

[Dollars]

Current-dollar cost and profit per unit of real gross domestic product ¹	1.063	1.061	1.061	1.061	1.062	1.060	1.061	1.064
Consumption of fixed capital	.100	.099	.099	.100	.099	.099	.098	.099
Net domestic product	.963	.962	.962	.962	.962	.962	.963	.965
Indirect business tax and nontax liability plus business transfer payments less subsidies	.105	.105	.105	.104	.104	.107	.104	.104
Domestic income	.857	.857	.858	.857	.858	.855	.859	.861
Compensation of employees	.691	.699	.697	.699	.699	.700	.700	.704
Corporate profits with inventory valuation and capital consumption adjustments	.143	.136	.139	.136	.138	.133	.137	.136
Profits tax liability	.041	.037	.037	.037	.037	.035	.036	.038
Profits after tax with inventory valuation and capital consumption adjustments	.102	.100	.102	.099	.100	.098	.101	.098
Net interest	.023	.022	.022	.022	.022	.022	.022	.022

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

Table 7.16.—Implicit Price Deflators for Inventories of Business by Industry Group

[Index numbers, 1992=100]

	Seasonally adjusted					
	1998				1999	
	I	II	III	IV	I	II
Inventories ¹	104.86	104.33	103.42	102.84	103.24	104.05
Farm	99.90	96.34	90.08	89.34	94.62	94.08
Nonfarm	105.37	105.12	104.72	104.15	104.08	105.03
Durable goods	105.45	105.06	104.63	104.05	103.87	104.46
Nondurable goods	105.29	105.21	104.87	104.31	104.38	105.81
Manufacturing	105.28	104.54	103.88	102.73	102.44	103.37
Durable goods	103.93	103.34	102.51	101.40	101.14	101.63
Nondurable goods	107.53	106.53	106.17	104.95	104.61	106.31
Wholesale	104.23	103.98	103.46	103.23	103.12	103.48
Durable goods	102.68	102.21	101.68	101.31	101.17	101.45
Nondurable goods	106.70	106.85	106.37	106.37	106.32	106.83
Merchant wholesalers	104.74	104.49	103.97	103.86	103.57	103.70
Durable goods	102.94	102.47	101.93	101.56	101.41	101.69
Nondurable goods	107.74	107.88	107.39	107.76	107.21	107.08
Nonmerchant wholesalers	101.12	100.89	100.44	99.40	100.42	102.18
Durable goods	101.00	100.52	100.04	99.71	99.57	99.86
Nondurable goods	101.08	101.26	100.86	98.65	101.57	105.82
Retail trade	105.87	106.36	106.61	106.86	106.80	107.57
Durable goods	108.79	108.78	109.14	109.29	108.94	109.65
Motor vehicle dealers	110.42	110.62	111.32	111.44	110.42	111.01
Other	107.14	106.95	107.00	107.17	107.40	108.21
Nondurable goods	102.88	103.90	104.05	104.40	104.67	105.49
Other	107.33	106.97	106.26	105.01	105.72	108.53
Durable goods	115.55	115.50	115.25	114.70	115.60	117.90
Nondurable goods	103.23	102.72	101.80	100.25	100.86	103.88

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

Table 7.17.—Chain-Type Quantity Indexes for Gross Domestic Product by Major Type of Product

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted					
			1998				1999	
			I	II	III	IV	I	II
Gross domestic product	116.42	120.94	119.54	120.09	121.17	122.95	124.26	124.76
Final sales of domestic product	115.49	120.10	118.20	119.54	120.36	122.31	123.70	124.63
Change in business inventories								
Goods	123.56	129.75	129.29	127.95	129.04	132.74	134.05	134.03
Final sales	120.99	127.47	125.51	126.52	126.83	131.02	132.56	133.84
Change in business inventories								
Durable goods	142.91	154.56	153.95	150.48	152.58	161.25	161.64	161.43
Final sales	137.89	150.26	147.05	148.46	148.90	156.64	158.18	160.22
Change in business inventories								
Nondurable goods	110.51	113.24	112.85	112.86	113.31	113.95	115.80	115.90
Final sales	109.42	112.08	110.92	111.67	111.89	113.83	115.35	116.17
Change in business inventories								
Services	111.36	114.82	113.01	114.55	115.51	116.20	117.00	117.93
Structures	119.55	124.35	122.03	123.37	125.25	126.74	131.37	130.96
Addenda:								
Motor vehicle output	127.05	131.34	130.82	126.99	123.27	144.28	137.00	137.81
Gross domestic product less motor vehicle output	116.06	120.58	119.15	119.85	121.09	122.23	123.83	124.31

Table 7.18.—Chain-Type Quantity Indexes for Auto Output

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted					
			1998				1999	
			I	II	III	IV	I	II
Auto output	98.92	94.19	95.91	87.97	91.64	101.23	89.31	90.53
Final sales	98.12	96.44	95.55	97.46	93.58	99.17	91.59	100.56
Personal consumption expenditures	105.24	110.29	106.90	108.92	107.68	117.66	117.09	121.09
Net purchases of used autos	95.62	100.86	97.93	104.40	96.43	104.69	103.69	110.87
Producers' durable equipment	124.47	129.17	124.86	118.13	130.15	143.54	143.81	141.51
Net purchases of used autos	125.32	122.22	123.90	127.06	113.54	124.38	121.38	127.30
Net exports	127.54	125.10	126.51	129.83	115.24	128.83	126.05	131.86
Exports	128.69	127.18	128.18	131.70	115.82	133.02	130.58	136.16
Imports	110.27	104.75	109.74	104.74	92.99	111.51	101.35	115.26
Gross government investment	139.33	153.07	148.67	150.41	144.57	168.63	180.99	176.51
Change in business inventories of new and used autos	89.31	93.91	79.51	96.67	100.29	99.18	87.30	84.25
New								
Used								
Addenda:								
Domestic output of new autos ¹	110.36	104.93	105.39	97.38	105.25	111.68	104.95	102.66
Sales of imported new autos ²	106.63	118.40	115.47	121.68	108.48	127.97	127.99	138.36

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

Table 7.19.—Chain-Type Quantity Indexes for Truck Output

[Index numbers, 1992=100]

Truck output¹	167.41	184.68	180.93	183.04	168.66	206.08	205.35	205.61
Final sales	166.62	190.43	180.63	198.82	178.98	203.29	202.44	201.54
Personal consumption expenditures	130.57	152.77	140.51	155.09	145.52	169.97	167.09	167.48
Producers' durable equipment	209.96	236.65	229.67	243.87	225.78	247.28	259.72	266.63
Net exports	184.82	176.17	203.99	201.28	148.59	150.80	147.33	150.39
Exports	134.35	125.77	132.89	115.33	122.43	132.45	154.71	179.49
Imports	122.69	116.49	106.46	130.04	98.50	130.95	113.82	100.88
Gross government investment								
Change in business inventories								

1. Includes new trucks only.

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

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Percent change at annual rate:								
Gross domestic product	3.9	3.9	5.5	1.8	3.7	6.0	4.3	1.6
Percentage points at annual rates:								
Personal consumption expenditures	2.31	3.32	4.09	4.09	2.78	3.48	4.56	3.26
Durable goods .....	.56	.82	1.23	.91	.20	1.90	1.09	.81
Nondurable goods .....	.49	.77	1.41	1.01	.42	.84	1.77	.56
Services	1.26	1.73	1.40	2.14	2.15	.74	1.70	1.88
Gross private domestic investment ...	1.65	1.51	4.07	-.75	1.22	1.42	1.31	.06
Fixed investment	1.18	1.58	2.82	1.95	.33	1.95	1.58	1.47
Nonresidential	1.08	1.15	2.21	1.35	-.08	1.52	.91	1.15
Structures .....	.20	0	-.15	-.07	.01	.17	.15	-.03
Producers' durable equipment	.88	1.15	2.36	1.42	-.09	1.35	.76	1.18
Residential .....	.10	.43	.60	.60	.41	.43	.66	.32
Change in business inventories .....	.47	-.06	1.22	-2.66	.89	-.53	-.27	-1.41
Net exports of goods and services ...	-.27	-1.13	-2.24	-2.08	-.62	.52	-2.23	-1.36
Exports	1.43	.19	-.33	-.92	-.32	2.02	-.58	.53
Goods	1.21	.19	-.29	-.98	.04	1.76	-.68	.40
Services .....	.22	-.01	-.04	.06	-.36	.26	.10	.13
Imports	-1.71	-1.32	-1.94	-1.18	-.30	-1.50	-1.65	-1.89
Goods	-1.51	-1.20	-1.75	-1.19	-.32	-1.46	-1.42	-1.74
Services	-.20	-.12	-.19	.01	.01	-.04	-.23	-.15
Government consumption expenditures and gross investment .....	.24	.18	-.34	.64	.27	.60	.70	-.34
Federal	-.11	-.06	-.57	.44	-.09	.44	-.08	-.22
National defense	-.15	-.10	-.84	.38	.17	.06	-.23	-.14
Nondefense .....	.04	.04	.26	.06	-.26	.38	.14	-.08
State and local .....	.35	.24	.24	.20	.35	.16	.78	-.12

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

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
[Dollars]								
Current dollars:								
Gross domestic product	30,278	31,492	31,132	31,277	31,561	31,995	32,381	32,544
Gross national product	30,248	31,416	31,077	31,207	31,461	31,917	32,307	32,470
Personal income	25,325	26,368	26,007	26,242	26,470	26,749	27,017	27,290
Disposable personal income	21,633	22,304	22,046	22,192	22,373	22,604	22,811	23,027
Personal consumption expenditures	20,508	21,490	21,078	21,394	21,612	21,873	22,243	22,574
Durable goods	2,512	2,681	2,618	2,668	2,657	2,781	2,835	2,879
Nondurable goods	5,975	6,151	6,064	6,134	6,173	6,233	6,382	6,494
Services	12,021	12,658	12,396	12,593	12,782	12,859	13,026	13,201
Chained (1992) dollars:								
Gross domestic product	27,138	27,943	27,718	27,786	27,970	28,297	28,525	28,572
Gross national product	27,125	27,891	27,683	27,739	27,897	28,243	28,476	28,524
Disposable personal income	19,349	19,790	19,632	19,719	19,829	19,980	20,101	20,183
Personal consumption expenditures	18,342	19,068	18,770	19,010	19,155	19,334	19,601	19,786
Durable goods	2,496	2,727	2,637	2,703	2,712	2,856	2,937	2,998
Nondurable goods	5,548	5,713	5,649	5,710	5,726	5,768	5,885	5,913
Services	10,309	10,655	10,506	10,623	10,738	10,751	10,833	10,934
Population (mid-period, thousands)	267,880	270,258	269,309	269,867	270,523	271,331	272,029	272,660

Table 8.4.—Auto Output

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Auto output	134.7	128.0	130.4	118.1	126.2	137.4	119.4	119.5
Final sales	134.8	131.4	130.1	132.5	127.8	135.3	122.8	134.2
Personal consumption expenditures	143.5	149.1	144.2	146.9	145.5	159.8	156.7	162.2
New autos	86.2	90.3	87.7	93.3	86.5	93.7	92.4	98.5
Net purchases of used autos	57.3	58.8	56.5	53.6	59.0	66.0	64.3	63.7
Producers' durable equipment	45.7	44.8	45.8	46.7	41.7	45.2	44.8	46.4
New autos	79.9	77.9	78.8	80.7	71.9	80.2	78.1	81.5
Net purchases of used autos	-34.2	-33.1	-33.0	-34.0	-30.2	-35.1	-33.4	-35.1
Net exports	-56.4	-64.6	-61.7	-63.3	-61.7	-71.9	-80.6	-76.4
Exports	16.8	16.0	16.7	16.0	14.2	17.2	15.6	17.8
Imports	73.1	80.7	78.5	79.3	75.9	89.1	96.3	94.2
Gross government investment	2.0	2.1	1.8	2.2	2.3	2.3	2.0	1.9
Change in business inventories of new and used autos	-1	-3.4	.4	-14.4	-1.7	2.0	-3.4	-14.6
New .....	.2	-2	1.8	-17.4	6.1	8.8	4.6	-8.4
Used	-3	-3.2	-1.4	3.0	-7.8	-6.7	-8.1	-6.2
Addenda:								
Domestic output of new autos ¹	120.0	114.1	114.8	104.8	115.6	121.1	113.5	110.1
Sales of imported new autos ²	63.1	69.6	67.9	71.4	63.9	75.2	74.9	80.7

1. Consists of final sales and change in business inventories of new autos assembled in the United States.

2. Consists of personal consumption expenditures, producers' durable equipment, and gross government investment.

Table 8.5.—Real Auto Output

[Billions of chained (1992) dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
Auto output	120.2	114.5	116.6	106.9	111.4	123.0	108.5	110.0
Final sales	119.8	117.7	116.6	119.0	114.2	121.1	111.8	122.8
Personal consumption expenditures	123.7	129.7	125.7	128.1	126.6	138.3	137.7	142.4
New autos	78.5	82.8	80.4	85.7	79.2	86.0	85.1	91.0
Net purchases of used autos	44.1	45.8	44.3	41.9	46.1	50.9	51.0	50.2
Producers' durable equipment	44.2	43.1	43.7	44.8	40.0	43.9	42.8	44.9
New autos	72.8	71.4	72.2	74.1	65.8	73.6	72.0	75.3
Net purchases of used autos	-28.1	-27.8	-28.0	-28.8	-25.3	-29.1	-28.5	-29.7
Net exports	-49.8	-57.0	-54.3	-55.8	-54.7	-63.4	-70.7	-66.6
Exports	15.7	14.9	15.7	14.9	13.3	15.9	14.5	16.4
Imports	65.5	72.0	69.9	70.7	68.0	79.3	85.1	83.0
Gross government investment	1.8	1.9	1.6	2.0	2.0	2.0	1.8	1.7
Change in business inventories of new and used autos .....	.4	-3.4	-1	-12.3	-3.0	1.9	-3.4	-13.2
New .....	.7	-4	1.3	-15.8	4.5	8.5	4.6	-7.3
Used	-2	-2.7	-1.2	2.6	-6.5	-5.6	-6.9	-5.2
Residual .....	.4	.6	.2	1.0	.3	.1	0	.6
Addenda:								
Domestic output of new autos ¹	110.3	104.9	105.3	97.3	105.2	111.6	104.9	102.6
Sales of imported new autos ²	57.5	63.8	62.3	65.6	58.5	69.0	69.0	74.6

1. Consists of final sales and change in business inventories of new autos assembled in the United States.

2. Consists of personal consumption expenditures, producers' durable equipment, and gross government investment.

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

Chain-type quantity indexes for the series in this table appear in table 7.18.

Table 8.6.—Truck Output

[Billions of dollars]

Truck output ¹	158.9	173.8	169.9	171.5	158.6	195.1	194.6	195.7
Final sales	155.6	176.3	166.9	183.3	165.6	189.3	188.8	188.7
Personal consumption expenditures	69.2	80.4	74.0	81.4	76.6	89.6	88.2	88.6
Producers' durable equipment	82.3	91.9	88.8	94.2	87.5	97.0	102.0	105.2
Net exports	-4.9	-4.5	-3.6	-1.7	-5.8	-6.9	-9.8	-12.6
Exports	10.9	10.5	12.2	12.0	8.9	9.0	8.9	9.1
Imports	15.8	15.0	15.8	13.8	14.7	15.9	18.7	21.7
Gross government investment	9.0	8.5	7.7	9.4	7.2	9.7	8.4	7.5
Change in business inventories	3.3	-2.5	3.0	-11.7	-6.9	5.8	5.8	7.0

1. Includes new trucks only.

Table 8.7.—Real Truck Output

[Billions of chained (1992) dollars]

Truck output ¹	140.2	154.6	151.5	153.3	141.2	172.6	172.0	172.2
Final sales	137.3	156.9	148.9	163.9	147.5	167.5	166.8	166.1
Personal consumption expenditures	59.8	70.0	64.4	71.1	66.7	77.9	76.6	76.7
Producers' durable equipment	73.7	83.1	80.6	85.6	79.2	86.8	91.2	93.6
Net exports	-4.0	-3.6	-2.8	-1.1	-4.8	-5.7	-8.3	-10.8
Exports	10.3	9.8	11.3	11.2	8.3	8.4	8.2	8.4
Imports	14.3	13.4	14.2	12.3	13.0	14.1	16.5	19.1
Gross government investment	8.1	7.7	7.0	8.6	6.5	8.6	7.5	6.7
Change in business inventories	2.8	-2.2	2.5	-10.2	-6.0	4.9	4.9	5.9
Residual	-2	-4	-1	-7	-5	.1	.1	0

1. Includes new trucks only.

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

Chain-type quantity indexes for the series in this table appear in table 7.19.

Annual Estimates:

Except as noted, these tables are derived from the NIPA tables published in the August 1998 SURVEY OF CURRENT BUSINESS; they are consistent with the most recent annual revisions and with the 1996 comprehensive revision.

Table B.3.—Gross Domestic Product by Industry, Current-Dollar and Real Estimates for 1995–97

	Billions of dollars			Billions of chained (1992) dollars				Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997		1995	1996	1997	1995	1996	1997
Gross domestic product	7,269.6	7,661.6	8,110.9	6,761.7	6,994.8	7,269.8							
Private industries	6,306.9	6,667.9	7,083.3	5,896.5	6,119.9	6,395.3							
Agriculture, forestry, and fishing	109.5	130.4	131.7	106.2	114.2	127.6	Transportation services	23.2	25.5	26.8	23.2	24.0	25.1
Farms	72.3	91.6	90.2	72.0	78.6	90.3	Communications	193.3	207.5	211.6	180.7	191.5	196.4
Agricultural services, forestry, and fishing	37.2	38.8	41.5	34.7	36.2	38.0	Telephone and telegraph	145.2	157.0	158.6	138.6	152.4	160.6
Mining	98.7	113.8	120.5	107.4	103.0	109.9	Radio and television	48.1	50.4	53.1	41.8	39.5	37.3
Metal mining	6.7	6.1	5.8	5.5	5.7	6.2	Electric, gas, and sanitary services	197.0	204.9	209.2	195.5	205.3	206.3
Coal mining	12.0	12.9	13.2	15.4	17.2	18.1	Wholesale trade	491.4	519.8	562.8	455.8	486.6	532.0
Oil and gas extraction	70.5	84.3	90.1	77.4	70.6	75.4	Retail trade	641.0	673.0	712.9	626.4	665.9	713.5
Nonmetallic minerals, except fuels	9.4	10.4	11.4	9.3	10.2	10.8	Finance, insurance, and real estate	1,362.3	1,448.6	1,570.3	1,206.2	1,246.0	1,286.0
Construction	286.4	311.9	328.8	254.2	268.5	274.4	Depository institutions	229.1	240.6	266.4	193.4	192.0	191.9
Manufacturing	1,282.2	1,309.1	1,378.9	1,271.6	1,293.8	1,369.9	Nondepository institutions	39.7	44.3	56.3	32.6	35.4	39.3
Durable goods	711.6	737.3	784.0	727.0	769.0	838.6	Security and commodity brokers	73.4	96.5	106.6	78.4	104.1	120.5
Lumber and wood products	40.9	39.1	42.8	31.7	31.4	33.1	Insurance carriers	118.5	122.0	146.0	91.2	87.6	93.5
Furniture and fixtures	19.4	20.5	22.1	18.7	18.6	19.7	Insurance agents, brokers, and services	46.7	48.0	50.7	42.1	41.7	43.1
Stone, clay, and glass products	30.2	31.3	33.7	27.2	27.6	29.3	Real estate	843.8	892.2	935.0	776.6	799.5	814.8
Primary metal industries	51.7	51.5	53.2	44.1	46.9	48.0	Nonfarm housing services	643.1	675.8	712.7	588.4	600.0	616.1
Fabricated metal products	87.6	93.1	99.3	87.8	88.6	93.0	Other real estate	200.7	216.4	222.4	188.2	199.7	198.7
Industrial machinery and equipment	141.5	148.8	158.9	162.9	183.2	215.2	Holding and other investment offices	11.0	5.1	9.4	12.6	12.5	12.2
Electronic and other electric equipment	136.7	141.6	157.3	178.7	213.2	261.2	Services	1,445.4	1,544.2	1,656.8	1,305.3	1,349.1	1,398.6
Motor vehicles and equipment	85.2	82.4	85.4	77.7	73.2	77.8	Hotels and other lodging places	61.3	65.6	69.0	56.2	57.5	56.8
Other transportation equipment	46.1	49.0	50.7	43.3	43.9	44.1	Personal services	47.4	47.8	51.5	43.2	42.4	44.1
Instruments and related products	49.1	55.5	55.9	42.0	40.2	36.3	Business services	284.9	322.1	364.7	271.3	295.7	323.1
Miscellaneous manufacturing industries	23.3	24.6	24.8	22.8	23.3	23.1	Auto repair, services, and parking	63.6	68.3	73.3	56.5	60.2	64.4
Nondurable goods	570.5	571.8	594.9	545.1	527.8	537.6	Miscellaneous repair services	20.5	21.7	23.2	16.9	15.2	14.7
Food and kindred products	123.2	116.0	118.5	125.8	105.7	106.7	Motion pictures	26.3	28.4	30.5	24.4	25.2	26.6
Tobacco products	17.3	17.0	18.4	23.8	22.5	21.3	Amusement and recreation services	56.6	61.3	66.7	50.5	52.7	56.2
Textile mill products	24.5	24.7	25.5	26.4	25.6	25.7	Health services	428.9	445.5	460.1	373.3	377.3	379.0
Apparel and other textile products	27.4	26.7	28.4	28.6	27.0	28.2	Legal services	96.6	100.7	106.6	85.7	86.0	87.0
Paper and allied products	58.9	56.6	55.0	44.4	46.4	48.9	Educational services	55.3	58.1	61.5	49.0	49.4	50.4
Printing and publishing	84.7	92.4	98.4	77.1	76.1	76.7	Social services	46.4	49.0	52.2	43.4	44.6	46.3
Chemicals and allied products	156.1	155.8	158.8	139.6	140.3	141.2	Membership organizations	47.0	49.2	50.8	42.6	43.3	44.1
Petroleum and coal products	28.3	29.6	35.2	30.4	32.3	32.4	Other services	198.8	214.6	234.6	183.7	192.8	201.3
Rubber and miscellaneous plastics	44.9	48.6	52.0	47.1	49.5	53.7	Private households	11.8	11.9	12.0	10.8	10.5	10.2
Leather and leather products	5.2	4.4	4.8	4.7	4.1	4.3	Statistical discrepancy ¹	-26.5	-32.2	-55.8	-23.1	-27.1	-45.4
Transportation and public utilities	616.4	649.3	676.3	592.2	626.4	644.3	Government	962.7	993.7	1,027.6	876.5	877.8	884.0
Transportation	226.1	237.0	255.5	216.1	229.7	241.5	Federal	327.7	334.8	338.1	296.8	290.2	286.9
Railroad transportation	22.9	23.4	24.1	26.1	28.2	28.2	General government	275.4	279.2	281.3	248.2	240.7	235.4
Local and interurban passenger transit	12.2	13.0	13.8	11.4	11.3	11.3	Government enterprises	52.3	55.5	56.8	48.8	49.8	51.9
Trucking and warehousing	98.0	92.9	97.9	89.1	86.5	87.3	State and local	635.0	658.9	689.6	579.7	587.6	597.4
Water transportation	10.9	11.7	12.8	11.0	10.7	11.0	General government	582.2	604.4	631.7	532.1	540.8	551.3
Transportation by air	53.9	65.2	74.4	50.6	63.5	72.6	Government enterprises	52.8	54.5	57.9	47.5	46.8	46.2
Pipelines, except natural gas	4.9	5.2	5.6	4.9	6.3	6.8	Not allocated by industry ²				-53.7	-68.8	-114.3

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 (1992) dollar statistical discrepancy equals the current-dollar discrepancy deflated by the implicit price deflator for gross domestic business product.

2. Equals GDP in chained (1992) dollars less the statistical discrepancy and the sum of GPO of the detailed industries.

NOTE.—Estimates are based on the 1987 Standard Industrial Classification. The table is derived from tables 10 and 13 in "Gross Product by Industry, 1995–97" in the November 1998 SURVEY.

Table B.5.—Private Purchases of Structures by Type

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
Private purchases of structures	478.8	521.2	560.1	430.5	458.4	478.4
Nonresidential	201.3	216.9	240.2	180.7	189.7	203.2
New	200.9	216.6	238.9	180.3	189.4	202.0
Nonresidential buildings, excluding farm	140.8	157.1	173.3	126.1	137.7	147.2
Industrial	32.5	32.7	31.4	29.1	28.6	26.7
Commercial	70.8	78.8	87.0	63.4	69.0	73.8
Office buildings ¹	29.8	32.4	38.2	26.7	28.4	32.4
Other ²	41.0	46.3	48.8	36.7	40.5	41.4
Religious	4.2	4.4	5.7	3.8	3.9	4.9
Educational	6.2	7.7	9.5	5.6	6.7	8.1
Hospital and institutional	12.5	13.1	15.3	11.2	11.5	13.0
Other ³	14.5	20.5	24.4	13.0	18.0	20.7
Utilities	33.9	31.7	33.5	30.6	27.8	28.7
Railroads	3.5	4.4	5.1	3.1	3.7	4.1
Telecommunications	11.0	11.7	11.5	10.1	10.2	9.9
Electric light and power	12.3	9.8	11.1	11.0	8.7	9.7
Gas	6.2	4.8	4.8	5.6	4.3	4.2
Petroleum pipelines .....	.9	1.0	1.0	.8	.9	.8
Farm	3.0	3.8	4.0	2.7	3.3	3.4
Mining exploration, shafts, and wells	16.3	18.1	22.7	14.4	15.3	17.9
Petroleum and natural gas	14.8	16.5	20.8	13.1	13.8	16.3
Other	1.5	1.6	1.9	1.3	1.4	1.6
Other ⁴	6.9	5.8	5.4	6.3	5.1	4.6
Brokers' commissions on sale of structures	1.6	1.8	2.0	1.5	1.7	1.8
Net purchases of used structures	-1.3	-1.5	-7	-1.1	-1.3	-6
Residential	277.5	304.3	319.9	249.8	268.6	275.1
New	246.7	269.7	282.7	220.6	236.0	240.4
New housing units	174.2	192.1	200.4	152.9	165.3	167.7
Permanent site	162.9	179.4	187.1	143.4	154.9	156.9
Single-family structures	145.0	159.1	164.4	126.8	136.6	137.2
Multifamily structures	17.9	20.3	22.6	16.9	18.7	20.2
Mobile homes	11.3	12.6	13.3	9.5	10.3	10.7
Improvements	72.0	77.0	81.5	67.3	70.2	72.0
Other ⁵ .....	.5	.6	.8	.4	.5	.7
Brokers' commissions on sale of structures	32.1	36.4	39.7	30.3	34.2	37.1
Net purchases of used structures	-1.3	-1.8	-2.5	-1.1	-1.5	-2.0
Residual				-1	0	-5

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 fraternity and sorority houses.

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

Table B.6.—Private Purchases of Producers' Durable Equipment by Type

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
Private purchases of producers' durable equipment	533.7	578.6	628.5	538.7	597.1	668.5
Nonresidential equipment	526.4	571.0	620.5	531.7	589.8	660.9
Information processing and related equipment	173.0	189.4	206.6	201.5	245.4	298.0
Office, computing, and accounting machinery	73.4	83.0	90.3	107.1	154.1	212.7
Computers and peripheral equipment ¹	64.9	74.4	81.1	100.8	151.3	214.8
Other	8.5	8.6	9.2	8.2	8.4	9.0
Communication equipment	59.1	64.1	71.1	61.9	68.5	76.5
Instruments	22.8	24.5	26.1	21.6	22.8	24.3
Photocopy and related equipment	17.7	17.7	19.1	16.8	16.4	17.6
Industrial equipment	123.8	131.7	138.6	115.4	120.5	125.9
Fabricated metal products	11.8	12.9	13.4	11.1	11.8	12.0
Engines and turbines	4.2	4.7	3.8	4.0	4.3	3.4
Metalworking machinery	28.3	29.7	32.7	26.0	26.8	29.3
Special industry machinery, n.e.c.	32.5	33.5	34.0	30.2	30.5	30.7
General industrial, including materials handling, equipment	26.0	28.6	30.3	24.2	26.2	27.4
Electrical transmission, distribution, and industrial apparatus	20.9	22.2	24.4	19.9	20.9	23.0
Transportation and related equipment	126.2	137.2	152.0	119.4	127.6	140.3
Trucks, buses, and truck trailers	63.6	71.3	79.9	56.9	63.4	71.5
Autos	41.6	44.8	45.7	42.7	44.7	44.2
Aircraft	13.4	13.0	17.9	12.2	11.5	15.6
Ships and boats	1.8	2.3	2.4	1.7	2.1	2.2
Railroad equipment	5.8	5.8	6.1	5.2	5.1	5.4
Other equipment	108.2	117.1	128.3	101.4	107.8	116.9
Furniture and fixtures	28.2	29.7	33.7	26.2	27.0	30.1
Tractors	10.4	10.8	11.7	9.8	10.1	10.8
Agricultural machinery, except tractors	10.8	11.5	12.3	10.0	10.4	11.0
Construction machinery, except tractors	13.4	15.8	17.6	12.4	14.2	15.6
Mining and oilfield machinery	1.9	1.9	2.3	1.7	1.8	2.0
Service industry machinery	14.0	14.9	15.1	13.1	13.7	13.7
Electrical equipment, n.e.c.	11.7	12.9	14.0	11.3	12.5	13.8
Other	17.7	19.6	21.7	16.7	18.1	19.9
Less: Sale of equipment scrap, excluding autos	4.7	4.4	5.0	3.5	3.6	4.0
Residential equipment	7.3	7.6	8.0	7.0	7.3	7.7
Residual				-9.4	-29.1	-59.0
Addenda:						
Private purchases of producers' durable equipment	533.7	578.6	628.5			
Less: Dealers' margin on used equipment	6.1	6.6	6.8			
Net purchases of used equipment						
from government	1.0	1.2	1.2			
Plus: Net sales of used equipment	37.8	39.5	39.9			
Net exports of used equipment .....	.5	.4	.6			
Sale of equipment scrap	4.8	4.5	5.1			
Equals: Private purchases of new equipment	569.8	615.2	666.0			

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

Table B.8.—Employment by Industry

[Thousands]

	Full-time and part-time employment			Persons engaged in production ¹				Full-time and part-time employment			Persons engaged in production ¹		
	1995	1996	1997	1995	1996	1997		1995	1996	1997	1995	1996	1997
Total	124,576	127,015	129,980	121,660	123,917	126,751							
Domestic industries	125,146	127,567	130,567	122,148	124,390	127,254							
Private industries	103,188	105,606	108,498	103,795	106,057	108,851							
Agriculture, forestry, and fishing	2,004	2,079	2,133	3,403	3,360	3,345							
Farms	868	870	876	2,000	1,859	1,846							
Agricultural services, forestry, and fishing	1,136	1,209	1,257	1,403	1,501	1,499							
Mining	587	583	600	590	586	603							
Metal mining	52	54	53	52	54	53							
Coal mining	106	99	97	103	97	95							
Oil and gas extraction	321	321	340	327	327	346							
Nonmetallic minerals, except fuels	108	109	110	108	108	109							
Construction	5,386	5,671	5,951	6,657	6,956	7,247							
Manufacturing	18,591	18,575	18,758	18,636	18,583	18,773							
Durable goods	10,722	10,835	11,054	10,822	10,915	11,134							
Lumber and wood products	790	801	819	866	859	865							
Furniture and fixtures	512	506	513	525	521	530							
Stone, clay, and glass products	541	546	555	549	564	565							
Primary metal industries	707	709	710	700	707	706							
Fabricated metal products	1,444	1,452	1,485	1,442	1,446	1,481							
Industrial machinery and equipment	2,070	2,116	2,173	2,084	2,095	2,171							
Electronic and other electric equipment	1,625	1,659	1,690	1,615	1,654	1,680							
Motor vehicles and equipment	970	967	983	963	960	976							
Other transportation equipment	817	821	858	816	820	855							
Instruments and related products	842	855	864	835	850	859							
Miscellaneous manufacturing industries	404	403	404	427	439	446							
Nondurable goods	7,869	7,740	7,704	7,814	7,668	7,639							
Food and kindred products	1,688	1,697	1,694	1,659	1,664	1,676							
Tobacco products	41	41	41	41	40	40							
Textile mill products	664	630	616	661	632	618							
Apparel and other textile products	945	874	829	951	881	831							
Paper and allied products	692	682	685	686	677	677							
Printing and publishing	1,570	1,565	1,577	1,560	1,536	1,560							
Chemicals and allied products	1,039	1,032	1,036	1,036	1,027	1,026							
Petroleum and coal products	143	139	137	142	138	135							
Rubber and miscellaneous plastics products	978	981	997	967	971	987							
Leather and leather products	109	99	92	111	102	89							
Transportation and public utilities	6,176	6,294	6,462	6,178	6,320	6,469							
Transportation	3,961	4,063	4,170	4,048	4,182	4,279							
Railroad transportation	232	224	220	220	212	208							
Local and interurban passenger transit	420	440	457	431	444	480							
Trucking and warehousing	1,912	1,658	1,704	2,051	1,854	1,877							
Water transportation	178	177	183	178	174	179							
Transportation by air	781	1,119	1,139	734	1,050	1,066							
Public utilities													
Pipelines, except natural gas	15	14	14	15	14	14							
Transportation services	423	431	453	419	434	455							
Communications	1,309	1,349	1,422	1,221	1,260	1,325							
Telephone and telegraph	916	937	1,004	852	874	939							
Radio and television	393	412	418	369	386	386							
Electric, gas, and sanitary services	906	882	870	909	878	865							
Wholesale trade	6,476	6,561	6,740	6,563	6,595	6,735							
Retail trade	21,867	22,255	22,620	19,487	19,877	20,272							
Finance, insurance, and real estate	6,929	7,052	7,243	7,218	7,316	7,420							
Depository institutions	2,023	2,018	2,028	1,937	1,923	1,922							
Nondepository institutions	463	513	573	466	506	562							
Security and commodity brokers	553	581	630	621	647	680							
Insurance carriers	1,500	1,505	1,522	1,451	1,449	1,459							
Insurance agents, brokers, and service	732	746	767	856	873	877							
Real estate	1,410	1,442	1,481	1,648	1,681	1,689							
Holding and other investment offices	248	247	242	239	237	231							
Services	35,172	36,536	37,991	35,063	36,464	37,987							
Hotels and other lodging places	1,757	1,794	1,828	1,594	1,631	1,673							
Personal services	1,300	1,317	1,323	1,783	1,812	1,802							
Business services	6,935	7,484	8,161	7,116	7,671	8,293							
Auto repair, services, and parking	1,132	1,205	1,245	1,362	1,480	1,507							
Miscellaneous repair services	374	389	389	593	575	588							
Motion pictures	507	539	563	544	572	594							
Amusement and recreation services	1,517	1,591	1,668	1,327	1,422	1,513							
Health services	9,572	9,813	10,033	8,909	9,174	9,404							
Legal services	1,056	1,063	1,083	1,173	1,147	1,203							
Educational services	2,073	2,134	2,196	1,913	1,980	2,017							
Social services and membership organizations	4,618	4,759	4,925	4,490	4,624	4,802							
Social services	2,435	2,515	2,622	2,675	2,758	2,887							
Membership organizations	2,183	2,244	2,303	1,815	1,866	1,915							
Other services ²	3,050	3,202	3,344	3,440	3,580	3,803							
Private households	1,281	1,246	1,233	819	796	788							
Government	21,958	21,961	22,069	18,353	18,333	18,403							
Federal	5,552	5,386	5,263	4,564	4,415	4,307							
General government	4,570	4,398	4,282	3,764	3,614	3,513							
Civilian	2,026	1,952	1,899	2,026	1,952	1,899							
Military ³	2,544	2,446	2,383	1,738	1,662	1,614							
Government enterprises	982	988	981	800	801	794							
State and local	16,406	16,575	16,806	13,789	13,918	14,096							
General government	15,482	15,662	15,905	12,903	13,042	13,230							
Education	8,383	8,536	8,751	6,765	6,880	7,044							
Other	7,099	7,126	7,154	6,138	6,162	6,186							
Government enterprises	924	913	901	886	876	866							
Rest of the world ⁴	-570	-552	-587	-488	-473	-503							

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

2. Consists of museums, botanical and zoological gardens; engineering and management services; and services, not elsewhere classified.

3. Includes Coast Guard.

4. Beginning with 1993, 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.9.—Wage and Salary Accruals Per Full-Time Equivalent Employee and Full-Time Equivalent Employees by Industry

	Wages and salaries per full-time equivalent			Full-time equivalent employees				Wages and salaries per full-time equivalent			Full-time equivalent employees		
	Dollars			Thousands				Dollars			Thousands		
	1995	1996	1997	1995	1996	1997		1995	1996	1997	1995	1996	1997
Total ¹	31,014	32,143	33,557	110,980	113,256	116,029							
Domestic industries	30,902	32,034	33,438	111,468	113,729	116,532							
Private industries	30,305	31,472	32,941	93,115	95,396	98,129							
Agriculture, forestry, and fishing	18,200	19,017	19,951	1,755	1,816	1,835							
Farms	17,925	19,039	19,185	744	746	751							
Agricultural services, forestry, and fishing	18,403	19,002	20,482	1,011	1,070	1,084							
Mining	46,624	48,353	50,910	575	572	588							
Metal mining	48,365	50,093	50,642	52	54	53							
Coal mining	47,058	48,856	50,000	103	97	95							
Oil and gas extraction	49,635	51,610	54,931	315	315	333							
Nonmetallic minerals, except fuels	36,305	37,330	39,336	105	106	107							
Construction	30,444	31,641	32,944	5,181	5,444	5,739							
Manufacturing	35,803	37,256	39,291	18,188	18,164	18,339							
Durable goods	37,684	39,118	41,170	10,560	10,661	10,874							
Lumber and wood products	25,128	26,161	27,470	772	782	792							
Furniture and fixtures	25,066	26,129	27,786	502	497	501							
Stone, clay, and glass products	33,302	34,887	35,983	530	532	544							
Primary metal industries	40,118	40,973	42,363	697	704	705							
Fabricated metal products	32,932	34,047	35,453	1,421	1,425	1,461							
Industrial machinery and equipment	40,067	41,815	44,536	2,051	2,073	2,139							
Electronic and other electric equipment	38,966	40,384	43,420	1,606	1,644	1,671							
Motor vehicles and equipment	46,692	48,724	50,008	961	958	974							
Other transportation equipment	44,654	45,712	47,806	809	815	850							
Instruments and related products	44,695	46,771	49,113	827	843	850							
Miscellaneous manufacturing industries	28,214	28,951	30,636	384	388	387							
Nondurable goods	33,200	34,610	36,554	7,628	7,503	7,465							
Food and kindred products	30,151	30,680	32,007	1,642	1,654	1,651							
Tobacco products	53,878	57,025	57,900	41	40	40							
Textile mill products	23,992	25,046	26,551	654	624	610							
Apparel and other textile products	18,814	19,858	20,943	919	846	803							
Paper and allied products	39,531	40,901	42,726	684	676	674							
Printing and publishing	34,541	35,983	37,743	1,450	1,445	1,463							
Chemicals and allied products	51,105	53,546	57,338	1,027	1,020	1,019							
Petroleum and coal products	54,958	56,964	60,481	142	138	135							
Rubber and miscellaneous plastics products	29,907	30,935	32,462	962	965	981							
Leather and leather products	22,140	23,653	25,303	107	95	89							
Transportation and public utilities	38,402	39,479	41,030	5,782	5,885	6,032							
Transportation	32,264	33,285	34,507	3,690	3,783	3,880							
Railroad transportation	51,300	54,566	56,803	220	212	208							
Local and interurban passenger transit	19,953	20,614	21,038	384	402	418							
Trucking and warehousing	29,377	30,343	31,717	1,788	1,550	1,592							
Water transportation	37,868	39,066	40,579	167	166	171							
Transportation by air	39,022	37,597	38,934	728	1,043	1,061							
Pipelines, except natural gas	57,867	59,143	60,500	15	14	14							
Transportation services	30,879	31,578	32,913	388	396	416							
Communications	49,525	50,756	52,872	1,197	1,230	1,294							
Telephone and telegraph	53,282	54,386	56,461	838	855	914							
Radio and television	40,758	42,480	44,239	359	375	380							
Electric, gas, and sanitary services	48,831	50,438	52,663	895	872	858							
Wholesale trade	37,812	39,319	41,272	6,201	6,281	6,452							
Retail trade	18,296	18,823	19,562	18,029	18,382	18,745							
Finance, insurance, and real estate	41,674	45,237	48,283	6,552	6,636	6,784							
Depository institutions	33,909	36,185	38,414	1,935	1,921	1,921							
Nondepository institutions	41,074	43,395	46,496	446	491	546							
Security and commodity brokers	97,598	114,228	120,349	532	557	601							
Insurance carriers	41,476	43,743	45,858	1,451	1,449	1,459							
Insurance agents, brokers, and services	37,824	39,639	41,691	697	707	724							
Real estate	28,293	29,819	31,863	1,252	1,274	1,302							
Holding and other investment offices	63,707	68,996	75,615	239	237	231							
Services	29,003	29,973	31,184	30,852	32,216	33,615							
Hotels and other lodging places	19,920	20,586	21,435	1,522	1,561	1,599							
Personal services	18,224	18,787	19,863	1,139	1,162	1,159							
Business services	25,936	27,774	29,622	6,372	6,875	7,538							
Auto repair, services, and parking	22,430	23,046	23,795	1,061	1,136	1,179							
Miscellaneous repair services	28,122	29,176	30,208	343	358	360							
Motion pictures	36,579	38,076	39,466	394	421	442							
Amusement and recreation services	23,778	24,589	25,664	1,229	1,295	1,363							
Health services	34,092	34,606	35,529	8,496	8,778	8,984							
Legal services	53,082	54,939	57,019	937	944	962							
Educational services	24,459	25,083	26,013	1,799	1,862	1,912							
Social services and membership organizations	19,839	20,361	20,771	3,933	4,065	4,219							
Social services	17,927	18,403	18,915	2,118	2,199	2,304							
Membership organizations	22,069	22,668	23,004	1,815	1,866	1,915							
Other services ²	45,725	47,055	49,252	2,808	2,963	3,110							
Private households	14,118	14,680	14,887	819	796	788							
Government	33,930	34,958	36,091	18,353	18,333	18,403							
Federal	38,295	39,781	41,214	4,564	4,415	4,307							
General government	37,312	38,862	40,252	3,764	3,614	3,513							
Civilian	41,868	43,864	45,484	2,026	1,952	1,899							
Military ³	32,000	32,989	34,095	1,738	1,662	1,614							
Government enterprises	42,921	43,925	45,470	800	801	794							
State and local	32,485	33,428	34,525	13,789	13,918	14,096							
General government	32,352	33,294	34,375	12,903	13,042	13,230							
Education	32,229	33,196	34,139	6,765	6,880	7,044							
Other	32,488	33,405	34,644	6,138	6,162	6,186							
Government enterprises	34,427	35,410	36,819	886	876	866							
Rest of the world ⁴				-488	-473	-503							

1. Full-time equivalent employees equals the number of employees on full-time schedules plus the number of employees on part-time schedules converted to a full-time basis. The number of full-time equivalent employees in each industry is the product of the total number of employees and the ratio of average weekly hours per employee for all employees to average weekly hours per employee on full-time schedules.

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

not elsewhere classified.

3. Includes Coast Guard.

4. Beginning with 1993, 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 (1992) dollars		
	1995	1996	1997	1995	1996	1997
Farm output	196.7	222.1	225.3	190.7	195.7	208.3
Cash receipts from farm marketings	194.1	201.7	207.2	188.8	177.3	191.0
Crops	107.2	108.7	110.6	97.1	87.1	96.0
Livestock	87.0	93.0	96.5	91.3	90.6	95.1
Farm housing	5.9	6.1	6.3	5.2	5.1	5.0
Farm products consumed on farms .....	.5	.4	.5	.5	.4	.4
Other farm income	5.5	6.3	7.1	5.0	5.3	6.2
Change in farm inventories	-9.3	7.6	4.3	-11.0	7.1	4.3
Crops	-9.6	8.8	5.1	-9.2	6.5	4.2
Livestock .....	.2	-1.1	-7	.3	-1.3	-8
Less: Intermediate goods and services						
purchased	124.4	130.5	135.1	118.5	116.9	118.2
Intermediate goods and services, other than rent	109.9	113.5	119.6	104.0	100.7	103.6
Rent paid to nonoperator landlords	14.5	17.0	15.5	14.5	16.4	14.6
Equals: Gross farm product	72.3	91.6	90.2	72.0	78.6	90.3
Less: Consumption of fixed capital	24.8	25.8	26.6	22.8	23.2	23.7
Equals: Net farm product	47.5	65.9	63.6	49.0	55.2	66.6
Less: Indirect business tax and nontax liability	5.1	5.1	5.5			
Plus: Subsidies to operators	6.1	6.1	6.2			
Equals: Farm national income	48.4	66.9	64.4			
Compensation of employees	15.7	16.5	16.9			
Wage and salary accruals	13.3	14.2	14.4			
Supplements to wages and salaries	2.4	2.3	2.5			
Proprietors' income and corporate profits with IVA and CCAAdj	23.3	40.6	37.3			
Proprietors' income	22.4	38.9	35.5			
Corporate profits .....	.8	1.7	1.8			
Net interest	9.5	9.8	10.2			

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. CCAAdj Capital consumption adjustment
IVA Inventory valuation adjustment

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

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
Housing output ¹	723.1	758.4	799.8	663.9	675.8	692.6
Nonfarm housing	717.2	752.3	793.5	658.7	670.7	687.6
Owner-occupied	532.4	559.1	590.3	487.4	496.0	508.9
Tenant-occupied	184.8	193.2	203.2	171.4	174.7	178.7
Farm housing	5.9	6.1	6.3	5.2	5.1	5.0
Less: Intermediate goods and services consumed	88.5	91.1	95.3	82.1	82.7	83.8
Equals: Gross housing product	634.6	667.2	704.5	581.8	593.0	608.7
Nonfarm housing	629.6	662.1	699.1	577.4	588.7	604.5
Owner-occupied	463.0	486.4	513.4	423.3	430.5	441.9
Tenant-occupied	166.5	175.6	185.8	154.2	158.3	162.6
Farm housing	5.0	5.2	5.3	4.4	4.4	4.2
Less: Consumption of fixed capital	115.9	119.6	126.2	103.7	104.6	107.2
Capital consumption allowances	59.7	63.0	67.1			
Less: CCAAdj	-56.2	-56.5	-59.1			
Equals: Net housing product	518.7	547.7	578.3	478.3	488.7	501.7
Less: Indirect business tax and nontax liability plus business transfer payments ...	116.0	119.9	123.5			
Plus: Subsidies less current surplus of government enterprises	20.8	21.9	22.3			
Equals: Housing national income	423.5	449.6	477.1			
Compensation of employees	8.1	8.5	9.1			
Proprietors' income with IVA and CCAAdj ...	25.0	26.5	27.9			
Rental income of persons with CCAAdj	105.2	119.7	127.7			
Corporate profits with IVA and CCAAdj	5.0	5.2	5.5			
Net interest	280.1	289.7	306.9			

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

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. CCAAdj Capital consumption adjustment
IVA Inventory valuation adjustment

Table B.12.—Net Stock of Fixed Private Capital, by Type

[Year-end estimates]

	Current-cost valuation (billions of dollars)						Chain-type quantity indexes (1992=100)					
	1992	1993	1994	1995	1996	1997	1992	1993	1994	1995	1996	1997
Fixed private capital	13,484.1	14,198.8	15,064.5	15,736.1	16,496.7	17,316.3	100.00	101.94	104.15	106.66	109.50	112.54
Private producers' durable equipment	2,642.7	2,742.1	2,881.7	3,040.9	3,180.1	3,322.9	100.00	102.74	106.62	111.65	117.49	124.32
Nonresidential equipment	2,590.0	2,686.7	2,823.1	2,980.2	3,116.5	3,257.8	100.00	102.72	106.61	111.67	117.55	124.32
Information processing and related equipment	629.0	650.4	673.8	691.7	724.0	768.3	100.00	106.40	113.96	124.85	139.04	155.94
Office, computing, and accounting machinery	120.7	128.3	138.5	149.3	159.1	170.9	100.00	120.18	144.51	187.01	253.74	345.30
Computers and peripheral equipment	101.0	107.9	118.0	128.4	138.2	149.4	100.00	124.20	154.49	208.02	295.81	419.64
Other office equipment	19.7	20.4	20.6	20.9	20.9	21.5	100.00	101.27	101.08	103.44	104.23	107.17
Communication equipment	330.8	333.0	335.3	332.2	346.8	372.7	100.00	102.41	106.50	112.65	120.48	129.70
Instruments	109.9	117.9	124.1	130.5	135.8	140.8	100.00	105.34	109.32	112.62	116.24	120.90
Photocopy and related equipment	67.5	71.2	75.8	79.7	82.4	83.9	100.00	104.27	109.02	112.48	114.89	118.15
Industrial equipment	916.8	945.7	991.4	1,052.5	1,090.1	1,127.0	100.00	101.38	103.55	106.41	109.17	112.33
Fabricated metal products	86.7	87.0	90.3	96.1	99.1	102.9	100.00	100.07	100.95	102.07	103.43	104.89
Engines and turbines	51.8	53.2	56.8	58.3	59.7	60.3	100.00	102.12	104.56	105.22	105.88	105.19
Steam engines	47.1	48.2	51.5	52.5	53.7	54.1	100.00	102.13	104.33	104.65	104.99	103.91
Internal combustion engines	4.7	5.0	5.4	5.7	6.0	6.2	100.00	102.06	106.76	110.74	114.51	117.60
Metalworking machinery	168.8	174.4	183.0	196.9	205.6	214.6	100.00	100.48	102.74	106.22	109.57	113.95
Special industry machinery, n.e.c.	199.4	207.5	218.2	232.9	243.2	251.2	100.00	101.85	104.03	107.82	110.85	113.94
General industrial, including materials handling, equipment	189.0	194.9	202.5	211.8	220.5	228.6	100.00	100.70	102.25	104.43	107.17	110.34
Electrical transmission, distribution, and industrial apparatus	221.0	228.7	240.5	256.5	262.1	269.4	100.00	102.57	105.65	108.97	112.09	115.96
Transportation and related equipment	510.0	538.9	581.2	626.6	661.8	692.3	100.00	102.30	106.91	111.71	117.10	123.22
Trucks, buses, and truck trailers	169.1	185.5	210.1	236.2	260.6	282.3	100.00	105.33	115.39	126.93	140.35	154.34
Autos	107.6	111.7	124.6	130.5	137.0	138.8	100.00	100.93	109.20	112.47	116.34	118.77
Aircraft	121.2	127.1	129.2	136.3	140.1	146.2	100.00	102.25	100.57	101.75	102.22	106.08
Ships and boats	45.1	45.6	44.7	44.8	45.3	45.5	100.00	98.25	95.33	92.92	91.48	90.14
Railroad equipment	67.1	69.0	72.7	78.7	78.7	79.4	100.00	99.65	100.79	102.33	103.55	105.16
Other equipment	534.2	551.8	576.6	609.4	640.6	670.2	100.00	101.19	103.29	106.40	110.23	114.82
Furniture and fixtures	146.1	153.8	163.0	175.7	186.5	196.7	100.00	103.04	105.84	110.44	115.22	120.87
Household furniture	9.1	9.4	9.7	10.2	10.6	11.0	100.00	100.43	101.74	104.11	107.37	110.86
Other furniture	137.0	144.4	153.3	165.5	175.9	185.7	100.00	103.21	106.12	110.86	115.73	121.53
Tractors	54.1	55.1	57.2	59.2	60.7	62.6	100.00	99.71	101.34	103.29	105.24	108.10
Farm tractors	42.4	43.2	45.1	47.2	48.4	49.8	100.00	100.28	102.61	105.77	108.05	111.31
Construction tractors	11.7	11.9	12.1	12.0	12.4	12.8	100.00	97.68	96.85	94.52	95.31	96.82
Agricultural machinery, except tractors	64.9	65.6	67.1	70.4	72.7	74.9	100.00	98.79	99.07	100.63	102.46	104.81
Construction machinery, except tractors	66.0	66.8	69.6	73.0	77.3	82.2	100.00	99.09	100.51	102.97	106.75	111.41
Mining and oilfield machinery	15.3	14.6	14.0	13.8	13.5	13.5	100.00	93.67	87.79	83.98	80.12	79.64
Service industry machinery	60.3	61.0	64.5	69.1	73.5	77.0	100.00	99.38	103.02	107.23	112.34	116.49
Electrical equipment, n.e.c.	44.6	47.2	48.9	50.8	52.6	55.0	100.00	104.87	107.43	110.80	116.00	122.92
Household appliances	4.6	4.7	4.9	5.2	5.4	5.6	100.00	101.98	104.43	108.68	113.47	118.62
Other	40.1	42.5	44.0	45.6	47.2	49.5	100.00	105.20	107.77	111.04	116.28	123.41
Other nonresidential equipment	83.0	87.7	92.4	97.5	103.8	108.2	100.00	103.18	106.40	109.67	114.50	120.05
Residential equipment	52.6	55.4	58.6	60.6	63.6	65.1	100.00	103.36	107.18	111.08	115.01	119.30
Private structures	10,841.4	11,456.7	12,182.8	12,695.2	13,316.6	13,993.3	100.00	101.75	103.57	105.50	107.67	109.92
Nonresidential structures	4,302.7	4,528.9	4,775.6	4,976.9	5,194.7	5,467.5	100.00	101.16	102.20	103.64	105.29	107.09
Nonresidential buildings, excluding farm	2,686.1	2,834.9	3,011.3	3,145.6	3,306.1	3,512.9	100.00	101.38	102.97	105.07	107.51	110.20
Industrial buildings	613.0	636.2	673.6	700.9	730.0	763.0	100.00	100.17	101.44	103.06	104.48	105.37
Office buildings ¹	625.4	670.1	707.8	735.3	768.9	816.0	100.00	101.51	102.54	104.07	105.99	108.47
Commercial buildings	678.7	717.2	765.0	803.6	851.2	909.1	100.00	101.96	103.93	106.60	109.91	113.27
Mobile structures	6.6	7.2	7.9	8.3	8.7	9.1	100.00	101.54	103.27	105.22	107.71	110.77
Other commercial ²	672.1	710.1	757.1	795.3	842.5	900.1	100.00	101.97	103.94	106.62	109.94	113.30
Religious buildings	123.5	129.4	136.6	141.4	147.0	155.3	100.00	101.10	102.06	103.23	104.46	106.47
Educational buildings	108.0	114.7	123.5	130.2	138.9	150.9	100.00	102.47	105.40	108.63	112.85	118.26
Hospital and institutional buildings	259.8	276.7	297.9	314.6	330.5	351.8	100.00	102.72	105.71	109.12	111.58	114.56
Other	277.6	290.6	307.0	319.5	339.7	366.8	100.00	100.79	101.88	103.73	107.33	111.81
Hotels and motels	139.2	145.9	153.7	161.0	173.4	189.5	100.00	101.03	101.79	104.22	109.23	115.14
Amusement and recreational buildings	70.2	73.7	78.6	83.2	89.3	97.7	100.00	101.25	103.20	106.80	111.56	117.76
Other nonfarm buildings ³	68.2	71.0	74.7	75.3	77.0	79.6	100.00	99.84	100.73	99.59	99.09	98.86
Utilities	1,062.0	1,120.2	1,159.7	1,204.1	1,235.7	1,269.3	100.00	100.59	100.76	101.39	101.98	102.25
Railroad	272.4	290.1	294.0	300.3	312.4	315.5	100.00	99.08	98.22	97.40	96.83	96.42
Telecommunications	185.3	194.0	204.8	221.6	233.1	239.2	100.00	101.66	103.71	105.97	108.19	110.18
Electric light and power	423.8	443.4	459.6	476.8	482.3	496.5	100.00	100.86	100.77	101.42	102.12	102.14
Gas	143.1	153.0	160.0	163.8	166.1	174.2	100.00	101.42	101.99	103.47	104.02	104.18
Petroleum pipelines	37.5	39.6	41.2	41.6	41.9	43.8	100.00	100.18	100.25	100.10	100.13	100.00
Farm related buildings and structures	183.5	194.3	201.6	204.6	209.2	215.8	100.00	102.10	101.29	100.41	99.99	99.50
Mining exploration, shafts, and wells	259.0	260.1	274.5	284.2	299.0	316.3	100.00	99.14	98.31	97.06	96.20	96.38
Petroleum and natural gas	229.3	229.2	241.6	250.6	264.4	280.1	100.00	98.97	97.82	96.42	95.44	95.55
Other mining	29.7	31.0	32.9	33.7	34.6	36.2	100.00	100.48	101.99	101.90	102.08	102.87
Other nonfarm structures ⁴	112.1	119.4	128.4	138.4	144.7	153.3	100.00	104.32	107.95	111.12	113.15	115.61
Residential structures	6,538.7	6,927.8	7,407.2	7,718.3	8,121.9	8,525.9	100.00	102.14	104.47	106.72	109.25	111.79
Housing units	5,327.0	5,667.3	6,078.4	6,320.3	6,641.2	6,965.1	100.00	102.00	104.20	106.34	108.79	111.29
Permanent site	5,226.1	5,557.9	5,956.2	6,187.9	6,499.9	6,815.5	100.00	102.00	104.17	106.27	108.66	111.10
1-to-4-unit	4,465.3	4,796.1	5,182.3	5,395.1	5,673.3	5,960.2	100.00	102.37	105.01	107.35	110.00	112.69
5-or-more-unit	760.7	761.9	773.8	792.8	826.6	855.3	100.00	99.78	99.05	99.61	100.39	101.31
Mobile homes	100.9	109.4	122.2	132.4	141.3	149.6	100.00	102.02	105.56	110.08	115.22	120.49
Improvements	1,185.1	1,232.6	1,299.8	1,368.8	1,450.8	1,529.9	100.00	102.83	105.87	108.67	111.64	114.46
Other residential ⁵	26.6	27.8	29.0	29.3	29.9	30.8	100.00	99.67	98.53	97		

C. Historical Tables

The tables in this section are derived from the "GDP and Other Major NIPA Series" tables that were published in the August 1998 issue of the SURVEY OF CURRENT BUSINESS and from the "Selected NIPA Tables" that are published in this issue. (Changes in prices are calculated from indexes expressed to three decimal places.)

Table C.1.—Historical Measures of Real Gross Domestic Product, Real Gross National Product, and Real Gross Domestic Purchases
 [Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1992) dollars			Percent change from preceding period		Chain-type price indexes		Implicit price deflators		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1959	2,210.2	2,206.9	2,222.0	7.4	6.5	22.95	22.44	22.95	22.96	1.0	1.0	1.0	1.0
1960	2,262.9	2,264.2	2,276.0	2.4	2.6	23.27	22.75	23.27	23.28	1.4	1.4	1.4	1.4
1961	2,314.3	2,318.0	2,329.1	2.3	2.4	23.54	23.00	23.54	23.55	1.2	1.1	1.2	1.2
1962	2,454.8	2,445.4	2,471.5	6.1	5.5	23.84	23.28	23.84	23.85	1.3	1.2	1.3	1.3
1963	2,559.4	2,552.4	2,577.3	4.3	4.4	24.12	23.58	24.12	24.13	1.2	1.3	1.2	1.2
1964	2,708.4	2,705.1	2,727.8	5.8	6.0	24.48	23.94	24.48	24.49	1.5	1.6	1.5	1.5
1965	2,881.1	2,860.4	2,901.4	6.4	5.7	24.95	24.39	24.96	24.97	1.9	1.9	2.0	2.0
1966	3,069.2	3,033.5	3,087.8	6.5	6.1	25.66	25.07	25.67	25.68	2.8	2.8	2.8	2.8
1967	3,147.2	3,125.1	3,166.4	2.5	3.0	26.48	25.83	26.49	26.50	3.2	3.0	3.2	3.2
1968	3,293.9	3,278.0	3,314.5	4.7	4.9	27.64	26.95	27.64	27.66	4.4	4.3	4.4	4.4
1969	3,393.6	3,377.2	3,413.3	3.0	3.0	28.94	28.21	28.94	28.96	4.7	4.7	4.7	4.7
1970	3,397.6	3,406.5	3,417.1	..	..	30.48	29.73	30.48	30.50	5.3	5.4	5.3	5.3
1971	3,510.0	3,499.8	3,532.1	3.3	2.7	32.05	31.32	32.06	32.08	5.2	5.3	5.2	5.2
1972	3,702.3	3,689.5	3,726.3	5.5	5.4	33.42	32.71	33.42	33.44	4.2	4.5	4.2	4.2
1973	3,916.3	3,883.9	3,950.1	5.8	5.3	35.30	34.64	35.30	35.32	5.6	5.9	5.6	5.6
1974	3,891.2	3,873.4	3,930.2	-6	-3	38.46	38.17	38.47	38.49	8.9	10.2	9.0	8.9
1975	3,873.9	3,906.4	3,903.3	-4	..	42.09	41.72	42.09	42.11	9.4	9.3	9.4	9.4
1976	4,082.9	4,061.7	4,118.8	5.4	4.0	44.55	44.15	44.55	44.58	5.8	5.8	5.8	5.9
1977	4,273.6	4,240.8	4,314.5	4.7	4.4	47.42	47.18	47.43	47.46	6.5	6.9	6.5	6.5
1978	4,503.0	4,464.4	4,543.7	5.4	5.3	50.88	50.65	50.89	50.92	7.3	7.4	7.3	7.3
1979	4,630.6	4,614.4	4,687.4	2.8	3.4	55.22	55.22	55.23	55.26	8.5	9.0	8.5	8.5
1980	4,615.0	4,641.9	4,670.8	-3	..	60.34	61.10	60.33	60.36	9.3	10.7	9.2	9.2
1981	4,720.7	4,691.6	4,769.9	2.3	1.1	66.01	66.72	66.01	66.05	9.4	9.2	9.4	9.4
1982	4,620.3	4,651.2	4,662.0	-2.1	-9	70.18	70.64	70.17	70.21	6.3	5.9	6.3	6.3
1983	4,803.7	4,821.2	4,844.8	4.0	3.7	73.16	73.31	73.16	73.20	4.3	3.8	4.3	4.3
1984	5,140.1	5,061.6	5,178.0	7.0	5.0	75.92	75.90	75.92	75.97	3.8	3.5	3.8	3.8
1985	5,323.5	5,296.9	5,346.7	3.6	4.6	78.53	78.34	78.53	78.57	3.4	3.2	3.4	3.4
1986	5,487.7	5,480.9	5,501.2	3.1	3.5	80.58	80.40	80.58	80.62	2.6	2.6	2.6	2.6
1987	5,649.5	5,626.0	5,658.2	2.9	2.6	83.06	83.11	83.06	83.09	3.1	3.4	3.1	3.1
1988	5,865.2	5,855.1	5,878.5	3.8	4.1	86.10	86.13	86.09	86.12	3.7	3.6	3.7	3.7
1989	6,062.0	6,028.7	6,075.7	3.4	3.0	89.72	89.78	89.72	89.75	4.2	4.2	4.2	4.2
1990	6,136.3	6,126.7	6,157.0	1.2	1.6	93.64	93.83	93.60	93.63	4.4	4.5	4.3	4.3
1991	6,079.4	6,082.6	6,094.9	-9	-7	97.32	97.30	97.32	97.33	3.9	3.7	4.0	4.0
1992	6,244.4	6,237.4	6,255.5	2.7	2.5	100.00	100.00	100.00	100.00	2.8	2.8	2.8	2.8
1993	6,389.6	6,368.9	6,408.0	2.3	2.1	102.64	102.48	102.64	102.63	2.6	2.5	2.6	2.6
1994	6,610.7	6,551.2	6,619.1	3.5	2.9	105.09	104.85	105.09	105.08	2.4	2.3	2.4	2.4
1995	6,761.7	6,731.7	6,779.5	2.3	2.8	107.51	107.28	107.51	107.49	2.3	2.3	2.3	2.3
1996	6,994.8	6,961.6	7,008.4	3.4	3.4	109.54	109.18	109.53	109.50	1.9	1.8	1.9	1.9
1997	7,269.8	7,203.7	7,266.2	3.9	3.5	111.57	110.92	111.57	111.52	1.9	1.6	1.9	1.8
1998	7,551.9	7,491.3	7,537.8	3.9	4.0	112.71	111.54	112.70	112.64	1.0	..	1.0	1.0
1959: I	2,165.0	2,165.5	2,176.2	8.6	9.2	22.86	22.35	22.92	22.93	..	..	..	..
1959: II	2,223.3	2,204.2	2,234.5	11.2	7.3	22.92	22.41	22.91	22.91	1.1	1.1	-3	-3
1959: III	2,221.4	2,232.6	2,233.5	-3	5.3	22.96	22.45	22.94	22.95	..	..	..	..
1959: IV	2,231.0	2,225.3	2,243.9	1.7	-1.3	23.05	22.53	23.03	23.04	1.5	1.5	1.6	1.6
1960: I	2,279.2	2,248.5	2,291.6	8.9	4.2	23.10	22.57	23.13	23.14	..	..	..	..
1960: II	2,265.5	2,268.4	2,278.2	-2.4	3.6	23.21	22.69	23.22	23.23	2.0	2.1	1.5	1.5
1960: III	2,268.3	2,265.1	2,281.6	..	-6	23.32	22.80	23.32	23.33	2.0	2.0	1.7	1.7
1960: IV	2,238.6	2,274.7	2,252.7	-5.1	1.7	23.44	22.92	23.40	23.41	2.1	2.1	1.4	1.4
1961: I	2,251.7	2,277.7	2,266.8	2.4	..	23.48	22.96	23.45	23.46	..	..	..	..
1961: II	2,292.0	2,301.1	2,306.3	7.4	4.2	23.51	22.97	23.51	23.52	..	..	..	..
1961: III	2,332.6	2,320.4	2,347.1	7.3	3.4	23.55	23.01	23.56	23.57	..	..	..	..
1961: IV	2,381.0	2,372.8	2,395.9	8.6	9.3	23.61	23.06	23.63	23.64	1.1	..	1.2	1.2
1962: I	2,422.6	2,400.3	2,437.4	7.2	4.7	23.73	23.17	23.75	23.76	2.0	1.9	2.0	2.0
1962: II	2,448.0	2,440.7	2,464.4	4.3	6.9	23.80	23.24	23.81	23.81	1.1	1.4	1.0	1.0
1962: III	2,471.9	2,462.0	2,488.4	4.0	3.5	23.86	23.31	23.87	23.87	1.1	1.1	1.0	1.0
1962: IV	2,476.7	2,478.7	2,495.9	..	2.7	23.96	23.41	23.94	23.95	1.7	1.8	1.2	1.2
1963: I	2,508.7	2,492.4	2,526.9	5.3	2.2	24.03	23.48	24.00	24.01	1.2	1.3	1.1	1.1
1963: II	2,538.1	2,533.8	2,555.5	4.8	6.8	24.07	23.53	24.07	24.08	..	..	..	..
1963: III	2,586.3	2,578.0	2,604.0	7.8	7.2	24.11	23.58	24.12	24.13	..	..	..	..
1963: IV	2,604.6	2,605.3	2,622.9	2.9	4.3	24.26	23.72	24.29	24.30	2.4	2.5	3.0	3.0
1964: I	2,666.7	2,663.1	2,686.8	9.9	9.2	24.33	23.80	24.35	24.36	1.2	1.3	..	..
1964: II	2,697.5	2,695.0	2,716.8	4.7	4.9	24.41	23.89	24.41	24.42	1.3	1.5	..	..
1964: III	2,729.6	2,727.6	2,749.5	4.8	4.9	24.53	23.99	24.52	24.53	1.9	1.8	1.8	1.8
1964: IV	2,739.7	2,734.5	2,758.1	1.5	1.0	24.64	24.09	24.64	24.65	1.8	1.6	2.1	2.1
1965: I	2,808.9	2,777.2	2,830.0	10.5	6.4	24.76	24.19	24.77	24.78	2.0	1.6	2.0	2.0
1965: II	2,846.3	2,826.7	2,868.2	5.4	7.3	24.88	24.31	24.88	24.89	2.0	2.0	1.9	1.9
1965: III	2,898.8	2,879.8	2,918.9	7.6	7.7	25.01	24.44	25.01	25.02	2.1	2.2	2.1	2.1
1965: IV	2,970.5	2,957.8	2,988.6	10.3	11.3	25.16	24.61	25.17	25.18	2.5	2.8	2.6	2.6
1966: I	3,042.4	3,008.8	3,061.1	10.0	7.1	25.30	24.73	25.32	25.34	2.2	1.9	2.5	2.5
1966: II	3,055.5	3,023.1	3,074.2	1.7	1.9	25.50	24.93	25.53	25.54	3.2	3.2	3.2	3.3
1966: III	3,076.5	3,047.2	3,094.7	2.8	3.2	25.82	25.22	25.79	25.81	5.1	4.8	4.2	4.2
1966: IV	3,102.4	3,054.8	3,121.4	3.4	1.0	26.03	25.41	26.02	26.03	3.4	3.1	3.5	3.5

Table C.1.—Historical Measures of Real Gross Domestic Product, Real Gross National Product, and Real Gross Domestic Purchases—Continued
 [Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1992) dollars			Percent change from preceding period		Chain-type price indexes		Implicit price deflators		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1967: I	3,127.2	3,085.6	3,145.9	3.2	4.1	26.16	25.52	26.14	26.15	2.0	1.6	1.9	2.0
II	3,129.5	3,119.0	3,147.7	.3	4.4	26.32	25.67	26.31	26.32	2.5	2.5	2.5	2.5
III	3,154.2	3,134.2	3,174.4	3.2	2.0	26.57	25.92	26.60	26.61	3.9	3.9	4.5	4.5
IV	3,178.0	3,161.5	3,197.5	3.1	3.5	26.87	26.21	26.90	26.91	4.6	4.5	4.6	4.6
1968: I	3,236.2	3,225.3	3,256.2	7.5	8.3	27.19	26.52	27.21	27.22	4.8	4.9	4.7	4.8
II	3,292.1	3,258.0	3,312.5	7.1	4.1	27.50	26.80	27.49	27.50	4.5	4.2	4.1	4.1
III	3,316.1	3,303.9	3,337.3	3.0	5.8	27.75	27.06	27.75	27.76	3.7	4.0	3.8	3.8
IV	3,331.2	3,325.1	3,352.2	1.8	2.6	28.12	27.43	28.12	28.13	5.5	5.5	5.5	5.5
1969: I	3,381.9	3,357.5	3,402.8	6.2	4.0	28.38	27.66	28.39	28.40	3.7	3.5	3.8	3.9
II	3,390.2	3,373.0	3,410.3	1.0	1.9	28.74	28.02	28.73	28.75	5.2	5.3	5.0	5.0
III	3,409.7	3,389.6	3,428.5	2.3	2.0	29.14	28.40	29.14	29.16	5.7	5.6	5.8	5.8
IV	3,392.6	3,388.9	3,411.4	-2.0	-1	29.51	28.77	29.51	29.52	5.2	5.2	5.1	5.1
1970: I	3,386.5	3,397.6	3,406.0	-7	1.0	29.92	29.18	29.94	29.95	5.7	5.9	6.0	6.0
II	3,391.6	3,391.9	3,411.9	-6	-7	30.36	29.59	30.36	30.37	6.0	5.8	5.7	5.7
III	3,423.0	3,421.9	3,442.9	3.7	3.6	30.60	29.87	30.61	30.63	3.2	3.8	3.4	3.4
IV	3,389.4	3,414.8	3,407.4	-3.9	-8	31.02	30.29	31.02	31.03	5.6	5.7	5.4	5.4
1971: I	3,481.4	3,458.9	3,503.3	11.3	5.3	31.50	30.75	31.50	31.52	6.3	6.2	6.4	6.4
II	3,500.9	3,481.2	3,524.3	2.3	2.6	31.93	31.18	31.93	31.94	5.7	5.7	5.5	5.5
III	3,523.8	3,509.4	3,544.7	2.6	3.3	32.25	31.52	32.27	32.29	4.1	4.5	4.4	4.4
IV	3,533.8	3,549.5	3,556.0	1.1	4.7	32.53	31.81	32.54	32.55	3.5	3.7	3.3	3.3
1972: I	3,604.7	3,608.0	3,627.9	8.3	6.8	33.01	32.28	33.02	33.03	6.0	6.0	6.0	6.1
II	3,687.9	3,665.7	3,710.7	9.6	6.5	33.23	32.53	33.20	33.22	2.6	3.1	2.2	2.2
III	3,726.2	3,700.0	3,751.2	4.2	3.8	33.50	32.82	33.49	33.51	3.3	3.6	3.5	3.5
IV	3,790.4	3,784.3	3,815.3	7.1	9.4	33.93	33.23	33.95	33.97	5.2	5.1	5.6	5.6
1973: I	3,892.2	3,867.0	3,921.5	11.2	9.0	34.38	33.69	34.36	34.38	5.5	5.6	5.0	5.0
II	3,919.0	3,884.5	3,950.4	2.8	1.8	34.96	34.33	34.94	34.96	6.9	7.8	6.9	6.9
III	3,907.1	3,890.9	3,944.1	-1.2	.7	35.63	34.95	35.61	35.63	7.8	7.5	7.9	7.9
IV	3,947.1	3,893.1	3,984.4	4.2	.2	36.24	35.60	36.29	36.31	7.0	7.6	7.8	7.8
1974: I	3,908.1	3,889.1	3,952.4	-3.9	-4	36.98	36.55	37.01	37.03	8.4	11.1	8.2	8.2
II	3,922.6	3,899.7	3,964.3	1.5	1.1	37.79	37.59	37.79	37.81	9.0	11.9	8.7	8.7
III	3,880.0	3,882.5	3,917.6	-4.3	-1.8	38.93	38.71	38.96	38.98	12.7	12.5	12.9	12.9
IV	3,854.1	3,822.2	3,886.1	-2.6	-6.1	40.14	39.84	40.13	40.15	13.0	12.2	12.6	12.5
1975: I	3,800.9	3,848.3	3,827.3	-5.4	2.8	41.04	40.69	41.05	41.07	9.2	8.8	9.5	9.5
II	3,835.2	3,887.9	3,861.8	3.7	4.2	41.67	41.34	41.66	41.68	6.3	6.5	6.1	6.1
III	3,907.0	3,922.7	3,936.1	7.7	3.6	42.44	42.05	42.41	42.44	7.6	7.0	7.4	7.4
IV	3,952.5	3,966.7	3,987.9	4.7	4.6	43.21	42.79	43.19	43.22	7.4	7.2	7.6	7.6
1976: I	4,044.6	4,027.0	4,078.8	9.7	6.2	43.68	43.26	43.69	43.72	4.4	4.5	4.7	4.7
II	4,072.2	4,039.1	4,107.9	2.8	1.2	44.17	43.76	44.15	44.18	4.6	4.7	4.2	4.2
III	4,088.5	4,061.7	4,124.8	1.6	2.3	44.78	44.42	44.77	44.80	5.7	6.1	5.7	5.7
IV	4,126.4	4,119.0	4,163.7	3.8	5.8	45.56	45.16	45.57	45.60	7.2	6.9	7.3	7.3
1977: I	4,176.3	4,161.4	4,219.4	4.9	4.2	46.31	45.99	46.32	46.34	6.7	7.6	6.8	6.7
II	4,260.1	4,228.4	4,302.2	8.3	6.6	47.08	46.81	47.07	47.10	6.8	7.3	6.6	6.7
III	4,329.5	4,270.0	4,371.2	6.7	4.0	47.74	47.55	47.66	47.69	5.7	6.4	5.1	5.1
IV	4,328.3	4,303.3	4,365.0	-1	3.2	48.55	48.36	48.63	48.66	7.0	7.1	8.4	8.4
1978: I	4,345.5	4,306.0	4,388.6	1.6	.3	49.39	49.19	49.42	49.45	7.1	7.0	6.7	6.7
II	4,510.7	4,474.6	4,546.1	16.1	16.6	50.43	50.22	50.41	50.44	8.6	8.6	8.2	8.2
III	4,552.1	4,511.6	4,591.1	3.7	3.4	51.32	51.11	51.27	51.30	7.3	7.3	7.0	7.1
IV	4,603.7	4,565.4	4,649.0	4.6	4.9	52.37	52.08	52.35	52.39	8.4	7.9	8.7	8.7
1979: I	4,605.7	4,579.0	4,652.6	.2	1.2	53.46	53.21	53.51	53.54	8.6	9.0	9.1	9.1
II	4,615.6	4,577.0	4,668.7	.9	-2	54.70	54.52	54.65	54.68	9.6	10.2	8.8	8.8
III	4,644.9	4,639.2	4,708.8	2.6	5.5	55.82	55.89	55.82	55.85	8.5	10.4	8.9	8.9
IV	4,656.2	4,662.5	4,719.5	1.0	2.0	56.92	57.25	56.92	56.95	8.1	10.2	8.1	8.1
1980: I	4,679.0	4,675.3	4,743.0	2.0	1.1	58.25	58.89	58.18	58.22	9.7	12.0	9.2	9.2
II	4,566.6	4,579.0	4,625.6	-9.3	-8.0	59.59	60.41	59.55	59.58	9.6	10.7	9.7	9.7
III	4,562.3	4,637.1	4,617.8	-4	5.2	60.93	61.77	61.01	61.05	9.3	9.3	10.2	10.2
IV	4,651.9	4,676.1	4,696.6	8.1	3.4	62.57	63.33	62.59	62.64	11.2	10.5	10.8	10.8
1981: I	4,739.2	4,692.9	4,787.7	7.7	1.4	64.19	64.96	64.15	64.20	10.7	10.7	10.3	10.4
II	4,696.8	4,699.0	4,742.6	-3.5	5	65.35	66.15	65.37	65.42	7.4	7.5	7.8	7.8
III	4,753.0	4,702.5	4,801.4	4.9	3	66.65	67.27	66.65	66.69	8.2	7.0	8.0	8.0
IV	4,693.8	4,672.0	4,747.9	-4.9	-2.6	67.85	68.48	67.87	67.91	7.4	7.3	7.5	7.5
1982: I	4,615.9	4,655.4	4,658.5	-6.5	-1.4	68.85	69.42	68.86	68.91	6.0	5.6	6.0	6.0
II	4,634.9	4,651.2	4,682.9	1.7	-4	69.71	70.17	69.72	69.77	5.1	4.4	5.1	5.1
III	4,612.1	4,616.9	4,651.1	-2.0	-2.9	70.69	71.10	70.66	70.70	5.7	5.4	5.5	5.5
IV	4,618.3	4,681.3	4,655.6	.5	5.7	71.46	71.85	71.44	71.47	4.5	4.3	4.4	4.4
1983: I	4,663.0	4,719.4	4,700.1	3.9	3.3	72.12	72.33	72.08	72.12	3.7	2.7	3.7	3.7
II	4,763.6	4,785.3	4,804.4	8.9	5.7	72.84	73.03	72.83	72.87	4.1	3.9	4.2	4.2
III	4,849.0	4,860.7	4,891.3	7.4	6.4	73.50	73.65	73.48	73.52	3.7	3.4	3.7	3.7
IV	4,939.2	4,919.5	4,983.5	7.7	4.9	74.19	74.24	74.19	74.24	3.8	3.2	3.9	3.9
1984: I	5,053.6	4,961.0	5,092.6	9.6	3.4	75.00	75.04	75.02	75.06	4.4	4.4	4.5	4.5
II	5,132.9	5,050.0	5,172.4	6.4	7.4	75.62	75.65	75.58	75.63	3.3	3.3	3.1	3.1
III	5,170.3	5,085.6	5,209.5	3.0	2.9	76.25	76.19	76.25	76.29	3.4	2.9	3.5	3.6
IV	5,203.7	5,149.9	5,237.5	2.6	5.2	76.82	76.71	76.81	76.85	3.0	2.7	3.0	2.9
1985: I	5,257.3	5,231.7	5,280.3	4.2	6.5	77.64	77.38	77.63	77.67	4.3	3.6	4.4	4.3
II	5,283.7	5,261.0	5,310.8	2.0	2.3	78.25	78.02	78.25	78.29	3.2	3.3	3.3	3.2
III	5,359.6	5,336.9	5,378.4	5.9	5.9	78.80	78.58	78.76	78.80	2.8	2.9	2.6	2.6
IV	5,393.6	5,358.0	5,417.5	2.6	1.6	79.44	79.37	79.45	79.49	3.3	4.1	3.5	3.5
1986: I	5,460.8	5,410.5	5,481.1	5.1	4.0	79.81	79.77	79.81	79.85	1.9	2.0	1.8	1.8
II	5,466.9	5,448.4	5,480.1	.4	2.8	80.26	79.97	80.22	80.26	2.2	1.0	2.1	2.1
III	5,496.3	5,518.2	5,510.4	2.2	5.2	80.81	80.60	80.84	80.88	2.8	3.2	3.1	3.1
IV	5,526.8	5,546.6	5,533.1	2.2	2.1	81.44	81.25	81.45	81.49	3.2	3.3	3.1	3.0
1987: I	5,561.8	5,535.8	5,568.7	2.6	-8	82.11	82.07	82.09	82.12	3.3	4.1	3.2	3.2
II	5,618.0	5,608.4	5,628.7	4.1	5.4	82.68	82.74	82.68	82.71	2.8	3.3	2.9	2.9
III	5,667.4	5,671.5	5,676.0	3.6	4.6	83.35	83.44	83.33	83.36	3.3	3.4	3.2	3.2
IV	5,750.6	5,688.3	5,759.6	6.0	1.2	84.08	84.19	84.09	84.12	3.6	3.6	3.7	3.7

Table C.1.—Historical Measures of Real Gross Domestic Product, Real Gross National Product, and Real Gross Domestic Purchases—Continued
 [Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1992) dollars			Percent change from preceding period		Chain-type price indexes		Implicit price deflators		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1988: I	5,785.3	5,774.2	5,802.3	2.4	6.2	84.69	84.81	84.67	84.69	2.9	3.0	2.7	2.8
1988: II	5,844.0	5,840.1	5,857.5	4.1	4.6	85.56	85.68	85.56	85.59	4.2	4.2	4.3	4.3
1988: III	5,878.7	5,869.2	5,889.4	2.4	2.0	86.67	86.58	86.66	86.69	5.3	4.3	5.2	5.2
1988: IV	5,952.8	5,937.0	5,964.9	5.1	4.7	87.46	87.44	87.44	87.47	3.7	4.0	3.7	3.7
1989: I	6,011.0	5,970.0	6,023.1	4.0	2.2	88.44	88.47	88.45	88.48	4.5	4.8	4.7	4.7
1989: II	6,055.6	6,010.9	6,065.5	3.0	2.8	89.40	89.52	89.39	89.42	4.4	4.8	4.3	4.3
1989: III	6,088.0	6,063.1	6,101.8	2.2	3.5	90.13	90.14	90.13	90.16	3.3	2.8	3.3	3.3
1989: IV	6,093.5	6,070.8	6,112.3	.4	.5	90.91	90.98	90.88	90.91	3.5	3.8	3.4	3.4
1990: I	6,152.6	6,144.6	6,172.8	3.9	5.0	92.01	92.17	92.00	92.04	4.9	5.4	5.0	5.1
1990: II	6,171.6	6,127.5	6,188.0	1.2	-1.1	93.20	93.14	93.18	93.21	5.2	4.2	5.2	5.2
1990: III	6,142.1	6,126.6	6,155.7	-1.9	-1	94.19	94.32	94.14	94.17	4.3	5.2	4.2	4.2
1990: IV	6,079.0	6,108.1	6,111.3	-4.0	-1.2	95.14	95.68	95.11	95.13	4.1	5.9	4.2	4.2
1991: I	6,047.5	6,065.4	6,074.3	-2.1	-2.8	96.26	96.42	96.27	96.29	4.8	3.1	5.0	4.9
1991: II	6,074.7	6,095.9	6,086.4	1.8	2.0	97.02	96.95	97.00	97.01	3.2	2.2	3.1	3.1
1991: III	6,090.1	6,085.4	6,099.2	1.0	-7	97.70	97.58	97.70	97.71	2.8	2.6	2.9	2.9
1991: IV	6,105.3	6,083.8	6,119.5	1.0	-1	98.30	98.27	98.31	98.32	2.5	2.9	2.5	2.5
1992: I	6,175.7	6,175.8	6,192.0	4.7	6.2	99.14	99.04	99.13	99.13	3.4	3.2	3.4	3.4
1992: II	6,214.2	6,203.8	6,225.2	2.5	1.8	99.81	99.76	99.79	99.79	2.8	2.9	2.7	2.7
1992: III	6,260.7	6,249.5	6,270.3	3.0	3.0	100.17	100.28	100.17	100.17	1.4	2.1	1.5	1.5
1992: IV	6,327.1	6,320.7	6,334.6	4.3	4.6	100.88	100.92	100.88	100.88	2.8	2.6	2.9	2.9
1993: I	6,327.9	6,297.3	6,351.3	.1	-1.5	101.85	101.71	101.84	101.84	3.9	3.2	3.9	3.8
1993: II	6,359.9	6,344.9	6,375.9	2.0	3.1	102.38	102.28	102.35	102.34	2.1	2.3	2.0	2.0
1993: III	6,393.5	6,379.3	6,415.3	2.1	2.2	102.83	102.64	102.83	102.83	1.8	1.4	1.9	1.9
1993: IV	6,476.9	6,453.8	6,489.7	5.3	4.8	103.52	103.28	103.51	103.50	2.7	2.5	2.7	2.6
1994: I	6,524.5	6,473.0	6,540.5	3.0	1.2	104.16	103.80	104.13	104.14	2.5	2.0	2.4	2.5
1994: II	6,600.3	6,526.7	6,609.3	4.7	3.4	104.74	104.46	104.71	104.71	2.2	2.6	2.2	2.2
1994: III	6,629.5	6,580.4	6,635.6	1.8	3.3	105.39	105.24	105.39	105.38	2.5	3.0	2.6	2.6
1994: IV	6,688.6	6,624.8	6,691.2	3.6	2.7	106.07	105.88	106.09	106.06	2.6	2.5	2.7	2.6
1995: I	6,717.5	6,661.8	6,735.9	1.7	2.2	106.74	106.47	106.75	106.73	2.5	2.2	2.5	2.6
1995: II	6,724.2	6,700.0	6,746.3	.4	2.3	107.26	107.11	107.24	107.22	2.0	2.4	1.8	1.8
1995: III	6,779.5	6,761.7	6,788.9	3.3	3.7	107.76	107.52	107.75	107.72	1.9	1.6	1.9	1.9
1995: IV	6,825.8	6,803.3	6,846.8	2.8	2.5	108.30	107.99	108.29	108.26	2.0	1.8	2.0	2.0
1996: I	6,882.0	6,863.6	6,902.1	3.3	3.6	108.90	108.56	108.91	108.88	2.2	2.1	2.3	2.3
1996: II	6,983.9	6,954.7	6,999.0	6.1	5.4	109.28	108.94	109.24	109.21	1.4	1.4	1.2	1.2
1996: III	7,020.0	6,970.3	7,027.1	2.1	.9	109.77	109.34	109.74	109.70	1.8	1.5	1.8	1.8
1996: IV	7,093.1	7,057.9	7,105.3	4.2	5.1	110.21	109.90	110.23	110.19	1.6	2.1	1.8	1.8
1997: I	7,166.7	7,108.1	7,167.8	4.2	2.9	110.97	110.51	111.00	110.95	2.8	2.2	2.8	2.8
1997: II	7,236.5	7,155.5	7,239.3	4.0	2.7	111.45	110.76	111.43	111.37	1.7	.9	1.6	1.5
1997: III	7,311.2	7,256.3	7,307.0	4.2	5.8	111.77	111.06	111.76	111.70	1.2	1.1	1.2	1.2
1997: IV	7,364.6	7,294.8	7,350.7	3.0	2.1	112.09	111.34	112.08	112.03	1.1	1.0	1.2	1.2
1998: I	7,464.7	7,372.5	7,455.2	5.5	4.3	112.33	111.29	112.32	112.26	.9	-.2	.8	.8
1998: II	7,498.6	7,456.4	7,485.9	1.8	4.6	112.57	111.42	112.56	112.50	.9	.4	.9	.9
1998: III	7,566.5	7,507.6	7,546.7	3.7	2.8	112.85	111.60	112.84	112.78	1.0	.7	1.0	1.0
1998: IV	7,677.7	7,628.9	7,663.3	6.0	6.6	113.08	111.84	113.07	113.01	.8	.9	.8	.8
1999: I	7,759.6	7,715.4	7,746.3	4.3	4.6	113.53	112.18	113.52	113.45	1.6	1.2	1.6	1.6
1999: II	7,790.6	7,773.6	7,777.4	1.6	3.1	113.91	112.71	113.90	113.83	1.3	1.9	1.3	1.3

Table C.5.—Price Index for Gross Domestic Purchases
 [Average annual percent change, based on chain-type price indexes (1992=100)]

Terminal year	Initial year																										
	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	
1998	4.8	4.8	4.6	4.4	4.3	4.2	4.0	3.8	3.4	3.1	2.9	2.8	2.8	2.8	2.8	2.7	2.6	2.4	2.2	2.0	1.8	1.7	1.6	1.3	1.1	0.6	
1997	5.0	5.0	4.7	4.5	4.5	4.4	4.2	4.0	3.6	3.2	3.1	3.0	3.0	2.9	3.0	2.9	2.9	2.7	2.4	2.2	2.1	2.0	1.9	1.7	1.6		
1996	5.2	5.1	4.9	4.7	4.6	4.5	4.4	4.1	3.7	3.3	3.2	3.1	3.1	3.1	3.1	3.1	3.0	2.8	2.6	2.3	2.2	2.1	2.0	1.9	1.8		
1995	5.3	5.3	5.0	4.8	4.8	4.7	4.5	4.2	3.8	3.5	3.3	3.2	3.2	3.2	3.2	3.2	3.0	2.8	2.6	2.3	2.2	2.1	2.0	1.9	1.8		
1994	5.4	5.4	5.2	5.0	4.9	4.8	4.7	4.4	3.9	3.5	3.3	3.3	3.3	3.3	3.4	3.4	3.2	3.0	2.7	2.5	2.4	2.3	2.3	2.3	2.3		
1993	5.6	5.6	5.3	5.1	5.1	5.0	4.8	4.5	4.1	3.6	3.4	3.4	3.4	3.4	3.5	3.6	3.5	3.4	3.0	2.7	2.5	2.4	2.4	2.4	2.4		
1992	5.7	5.7	5.5	5.3	5.2	5.1	5.0	4.7	4.2	3.7	3.5	3.5	3.5	3.5	3.7	3.8	3.8	3.7	3.2	2.8	2.5	2.5	2.5	2.5	2.5		
1991	5.9	5.9	5.7	5.4	5.4	5.3	5.2	4.8	4.3	3.8	3.6	3.6	3.6	3.7	3.9	4.0	4.1	4.1	3.7	3.2	2.8	2.8	2.8	2.8	2.8		
1990	6.0	6.0	5.8	5.6	5.5	5.4	5.3	4.9	4.4	3.9	3.6	3.6	3.6	3.7	3.9	4.1	4.1	4.5	4.1	3.7	3.2	3.2	3.2	3.2	3.2		
1989	6.1	6.1	5.9	5.6	5.6	5.5	5.3	5.0	4.4	3.8	3.5	3.4	3.4	3.5	3.7	3.9	4.1	4.2	4.1	3.7	3.2	3.2	3.2	3.2	3.2		
1988	6.2	6.3	6.0	5.7	5.7	5.6	5.5	5.1	4.4	3.7	3.4	3.3	3.2	3.2	3.5	3.6	3.6	3.6	3.4	3.0	2.7	2.7	2.7	2.7	2.7		
1987	6.4	6.5	6.2	5.9	5.9	5.8	5.7	5.2	4.5	3.7	3.3	3.2	3.1	3.0	3.4	3.4	3.4	3.4	3.0	2.7	2.5	2.5	2.5	2.5	2.5		
1986	6.6	6.7	6.4	6.1	6.2	6.1	5.9	5.5	4.7	3.8	3.3	3.1	2.9	2.6	3.0	3.0	3.0	3.0	2.6	2.3	2.2	2.2	2.2	2.2	2.2		
1985	6.9	7.0	6.8	6.5	6.6	6.5	6.4	6.0	5.1	4.1	3.5	3.4	3.2	3.2	3.2	3.2	3.2	3.2	2.8	2.5	2.5	2.5	2.5	2.5	2.5		
1984	7.3	7.4	7.1	6.9	7.0	7.0	7.0	6.6	5.6	4.4	3.7	3.5	3.2	3.2	3.2	3.2	3.2	3.2	2.8	2.5	2.5	2.5	2.5	2.5	2.5		
1983	7.6	7.8	7.5	7.3	7.5	7.6	7.7	7.3	6.3	4.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.4	3.1	3.1	3.1	3.1	3.1	3.1		
1982	8.0	8.2	8.0	7.8	8.1	8.4	8.7	8.6	7.5	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.5	5.2	5.2	5.2	5.2	5.2	5.2		
1981	8.2	8.5	8.3	8.1	8.6	9.0	9.6	9.9	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	8.8	8.5	8.5	8.5	8.5	8.5	8.5		
1980	8.1	8.4	8.2	7.9	8.5	9.0	9.8	10.7	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	8.8	8.5	8.5	8.5	8.5	8.5	8.5		
1979	7.8	8.1	7.7	7.3	7.7	8.2	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	8.6	8.3	8.3	8.3	8.3	8.3	8.3		
1978	7.6	7.9	7.3	6.7	7.1	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.0	6.7	6.7	6.7	6.7	6.7	6.7		
1977	7.6	8.0	7.3	6.3	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.5	6.2	6.2	6.2	6.2	6.2	6.2		
1976	7.8	8.4	7.5	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.4	5.1	5.1	5.1	5.1	5.1	5.1		
1975	8.4	9.7	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.3	8.9	8.6	8.6	8.6	8.6	8.6	8.6		
1974	8.0	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	9.8	9.5	9.5	9.5	9.5	9.5	9.5		
1973	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.5	5.2	5.2	5.2	5.2	5.2	5.2		

Table C.6.—Real Final Sales of Domestic Product
 [Average annual percent change, based on chain-type quantity indexes (1992=100)]

Terminal year	Initial year																										
	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	
1998	2.8	2.7	2.8	2.9	2.8	2.7	2.6	2.6	2.7	2.8	3.0	3.0	2.8	2.7	2.6	2.6	2.5	2.4	2.5	3.0	3.1	3.3	3.4	3.6	3.7	4.0	
1997	2.7	2.6	2.7	2.8	2.8	2.7	2.6	2.5	2.6	2.7	3.0	2.9	2.8	2.6	2.5	2.5	2.3	2.3	2.3	2.9	2.9	3.1	3.2	3.4	3.5		
1996	2.7	2.6	2.7	2.8	2.7	2.6	2.5	2.4	2.6	2.7	2.9	2.9	2.7	2.5	2.4	2.4	2.2	2.1	2.2	2.7	2.8	3.0	3.1	3.4	3.4		
1995	2.6	2.5	2.7	2.8	2.7	2.6	2.4	2.4	2.5	2.6	2.9	2.8	2.6	2.4	2.3	2.3	2.0	1.9	1.9	2.6	2.6	2.8	2.8	2.8	2.8		
1994	2.6	2.5	2.7	2.8	2.7	2.6	2.4	2.4	2.5	2.6	2.9	2.8	2.6	2.4	2.3	2.2	1.9	1.7	1.7	2.6	2.6	2.8	2.8	2.8	2.8		
1993	2.6	2.5	2.7	2.8	2.7	2.6	2.4	2.3	2.5	2.6	2.9	2.8	2.6	2.3	2.2	2.1	1.7	1.4	1.3	2.3	2.3	2.9	2.9	2.9	2.9		
1992	2.7	2.5	2.7	2.8	2.7	2.6	2.4	2.3	2.5	2.6	3.0	2.9	2.6	2.4	2.2	2.1	1.6	1.1	.9	2.5	2.1	2.1	2.1	2.1	2.1		
1991	2.7	2.5	2.7	2.8	2.7	2.6	2.4	2.3	2.5	2.6	3.0	2.9	2.7	2.3	2.1	2.0	1.3	.4	-.7	2.5	2.1	2.1	2.1	2.1	2.1		
1990	2.9	2.7	2.9	3.0	3.0	2.9	2.7	2.6	2.8	3.0	3.5	3.5	3.2	3.0	2.8	2.9	2.3	1.6	1.6	2.3	1.6	1.6	1.6	1.6	1.6		
1989	2.9	2.8	3.0	3.1	3.1	3.0	2.8	2.7	2.9	3.2	3.8	3.8	3.6	3.3	3.2	3.5	3.0	2.3	1.6	2.3	1.6	1.6	1.6	1.6	1.6		
1988	2.9	2.8	3.0	3.2	3.1	3.0	2.7	2.7	2.9	3.2	3.9	4.0	3.7	3.4	3.4	4.1	3.0	2.3	1.6	2.3	1.6	1.6	1.6	1.6	1.6		
1987	2.9	2.7	2.9	3.1	3.0	2.9	2.6	2.5	2.8	3.1	3.9	3.9	3.6	3.1	2.6	4.1	3.0	2.3	1.6	2.3	1.6	1.6	1.6	1.6	1.6		
1986	2.9	2.7	2.9	3.1	3.0	2.9	2.6	2.5	2.8	3.2	4.2	4.4	4.1	3.5	2.6	4.1	3.0	2.3	1.6	2.3	1.6	1.6	1.6	1.6	1.6		
1985	2.8	2.6	2.9	3.1	3.0	2.8	2.5	2.3	2.7	3.1	4.4	4.8	4.6	3.5	2.6	4.1	3.0	2.3	1.6	2.3	1.6	1.6	1.6	1.6	1.6		
1984	2.7	2.4	2.7	2.9	2.8	2.6	2.1	1.9	2.2	2.6	4.3	5.0	4.6	3.5	2.6	4.1	3.0	2.3	1.6	2.3	1.6	1.6	1.6	1.6	1.6		
1983	2.5	2.2	2.5	2.7	2.5	2.2	1.5	1.1	1.3	1.4	3.7	5.0	4.6	3.5	2.6	4.1	3.0	2.3	1.6	2.3	1.6	1.6	1.6	1.6	1.6		
1982	2.3	2.0	2.3	2.5	2.3	1.9	1.0	.3	.1	-.9	3.7	5.0	4.6	3.5	2.6	4.1	3.0	2.3	1.6	2.3	1.6	1.6	1.6	1.6	1.6		
1981	2.7	2.4	2.8	3.1	2.9	2.6	1.7	.8	1.1	1.1	3.7	5.0	4.6	3.5	2.6	4.1	3.0	2.3	1.6	2.3	1.6	1.6	1.6	1.6	1.6		
1980	2.9	2.6	3.1	3.5	3.4	3.1	2.0	.6	1.1	1.1	3.7	5.0	4.6	3.5	2.6	4.1	3.0	2.3	1.6	2.3	1.6	1.6	1.6	1.6	1.6		
1979	3.2	2.9	3.6	4.3	4.3	4.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4		
1978	3.2	2.8	3.6	4.6	4.8	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3		
1977	2.8	2.2	3.1	4.2	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4		
1976	2.4	1.5	2.4	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0		
1975	1.9	.3	.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0		
1974	2.5	-.3	-.3	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0		
1973	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3		

Table C.7.—Real Disposable Personal Income
 [Average annual percent change, based on chained (1992) dollar estimates]

D. Domestic Perspectives

This table presents data collected from other government agencies and private organizations, as noted. Quarterly data are shown in the middle month of the quarter.

Table D.1.—Domestic Perspectives

	1997	1998	1998						1999							
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Consumer and producer prices, (monthly data seasonally adjusted) ¹																
Consumer price index for all urban consumers, 1982=100:																
All items	160.5	163.0	163.3	163.5	163.6	163.9	164.2	164.4	164.6	164.7	165.0	166.2	166.2	166.2	166.7	167.2
Less food and energy	169.5	173.4	173.8	174.2	174.5	174.8	175.0	175.6	175.7	175.8	176.0	176.7	176.9	177.0	177.3	177.5
Services	179.4	184.2	184.5	184.8	185.2	185.5	186.0	186.3	186.5	186.9	187.5	188.1	188.3	188.5	189.0	189.3
Producer price index, 1982=100:																
Finished goods	131.8	130.6	130.7	130.3	130.6	131.0	130.7	131.3	131.7	131.1	131.5	132.2	132.4	132.3	132.6	133.3
Less food and energy	142.4	143.7	143.7	143.7	144.1	144.3	144.4	145.9	145.6	145.7	145.6	145.7	145.9	145.6	145.6	145.5
Finished consumer goods	130.2	128.9	129.1	128.6	128.8	129.3	128.9	129.7	130.2	129.5	130.0	130.9	131.1	131.2	131.6	132.5
Capital equipment	138.2	137.5	137.4	137.2	137.6	137.7	137.8	137.7	137.6	137.7	137.5	137.7	137.9	137.5	137.3	137.3
Intermediate materials	125.6	123.0	123.2	122.8	122.4	122.2	121.9	121.1	121.1	120.7	121.1	121.9	122.1	122.6	123.3	124.3
Crude materials	111.1	96.7	97.4	93.3	91.6	93.9	93.8	90.4	90.9	88.8	89.1	91.3	95.7	97.0	96.8	101.3
Money, interest rates, and stock prices																
Money stock (monthly and quarterly data seasonally adjusted): ²																
Percent change:																
M1			-0.22	-0.30	0.23	0.53	0.80	0.40	-0.22	0.15	0.86	0.58	-0.33	-0.33	-0.15	0.25
M2 .....			.39	.60	1.03	.96	.89	.85	.55	.47	.22	.73	.38	.35	.45	.46
Ratio:																
Gross domestic product to M1	7.583	7.886		7.949			7.982			8.043			8.040			
Personal income to M2	1.726	1.688	1.692	1.689	1.677	1.668	1.668	1.653	1.654	1.654	1.655	1.650	1.649	1.656	1.652	1.653
Interest rates (percent, not seasonally adjusted): ²																
Federal funds rate	5.46	5.35	5.54	5.55	5.51	5.07	4.83	4.68	4.63	4.76	4.81	4.74	4.74	4.76	4.99	5.07
Discount rate on new 91-day Treasury bills	5.07	4.81	4.96	4.94	4.74	4.08	4.44	4.42	4.34	4.45	4.48	4.28	4.51	4.59	4.60	4.76
Yield on new high-grade corporate bonds	7.40	6.44	6.35	6.34	6.27	6.21	6.42	6.13	6.14	6.33	6.52	6.58	6.86	7.21	7.20	7.36
10-Year U.S. Treasury bonds	6.35	5.26	5.46	5.34	4.81	4.53	4.83	4.65	4.72	5.00	5.23	5.18	5.54	5.90	5.79	5.94
Yield on municipal bonds, 20-bond average	5.52	5.09	5.14	5.10	4.99	4.93	5.03	4.98	5.01	5.03	5.10	5.08	5.18	5.37	5.36	5.58
Mortgage commitment rate	7.60	6.94	6.95	6.92	6.72	6.71	6.87	6.72	6.79	6.81	7.04	6.92	7.15	7.55	7.63	7.94
Average prime rate charged by banks	8.44	8.35	8.50	8.50	8.49	8.12	7.89	7.75	7.75	7.75	7.75	7.75	7.75	7.75	8.00	8.06
Index of stock prices (not seasonally adjusted): ³																
500 common stocks, 1941-43=10	872.72	1,084.31	1,156.58	1,074.62	1,020.64	1,032.47	1,144.43	1,190.05	1,248.77	1,246.58	1,281.66	1,334.76	1,332.07	1,322.55	1,380.99	1,327.49
Labor markets (thousands, monthly and quarterly data seasonally adjusted, unless otherwise noted) ¹																
Civilian labor force	136,297	137,673	137,407	137,481	138,081	138,116	138,193	138,547	139,347	139,271	138,816	139,091	139,019	139,408	139,254	139,264
Labor force participation rates (percent):																
Males 20 and over	77.0	76.8	76.8	76.5	76.8	76.7	76.8	76.8	77.1	77.0	76.7	76.7	76.5	76.7	76.6	76.5
Females 20 and over	60.5	60.4	60.2	60.4	60.4	60.4	60.4	60.6	60.9	60.8	60.6	60.8	60.7	61.0	60.7	60.7
16-19 years of age	51.6	52.8	52.3	52.6	53.5	53.1	52.4	52.9	52.4	52.1	52.1	51.9	52.1	51.1	51.7	50.9
Civilian employment	129,558	131,463	131,176	131,264	131,818	131,858	132,113	132,526	133,396	133,144	133,033	133,069	133,224	133,432	133,307	133,411
Ratio, civilian employment to working-age population (percent)	63.8	64.1	63.9	63.9	64.1	64.0	64.1	64.2	64.5	64.4	64.3	64.2	64.2	64.3	64.1	64.1
Persons engaged in nonagricultural activities	126,159	128,085	127,753	127,772	128,348	128,300	128,765	129,304	130,097	129,817	129,752	129,685	129,929	130,078	130,015	130,192
Employees on nonagricultural payrolls	122,690	125,826	125,808	126,170	126,361	126,567	126,841	127,186	127,378	127,730	127,813	128,134	128,162	128,443	128,781	128,905
Goods-producing industries	24,962	25,347	25,240	25,344	25,333	25,306	25,298	25,354	25,315	25,329	25,285	25,288	25,199	25,180	25,248	25,153
Services-producing industries	97,727	100,480	100,568	100,826	101,028	101,261	101,543	101,832	102,063	102,401	102,528	102,846	102,963	103,263	103,533	103,752
Average weekly hours, manufacturing (hours)	42.0	41.7	41.7	41.7	41.6	41.7	41.7	41.7	41.6	41.6	41.5	41.6	41.7	41.7	41.9	41.7
Average weekly overtime hours, manufacturing (hours)	4.8	4.6	4.6	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.3	4.6	4.7	4.7	4.6
Number of persons unemployed	6,739	6,210	6,231	6,217	6,263	6,258	6,080	6,021	5,950	6,127	5,783	6,022	5,795	5,975	5,947	5,853
Unemployment rates (percent):																
Total	4.9	4.5	4.5	4.5	4.5	4.5	4.4	4.3	4.3	4.4	4.2	4.3	4.2	4.3	4.3	4.2
15 weeks and over	1.5	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.0	1.0	1.1	1.2	1.1	1.0
Average duration of unemployment (weeks)	15.8	14.5	14.3	13.7	14.3	14.1	14.4	14.1	13.4	13.8	13.5	13.1	13.4	14.5	13.6	13.2
Nonfarm business sector, 1992=100:																
Output per hour of all persons	104.9	107.2		107.3			108.4				109.4			109.6		
Unit labor costs	108.9	111.1		111.5			111.4				111.6			112.8		
Hourly compensation	114.3	119.1		119.7			120.8				122.1			123.6		

See footnotes at the end of the table.

Table D.1.—Domestic Perspectives—Continued

	1997	1998	1998						1999							
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Construction (monthly data seasonally adjusted at annual rates) ⁴																
Total new private construction put in place (billions of dollars)	475.1	520.1	525.2	523.7	524.3	528.7	534.7	541.6	543.5	548.7	555.4	547.9	546.9	546.9	542.3	536.2
Residential	265.9	294.3	297.3	297.3	299.8	302.1	306.3	310.3	315.8	318.5	323.1	322.2	321.8	320.9	318.1	316.7
Nonresidential	167.6	181.9	182.2	182.5	181.6	184.8	186.6	190.0	185.8	189.0	189.3	184.4	184.2	182.9	181.5	178.2
Housing starts (thousands of units):																
Total	1,474	1,617	1,719	1,615	1,576	1,698	1,654	1,750	1,820	1,752	1,746	1,577	1,668	1,607	1,670	1,676
1-unit structures	1,134	1,271	1,306	1,264	1,251	1,298	1,375	1,383	1,393	1,380	1,394	1,260	1,389	1,305	1,321	1,304
New 1-family houses sold (thousands of units)	804	886	883	836	861	903	985	958	908	909	885	952	914	947	955	983
Manufacturing and trade, inventories and sales (millions of dollars, monthly data seasonally adjusted) ⁴																
Inventories:																
Total manufacturing and trade	1,060,326	1,095,042	1,079,804	1,083,792	1,089,349	1,091,438	1,095,493	1,095,042	1,095,209	1,098,308	1,103,619	1,105,654	1,108,901	1,112,311	1,115,847	.....
Manufacturing	456,133	466,798	467,636	468,445	468,552	471,031	471,000	466,798	464,867	464,198	463,578	463,194	463,742	462,690	464,865	.....
Merchant wholesalers	273,885	287,484	279,067	281,915	284,832	284,496	286,145	287,484	286,698	288,638	289,360	289,636	290,216	291,367	293,934	.....
Retail trade	330,308	340,760	333,101	333,432	335,965	335,911	338,348	340,760	343,644	345,472	350,681	352,824	354,943	358,254	357,048	.....
Sales:																
Total manufacturing and trade	9,025,137	9,333,267	775,112	773,999	781,728	783,878	788,294	796,583	794,865	803,481	812,055	812,237	821,761	829,593	833,239	.....
Manufacturing	3,929,419	4,052,248	335,380	336,445	340,481	340,133	341,423	344,247	341,673	343,724	349,065	347,568	350,624	354,702	356,442	.....
Merchant wholesalers	2,480,049	2,535,008	211,665	209,144	211,964	211,366	212,367	215,550	213,597	216,138	219,595	219,921	223,909	227,863	227,299	.....
Retail trade	2,615,669	2,746,011	228,067	228,410	229,283	232,379	234,504	236,786	239,595	243,619	243,395	244,748	247,228	247,028	249,498	.....
Industrial production indexes and capacity utilization rates (monthly data seasonally adjusted) ²																
Industrial production indexes, 1992=100:																
Total	126.8	131.3	130.5	132.4	131.9	132.4	132.2	132.3	132.3	132.5	133.3	133.7	134.0	134.2	135.2	135.6
By industry:																
Durable manufactures	147.1	157.5	154.4	159.8	159.6	161.2	161.0	161.5	161.4	161.7	163.1	164.1	165.0	165.6	167.7	168.9
Nondurable manufactures	111.3	111.9	112.1	111.3	110.6	110.9	111.6	111.7	111.3	111.9	111.7	111.8	111.7	111.3	111.1	111.2
By market category:																
Consumer goods	114.1	115.2	114.0	116.1	114.8	115.2	114.8	114.9	115.2	115.3	115.3	115.5	115.6	115.9	115.7	116.6
Capacity utilization rates (percent):																
Total industry	82.9	81.8	81.1	82.0	81.3	81.3	80.8	80.7	80.3	80.2	80.5	80.4	80.4	80.3	80.7	80.8
Manufacturing	82.0	80.8	79.8	80.7	80.1	80.3	80.1	80.0	79.5	79.5	79.5	79.6	79.5	79.4	79.6	79.8
Credit market borrowing (billions of dollars, quarterly data seasonally adjusted at annual rates) ²																
All sectors, by instrument:																
Total	1,495.1	2,124.9	.....	1,935.8	.....	.....	2,332.7	.....	.....	2,481.3	.....	.....	1,836.4	.....	.....	.....
Open market paper	184.1	193.1	.....	232.7	.....	.....	83.0	.....	.....	161.1	.....	.....	34.1	.....	.....	.....
U.S. government securities	235.9	418.3	.....	442.3	.....	.....	619.1	.....	.....	517.1	.....	.....	467.1	.....	.....	.....
Municipal securities	71.4	96.8	.....	82.9	.....	.....	89.6	.....	.....	100.7	.....	.....	48.0	.....	.....	.....
Corporate and foreign bonds	406.7	535.6	.....	258.2	.....	.....	440.9	.....	.....	767.4	.....	.....	502.5	.....	.....	.....
Bank loans, n.e.c.	128.2	145.0	.....	171.6	.....	.....	143.0	.....	.....	62.1	.....	.....	38.0	.....	.....	.....
Other loans and advances	102.8	158.5	.....	157.8	.....	.....	262.7	.....	.....	152.9	.....	.....	110.0	.....	.....	.....
Mortgages	313.3	509.8	.....	510.7	.....	.....	624.4	.....	.....	593.5	.....	.....	583.5	.....	.....	.....
Consumer credit	52.5	67.6	.....	79.6	.....	.....	69.9	.....	.....	126.6	.....	.....	53.2	.....	.....	.....

Sources:

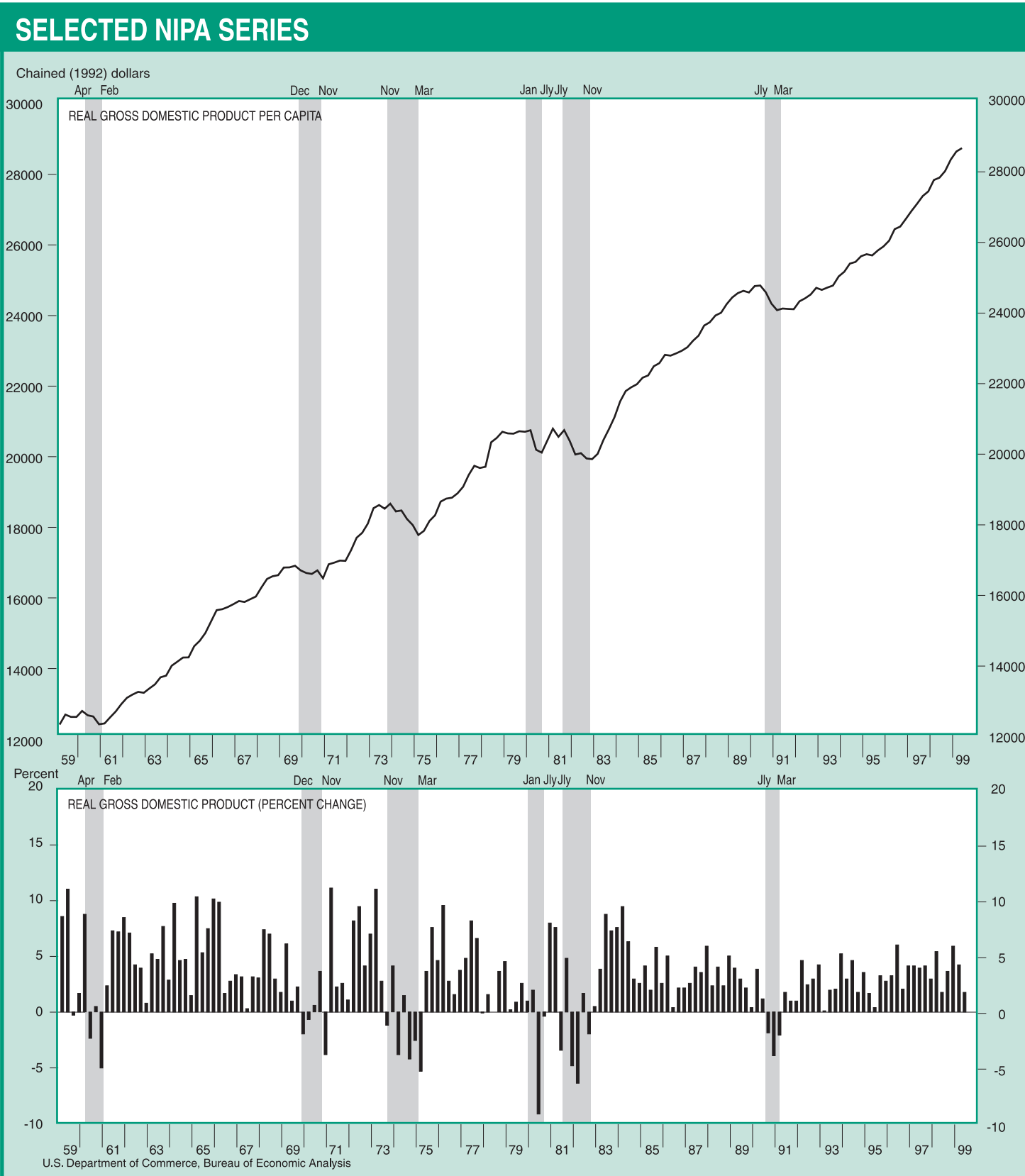
1. Bureau of Labor Statistics
2. Federal Reserve Board

3. Standard and Poor's, Inc.

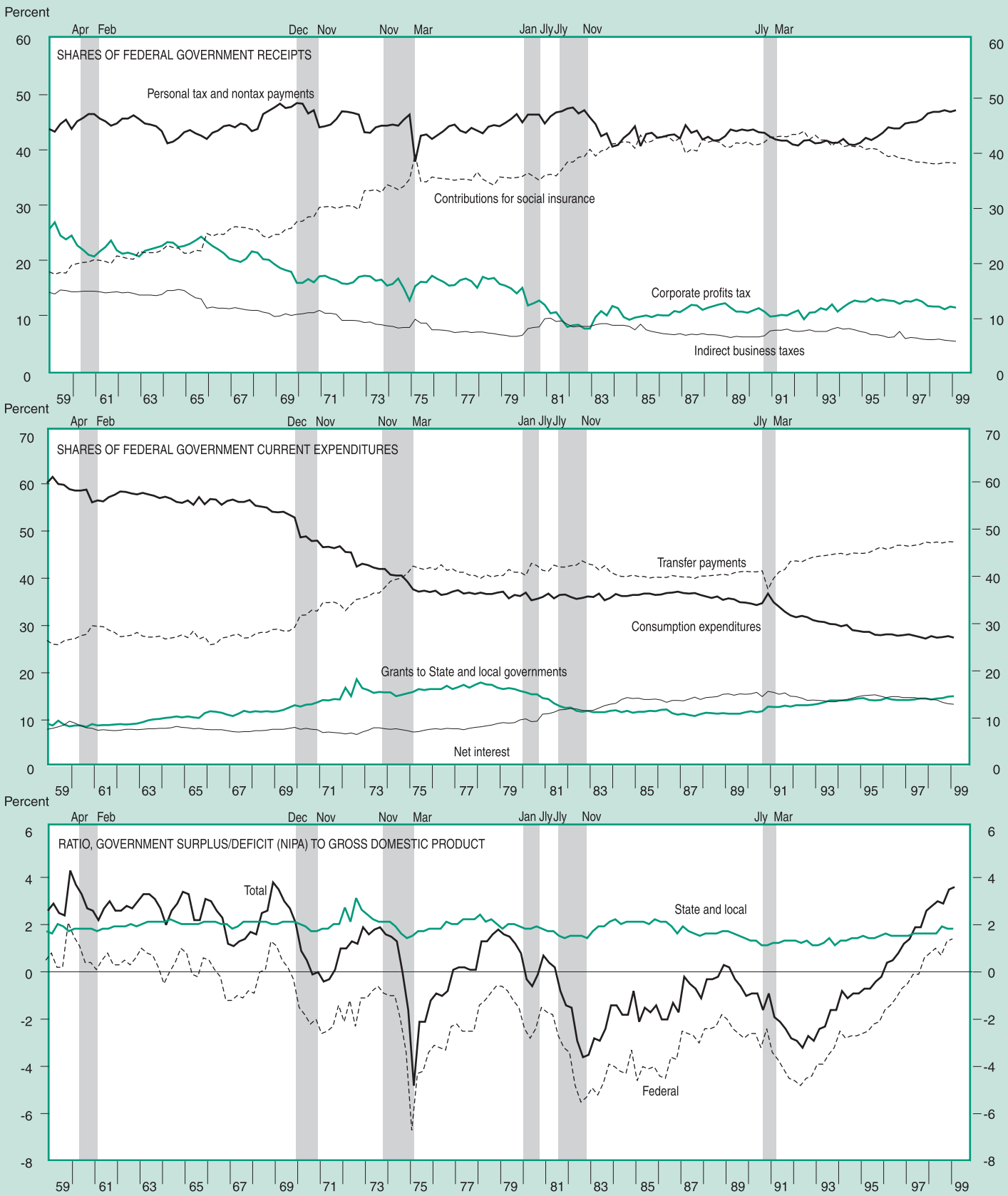
4. Bureau of the Census
n.e.c. Not elsewhere classified

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.

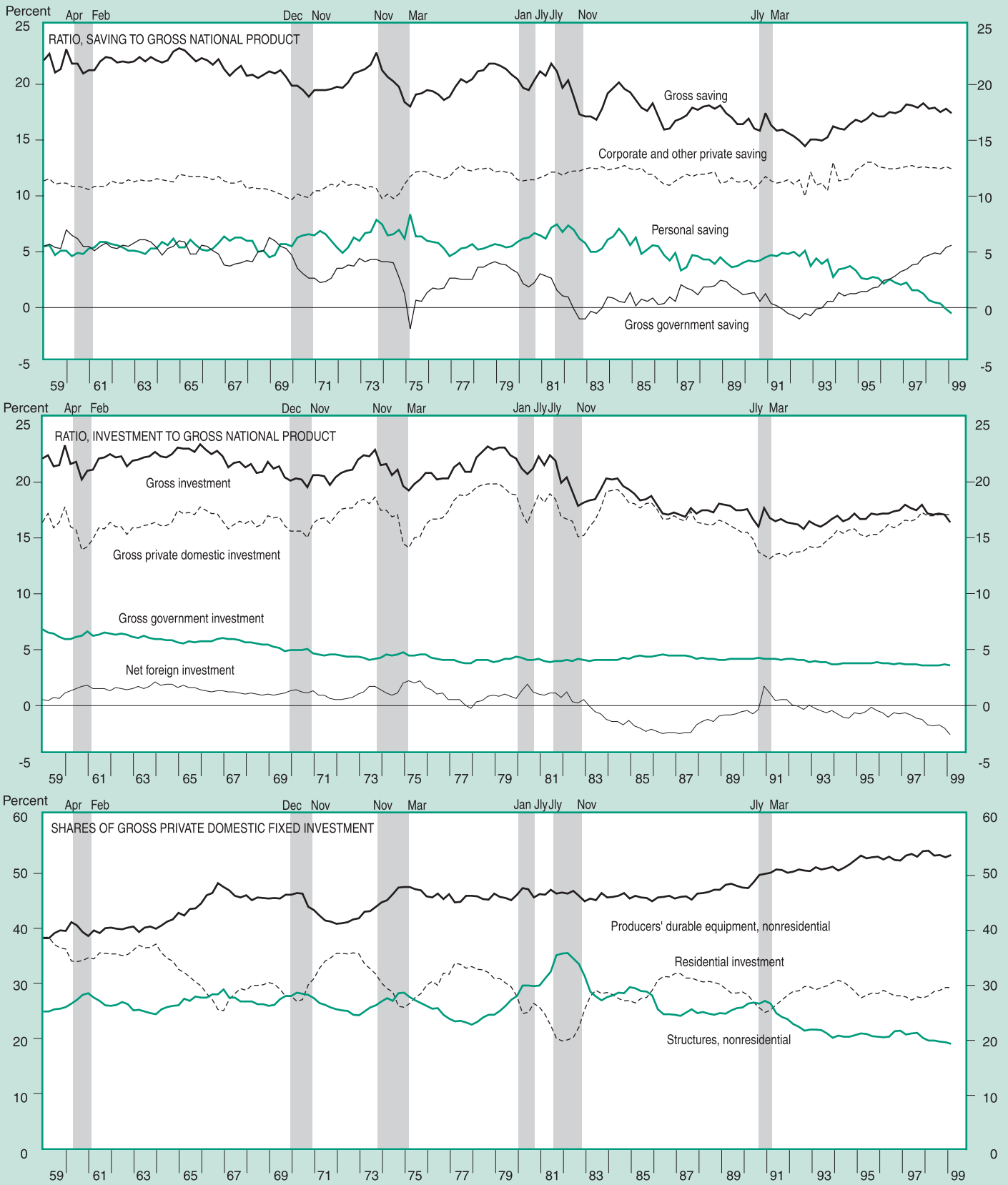


SELECTED NIPA SERIES



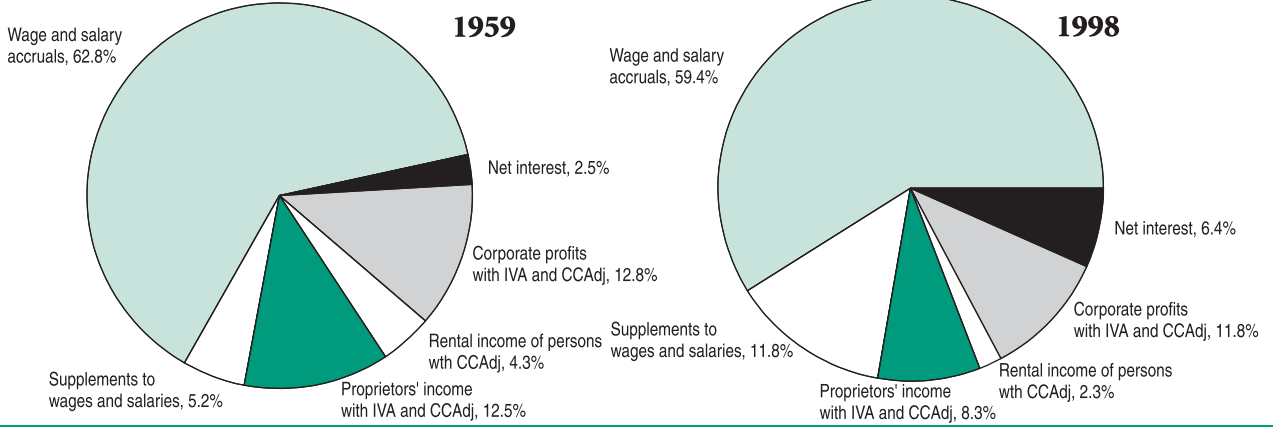
U.S. Department of Commerce, Bureau of Economic Analysis

SELECTED NIPA SERIES

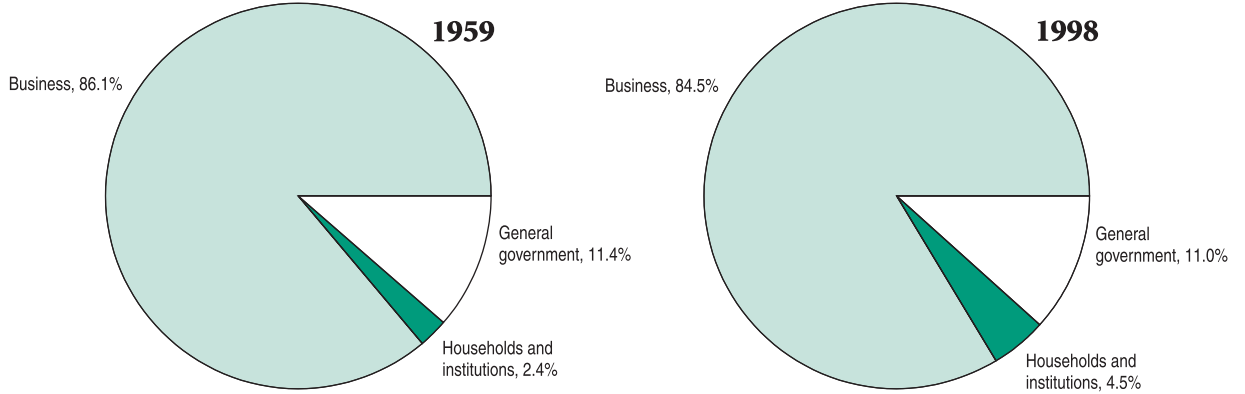


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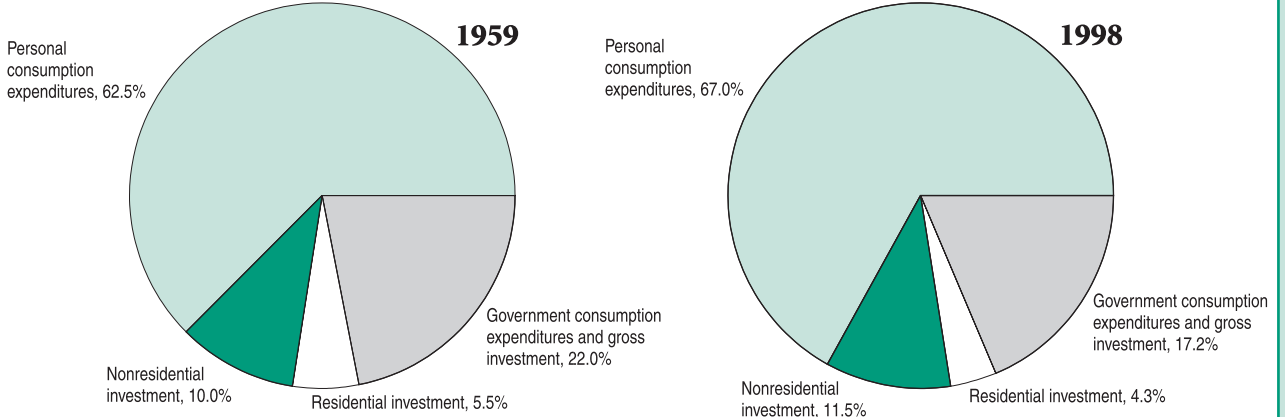
SHARES OF NATIONAL INCOME



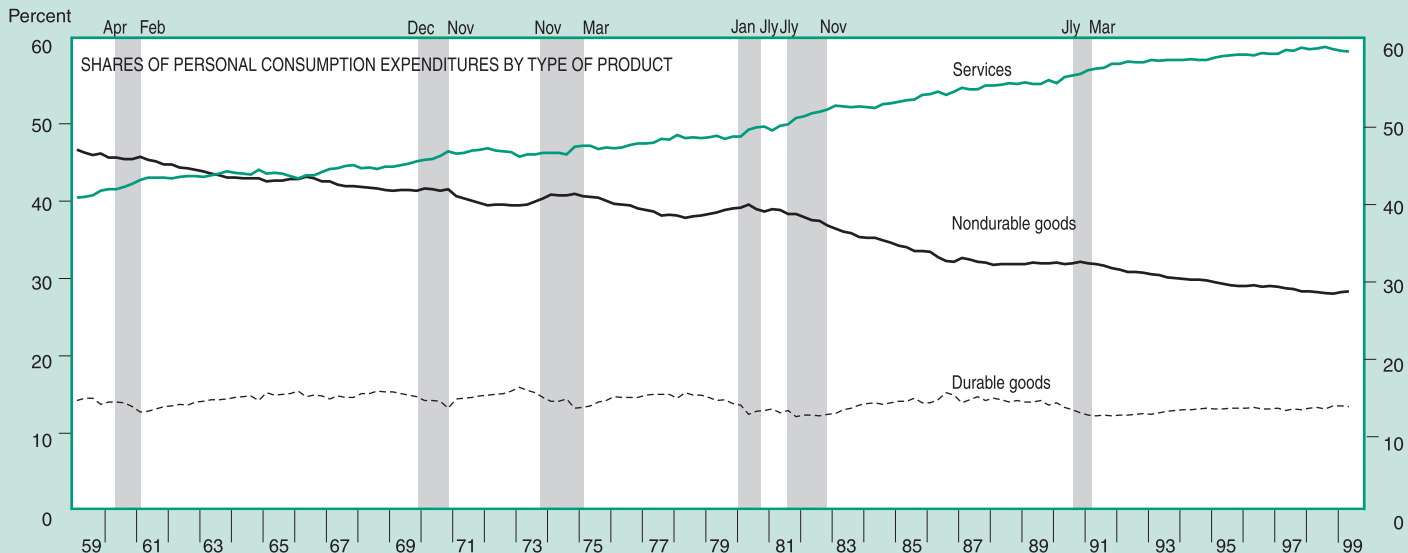
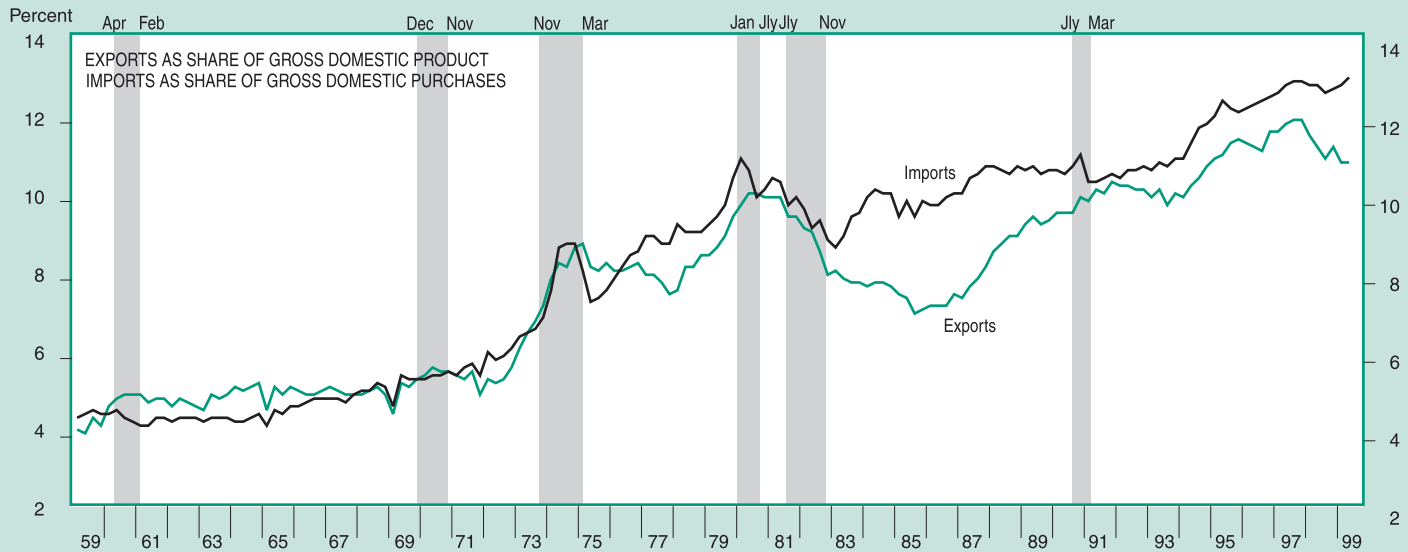
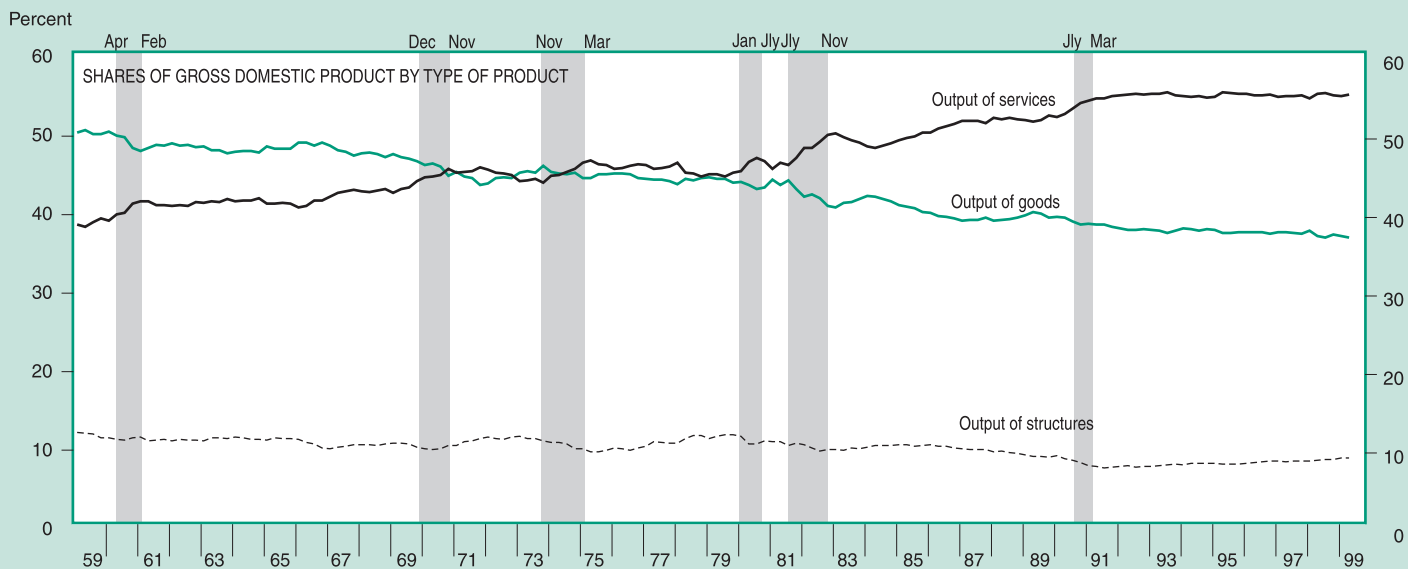
SHARES OF GROSS DOMESTIC PRODUCT BY SECTOR



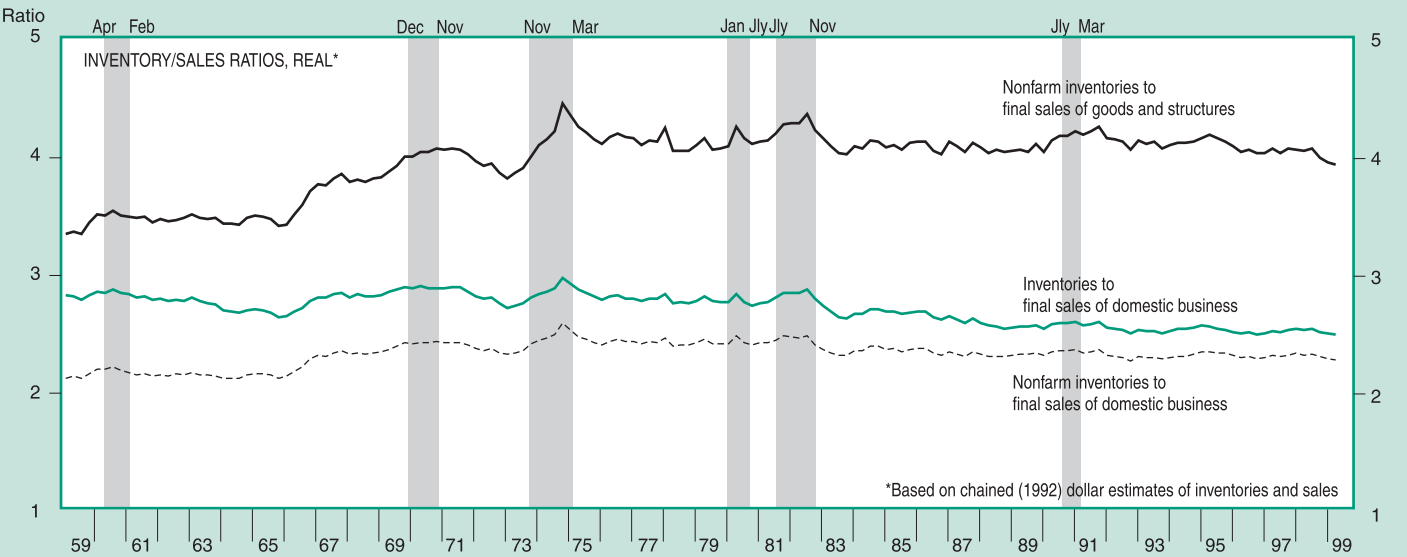
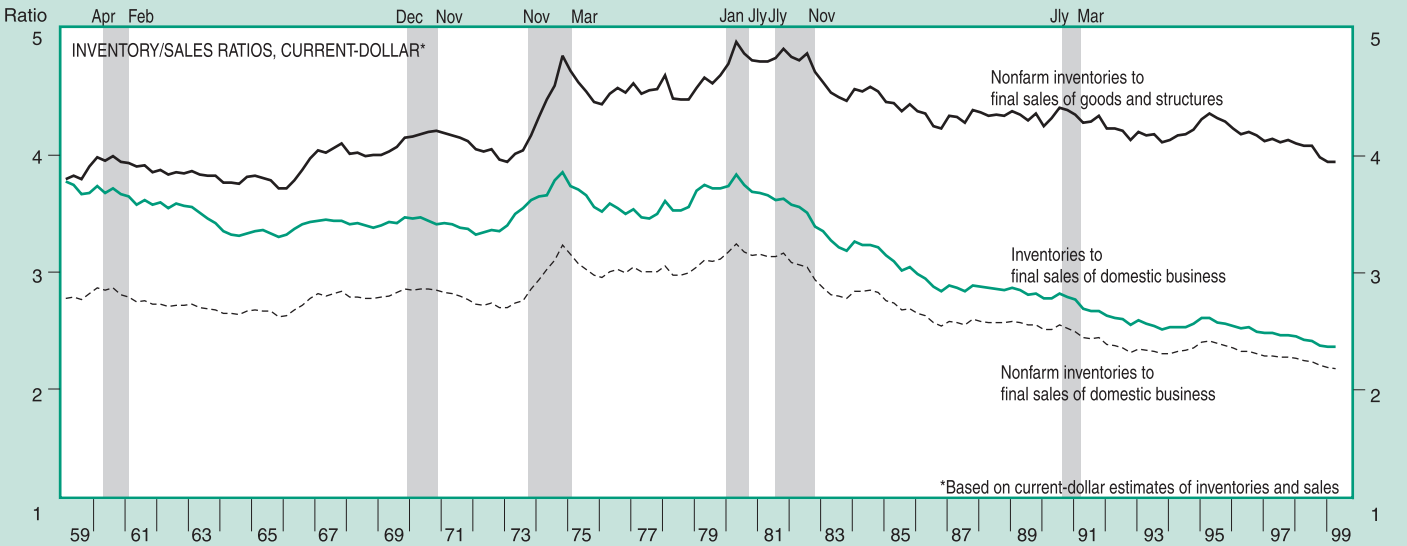
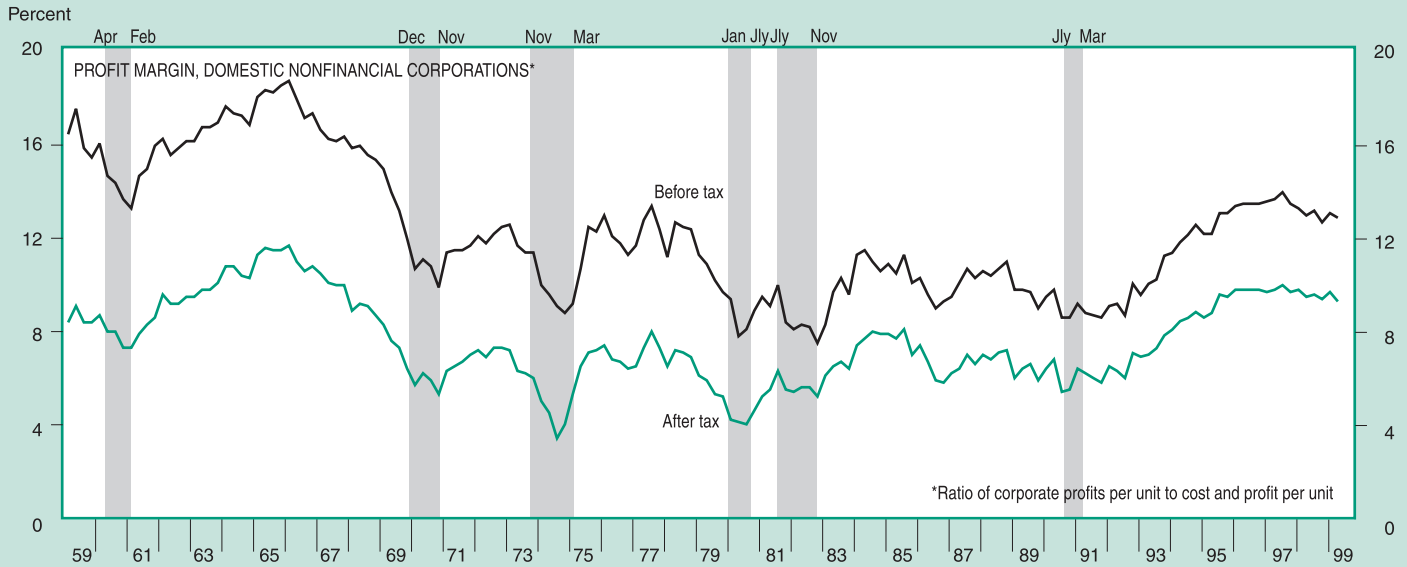
SHARES OF GROSS DOMESTIC PURCHASES



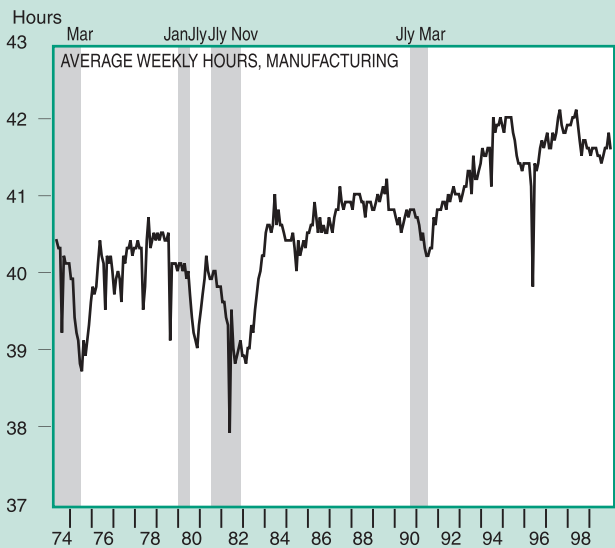
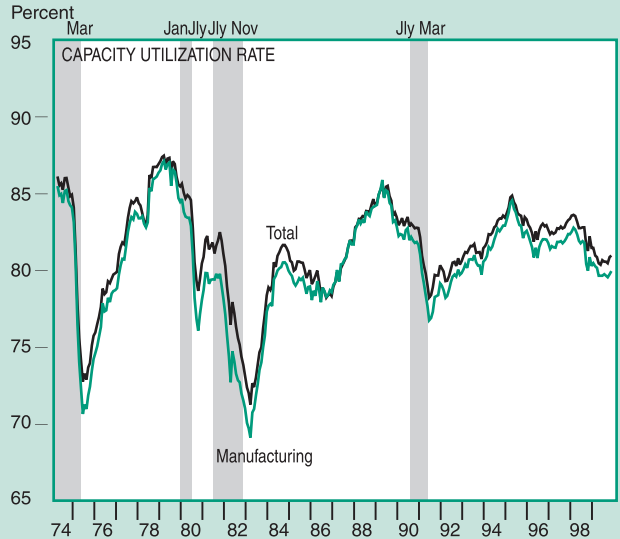
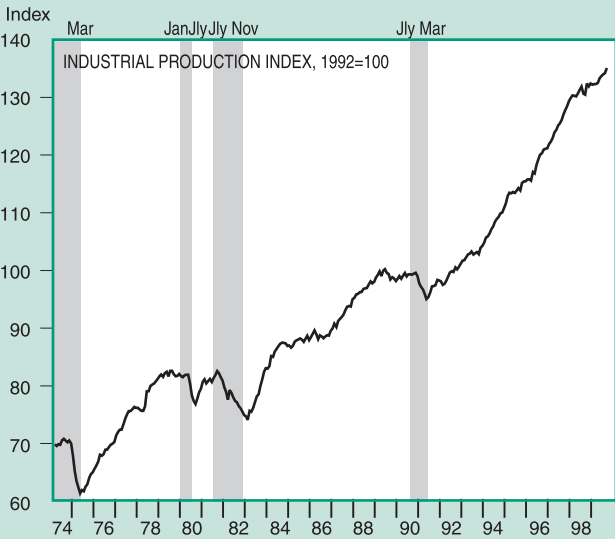
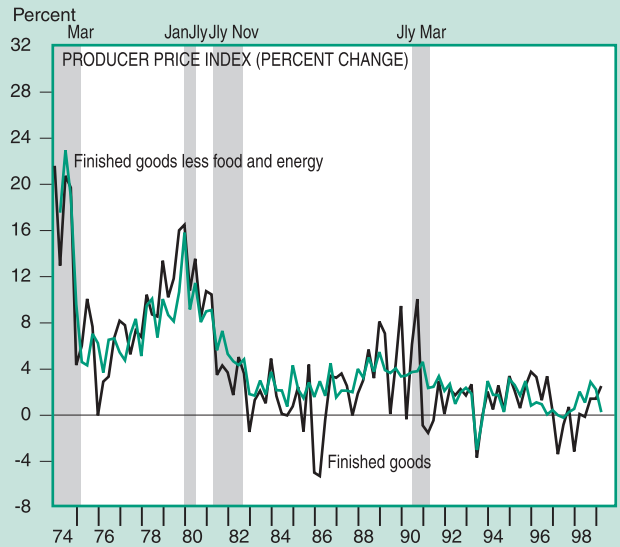
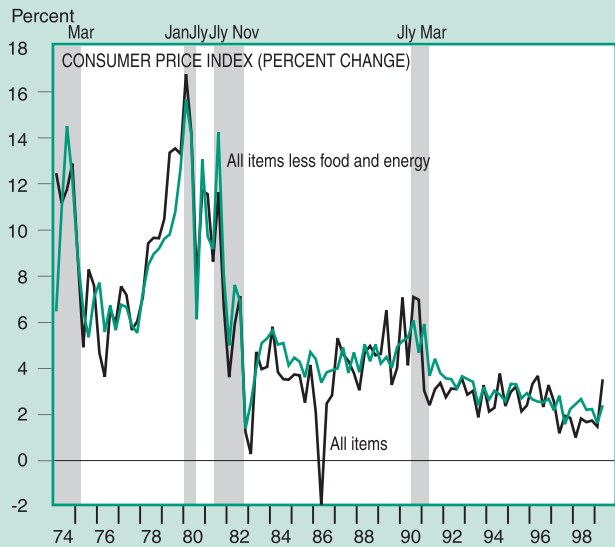
SELECTED NIPA SERIES



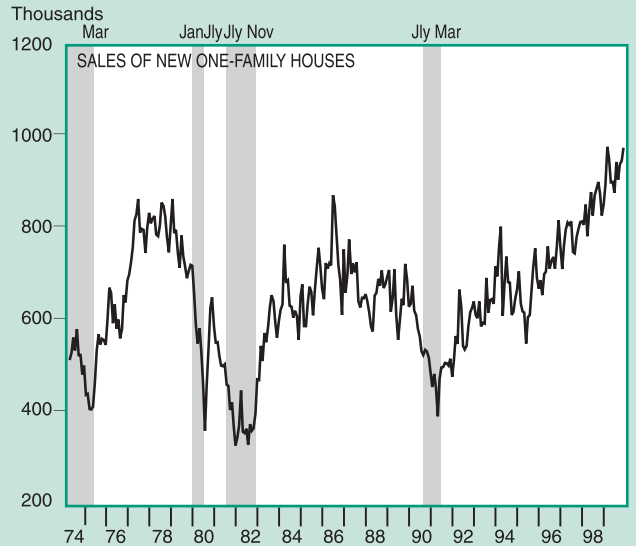
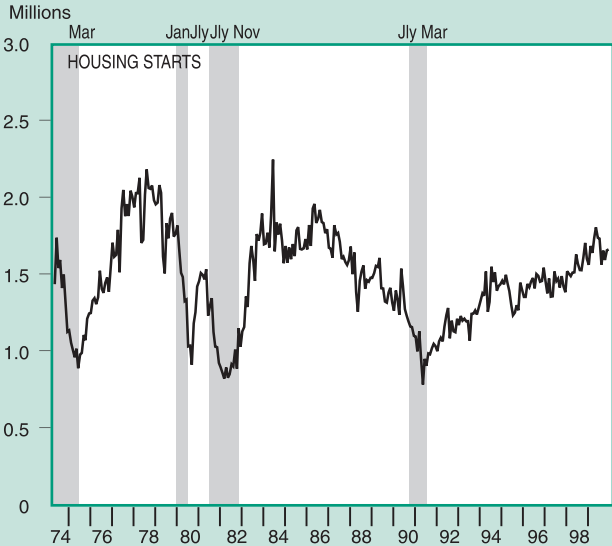
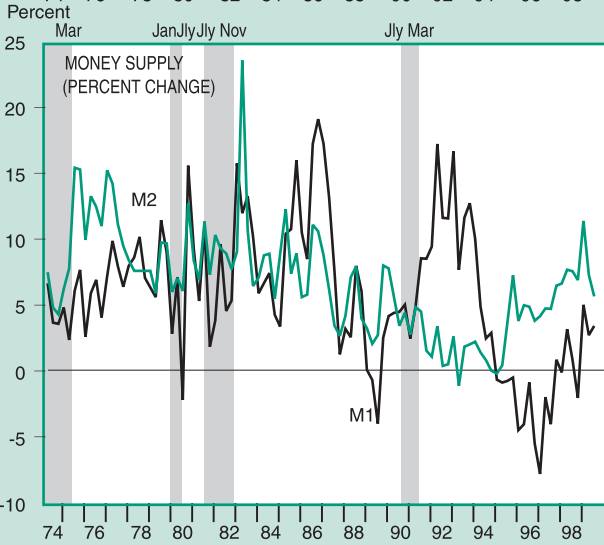
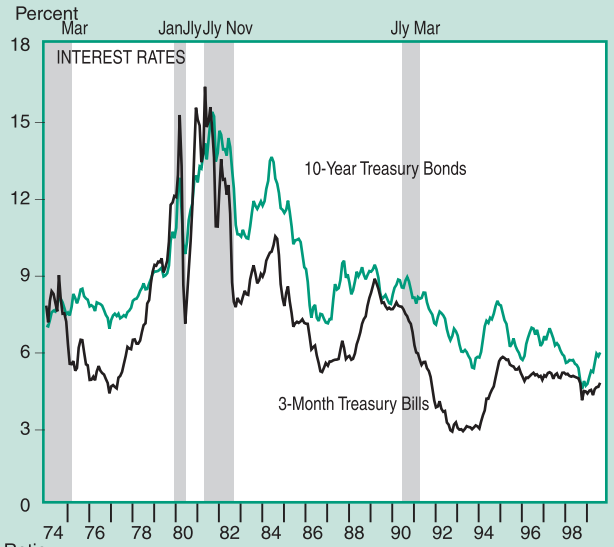
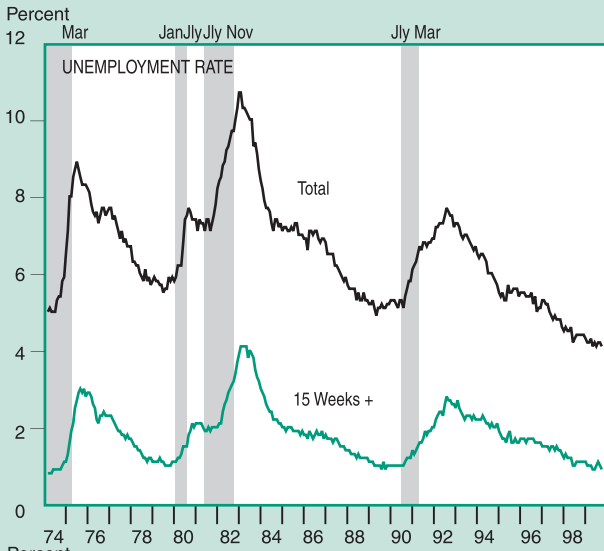
SELECTED NIPA SERIES



OTHER INDICATORS OF THE DOMESTIC ECONOMY



OTHER INDICATORS OF THE DOMESTIC ECONOMY



International Data

F. Transactions Tables

Table F.1 includes the most recent estimates of U.S. international trade in goods and services; the estimates were released on September 21, 1999 and include "preliminary" estimates for July 1999 and "revised" estimates for January–June 1999. The sources for the other tables in this section are as noted.

Table F.1.—U.S. International Transactions in Goods and Services

[Millions of dollars; monthly estimates seasonally adjusted]

	1997	1998	1998							1999						
			June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^r	Feb. ^r	Mar. ^r	Apr. ^r	May ^r	June ^r	July ^p
Exports of goods and services	938,543	933,907	76,723	75,824	76,227	77,234	79,617	79,126	78,161	77,833	77,025	77,047	78,113	77,978	78,623	79,036
Goods	679,715	670,246	55,015	54,164	54,624	55,472	57,193	56,926	56,005	55,263	54,704	54,326	55,269	55,121	55,472	55,829
Foods, feeds, and beverages	51,507	46,397	3,867	3,718	3,668	3,316	4,018	3,866	3,992	3,641	3,602	3,559	3,741	3,736	3,842	3,769
Industrial supplies and materials	158,226	148,266	12,030	11,865	12,127	12,021	12,371	12,483	11,832	11,269	11,383	11,430	11,606	11,746	11,720	11,508
Capital goods, except automotive	294,549	299,612	24,659	24,942	24,329	25,480	26,117	25,696	25,470	25,619	24,895	24,900	25,085	24,954	24,842	25,858
Automotive vehicles, engines, and parts	74,029	73,157	5,814	5,073	5,872	6,115	6,156	6,341	6,186	6,049	5,969	5,845	6,174	6,086	6,501	6,106
Consumer goods (nonfood), except automotive	77,366	79,261	6,717	6,706	6,690	6,687	6,620	6,647	6,530	6,573	6,805	6,517	6,737	6,501	6,544	6,718
Other goods	33,505	35,444	2,833	2,832	3,256	2,798	3,119	3,500	3,181	3,066	3,163	3,113	2,919	3,240	3,225	2,906
Adjustments ¹	-9,468	-11,892	-905	-973	-1,320	-946	-1,208	-1,608	-1,186	-953	-1,113	-1,038	-994	-1,143	-1,202	-1,035
Services	258,828	263,661	21,708	21,660	21,603	21,762	22,424	22,200	22,156	22,570	22,321	22,721	22,844	22,857	23,151	23,207
Travel	73,301	71,250	5,840	5,662	5,718	5,769	5,953	5,904	6,081	5,973	6,031	6,134	6,147	6,079	6,148	6,269
Passenger fares	20,789	19,996	1,642	1,653	1,682	1,717	1,627	1,626	1,590	1,621	1,659	1,715	1,722	1,742	1,776	1,821
Other transportation	27,006	25,518	2,020	2,094	2,137	2,108	2,253	2,197	2,125	2,128	2,129	2,244	2,235	2,212	2,268	2,262
Royalties and license fees	33,781	36,808	3,008	2,966	2,999	3,064	3,266	3,314	3,314	3,144	3,105	3,088	3,124	3,132	3,140	3,150
Other private services	85,566	92,116	7,843	7,778	7,719	7,781	7,821	7,672	7,747	7,879	8,037	8,179	8,213	8,195	8,241	8,227
Transfers under U.S. military agency sales contracts ²	17,561	17,155	1,292	1,441	1,282	1,256	1,435	1,417	1,229	1,757	1,291	1,292	1,333	1,428	1,473	1,410
U.S. Government miscellaneous services	824	818	63	66	66	67	69	70	70	68	69	69	70	69	105	68
Imports of goods and services	1,043,273	1,098,189	90,566	90,513	92,086	92,409	93,975	93,789	92,402	93,979	95,540	96,358	96,900	99,368	103,227	104,220
Goods	876,366	917,178	75,419	75,230	76,914	77,084	78,183	78,464	77,064	78,612	79,876	80,006	80,603	83,020	86,651	87,524
Foods, feeds, and beverages	39,694	41,243	3,529	3,476	3,418	3,420	3,432	3,445	3,515	3,528	3,516	3,384	3,548	3,635	3,759	3,680
Industrial supplies and materials	213,767	200,140	16,687	16,592	16,876	16,508	16,549	16,241	15,289	15,537	15,388	16,037	16,965	17,974	18,199	18,632
Capital goods, except automotive	253,282	269,557	22,266	22,294	22,321	22,431	22,948	23,132	22,466	23,082	23,645	23,038	23,279	24,199	25,460	25,573
Automotive vehicles, engines, and parts	139,812	149,054	11,792	11,030	12,291	12,752	13,045	13,377	13,887	13,989	14,306	14,611	13,706	14,588	15,473	15,529
Consumer goods (nonfood), except automotive	193,811	216,515	18,134	18,321	18,102	18,295	18,402	18,470	18,362	18,911	19,447	18,925	19,351	18,908	19,919	20,300
Other goods	29,338	35,387	2,652	3,155	3,207	3,130	3,217	3,278	3,278	3,393	3,364	3,784	3,483	3,503	3,563	3,612
Adjustments ¹	6,662	5,282	358	361	699	549	592	522	267	171	213	226	271	213	277	197
Services	166,907	181,011	15,147	15,283	15,172	15,325	15,792	15,325	15,338	15,367	15,664	16,352	16,297	16,348	16,576	16,696
Travel	52,051	56,105	4,746	4,696	4,640	4,734	4,832	4,602	4,697	4,742	4,890	5,215	5,068	4,952	4,975	5,039
Passenger fares	18,138	19,797	1,647	1,730	1,669	1,686	1,771	1,695	1,659	1,627	1,678	1,809	1,710	1,756	1,850	1,852
Other transportation	28,959	30,457	2,537	2,564	2,598	2,538	2,760	2,588	2,501	2,508	2,528	2,690	2,717	2,746	2,827	2,829
Royalties and license fees	9,390	11,292	907	926	889	906	950	974	999	1,040	1,061	1,075	1,074	1,081	1,087	1,092
Other private services	43,909	47,670	4,050	4,046	4,026	4,091	4,108	4,082	4,086	4,064	4,113	4,158	4,294	4,368	4,387	4,384
Direct defense expenditures ²	11,698	12,841	1,032	1,072	1,093	1,111	1,120	1,135	1,151	1,157	1,168	1,178	1,194	1,201	1,205	1,256
U.S. Government miscellaneous services	2,762	2,849	228	249	257	259	251	249	245	229	226	227	240	244	245	244
Memoranda:																
Balance on goods	-196,652	-246,932	-20,404	-21,066	-22,291	-21,611	-20,990	-21,539	-21,059	-23,350	-25,173	-25,681	-25,334	27,899	-31,179	-31,694
Balance on services	91,921	82,650	6,561	6,377	6,431	6,437	6,632	6,875	6,818	7,203	6,657	6,369	6,547	6,509	6,575	6,511
Balance on goods and services	-104,731	-164,282	-13,843	-14,689	-15,860	-15,174	-14,358	-14,664	-14,241	-16,147	-18,516	-19,312	-18,787	-21,390	-24,604	-25,183

^p Preliminary.

^r Revised.

1. Reflects adjustments necessary to bring the Census Bureau's component data in line with the concepts and

definitions used to prepare BEA's international and national accounts.

2. Contains goods that cannot be separately identified.

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

Table F.3.—U.S. International Transactions, by Area—Continued
[Millions of dollars]

Line	(Credits +; debits -) ¹	Eastern Europe			Canada			Latin America and Other Western Hemisphere			Japan		
		1998		1999	1998		1999	1998		1999	1998		1999
		IV	I ^r	II ^p	IV	I ^r	II ^p	IV	I ^r	II ^p	IV	I ^r	II ^p
Current account													
1	Exports of goods and services and income receipts	2,572	2,653	2,781	49,765	50,011	53,268	63,178	57,854	61,734	23,260	25,346	23,792
2	Exports of goods and services	2,387	2,156	2,269	44,938	45,304	48,069	48,933	43,520	46,193	21,355	22,928	21,088
3	Goods, balance of payments basis ²	1,412	1,213	1,309	40,437	40,070	42,627	36,363	32,125	34,054	13,690	14,432	13,282
4	Services ³	975	943	960	4,501	5,234	5,442	12,570	11,395	12,139	7,665	8,496	7,806
5	Transfers under U.S. military agency sales contracts ⁴	107	67	91	14	28	40	210	152	154	66	501	164
6	Travel	324	258	319	1,219	1,674	1,820	5,107	4,347	4,829	2,107	2,358	2,231
7	Passenger fares	38	40	43	319	438	380	1,371	1,255	1,371	802	922	869
8	Other transportation	65	65	84	585	585	621	933	820	896	775	752	795
9	Royalties and license fees ⁵	74	67	69	451	424	414	790	610	645	1,729	1,563	1,607
10	Other private services ⁵	355	439	342	1,892	2,064	2,146	4,117	4,170	4,173	2,173	2,383	2,128
11	U.S. Government miscellaneous services	12	7	12	21	21	21	42	41	71	13	17	12
12	Income receipts	185	497	512	4,827	4,707	5,199	14,245	14,334	15,541	1,905	2,418	2,704
13	Income receipts on U.S.-owned assets abroad	183	495	510	4,806	4,687	5,180	14,212	14,297	15,503	1,902	2,415	2,701
14	Direct investment receipts	-304	-45	28	2,026	1,909	2,484	3,213	3,979	4,626	5,860	1,003	802
15	Other private receipts	456	484	472	2,780	2,778	2,696	10,889	10,212	10,766	1,265	1,405	1,914
16	U.S. Government receipts	31	56	10	.....	.....	.....	110	106	111	57	7	-15
17	Compensation of employees	2	2	2	21	20	19	33	37	38	3	3	3
18	Imports of goods and services and income payments	-3,730	-3,294	-4,415	-51,230	-52,743	-57,096	-59,348	-58,343	-63,010	-45,176	-42,970	-43,872
19	Imports of goods and services	-3,323	-2,874	-4,003	-49,456	-50,640	-54,462	-46,027	-45,878	-49,655	-35,680	-35,150	-34,931
20	Goods, balance of payments basis ²	-2,744	-2,402	-3,098	-46,000	-47,684	-50,154	-37,796	-37,327	-41,215	-31,734	-31,098	-30,709
21	Services ³	-579	-472	-905	-3,456	-2,956	-4,308	-8,231	-8,551	-8,440	-3,946	-4,052	-4,222
22	Direct defense expenditures	-42	-50	-60	-22	-14	-18	-93	-94	-96	-303	-328	-325
23	Travel	-214	-151	-458	-987	-875	-1,661	-4,045	-4,028	-3,821	-664	-790	-795
24	Passenger fares	-78	-57	-141	-121	-125	-177	-713	-856	-715	-219	-200	-227
25	Other transportation	-45	-42	-62	-724	-727	-824	-615	-605	-714	-1,116	-1,065	-1,119
26	Royalties and license fees ⁵	-2	-1	-3	-112	-114	-123	-66	-67	-66	-656	-627	-697
27	Other private services ⁵	-155	-155	-163	-1,443	-1,055	-1,451	-2,573	-2,781	-2,901	-961	-1,008	-1,026
28	U.S. Government miscellaneous services	-43	-16	-18	-47	-46	-54	-126	-120	-127	-27	-34	-33
29	Income payments	-407	-420	-412	-1,774	-2,103	-2,634	-13,321	-12,465	-13,355	-9,496	-7,820	-8,941
30	Income payments on foreign-owned assets in the United States	-388	-401	-396	-1,693	-2,024	-2,558	-11,733	-11,087	-11,888	-9,474	-7,797	-8,925
31	Direct investment payments	-2	-2	-3	-344	-641	-1,200	-88	-282	-400	-1,654	65	-1,558
32	Other private payments	-92	-97	-91	-1,161	-1,176	-1,110	-8,982	-8,503	-8,961	-2,909	-2,859	-2,236
33	U.S. Government payments	-294	-302	-302	-188	-207	-248	-2,663	-2,302	-2,527	-4,911	-5,003	-5,131
34	Compensation of employees	-19	-19	-16	-81	-79	-76	-1,588	-1,378	-1,467	-22	-23	-16
35	Unilateral current transfers, net	-769	-856	-971	-140	-174	-149	-3,367	-3,379	-3,405	-32	-101	-41
36	U.S. Government grants ⁴	-392	-424	-543	.....	.....	.....	-474	-380	-390	.....	.....	.....
37	U.S. Government pensions and other transfers	-10	-12	-9	-118	-120	-125	-154	-145	-201	-25	-26	-23
38	Private remittances and other transfers ⁶	-367	-420	-419	-22	-54	-24	-2,692	-2,845	-2,870	-7	-75	-18
Capital and financial account													
Capital account													
39	Capital account transactions, net	5	6	6	11	28	35	72	62	59	6	6	6
Financial account													
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	-1,040	-1,518	597	-9,242	2,889	3,562	21,426	11,682	-31,572	6,152	-994	9,168
41	U.S. official reserve assets, net	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,168	-2,000	-412
42	Gold ⁷	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
43	Special drawing rights	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
44	Reserve position in the International Monetary Fund	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,168	-2,000	-412
45	Foreign currencies	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
46	U.S. Government assets, other than official reserve assets, net	-9	-19	29	.....	.....	.....	-79	170	52	-23	12	-1
47	U.S. credits and other long-term assets	-19	-164	-1,138	.....	.....	.....	-485	-602	-301	.....	.....	.....
48	Repayments on U.S. credits and other long-term assets ⁸	16	160	1,172	.....	.....	.....	398	765	395	.....	.....	.....
49	U.S. foreign currency holdings and U.S. short-term assets, net	-6	-15	-5	.....	.....	.....	8	7	-42	-23	12	-1
50	U.S. private assets, net	-1,031	-1,499	568	-9,242	2,889	3,562	21,505	11,512	-31,624	4,007	994	9,581
51	Direct investment	-9	-258	-219	-1,008	-2,644	-6,252	-4,138	-7,013	-10,393	-326	-499	-541
52	Foreign securities	-868	-120	-20	-3,328	-980	610	-584	-731	-9,355	1,863	-10,476	-5,357
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-7	72	.....	1,690	-2,787	.....	-1,628	6,346	-24,600	-2,073	6,094	6,094
54	U.S. claims reported by U.S. banks, not included elsewhere	-147	-1,193	807	-6,596	9,300	9,204	27,855	12,910	12,724	4,543	5,875	15,479
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	1,336	2,910	-831	-806	7,951	7,715	-23,968	937	70,467	54,357	-21,605	8,901
56	Foreign official assets in the United States, net	(18)	(18)	(18)	3,112	2,904	(18)	-605	(18)	(18)	(18)	(18)	(18)
57	U.S. Government securities	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
58	U.S. Treasury securities ⁹	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
59	Other ¹⁰	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
60	Other U.S. Government liabilities ¹¹	149	59	141	-5	8	5	-7	-13	-31	-78	-487	-52
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
62	Other foreign official assets ¹²	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
63	Other foreign assets in the United States, net	(18)	(18)	(18)	-3,918	5,047	8,320	(18)	(18)	(18)	(18)	(18)	(18)
64	Direct investment	-9	-166	55	-1,080	1,825	5,675	-1,120	800	1,665	2,634	-2,889	5,530
65	U.S. Treasury securities	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
66	U.S. securities other than U.S. Treasury securities	1	15	-140	-1,655	2,241	-307	1,653	9,053	22,774	6,102	-1,636	3,507
67	U.S. currency	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-225	75	.....	-1,906	572	.....	-6,684	555	-12,100	1,389	-1,168	.....
69	U.S. liabilities reported by U.S. banks, not included elsewhere	18 1,420	18 2,927	18 -887	(17)	(17)	(17)	18 -17,810	18 -9,458	18 58,159	18 44,310	18 -15,425	18 -84
70	Statistical discrepancy (sum of above items with sign reversed)	1,626	99	2,833	11,642	-7,962	-7,335	2,007	-8,813	-34,273	-38,567	40,318	2,046
Memoranda:													
71	Balance on goods (lines 3 and 20)	-1,332	-1,189	-1,789	-5,563	-7,614	-7,527	-1,433	-5,202	-7,161	-18,044	-16,666	-17,427
72	Balance on services (lines 4 and 21)	396	471	55	1,045	2,278	1,134	4,339	2,844	3,699	3,719	4,444	3,584
73	Balance on goods and services (lines 2 and 19)	-936	-718	-1,734	-4,518	-5,336	-6,393	2,906	-2,358	-3,462	-14,325	-12,222	-13,843
74	Balance on income (lines 12 and 29)	-222	77	100	3,053	2,604	2,565	924	1,869	2,186	-7,591	-5,402	-6,237
75	Unilateral current transfers, net (line 35)	-769	-856	-971	-140	-174	-149	-3,367	-3,379	-3,405	-32	-101	-41
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	-1,927	-1,497	-2,605	-1,605	-2,906	-3,977	463	-3,868	-4,681	-21,948	-17,725	-20,121

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

persons 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 on page D-74 of this issue. 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.

Table F.3.—U.S. International Transactions, by Area—Continued

[Millions of dollars]

Line	(Credits +; debits -) ¹	Australia			Other countries in Asia and Africa			International organizations and unallocated ¹⁶		
		1998	1999		1998	1999		1998	1999	
		IV	I ^r	II ^r	IV	I ^r	II ^r	IV	I ^r	II ^r
Current account										
1	Exports of goods and services and income receipts	5,213	4,834	5,450	56,876	51,342	53,933	7,782	7,440	7,560
2	Exports of goods and services	4,173	3,734	4,107	51,643	45,919	47,980	1,216	1,118	1,204
3	Goods, balance of payments basis ²	2,902	2,543	2,756	38,575	31,674	34,002			
4	Services ³	1,271	1,191	1,351	13,068	14,245	13,978	1,216	1,118	1,204
5	Transfers under U.S. military agency sales contracts ⁴	44	51	100	2,327	2,372	2,585			
6	Travel	408	342	416	2,307	2,042	2,816			
7	Passenger fares	123	123	153	378	392	490			
8	Other transportation	86	81	86	2,143	2,160	2,229	136	115	203
9	Royalties and license fees ⁵	205	187	187	1,205	1,165	1,198	565	493	492
10	Other private services ⁵	402	406	408	4,629	6,034	4,568	515	510	509
11	U.S. Government miscellaneous services	3	1	1	79	80	92			
12	Income receipts	1,040	1,100	1,343	5,233	5,423	5,953	6,566	6,322	6,356
13	Income receipts on U.S.-owned assets abroad	1,038	1,098	1,341	5,217	5,406	5,936	6,213	5,970	6,003
14	Direct investment receipts	353	365	567	2,510	2,792	3,356	3,686	3,358	3,271
15	Other private receipts	685	733	774	2,435	2,325	2,373	2,300	2,396	2,541
16	U.S. Government receipts						289	207	227	191
17	Compensation of employees	2	2	2	16	17	17	353	352	353
18	Imports of goods and services and income payments	-2,563	-2,259	-2,510	-83,204	-79,349	-87,426	-3,147	-2,781	-2,935
19	Imports of goods and services	-2,154	-1,888	-2,170	-75,971	-71,961	-79,795	-555	-564	-733
20	Goods, balance of payments basis ²	-1,360	-1,093	-1,372	-67,173	-62,733	-70,388			
21	Services ³	-794	-795	-798	-8,798	-9,228	-9,407	-555	-564	-733
22	Direct defense expenditures	-9	-18	-15	-1,118	-1,064	-1,026			
23	Travel	-283	-301	-310	-2,392	-2,805	-2,873			
24	Passenger fares	-175	-166	-141	-1,170	-1,223	-1,150			
25	Other transportation	-55	-46	-47	-2,159	-2,230	-2,318	-324	-285	-461
26	Royalties and license fees ⁵	-8	-7	-8	-75	-74	-72	-180	-185	-182
27	Other private services ⁵	-253	-249	-266	-1,679	-1,642	-1,767	-51	-93	-90
28	U.S. Government miscellaneous services	-11	-8	-11	-205	-190	-201		-1	
29	Income payments	-409	-371	-340	-7,233	-7,388	-7,631	-2,592	-2,217	-2,202
30	Income payments on foreign-owned assets in the United States	-407	-369	-338	-7,089	-7,243	-7,530	-2,592	-2,217	-2,202
31	Direct investment payments	-132	-153	-64	60	-159	-209	-1,803	-1,365	-1,339
32	Other private payments	-149	-145	-193	-2,399	-2,381	-2,442	-788	-848	-857
33	U.S. Government payments	-126	-71	-81	-4,750	-4,703	-4,879	-1	-4	-6
34	Compensation of employees	-2	-2	-2	-144	-145	-101			
35	Unilateral current transfers, net	-29	-39	-35	-6,629	-3,414	-3,468	-2,770	-2,427	-2,722
36	U.S. Government grants ⁴				-4,539	-967	-1,321	-223	-257	-419
37	U.S. Government pensions and other transfers	-10	-10	-9	-124	-119	-121	-686	-124	-84
38	Private remittances and other transfers ⁶	-19	-29	-26	-1,966	-2,328	-2,026	-1,861	-2,046	-2,219
Capital and financial account										
Capital account										
39	Capital account transactions, net	1	2	2	33	25	35			
Financial account										
40	U.S.-owned assets abroad, net (increase/financial outflow (-))	1,095	-2,357	-5,810	-4,620	-2,448	-1,957	-4,936	-3,935	-3,409
41	U.S. official reserve assets, net							-2,151	566	1,223
42	Gold ⁷									
43	Special drawing rights							-227	563	-190
44	Reserve position in the International Monetary Fund							-1,924	3	1,413
45	Foreign currencies									
46	U.S. Government assets, other than official reserve assets, net		6	-5	123	11	-222	-267	-267	-289
47	U.S. credits and other long-term assets				-222	-209	-299	-267	-267	-289
48	Repayments on U.S. credits and other long-term assets ⁸				288	326	208			
49	U.S. foreign currency holdings and U.S. short-term assets, net		6	-5	57	-106	-131			
50	U.S. private assets, net	1,095	-2,363	-5,805	-4,743	-2,459	-1,735	-2,518	-4,234	-4,343
51	Direct investment	1,370	-3,389	-1,409	-4,241	-6,725	-3,912	-3,486	-3,193	-3,022
52	Foreign securities	427	-82	-974	862	-1,217	1,165	-694	49	-111
53	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-725	430		492	-92		45	-7	-1,829
54	U.S. claims reported by U.S. banks, not included elsewhere	23	678	-3,422	-1,856	5,575	1,012	1,617	-1,083	619
55	Foreign-owned assets in the United States, net (increase/financial inflow (+))	2,032	691	2,200	17,089	13,028	2,535	5,537	5,753	16,710
56	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	2		
57	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)			
58	U.S. Treasury securities ⁹	(18)	(18)	(18)	(18)	(18)	(18)			
59	Other ¹⁰	(18)	(18)	(18)	(18)	(18)	(18)			
60	Other U.S. Government liabilities ¹¹	15	8	-41	-705	-737	-255	2		
61	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)			
62	Other foreign official assets ¹²	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
63	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	5,535	5,753	16,710
64	Direct investment	328	167	485	535	-48	158	1,161	1,197	1,232
65	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)			
66	U.S. securities other than U.S. Treasury securities	981	42	157	1,956	3,119	3,417	-25	-148	-130
67	U.S. currency							6,250	2,440	3,057
68	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-64	-175		-2,907	805		37	18	11,390
69	U.S. liabilities reported by U.S. banks, not included elsewhere	18 772	18 649	18 1,599	18 18,210	18 9,889	18 -785	18 -1,888	18 2,246	18 1,161
70	Statistical discrepancy (sum of above items with sign reversed)	-5,749	-872	703	20,455	20,816	36,348	-2,466	-4,050	-15,204
Memoranda:										
71	Balance on goods (lines 3 and 20)	1,542	1,450	1,384	-28,598	-31,059	-36,386			
72	Balance on services (lines 4 and 21)	477	396	553	4,270	5,017	4,571	661	554	471
73	Balance on goods and services (lines 2 and 19)	2,019	1,846	1,937	-24,328	-26,042	-31,815	661	554	471
74	Balance on income (lines 12 and 29)	631	729	1,003	-2,000	-1,965	-1,678	3,974	4,105	4,154
75	Unilateral current transfers, net (line 35)	-29	-39	-35	-6,629	-3,414	-3,468	-2,770	-2,427	-2,722
76	Balance on current account (lines 1, 18, and 35 or lines 73, 74, and 75) ¹³	2,621	2,536	2,905	-32,957	-31,421	-36,961	1,865	2,232	1,903

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

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

16. Includes, as part of international and unallocated, the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment internationally, and in petroleum trading. Also includes taxes withheld, current-cost adjustments associated with U.S. and foreign direct investment, small trans-

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

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

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

NOTE.—The data in tables F.2 and F.3 are from tables 1 and 10 in "U.S. International Transactions, Second Quarter 1999" in this issue of the SURVEY OF CURRENT BUSINESS, which presents the most recent estimates from the balance of payments accounts.

Table F.4.—Private Service Transactions

[Millions of dollars]

Line		1997	1998	Seasonally adjusted					
				1998				1999	
				I	II	III	IV	I	II ^P
1	Exports of private services	240,443	245,688	60,341	62,011	60,847	62,490	63,066	64,374
2	Travel (table F.2, line 6)	73,301	71,250	17,903	18,260	17,149	17,938	18,138	18,374
3	Passenger fares (table F.2, line 7)	20,789	19,996	4,916	5,185	5,052	4,843	4,995	5,240
4	Other transportation (table F.2, line 8)	27,006	25,518	6,338	6,268	6,339	6,575	6,501	6,715
5	Freight	11,789	11,178	2,872	2,769	2,684	2,852	2,819	2,826
6	Port services	15,217	14,340	3,465	3,498	3,654	3,722	3,682	3,889
7	Royalties and license fees (table F.2, line 9)	33,781	36,808	8,882	9,002	9,029	9,894	9,337	9,396
8	Affiliated	25,024	26,761	6,504	6,542	6,491	7,223	6,640	6,634
9	U.S. parents' receipts	23,221	24,712	5,963	6,066	6,091	6,591	6,081	6,014
10	U.S. affiliates' receipts	1,803	2,049	541	476	400	632	559	620
11	Unaffiliated	8,757	10,047	2,378	2,460	2,538	2,671	2,697	2,762
12	Industrial processes ¹	3,552	4,138	973	1,018	1,053	1,094	1,093	1,097
13	Other ²	5,205	5,909	1,405	1,442	1,485	1,578	1,604	1,665
14	Other private services (table F.2, line 10)	85,566	92,116	22,302	23,296	23,278	23,240	24,095	24,649
15	Affiliated services	27,272	28,321	6,987	7,114	7,184	7,036	7,454	7,224
16	U.S. parents' receipts	17,271	18,212	4,608	4,631	4,411	4,561	4,560	4,422
17	U.S. affiliates' receipts	10,001	10,109	2,379	2,483	2,773	2,475	2,894	2,802
18	Unaffiliated services	58,294	63,795	15,315	16,182	16,094	16,204	16,641	17,425
19	Education	8,343	8,964	2,160	2,251	2,310	2,243	2,312	2,309
20	Financial services	11,539	13,698	3,132	3,778	3,419	3,369	3,419	3,939
21	Insurance, net	2,485	2,842	683	696	717	746	794	831
22	Premiums received	6,133	6,985	1,657	1,722	1,780	1,826	1,860	1,887
23	Losses paid	3,648	4,143	974	1,026	1,063	1,080	1,066	1,056
24	Telecommunications	3,949	3,689	955	926	900	908	882	872
25	Business, professional, and technical services	22,467	24,338	5,858	6,017	6,164	6,299	6,544	6,746
26	Other unaffiliated services ³	9,511	10,264	2,527	2,513	2,583	2,640	2,690	2,728
27	Imports of private services	152,447	165,321	39,858	41,424	41,739	42,304	43,198	44,893
28	Travel (table F.2, line 23)	52,051	56,105	13,736	14,168	14,070	14,131	14,847	14,995
29	Passenger fares (table F.2, line 24)	18,138	19,797	4,629	4,958	5,085	5,125	5,114	5,316
30	Other transportation (table F.2, line 25)	28,959	30,457	7,321	7,590	7,700	7,849	7,726	8,290
31	Freight	17,654	19,412	4,548	4,858	4,999	5,006	4,864	5,368
32	Port services	11,305	11,048	2,773	2,732	2,701	2,843	2,862	2,922
33	Royalties and license fees (table F.2, line 26)	9,390	11,292	2,955	2,694	2,721	2,923	3,176	3,242
34	Affiliated	6,967	8,374	2,017	2,050	2,037	2,271	2,514	2,564
35	U.S. parents' payments	989	1,169	290	273	298	308	304	316
36	U.S. affiliates' payments	5,978	7,205	1,727	1,777	1,739	1,963	2,210	2,248
37	Unaffiliated	2,423	2,918	938	644	684	652	662	678
38	Industrial processes ¹	1,418	1,546	372	382	392	401	408	414
39	Other ²	1,006	1,372	567	262	292	252	254	264
40	Other private services (table F.2, line 27)	43,909	47,670	11,217	12,014	12,163	12,276	12,335	13,050
41	Affiliated services	17,728	19,095	4,267	4,856	4,974	4,998	5,033	5,532
42	U.S. parents' payments	8,927	9,730	2,288	2,424	2,453	2,565	2,581	2,803
43	U.S. affiliates' payments	8,801	9,365	1,979	2,432	2,521	2,433	2,452	2,729
44	Unaffiliated services	26,181	28,575	6,950	7,158	7,189	7,278	7,302	7,518
45	Education	1,395	1,538	356	380	401	401	404	423
46	Financial services	3,563	3,771	927	1,010	932	902	834	921
47	Insurance, net	6,002	6,908	1,702	1,717	1,736	1,753	1,816	1,878
48	Premiums paid	15,233	18,581	4,329	4,572	4,770	4,910	4,998	5,054
49	Losses recovered	9,231	11,673	2,627	2,855	3,034	3,157	3,183	3,175
50	Telecommunications	8,351	8,125	2,050	2,032	2,014	2,029	2,024	2,011
51	Business, professional, and technical services	6,358	7,684	1,786	1,884	1,968	2,045	2,103	2,160
52	Other unaffiliated services ³	511	549	129	135	138	148	121	124
Memoranda:									
53	Balance on goods (table F.2, line 71)	-196,651	-246,932	-54,876	-63,500	-64,969	-63,587	-74,203	-84,646
54	Balance on private services (line 1 minus line 27)	87,996	80,367	20,483	20,587	19,108	20,186	19,868	19,481
55	Balance on goods and private services (lines 53 and 54)	-108,655	-166,565	-34,393	-42,913	-45,861	-43,401	-54,335	-65,165

^P Preliminary.^R Revised.

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

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

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

NOTE.—The data in this table are from table 3 in "U.S. International Transactions, Second Quarter 1999" in this issue of the SURVEY OF CURRENT BUSINESS, which presents the most recent estimates from the balance of payments accounts.

G. Investment Tables

Table G.1.—International Investment Position of the United States at Yearend, 1997 and 1998

[Millions of dollars]

Line	Type of investment	Position, 1997 ^r	Changes in position in 1998 (decrease (-))				Total (a+b+c+d)	Position, 1998 ^r
			Attributable to:					
			Financial flows	Valuation adjustments				
				Price changes	Exchange rate changes ¹	Other changes ²		
		(a)	(b)	(c)	(d)			
1	Net international investment position of the United States:							
2	With direct investment positions at current cost (line 3 less line 24) ...	-968,208	-209,819	-167,585	45,380	61,064	-270,960	-1,239,168
	With direct investment positions at market value (line 4 less line 25) ...	-1,066,262	-209,819	-319,300	56,282	1,633	-471,204	-1,537,466
	U.S.-owned assets abroad:							
3	With direct investment positions at current cost (lines 5+10+15)	4,508,626	292,818	101,041	43,704	-15,293	422,270	4,930,896
4	With direct investment positions at market value (lines 5+10+16)	5,288,892	292,818	315,522	54,584	-3,833	659,091	5,947,983
5	U.S. official reserve assets	134,836	6,784	-628	5,024	-10	11,170	146,006
6	Gold	75,929		³ -628		⁴ -10	-638	75,291
7	Special drawing rights	10,027	149		427		576	10,603
8	Reserve position in the International Monetary Fund	18,071	5,118		922		6,040	24,111
9	Foreign currencies	30,809	1,517		3,675		5,192	36,001
10	U.S. Government assets, other than official reserve assets	81,960	429		-5	-2	422	82,382
11	U.S. credits and other long-term assets ⁵	79,607	574			-2	572	80,179
12	Repayable in dollars	79,273	602			-1	601	79,874
13	Other ⁶	334	-28			-1	-29	305
14	U.S. foreign currency holdings and U.S. short-term assets	2,353	-145		-5		-150	2,203
	U.S. private assets:							
15	With direct investment at current cost (lines 17+19+22+23)	4,291,830	285,605	101,669	38,685	-15,281	410,678	4,702,508
16	With direct investment at market value (lines 18+19+22+23)	5,072,096	285,605	316,150	49,565	-3,821	647,499	5,719,595
	Direct investment abroad:							
17	At current cost	1,004,228	132,829	2,892	1,957	-18,465	119,213	1,123,441
18	At market value	1,784,494	132,829	217,373	12,837	-7,005	356,034	2,140,528
19	Foreign securities	1,739,400	102,817	98,777	27,962		229,556	1,968,956
20	Bonds	538,400	25,064	18,441	-20,079		23,426	561,826
21	Corporate stocks	1,201,000	77,753	80,336	48,041		206,130	1,407,130
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	562,396	25,041		5,610	3,175	33,826	596,222
23	U.S. claims reported by U.S. banks, not included elsewhere	985,806	24,918		3,156	9	28,083	1,013,889
	Foreign-owned assets in the United States:							
24	With direct investment at current cost (lines 26+33)	5,476,834	502,637	268,626	-1,676	-76,357	693,230	6,170,064
25	With direct investment at market value (lines 26+34)	6,355,154	502,637	634,822	-1,698	-5,466	1,130,295	7,485,449
26	Foreign official assets in the United States	835,709	-21,684	22,437		-409	344	836,053
27	U.S. Government securities	614,530	-3,625	9,344			5,719	620,249
28	U.S. Treasury securities	589,792	-9,957	9,152			-805	588,987
29	Other	24,738	6,332	192			6,524	31,262
30	Other U.S. Government liabilities ⁷	21,459	-3,113				-3,113	18,346
31	U.S. liabilities reported by U.S. banks, not included elsewhere	135,384	-11,469				-11,469	123,915
32	Other foreign official assets	64,336	-3,477	13,093		-409	9,207	73,543
	Other foreign assets:							
33	With direct investment at current cost (lines 35+37+38+39+42+43)	4,641,125	524,321	246,189	-1,676	-75,948	692,886	5,334,011
34	With direct investment at market value (lines 36+37+38+39+42+43)	5,519,445	524,321	612,385	-1,698	-5,057	1,129,951	6,649,396
	Direct investment in the United States:							
35	At current cost	764,045	193,375	-3,877	22	-74,848	114,672	878,717
36	At market value	1,642,365	193,375	362,319		-3,957	551,737	2,194,102
37	U.S. Treasury securities	662,228	46,155	18,961			65,116	727,344
38	U.S. currency	211,628	16,622				16,622	228,250
39	U.S. securities other than U.S. Treasury securities	1,578,694	218,026	231,105	-6,005		443,126	2,021,820
40	Corporate and other bonds	715,196	170,539	21,019	-6,005		185,553	900,749
41	Corporate stocks	863,498	47,487	210,086			257,573	1,121,071
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	453,555	9,412		-1,080	-1,100	7,232	460,787
43	U.S. liabilities reported by U.S. banks, not included elsewhere	970,975	40,731		5,387		46,118	1,017,093

^r Preliminary.^r Revised.

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

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

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

4. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These demonetizations/monetizations are not included in international transactions capital flows.

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

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

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

NOTE.—The data in this table are from table 1 in "International Investment Position of the United States at Yearend 1998" in the July 1999 issue of the SURVEY OF CURRENT BUSINESS.

Table G.2.—U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 1996–98

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital outflows (inflows (-))			Income		
	1996	1997	1998	1996	1997	1998	1996	1997	1998
All countries, all industries	795,195	865,531	980,565	84,426	99,517	121,644	93,594	103,892	90,242
By country									
Canada	89,592	96,031	103,908	7,181	7,493	10,259	9,258	10,548	8,104
Europe	389,378	420,108	489,539	40,148	51,698	74,538	44,286	48,757	49,308
<i>Of which:</i>									
France	35,200	35,800	39,188	4,463	2,543	2,895	3,224	2,575	2,450
Germany	41,281	38,490	42,853	1,956	1,627	2,025	3,797	3,339	4,787
Netherlands	54,118	64,361	79,386	6,308	14,327	14,996	9,632	12,370	12,594
United Kingdom	134,559	153,108	178,648	16,421	22,411	34,428	12,220	13,126	11,582
Latin America and Other Western Hemisphere	155,925	178,505	196,655	18,138	21,966	18,020	17,762	21,408	16,908
<i>Of which:</i>									
Brazil	29,105	35,091	37,802	4,159	6,514	3,790	4,172	4,675	3,037
Mexico	19,351	24,181	25,877	2,405	5,646	2,533	2,721	3,905	3,177
Africa	8,162	11,157	13,491	1,678	3,371	2,712	1,801	1,954	1,719
Middle East	8,294	8,803	10,599	467	601	2,062	1,412	1,328	757
Asia and Pacific	139,548	146,610	161,797	15,363	13,693	13,471	18,795	19,513	12,623
<i>Of which:</i>									
Australia	30,006	29,910	33,676	3,787	2,393	3,659	2,851	3,598	1,898
Japan	34,578	33,725	38,153	-280	-371	3,844	3,475	3,516	2,179
International	4,295	4,317	4,578	1,451	694	582	278	383	823
By industry									
Petroleum	75,232	82,212	91,113	6,239	9,603	9,780	12,082	11,823	8,059
Manufacturing	270,288	280,332	304,690	24,325	28,097	26,680	34,342	38,283	31,416
Food and kindred products	31,024	32,465	33,871	2,095	3,806	1,670	4,452	4,910	4,262
Chemicals and allied products	74,858	77,112	83,589	5,796	7,210	7,072	9,529	10,050	9,930
Primary and fabricated metals	16,309	15,924	17,098	6,064	444	1,109	1,358	1,406	1,278
Industrial machinery and equipment	30,336	32,293	34,755	2,752	4,381	2,810	4,637	5,669	4,213
Electronic and other electric equipment	31,832	31,624	34,531	3,440	2,992	2,670	4,280	4,700	2,763
Transportation equipment	32,092	34,907	35,615	708	4,419	1,692	3,409	5,048	2,385
Other manufacturing	53,837	56,006	65,231	3,470	4,845	9,658	6,677	6,500	6,586
Wholesale trade	67,125	64,432	75,188	6,498	846	9,130	9,068	9,538	10,794
Depository institutions	36,807	40,169	42,029	2,448	3,036	1,253	3,329	3,374	577
Finance, (except depository institutions), insurance, and real estate	254,739	293,116	337,600	31,601	41,388	44,445	28,938	31,912	30,702
Services	37,850	42,342	52,514	3,511	4,557	10,867	3,627	5,533	4,722
Other industries	53,155	62,925	77,432	9,804	11,990	19,490	2,209	3,429	3,972

NOTES.—In this table, unlike in the international transactions accounts, income and capital outflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 16 and 17 in "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 1998" in the September 1999 issue of the SURVEY.

Table G.3.—Selected Financial and Operating Data for Nonbank Foreign Affiliates of U.S. Companies, by Country and by Industry of Foreign Affiliate, 1997

	Number of affiliates	Millions of dollars			Thousands of employees
		Total assets	Sales	Net income	
All countries, all industries	22,871	3,397,262	2,356,416	155,267	8,018.0
By country					
Canada	2,073	294,943	274,205	13,654	941.9
Europe	11,209	1,914,373	1,214,194	77,854	3,333.9
<i>Of which:</i>					
France	1,297	144,057	130,883	3,424	483.7
Germany	1,424	213,029	234,508	7,531	627.4
Italy	783	66,091	74,035	2,311	205.5
Netherlands	1,104	179,751	130,053	17,014	169.4
Switzerland	545	93,348	67,620	9,155	L
United Kingdom	2,532	923,207	337,907	18,020	977.2
Latin America and Other Western Hemisphere	3,583	458,889	268,912	30,849	1,629.2
<i>Of which:</i>					
Brazil	461	79,240	67,380	4,934	340.8
Mexico	874	83,500	88,063	8,488	793.0
Africa	559	40,602	29,150	2,653	186.6
Middle East	355	39,411	24,950	2,603	77.4
Asia and Pacific	4,977	628,118	536,462	26,231	1,835.8
<i>Of which:</i>					
Australia	904	96,250	68,519	3,899	304.2
Japan	990	266,028	205,072	5,925	396.7
International	115	20,926	8,545	1,422	13.2
By industry					
Petroleum	1,622	295,313	360,452	19,778	226.1
Manufacturing	8,528	884,113	1,086,129	61,660	4,592.9
Food and kindred products	789	112,875	127,710	8,810	598.0
Chemicals and allied products	2,065	220,923	207,988	17,900	622.4
Primary and fabricated metals	760	47,209	44,679	2,043	244.7
Industrial machinery and equipment	1,090	123,273	178,257	9,033	634.1
Electronic and other electric equipment	908	84,525	110,625	6,905	774.5
Transportation equipment	530	131,550	244,199	6,198	724.2
Other manufacturing	2,386	163,757	172,671	10,772	995.0
Wholesale trade	5,045	223,451	422,285	15,218	588.0
Finance, (except depository institutions), insurance, and real estate	3,115	1,498,127	135,331	42,922	218.8
Services	2,873	154,234	128,639	6,843	988.9
Other industries	1,688	342,025	223,580	8,846	1,403.3

NOTES.—Size ranges are given in employment cells that are suppressed. The size range is L—50,000–99,999.

The data in this table are from "U.S. Multinational Companies: Operations in 1997" in the July 1999 issue of the SURVEY.

Table G.4.—Foreign Direct Investment in the United States: Selected Items, by Country of Foreign Parent and by Industry of Affiliate, 1996–98

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital inflows (outflows (-))			Income		
	1996	1997	1998	1996	1997	1998	1996	1997	1998
All countries, all industries	598,021	693,207	811,756	84,455	105,488	188,960	30,407	42,115	38,015
By country									
Canada	54,836	69,866	74,840	8,590	15,399	11,859	3,190	3,361	3,010
Europe	370,843	432,622	539,906	55,989	70,508	167,655	23,724	31,380	27,635
<i>Of which:</i>									
France	43,253	49,503	62,167	7,244	10,993	12,308	2,405	3,183	3,137
Germany	61,096	71,289	95,045	19,616	12,919	42,145	2,509	3,294	4,392
Netherlands	75,349	89,570	96,904	12,262	13,658	7,018	5,271	7,103	5,920
United Kingdom	121,582	131,315	151,335	14,404	11,234	69,968	10,374	11,440	7,815
Latin America and Other Western Hemisphere	28,002	33,546	32,210	1,990	3,993	278	1,383	1,752	1,494
<i>Of which:</i>									
Brazil	697	742	609	-64	64	-132	45	44	82
Mexico	1,641	3,315	4,029	-47	330	864	1	171	270
Africa	994	1,465	884	-101	435	-572	-136	-352	-89
Middle East	5,812	6,593	7,831	496	791	967	118	617	475
Asia and Pacific	137,533	149,115	156,085	17,493	14,361	8,773	2,129	5,356	5,489
<i>Of which:</i>									
Australia	14,968	14,703	14,755	5,321	2,254	2,034	492	214	672
Japan	116,144	125,131	132,569	13,337	9,275	7,101	2,939	5,780	5,187
By industry									
Petroleum	43,483	42,085	53,254	8,852	2,805	57,355	4,160	4,555	1,443
Manufacturing	245,662	273,122	329,346	37,538	36,086	87,454	15,694	18,628	20,696
Food and kindred products	28,088	26,710	18,112	1,981	-903	-5,020	1,819	1,532	1,056
Chemicals and allied products	79,515	88,831	101,351	8,081	13,746	10,325	5,014	5,556	6,190
Primary and fabricated metals	18,576	23,366	22,512	5,397	4,258	1,041	1,024	1,572	1,744
Machinery	39,093	46,636	59,260	2,868	7,573	18,475	1,166	2,805	2,718
Other manufacturing	80,390	87,580	128,112	19,211	11,411	62,632	6,671	7,162	8,988
Wholesale trade	73,506	87,630	96,261	7,974	14,729	11,004	2,256	3,972	5,247
Retail trade	13,765	16,718	18,778	2,708	2,622	1,946	509	487	579
Depository institutions	31,264	38,118	44,785	138	6,800	5,684	2,867	3,930	3,067
Finance, except depository institutions	37,531	43,413	50,858	6,186	7,140	5,812	855	1,979	-718
Insurance	56,124	70,492	80,378	6,747	12,097	6,817	2,382	4,681	4,019
Real estate	35,169	40,060	44,436	2,535	4,675	3,284	-59	789	948
Services	29,391	38,521	50,252	4,214	7,862	10,744	-14	916	1,358
Other industries	32,126	43,049	43,409	7,562	10,673	-1,139	1,757	2,178	1,376

NOTES.—In this table, unlike in the international transactions accounts, income and capital inflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 16 and 17 in "Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 1998" in the September 1999 issue of the Survey.

Table G.5.—Selected Financial and Operating Data of Nonbank U.S. Affiliates of Foreign Companies by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 1997

	Number of affiliates	Millions of dollars				Thousands of employees	Millions of dollars	
		Total assets	Sales	Net income	Gross product		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All countries, all industries	9,474	3,034,404	1,717,240	42,547	384,883	5,164.3	140,924	261,482
By country								
Canada	945	309,080	139,409	3,693	34,464	601.6	7,787	14,356
Europe	4,071	1,809,319	940,672	31,107	245,919	3,213.9	62,392	94,512
<i>Of which:</i>								
France	513	322,270	135,414	2,959	35,863	411.2	14,032	12,936
Germany	1,011	302,740	194,492	5,071	46,171	657.6	13,973	32,032
Netherlands	302	260,034	124,109	5,508	33,750	391.4	4,592	10,191
Switzerland	404	339,896	110,077	2,986	25,637	352.1	6,233	7,127
United Kingdom	929	454,081	258,845	12,119	78,550	983.2	14,543	15,363
Latin America and Other Western Hemisphere	632	59,833	53,469	2,522	13,545	168.1	5,308	9,622
Africa	41	11,969	11,222	326	2,843	22.4	855	634
Middle East	307	28,841	25,246	1,151	7,295	92.7	814	5,534
Asia and Pacific	3,373	687,245	523,479	918	73,667	1,012.6	62,709	135,739
<i>Of which:</i>								
Australia	135	55,514	26,132	-101	5,207	80.1	1,410	1,501
Japan	2,587	582,570	446,422	2,701	62,345	812.4	52,883	120,357
United States	105	128,117	23,742	2,829	7,151	52.9	1,058	1,084
By industry ¹								
Manufacturing	2,846	680,260	667,576	18,826	188,477	2,227.0	70,053	99,304
<i>Of which:</i>								
Food	214	43,894	47,082	183	10,953	152.7	2,620	2,675
Chemicals	339	190,326	141,744	4,280	40,906	389.4	15,259	16,019
Primary and fabricated metals	373	67,516	65,075	1,744	16,510	219.4	5,133	8,329
Machinery	359	47,246	56,680	1,390	16,607	260.8	10,357	8,267
Computers and electronic products	333	53,182	73,413	-257	15,658	239.6	13,092	20,612
Electrical equipment, appliances, and components	104	22,574	26,203	631	7,537	129.5	3,430	3,421
Transportation equipment	260	49,211	72,607	2,060	13,554	207.9	7,631	18,203
Wholesale trade	1,708	293,144	530,141	3,889	51,856	538.5	63,231	155,716
Retail trade	210	49,802	96,624	1,197	25,009	688.7	1,951	3,973
Information	236	144,497	80,845	2,445	27,120	293.4	888	374
Finance (except depository institutions) and insurance	570	1,534,492	175,822	11,220	26,331	219.8	(^D)	(^D)
Real estate and rental and leasing	1,935	116,679	20,813	204	9,084	47.0	(^D)	(^D)
Professional, scientific, and technical services	301	17,299	15,972	-570	5,981	82.6	361	567
Other industries	1,668	198,229	129,448	5,337	51,025	1,067.3	4,332	1,255

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

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

using an industry classification system based on the Standard Industrial Classification system.

NOTE.—The data in this table are from "Foreign Direct Investment in the United States: Preliminary Results from the 1997 Benchmark Survey" in the August 1999 issue of the SURVEY.

H. International Perspectives

Quarterly data in this table are shown in the middle month of the quarter.

Table H.1.—International Perspectives

	1997	1998	1998							1999						
			June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Exchange rates per U.S. dollar (not seasonally adjusted) ¹																
Canada (Can./US\$)	1.3849	1.4836	1.4655	1.4869	1.5346	1.5218	1.5452	1.5404	1.5433	1.5194	1.4977	1.5176	1.4881	1.4611	1.4695	1.4890
European Monetary Union (US\$/Euro) ²										1.1591	1.1203	1.0886	1.0701	1.0630	1.0377	1.0370
France (FFr/US\$) ²	5.8393	5.8995	6.0118	6.0280	5.9912	5.6969	5.4925	5.6422	5.5981							
Germany (DM/US\$) ²	1.7348	1.7597	1.7928	1.7976	1.7869	1.6990	1.6381	1.6827	1.6698							
Italy (L/US\$) ²	17.0381	17.3685	17.6632	17.7242	17.6301	16.7892	16.2096	16.6491	16.5323							
Japan (¥/US\$)	1.2106	1.3099	1.4033	1.4079	1.4468	1.3448	1.2105	1.2029	1.1707	1.1329	1.1667	1.1947	1.1977	1.2200	1.2072	1.1933
Mexico (Peso/US\$)	7.9177	9.1520	8.9200	8.8990	9.3712	10.2192	10.1594	9.9680	9.9070	10.1280	10.0060	9.7320	9.4300	9.3950	9.5150	9.3700
United Kingdom (US\$/£)	1.6376	1.6573	1.6504	1.6437	1.6342	1.6823	1.6944	1.6611	1.6708	1.6498	1.6276	1.6213	1.6089	1.6154	1.5950	1.5751
Addendum: Exchange value of the U.S. dollar ² ...	104.47	116.25	117.87	118.17	120.14	118.85	115.46	115.34	114.56	114.68	116.37	117.80	117.15	116.91	117.45	117.48
Unemployment rates (percent, monthly data seasonally adjusted)																
Canada	9.2	8.3	8.4	8.4	8.3	8.3	8.0	8.0	8.0	7.8	7.8	7.8	8.3	8.1	7.6	7.7
France	12.5	11.8	11.8	11.7	11.9	11.8	11.7	11.6	11.5	11.5	11.4	11.4	11.3	11.4	11.3	11.2
Germany	11.5	11.1	11.0	10.9	10.9	10.8	10.6	10.7	10.7	10.6	10.6	10.6	10.6	10.5	10.5	10.5
Italy	12.3	12.3			12.4			12.4		12.3						
Japan	3.4	4.1	4.2	4.1	4.3	4.3	4.3	4.4	4.4	4.4	4.6	4.8	4.8	4.6	4.9	4.9
Mexico	3.7	3.2	3.4	3.2	3.0	3.3	3.1	2.6	2.6	2.8	3.2	2.7	2.7	2.4	2.6	2.3
United Kingdom	5.5	4.7	4.7	4.6	4.6	4.6	4.6	4.6	4.6	4.5	4.6	4.5	4.5	4.5	4.4	4.3
Addendum: United States	4.9	4.5	4.5	4.5	4.5	4.5	4.5	4.4	4.3	4.3	4.4	4.2	4.3	4.2	4.3	4.3
Consumer prices (monthly data seasonally adjusted, 1995=100)																
Canada	103.22	104.25	104.41	104.41	104.41	104.21	104.60	104.60	104.31	104.50	104.69	105.08	105.65	105.94	106.04	106.33
France	103.23	104.01	104.33	104.02	104.02	104.02	104.02	103.91	104.02	103.70	104.02	104.43	104.64	104.64	104.64	104.43
Germany	103.34	104.30	104.51	104.81	104.61	104.41	104.21	104.21	104.31	104.11	104.31	104.41	104.81	104.81	104.91	105.41
Italy	106.13	108.22	108.30	108.30	108.40	108.40	108.60	108.80	108.80	108.90	109.10	109.30	109.60	109.80	109.80	110.10
Japan	101.84	102.50	102.49	101.89	101.79	102.59	103.29	103.19	102.79	102.29	101.89	101.99	102.49	102.49	102.19	101.79
Mexico	162.09	187.91	185.99	187.78	189.58	192.66	195.42	198.88	203.73	208.88	211.68	213.65	215.61	216.91	218.33	219.78
United Kingdom	105.66	109.27	109.62	109.35	109.82	110.29	110.36	110.29	110.29	109.62	109.82	110.09	110.83	111.10	111.10	110.76
Addendum: United States	105.34	106.97	106.97	107.16	107.30	107.36	107.56	107.75	107.89	108.02	108.08	108.28	109.07	109.07	109.07	109.40
Real gross domestic product (percent change from preceding quarter, quarterly data seasonally adjusted at annual rates)																
Canada	4.0	3.1			2.6			4.8			4.2				3.3	
France	2.0	3.3			1.9			2.4			1.6				2.4	
Germany	1.8	2.3			1.8			-6			1.8					
Italy	1.5	1.3			2.5			-1.0			.7					
Japan	1.4	-2.8			-1.2			-3.3			8.1					
Mexico	6.8	4.8			3.1			-4.3			3.6					
United Kingdom	3.5	2.2			2.2			.2			.5				2.0	
Addendum: United States	3.9	3.9			3.7			6.0			4.3				1.6	

See footnotes at the end of the table.

Table H.1.—International Perspectives—Continued

	1997	1998	1998							1999						
			June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Short-term, 3-month, interest rates (percent, not seasonally adjusted)																
Canada	3.53	5.04	5.00	5.02	5.15	5.59	5.27	5.13	4.99	4.99	5.02	5.00	4.71	4.58	4.80	4.77
France	3.46	3.56	3.57	3.56	3.56	3.54	3.56	3.59	3.32	.....	.....	.....	.....	.....	.....	.....
Germany	3.33	3.54	3.56	3.54	3.50	3.49	3.57	3.63	3.38	.....	.....	.....	.....	.....	.....	.....
Italy	6.88	4.99	5.12	4.88	4.89	4.97	4.53	3.95	3.38	.....	.....	.....	.....	.....	.....	.....
Japan .....	.60	.72	.58	.74	.73	.55	.61	.63	.62	.69	.58	.20	.19	.08	.07	.08
Mexico	21.27	26.11	20.99	21.82	25.22	41.03	37.49	34.30	34.35	32.27	28.72	23.86	21.05	21.02	21.35	20.78
United Kingdom	6.83	7.33	7.62	7.70	7.66	7.37	7.13	6.88	6.37	5.79	5.42	5.29	5.23	5.25	5.12	5.07
Addendum:																
United States	5.07	4.81	4.99	4.96	4.94	4.74	4.08	4.44	4.42	4.34	4.45	4.48	4.28	4.51	4.59	4.60
Long-term interest rates, government bond yields (percent, not seasonally adjusted)																
Canada	6.47	5.45	5.45	5.46	5.65	5.39	5.17	5.39	5.07	5.13	5.26	5.34	5.26	5.51	5.70	5.61
France	5.67	4.82	4.95	4.91	4.61	4.39	4.51	4.43	4.41	4.13	4.42	4.39	4.25	4.45	4.94	5.02
Germany	5.66	4.58	4.80	4.70	4.40	4.10	4.10	4.10	3.90	3.70	3.90	4.00	3.90	4.00	4.40	4.68
Italy	6.86	4.88	5.08	4.97	4.79	4.53	4.49	4.38	4.00	3.92	4.05	4.27	4.11	4.28	4.62	4.94
Japan	2.37	1.54	1.54	1.68	1.50	1.10	.88	.98	1.49	1.91	2.12	1.82	1.56	1.33	1.63	1.70
United Kingdom	7.04	5.52	5.73	5.75	5.54	5.12	5.00	4.91	4.50	4.29	4.45	4.66	4.59	4.91	5.16	5.33
Addendum:																
United States	6.35	5.26	5.50	5.46	5.34	4.81	4.53	4.83	4.65	4.72	5.00	5.23	5.18	5.54	5.90	5.79
Share price indices (not seasonally adjusted, 1995=100)																
Canada	145.70	152.40	166.20	156.30	124.70	126.60	140.00	143.10	146.30	151.80	142.40	148.80	158.20	154.30	158.10	159.70
France	147.01	192.24	215.58	220.70	204.84	183.34	171.01	190.90	193.39	210.44	210.06	211.54	220.92	225.11	230.17	236.08
Germany	154.73	197.73	222.25	231.41	209.62	186.52	171.38	188.86	186.88	199.85	195.26	191.41	200.13	200.70	202.32	209.77
Italy	137.74	220.53	235.73	250.81	234.95	199.94	188.79	213.89	224.00	241.37	236.94	248.62	251.95	247.42	247.42	247.97
Japan	101.03	85.36	86.28	91.30	85.30	78.62	74.15	80.59	80.25	78.31	79.78	87.18	96.31	96.25	99.81	106.74
Mexico	200.17	191.09	192.97	191.27	134.81	160.85	183.61	169.86	178.41	178.34	191.98	222.15	243.96	246.81	262.67	237.02
United Kingdom	128.26	150.50	160.38	161.89	150.50	140.42	136.64	148.92	150.07	157.29	159.40	162.89	169.18	168.18	171.00	173.50
Addendum:																
United States	156.81	189.00	195.69	201.40	185.18	173.98	175.68	193.80	197.85	204.51	202.20	207.35	215.61	218.31	216.22	222.85

1. All exchange rates are from the Board of Governors of the Federal Reserve System.

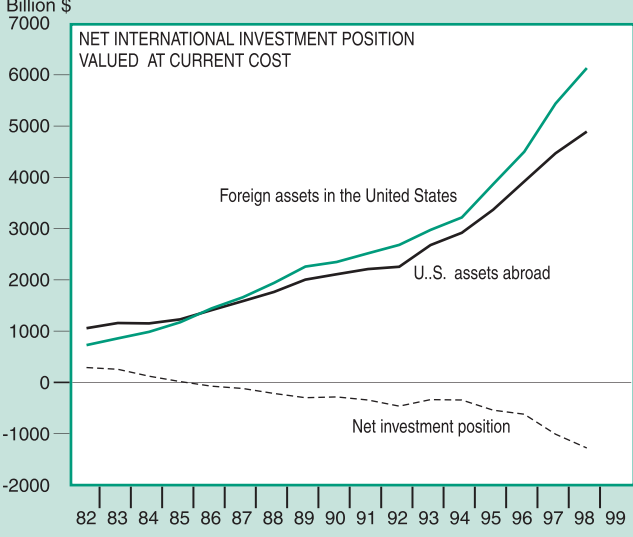
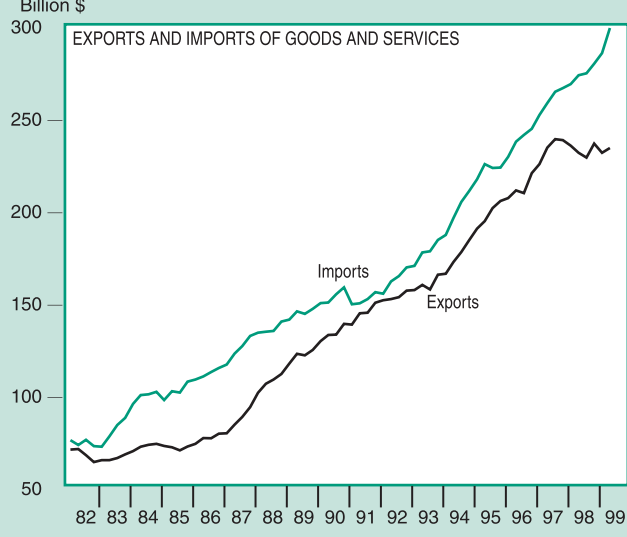
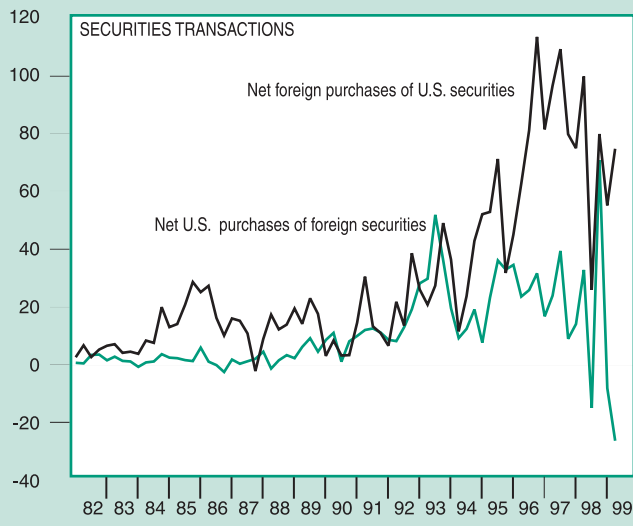
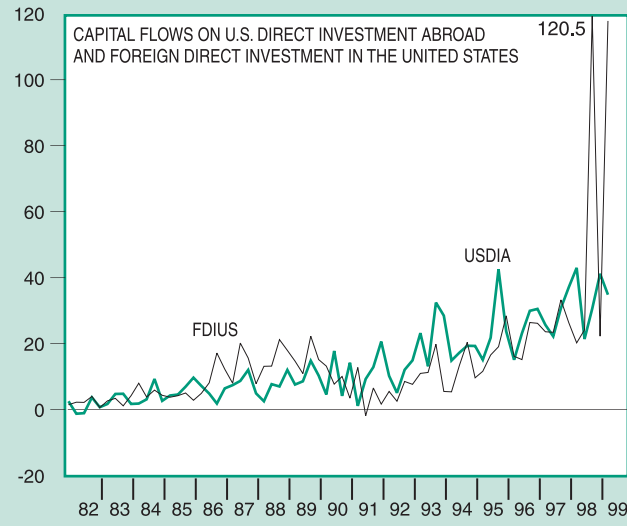
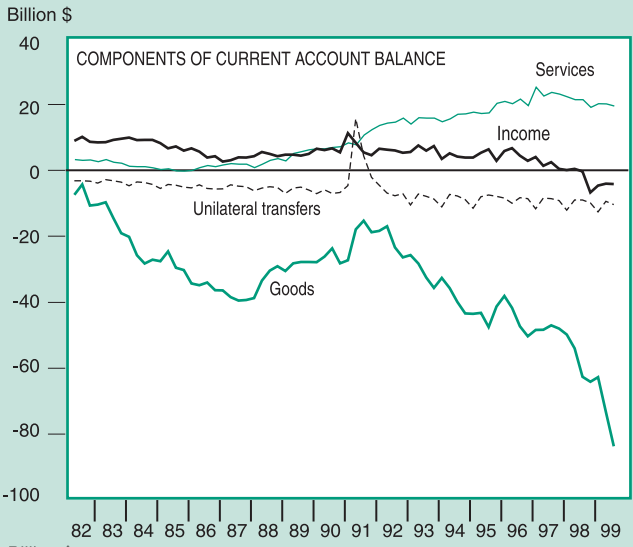
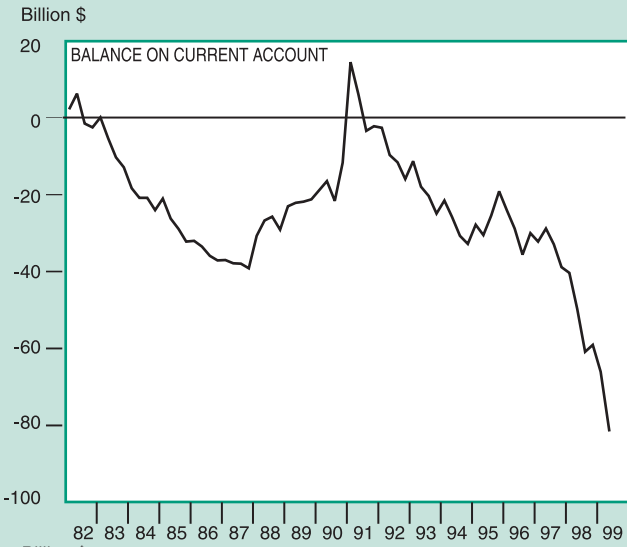
2. As of January 1, 1999, the euro is reported in place of the individual euro-area currencies. These currency rates can be derived from the euro rate by using the following conversion rates: 1 euro = 6.55957 French francs, 1.95583 German marks, and 1936.27 Italian lire. The rate shown for the United States is an index of the weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of major U.S. trading partners, January 1997=100. For more information on the exchange rate indexes, see "New Summary Meas-

ures of the Foreign Exchange Value of the Dollar," *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811-18.

NOTE.—U.S. interest rates, unemployment rates, and GDP growth rates are from the Federal Reserve, the Bureau of Labor Statistics, and BEA, respectively. All other data (including U.S. consumer prices and U.S. share prices, both of which have been rebased to 1995 to facilitate comparison) are © OECD, September 1999, *OECD Main Economic Indicators* and are reproduced with permission of the OECD.

I. Charts

THE U.S. IN THE INTERNATIONAL ECONOMY



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

Table J.2.—Annual Personal Income and Disposable Personal Income for States and Regions

Area name	Personal income					Disposable personal income				
	Millions of dollars			Percent change		Millions of dollars			Percent change	
	1996	1997	1998	1996-97	1997-98	1996	1997	1998	1996-97	1997-98
United States	6,408,103	6,770,650	7,158,176	5.7	5.7	5,518,569	5,782,712	6,061,088	4.8	4.8
New England	384,540	406,858	429,852	5.8	5.7	323,239	338,425	353,824	4.7	4.6
Connecticut	110,904	117,173	123,431	5.7	5.3	91,503	95,453	99,259	4.3	4.0
Maine	25,934	27,243	28,620	5.0	5.1	22,772	23,671	24,650	3.9	4.1
Massachusetts	179,998	191,008	202,252	6.1	5.9	149,777	157,389	164,889	5.1	4.8
New Hampshire	30,633	32,546	34,626	6.2	6.4	26,831	28,254	29,849	5.3	5.6
Rhode Island	24,067	25,340	26,614	5.3	5.0	21,022	21,942	22,878	4.4	4.3
Vermont	13,004	13,549	14,309	4.2	5.6	11,333	11,717	12,299	3.4	5.0
Mideast	1,245,254	1,303,943	1,369,952	4.7	5.1	1,057,756	1,096,946	1,140,195	3.7	3.9
Delaware	19,723	20,946	22,258	6.2	6.3	16,796	17,699	18,647	5.4	5.4
District of Columbia	18,463	18,919	19,526	2.5	3.2	15,623	15,851	16,100	1.5	1.6
Maryland	138,068	146,090	154,164	5.8	5.5	117,094	122,434	128,282	4.6	4.8
New Jersey	247,381	260,736	275,531	5.4	5.7	210,191	219,885	229,892	4.6	4.6
New York	526,990	548,927	575,768	4.3	4.9	442,273	456,565	472,647	3.2	3.5
Pennsylvania	295,230	308,325	322,706	4.4	4.7	255,779	264,511	274,626	3.4	3.8
Great Lakes	1,054,547	1,107,644	1,161,898	5.0	4.9	902,103	939,326	977,559	4.1	4.1
Illinois	314,960	331,966	349,029	5.4	5.1	268,434	280,280	292,419	4.4	4.3
Indiana	129,570	136,073	143,362	5.0	5.4	111,656	116,414	121,876	4.3	4.7
Michigan	233,571	244,073	255,039	4.5	4.5	199,607	206,608	214,329	3.5	3.7
Ohio	257,506	270,450	282,920	5.0	4.6	221,394	230,780	239,089	4.2	3.6
Wisconsin	118,940	125,081	131,547	5.2	5.2	101,011	105,244	109,846	4.2	4.4
Plains	425,718	446,730	469,721	4.9	5.1	367,001	381,713	398,925	4.0	4.5
Iowa	62,759	65,993	68,720	5.2	4.1	54,824	57,253	59,222	4.4	3.4
Kansas	58,690	62,363	65,854	6.3	5.6	50,703	53,488	56,057	5.5	4.8
Minnesota	117,293	123,010	130,737	4.9	6.3	97,774	101,468	107,358	3.8	5.8
Missouri	121,265	127,795	132,955	5.4	4.0	105,529	110,307	113,948	4.5	3.3
Nebraska	37,652	39,135	41,212	3.9	5.3	32,903	33,827	35,446	2.8	4.8
North Dakota	12,983	12,885	13,855	-8	7.5	11,620	11,389	12,230	-2.0	7.4
South Dakota	15,076	15,549	16,388	3.1	5.4	13,649	13,982	14,665	2.4	4.9
Southeast	1,401,506	1,482,256	1,568,488	5.8	5.8	1,225,384	1,286,377	1,350,586	5.0	5.0
Alabama	85,128	89,348	93,567	5.0	4.7	75,473	78,809	82,148	4.4	4.2
Arkansas	47,116	49,442	51,763	4.9	4.7	41,791	43,686	45,394	4.5	3.9
Florida	343,806	363,980	386,654	5.9	6.2	298,933	313,790	330,157	5.0	5.2
Georgia	167,956	178,875	191,865	6.5	7.3	145,199	153,506	163,232	5.7	6.3
Kentucky	75,612	80,435	84,834	6.4	5.5	65,938	69,749	73,168	5.8	4.9
Louisiana	85,099	89,067	93,430	4.7	4.9	76,061	78,903	82,179	3.7	4.2
Mississippi	47,150	49,437	52,283	4.9	5.8	42,827	44,697	47,079	4.4	5.3
North Carolina	161,179	172,154	182,036	6.8	5.7	139,842	148,266	155,290	6.0	4.7
South Carolina	73,435	77,686	82,039	5.8	5.6	64,545	67,858	71,340	5.1	5.1
Tennessee	115,697	121,934	128,244	5.4	5.2	102,991	107,789	112,656	4.7	4.5
Virginia	166,351	175,911	186,686	5.7	6.1	142,308	149,103	156,916	4.8	5.2
West Virginia	32,976	33,988	35,087	3.1	3.2	29,476	30,222	31,026	2.5	2.7
Southwest	614,265	660,458	707,853	7.5	7.2	543,363	581,106	618,773	6.9	6.5
Arizona	93,391	100,160	108,087	7.2	7.9	81,041	86,119	92,333	6.3	7.2
New Mexico	31,826	33,269	34,753	4.5	4.5	28,249	29,307	30,524	3.7	4.2
Oklahoma	63,750	67,444	70,469	5.8	4.5	56,059	58,974	61,218	5.2	3.8
Texas	425,298	459,585	494,544	8.1	7.6	378,015	406,707	434,698	7.6	6.9
Rocky Mountain	186,887	199,598	213,643	6.8	7.0	160,565	170,034	180,610	5.9	6.2
Colorado	97,735	105,143	114,449	7.6	8.9	83,250	88,686	95,810	6.5	8.0
Idaho	23,418	24,651	25,901	5.3	5.1	20,420	21,347	22,275	4.5	4.3
Montana	16,546	17,276	17,827	4.4	3.2	14,546	15,064	15,434	3.6	2.5
Utah	38,856	41,681	44,297	7.3	6.3	33,433	35,657	37,627	6.7	5.5
Wyoming	10,333	10,847	11,169	5.0	3.0	8,915	9,281	9,463	4.1	2.0
Far West	1,095,386	1,163,164	1,236,770	6.2	6.3	939,159	988,785	1,040,616	5.3	5.2
Alaska	14,713	15,222	15,823	3.5	3.9	12,567	12,926	13,349	2.9	3.3
California	798,580	846,839	900,900	6.0	6.4	682,968	717,988	755,232	5.1	5.2
Hawaii	29,784	30,514	31,268	2.5	2.5	25,911	26,398	26,843	1.9	1.7
Nevada	41,412	44,510	47,795	7.5	7.4	35,342	37,654	40,107	6.5	6.5
Oregon	73,156	77,579	81,310	6.0	4.8	62,206	65,177	67,866	4.8	4.1
Washington	137,741	148,500	159,674	7.8	7.5	120,166	128,640	137,220	7.1	6.7

NOTE.—The personal income level shown for the United States is derived as the sum of the State estimates. It differs from 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 defini-

tion, 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: Tables 1 and 2 in "State Personal Income, First Quarter 1999" in the August 1999 issue of the SURVEY.

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

Area name	Per capita personal income ¹				Per capita disposable personal income ¹			
	Dollars			Rank in U.S.	Dollars			Rank in U.S.
	1996	1997	1998	1998	1996	1997	1998	1998
United States	24,164	25,288	26,482	.....	20,810	21,598	22,424	.....
New England	28,872	30,427	32,007	.....	24,269	25,309	26,346	.....
Connecticut	33,979	35,863	37,700	1	28,035	29,215	30,317	1
Maine	20,948	21,937	23,002	36	18,394	19,061	19,811	35
Massachusetts	29,591	31,239	32,902	3	24,623	25,740	26,824	3
New Hampshire	26,418	27,766	29,219	7	23,140	24,104	25,188	5
Rhode Island	24,356	25,667	26,924	15	21,274	22,225	23,145	11
Vermont	22,179	23,017	24,217	30	19,328	19,905	20,815	28
Midwest	27,978	29,252	30,652	.....	23,765	24,609	25,512	.....
Delaware	27,125	28,493	29,932	6	23,100	24,076	25,077	6
District of Columbia	34,213	35,704	37,325	.....	28,950	29,914	30,776	.....
Maryland	27,298	28,674	30,023	5	23,151	24,031	24,983	7
New Jersey	30,892	32,356	33,953	2	26,248	27,286	28,329	2
New York	29,015	30,250	31,679	4	24,378	25,160	26,005	4
Pennsylvania	24,533	25,670	26,889	16	21,255	22,022	22,883	15
Great Lakes	24,055	25,158	26,290	.....	20,578	21,335	22,119	.....
Illinois	26,393	27,688	28,976	8	22,494	23,377	24,277	8
Indiana	22,234	23,202	24,302	29	19,160	19,849	20,660	32
Michigan	23,996	24,956	25,979	18	20,507	21,126	21,832	20
Ohio	23,054	24,163	25,239	21	19,821	20,618	21,329	23
Wisconsin	22,987	24,048	25,184	22	19,521	20,235	21,029	26
Plains	23,039	24,034	25,126	.....	19,861	20,536	21,339	.....
Iowa	22,032	23,120	24,007	32	19,246	20,058	20,689	30
Kansas	22,707	23,972	25,049	24	19,617	20,561	21,322	24
Minnesota	25,235	26,243	27,667	11	21,035	21,647	22,719	16
Missouri	22,586	23,629	24,447	28	19,656	20,395	20,952	27
Nebraska	22,847	23,818	24,786	26	19,965	20,415	21,318	25
North Dakota	20,197	20,103	21,708	38	18,077	17,768	19,162	38
South Dakota	20,450	21,076	22,201	37	18,513	18,952	19,866	34
Southeast	21,787	22,751	23,793	.....	19,049	19,744	20,488	.....
Alabama	19,838	20,672	21,500	40	17,588	18,234	18,876	39
Arkansas	18,808	19,595	20,393	46	16,682	17,314	17,884	46
Florida	23,834	24,799	25,922	19	20,723	21,379	22,134	18
Georgia	22,900	23,882	25,106	23	19,798	20,495	21,359	22
Kentucky	19,475	20,570	21,551	39	16,983	17,837	18,587	42
Louisiana	19,609	20,458	21,385	42	17,526	18,123	18,810	40
Mississippi	17,398	18,098	18,998	50	15,803	16,363	17,107	50
North Carolina	22,053	23,168	24,122	31	19,134	19,953	20,578	33
South Carolina	19,651	20,508	21,387	41	17,272	17,913	18,598	41
Tennessee	21,800	22,699	23,615	33	19,406	20,066	20,745	29
Virginia	24,950	26,109	27,489	13	21,344	22,130	23,105	13
West Virginia	18,116	18,724	19,373	49	16,193	16,649	17,131	49
Southwest	21,577	22,787	23,985	.....	19,086	20,049	20,967	.....
Arizona	21,071	21,998	23,152	35	18,284	18,914	19,777	36
New Mexico	18,634	19,298	20,008	48	16,540	17,000	17,574	47
Oklahoma	19,342	20,305	21,056	45	17,008	17,755	18,292	43
Texas	22,345	23,707	25,028	25	19,861	20,980	21,999	19
Rocky Mountain	22,304	23,414	24,668	.....	19,163	19,946	20,854	.....
Colorado	25,627	27,015	28,821	9	21,829	22,787	24,128	9
Idaho	19,741	20,392	21,080	44	17,214	17,658	18,129	44
Montana	18,872	19,660	20,247	47	16,591	17,143	17,530	48
Utah	19,214	20,185	21,096	43	16,533	17,267	17,920	45
Wyoming	21,524	22,596	23,225	34	18,570	19,333	19,678	37
Far West	24,969	26,127	27,367	.....	21,408	22,210	23,027	.....
Alaska	24,310	24,969	25,771	20	20,765	21,203	21,741	21
California	25,142	26,314	27,579	12	21,503	22,310	23,119	12
Hawaii	25,086	25,598	26,210	17	21,824	22,145	22,500	17
Nevada	25,877	26,514	27,360	14	22,084	22,431	22,959	14
Oregon	22,894	23,920	24,775	27	19,467	20,096	20,678	31
Washington	24,958	26,451	28,066	10	21,774	22,914	24,119	10

1. Per capita personal income and per capita disposable personal income were computed using midyear population estimates from the Bureau of the Census.

NOTE.—The personal income level shown for the United States is derived as the sum of the State estimates. It differs from 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: Tables 1 and 2 in "State Personal Income, First Quarter 1999" in the August 1999 issue of the SURVEY.

Table J.4.—Gross State Product for States and Regions by Industry, 1997

[Millions of dollars]

State and region	Rank of total gross state product	Total gross state product	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
United States		8,103,234	131,745	120,515	328,806	1,378,869	676,313	562,755	712,890	1,570,308	1,656,849	964,184
New England		466,857	3,445	310	15,771	76,656	29,998	32,219	38,059	116,542	109,730	44,128
Connecticut	21	134,565	899	36	4,351	22,510	8,011	9,373	9,862	38,988	29,184	11,350
Maine	42	30,156	460	19	1,356	5,153	2,250	1,848	3,459	5,779	5,800	4,033
Massachusetts	11	221,009	1,284	156	7,161	32,394	13,924	16,133	17,510	53,708	58,449	20,291
New Hampshire	39	38,106	263	45	1,282	9,521	2,671	2,410	3,348	8,377	7,004	3,186
Rhode Island	44	27,806	210	15	959	4,347	1,911	1,537	2,385	6,941	6,092	3,410
Vermont	50	15,214	329	39	663	2,731	1,231	918	1,494	2,749	3,202	1,858
Mideast		1,523,401	8,905	2,737	51,564	204,283	122,778	99,738	112,108	392,621	344,626	184,041
Delaware	41	31,585	273	5	1,038	6,108	1,545	1,192	1,842	12,348	4,482	2,753
District of Columbia		52,372	16	13	481	1,308	2,710	588	1,314	9,531	16,969	19,441
Maryland	16	153,797	1,304	116	7,835	13,230	11,457	9,716	13,254	34,137	36,268	26,479
New Jersey	8	294,055	1,502	186	10,414	41,062	28,256	27,283	21,293	68,841	64,380	30,838
New York	2	651,652	2,689	480	18,505	74,446	49,335	40,277	44,440	203,219	148,253	70,007
Pennsylvania	6	339,940	3,121	1,935	13,291	68,129	29,476	20,683	29,965	64,544	74,274	34,523
Great Lakes		1,295,671	17,478	4,860	54,174	316,788	100,547	94,731	115,023	217,559	242,173	132,337
Illinois	4	393,532	5,110	1,268	16,385	71,671	35,807	30,972	31,881	79,466	82,375	38,597
Indiana	15	161,701	2,883	846	7,845	50,155	12,369	10,036	14,807	21,351	25,676	15,732
Michigan	9	272,607	2,698	1,246	11,052	70,234	18,230	20,831	25,735	41,850	51,635	29,095
Ohio	7	320,506	3,947	1,210	12,515	83,850	23,955	23,338	29,669	50,967	57,798	33,256
Wisconsin	19	147,325	2,840	290	6,378	40,878	10,186	9,553	12,930	23,924	24,690	15,657
Plains		538,494	21,360	3,164	23,831	102,629	49,367	42,281	48,237	85,150	99,193	63,280
Iowa	29	80,479	5,612	193	3,287	19,617	6,177	5,701	6,579	11,889	12,327	9,096
Kansas	31	71,737	2,933	1,021	3,040	12,784	7,608	5,822	7,039	9,432	12,298	9,759
Minnesota	18	149,394	3,631	679	6,693	28,271	11,485	12,568	13,004	27,515	29,839	15,710
Missouri	17	152,100	2,855	453	7,146	31,195	15,521	11,564	14,033	22,615	29,825	16,892
Nebraska	36	48,812	3,506	125	2,088	6,681	5,394	3,839	4,148	7,429	8,663	6,939
North Dakota	49	15,786	1,072	451	784	1,389	1,629	1,463	1,523	2,128	2,908	2,438
South Dakota	46	20,186	1,751	241	793	2,692	1,554	1,324	1,911	4,141	3,332	2,447
Southeast		1,763,114	31,716	32,479	76,652	315,895	157,072	121,470	171,379	286,834	333,401	236,216
Alabama	25	103,109	2,145	1,600	4,304	22,115	9,172	6,687	10,535	13,657	17,155	15,738
Arkansas	32	58,479	2,775	606	2,333	14,006	6,129	3,689	6,170	6,929	8,862	6,980
Florida	5	380,607	6,691	1,027	17,876	29,108	33,388	28,533	42,487	83,763	91,196	46,538
Georgia	10	229,473	4,066	1,002	8,910	40,035	25,274	20,947	20,587	37,774	42,441	28,439
Kentucky	26	100,076	2,723	2,659	4,101	27,360	8,087	6,014	9,033	11,646	15,217	13,239
Louisiana	23	124,350	1,292	19,797	5,395	19,566	11,037	7,078	10,232	16,068	20,127	13,758
Mississippi	33	58,314	1,659	540	2,355	13,198	5,865	3,383	5,985	6,898	9,725	8,705
North Carolina	12	218,888	5,118	298	9,643	57,971	16,578	14,328	19,427	33,045	34,351	28,130
South Carolina	28	93,259	1,280	215	4,500	23,289	7,057	5,619	9,955	12,894	14,626	13,824
Tennessee	20	146,999	1,745	480	6,012	31,281	11,759	11,299	16,267	21,233	29,856	17,067
Virginia	13	211,331	1,961	1,102	9,439	31,282	18,056	11,839	17,278	38,537	43,411	38,426
West Virginia	38	38,228	261	3,154	1,785	6,684	4,672	2,053	3,423	4,391	6,434	5,371
Southwest		844,766	13,481	52,354	37,222	133,678	84,895	60,142	76,363	126,830	157,507	102,294
Arizona	24	121,239	1,934	1,300	6,937	17,815	9,047	8,095	12,574	23,531	24,974	15,031
New Mexico	37	45,242	897	3,271	2,046	7,887	3,280	1,981	4,137	6,207	7,791	7,745
Oklahoma	30	76,642	2,085	4,087	2,377	13,015	7,523	4,697	7,664	9,587	13,514	12,090
Texas	3	601,643	8,565	43,695	25,861	94,961	65,044	45,369	51,987	87,505	111,227	67,428
Rocky Mountain		247,372	5,924	11,026	13,354	31,372	25,517	15,282	24,137	39,172	48,933	32,656
Colorado	22	126,084	2,147	2,708	6,910	14,480	13,762	8,223	12,229	21,885	27,850	15,891
Idaho	43	29,149	1,730	273	1,669	5,809	2,492	1,838	2,961	3,644	4,860	3,873
Montana	47	19,160	1,019	880	965	1,486	2,241	1,241	1,956	2,593	3,773	3,005
Utah	35	55,417	612	1,654	3,132	8,601	4,709	3,383	5,791	9,119	10,735	7,682
Wyoming	48	17,561	416	5,512	679	996	2,312	595	1,201	1,930	1,715	2,205
Far West		1,423,561	29,436	13,585	56,236	197,569	106,140	96,892	127,584	305,601	321,285	169,233
Alaska	45	24,494	314	5,169	1,007	1,134	3,822	713	1,673	2,795	3,029	4,838
California	1	1,033,016	21,633	6,381	34,883	146,173	72,301	71,177	91,300	237,282	236,925	114,962
Hawaii	40	38,024	463	26	1,640	1,213	3,904	1,493	4,332	8,503	8,413	8,036
Nevada	34	57,407	427	1,568	4,978	2,608	4,333	2,809	5,553	10,773	18,670	5,688
Oregon	27	98,367	2,473	124	5,173	24,666	6,943	7,727	8,175	14,903	17,030	11,154
Washington	14	172,253	4,127	317	8,555	21,776	14,837	12,974	16,550	31,344	37,219	24,554

NOTE.—Totals shown for the United States differ from the national income and product account estimates of gross domestic product (GDP) because GSP is derived from gross domestic income, which differs from GDP by the statistical discrepancy. In addition, GSP excludes and GDP includes the compensation of Federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment except domestically located office equipment. GSP and GDP also have different revision

schedules.

Source: Tables 6 and 7 in "Gross State Product by Industry, 1995-97" in the June 1999 issue of the SURVEY OF CURRENT BUSINESS.

K. Local Area Table

Table K.1.—Personal Income and Per Capita Personal Income by Metropolitan Area, 1995–97

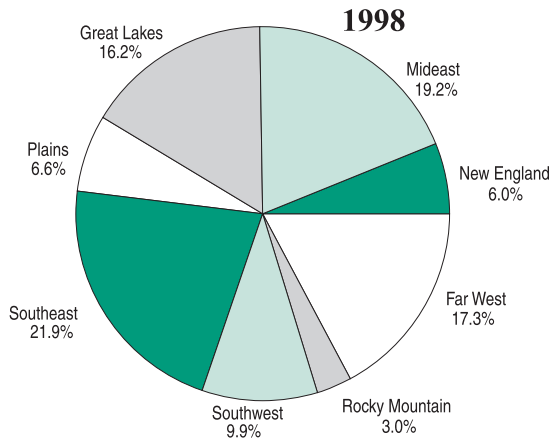
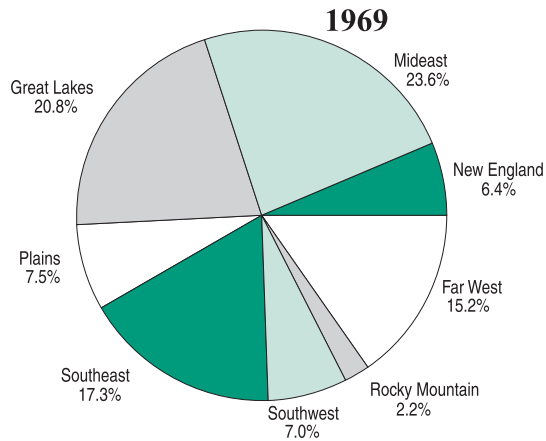
Table with columns: Area name, Personal income (Millions of dollars, Percent change), Per capita personal income (Dollars, Rank in U.S.). Rows include United States, Metropolitan portion, Nonmetropolitan portion, Consolidated Metropolitan Statistical Areas, Metropolitan Statistical Areas, and various city/metro area entries.

See footnotes at the end of the table.

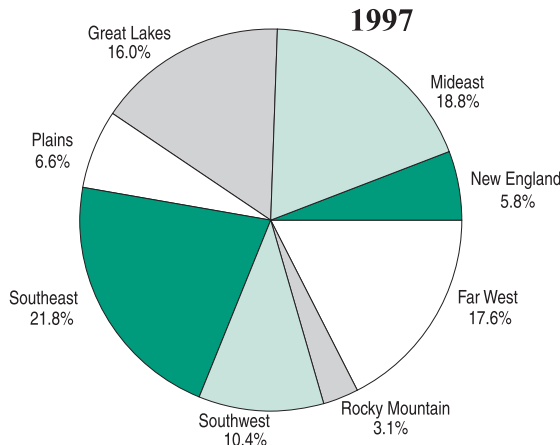
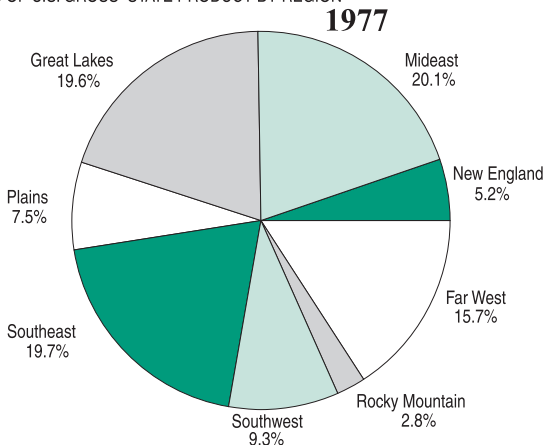
L. Charts

SELECTED REGIONAL ESTIMATES

SHARES OF U.S. PERSONAL INCOME BY REGION

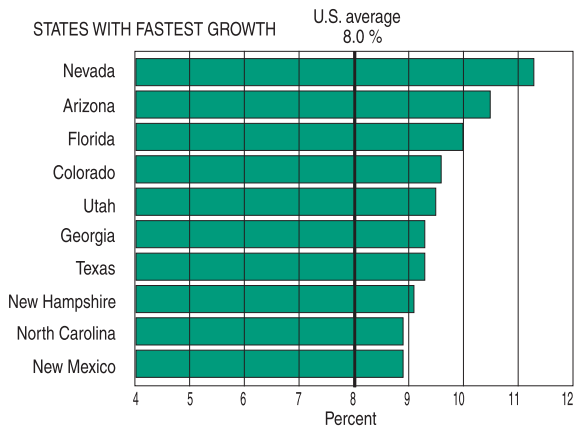


SHARES OF U.S. GROSS STATE PRODUCT BY REGION

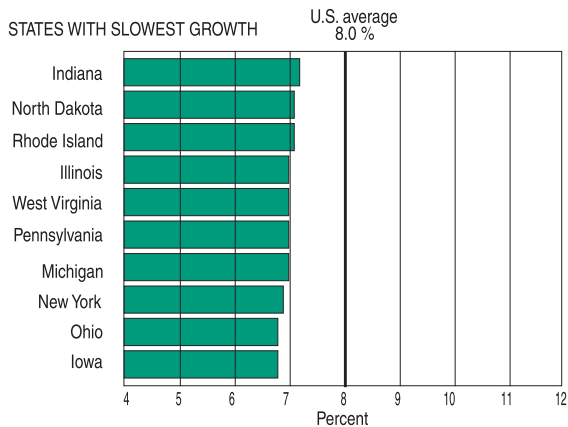


AVERAGE ANNUAL GROWTH RATE OF PERSONAL INCOME, 1969-98

STATES WITH FASTEST GROWTH

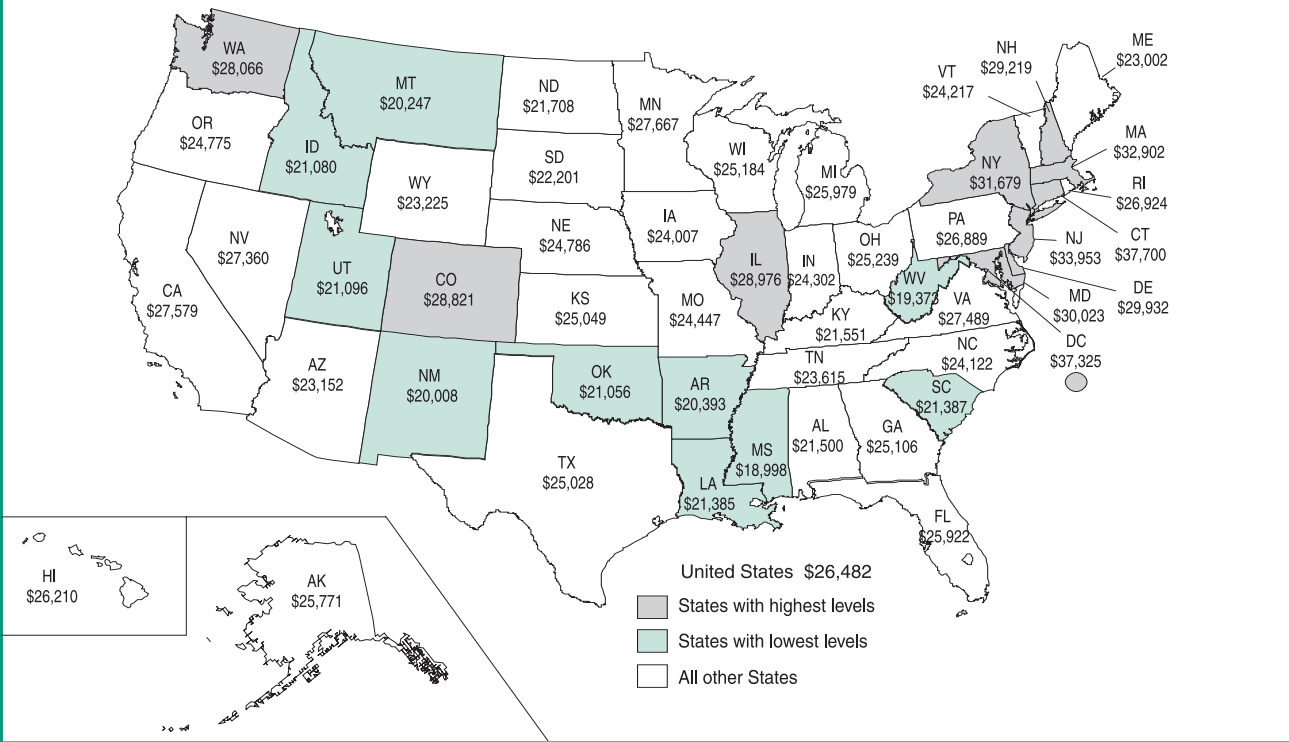


STATES WITH SLOWEST GROWTH

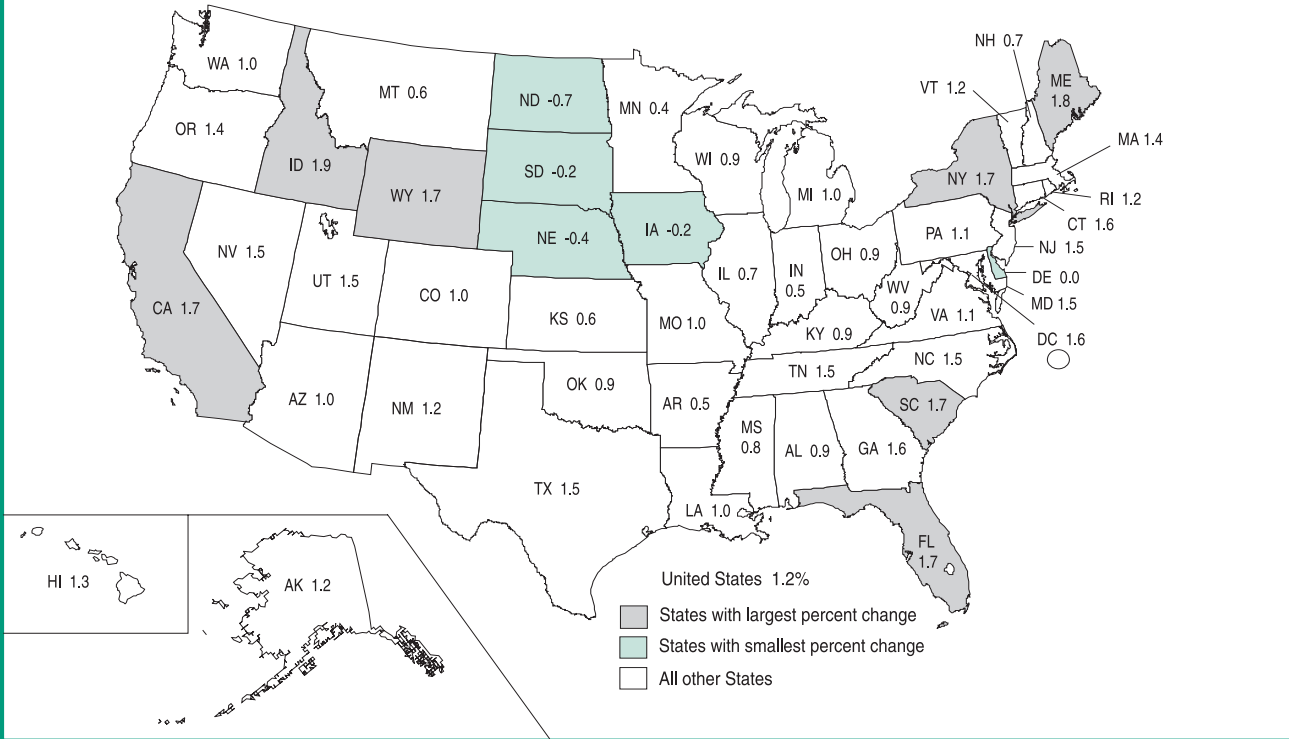


SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 1998



PERSONAL INCOME: PERCENT CHANGE, 1998:IV-1999:1



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. (Similar formulas are used to calculate the quarterly indexes for the most recent quarters, called the “tail” period, and for the indexes for the other quarters, called the “historical period.”) For example, the 1996–97 annual percent change in real GDP uses prices for 1996 and 1997 as weights, and the 1996–97 annual percent change in price uses quantities for 1996 and 1997 as weights. These annual changes are “chained” (multiplied) together to form time series of quantity and price. 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. The Fisher formula also produces changes in quantities and prices that are not affected by the choice of base periods. In addition, because the changes in quantities and prices calculated in this way are symmetric, the product of a quantity index and the corresponding price index is generally equal to the current-dollar index.

In addition, BEA prepares measures of real GDP and its components in a dollar-denominated form, designated “*chained (1992) dollar estimates*.” These estimates are computed by multiplying the 1992 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 1992 and if real output for this component increased by 10 percent in 1993, then the “chained (1992) dollar” value of this component in 1993 would be \$110 (\$100 × 1.10). Note that percentage changes in the chained

(1992) 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 (1992) 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. NIPA table 8.2 provides accurate measures of the contributions of the major components to the percentage change in real GDP for all periods.

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 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 yearly 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.

Reconciliation Tables

Table 1.—Reconciliation of Changes in BEA-Derived Compensation Per Hour with BLS Average Hourly Earnings

[Percent change from preceding period]

	1997	1998	Seasonally adjusted at annual rates					
			1998				1999	
			I	II	III	IV	I	II
BEA-derived compensation per hour of all persons in the nonfarm business sector (less housing) ¹	3.5	4.2	4.7	3.9	4.1	3.8	4.4	5.1
<i>Less:</i> Contribution of supplements to wages and salaries per hour	-5	-4	0	-3	-3	-6	.1	-2
<i>Plus:</i> Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions	-2	-3	-2	.1	-2	-2	.1	-3
<i>Less:</i> Contribution of wages and salaries per hour of persons in government enterprises, unpaid family workers, and self-employed	-1	-1	-1	-1	-3	.1	-3	-1
Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector	3.9	4.4	4.6	4.3	4.5	4.0	4.6	5.0
<i>Less:</i> Contribution of wages and salaries per hour of nonproduction workers in manufacturing .....	.1	-1	.4	.2	.2	0	.2	.4
<i>Less:</i> Other differences ²	-1	.5	.1	-2	.6	.9	.4	.9
Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls	3.9	4.1	4.0	4.3	3.7	3.2	4.0	3.6
Addendum: BLS estimates of compensation per hour in the nonfarm business sector ³	3.5	4.2	4.6	3.9	4.1	3.8	4.4	5.1

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.

Table 2.—Relation of Net Exports of Goods and Services and Net Receipts of Factor Income in the NIPA's to Balance on Goods, Services, and Income in the BPA's

[Billions of dollars]

	Line	1997	1998	Seasonally adjusted at annual rates					
				1998				1999	
				I	II	III	IV	I	II
Exports of goods, services, and income, BPA's	1	1,197.2	1,192.2	1,209.2	1,193.9	1,166.0	1,199.9	1,183.7	1,206.2
<i>Less:</i> Gold, BPA's	2	5.7	5.5	5.3	4.4	5.2	7.1	2.9	3.3
Statistical differences ¹	3	18.4	18.4	18.0	28.2	19.3	8.2	6.7	6.0
Other items	4	.8	.8	.7	.6	.8	1.2	.8	.9
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments	5	4.5	5.0	4.1	4.9	5.2	5.7	4.3	4.2
Adjustment for U.S. territories and Puerto Rico	6	37.0	38.0	37.0	37.2	37.4	40.5	41.1	41.8
Services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans	7	17.1	17.6	17.3	17.6	17.8	17.9	18.2	18.3
Equals: Exports of goods and services and receipts of factor income, NIPA's	8	1,230.9	1,228.1	1,243.6	1,220.2	1,201.2	1,247.5	1,237.0	1,260.2
Imports of goods, services, and income, BPA's	9	1,298.7	1,368.7	1,341.5	1,363.9	1,376.7	1,392.7	1,417.0	1,483.7
<i>Less:</i> Gold, BPA's	10	6.6	6.5	6.7	5.5	7.3	6.6	3.2	3.2
Statistical differences ¹	11	4.4	10.7	-1.8	8.2	23.1	13.6	11.3	11.5
Other items	12	0	0	0	0	0	0	0	0
<i>Plus:</i> Gold, NIPA's	13	-3.5	-2.9	-3.2	-3.0	-2.8	-2.9	-2.1	-2.4
Adjustment for grossing of parent/affiliate interest payments	14	4.5	5.0	4.1	4.9	5.2	5.7	4.3	4.2
Adjustment for U.S. territories and Puerto Rico	15	26.5	28.6	27.4	28.5	27.1	31.6	31.3	31.9
Imputed interest paid to rest of world	16	17.1	17.6	17.3	17.6	17.8	17.9	18.2	18.3
Equals: Imports of goods and services and payments of factor income, NIPA's	17	1,332.3	1,399.8	1,382.2	1,398.2	1,393.7	1,424.9	1,454.2	1,521.0
Balance on goods, services, and income, BPA's (1-9)	18	-101.5	-176.5	-132.3	-170.0	-210.7	-192.8	-233.3	-277.5
<i>Less:</i> Gold (2-10+13)	19	-4.4	-3.9	-4.6	-4.1	-4.9	-2.4	-2.4	-2.3
Statistical differences (3-11) ¹	20	14.0	7.7	19.8	20.0	-3.8	-5.4	-4.6	-5.5
Other items (4-12)	21	.8	.8	.7	.6	.8	1.2	.8	.9
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15)	22	10.5	9.4	9.6	8.7	10.3	8.9	9.8	9.9
Equals: Net exports of goods and services and net receipts of factor income, NIPA's (8-17)	23	-101.4	-171.7	-138.6	-178.0	-192.5	-177.4	-217.2	-260.8

1. Consists of statistical revisions in the NIPA's that have not yet been incorporated into the BPA's (1999:II) and statistical revisions in the BPA's that have not yet been incorporated into the NIPA's (1997:I-1999:II).

BPA's Balance of payments accounts
NIPA's National income and product accounts

Appendix B

Suggested Reading

Mid-Decade Strategic Plan

BEA has published the following articles in the SURVEY OF CURRENT BUSINESS on the development and implementation of its strategic plan for improving the accuracy, reliability, and relevance of the national, regional, and international accounts.

“Mid-Decade Strategic Review of BEA’s Economic Accounts: Maintaining and Improving Their Performance” (February 1995)

“Mid-Decade Strategic Review of BEA’s Economic Accounts: An Update” (April 1995)

“BEA’s Mid-Decade Strategic Plan: A Progress Report” (June 1996)

Mid-Decade Strategic Review of BEA’s Economic Accounts: Background Papers (1995) presents seven background papers that evaluate the state of the U.S. economic accounts and that identify the problems and the prospects for improving the accounts.

Methodology

BEA has published a wealth of information about the methodology used to prepare its national, regional, and international estimates.

National

National income and product accounts (NIPA’s)

NIPA Methodology Papers: This series documents the conceptual framework of the NIPA’s and the methodology used to prepare the estimates.

An Introduction to National Economic Accounting (NIPA Methodology Paper No. 1, 1985) [Also appeared in the March 1985 issue of the SURVEY]

Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends (NIPA Methodology Paper No. 2, 1985)

Foreign Transactions (NIPA Methodology Paper No. 3, 1987) [Revised version forthcoming]

GNP: An Overview of Source Data and Estimating Methods (NIPA Methodology Paper No. 4, 1987) [Largely superseded by “A Guide to the NIPA’s” (March 1998 SURVEY)]

Government Transactions (NIPA Methodology Paper No. 5, 1988)

Personal Consumption Expenditures (NIPA Methodology Paper No. 6, 1990)

The methodologies described in these papers are subject to periodic improvements that are typically introduced as part of the annual and comprehensive revisions of the NIPA’s; these improvements are

described in the SURVEY articles that cover these revisions.

“Annual Revision of the U.S. National Income and Product Accounts”: This series of SURVEY articles, the latest of which was published in the August 1998 issue, describes the annual NIPA revisions and the improvements in methodology.

“A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts”: This series of SURVEY articles describes the upcoming comprehensive revision of the NIPA’s.

“Definitional and Classificational Changes” (August 1999)

“New and Redesigned Tables” (September 1999)

“Statistical Changes” (October 1999)

“A Guide to the NIPA’s” (March 1998 SURVEY) provides the definitions of the major NIPA aggregates and components; discusses the measures of real output and prices; explains how production is classified and how the NIPA’s are presented; describes the statistical conventions that are used; and lists the principal source data and methods used to prepare the estimates of gross domestic product (GDP).

Information on the sources and methods used to prepare the national estimates of personal income, which provide the basis for the State estimates of personal income, can be found in *State Personal Income, 1929–93* (1995).

“Gross Domestic Product as a Measure of U.S. Production” (August 1991 SURVEY) briefly explains the difference between GDP and gross national product.

“BEA’s Chain Indexes, Time Series, and Measures of Long-Term Economic Growth” (May 1997) is the most recent in a series of SURVEY articles that describe the conceptual basis for the chain-type measures of real output and prices used in the NIPA’s.

“Reliability of the Quarterly and Annual Estimates of GDP and Gross Domestic Income” (December 1998

Availability

Most of the items listed here are available on BEA’s Web site at <www.bea.doc.gov>. In addition, see the *BEA Catalog of Products* for the availability of printed publications. The *Catalog* is available on BEA’s Web site; a printed copy can be obtained by writing to the Public Information Office, BE-53, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230, or by calling 202-606-9900.

SURVEY) evaluates the reliability of these estimates by examining the record of revisions to them.

Wealth and related estimates

“Improved Estimates of Fixed Reproducible Tangible Wealth, 1929–95” (May 1997 SURVEY) describes the most recent comprehensive revision of the estimates of fixed reproducible tangible wealth.

Gross product by industry

“Improved Estimates of Gross Product by Industry, 1959–94” (August 1996 SURVEY) describes the most recent comprehensive revision of the estimates of gross product by industry.

“Gross Product by Industry, 1947–96” (November 1997 SURVEY) and “Gross Product by Industry, 1995–97” (November 1998 SURVEY) present the most recent revisions to the estimates of gross product by industry and briefly describe changes in methodology.

Input-output accounts

“Benchmark Input-Output Accounts for the U.S. Economy, 1992” (November 1997 SURVEY) describes the preparation of the 1992 input-output accounts and the concepts and methods underlying the U.S. input-output accounts.

Satellite accounts

Satellite accounts that extend the analytical capacity of the national accounts by focusing on a particular aspect of activity are presented in the following SURVEY articles.

“Integrated Economic and Environmental Satellite Accounts” and “Accounting for Mineral Resources: Issues and BEA’s Initial Estimates” (April 1994)

“A Satellite Account for Research and Development” (November 1994)

“U.S. Transportation Satellite Accounts for 1992” (April 1998)

“U.S. Travel and Tourism Satellite Accounts for 1992” (July 1998)

International

International transactions accounts (ITA’s)

The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures (1990) describes the methodologies used in preparing the estimates in the ITA’s and of the international investment position of the United States. These methodologies are subject to periodic improvements that are typically introduced as part of the annual revisions of the ITA’s.

“U.S. International Transactions, Revised Estimates”: This series of SURVEY articles, the latest of which was published in the July 1999 issue, describes

the annual ITA revisions and the improvements in methodology.

Direct investment

International Direct Investment: Studies by the Bureau of Economic Analysis (1999) presents a collection of previously published studies on U.S. direct investment abroad and foreign direct investment in the United States. In addition, it includes the following guides to BEA’s statistics and methodologies used to prepare the estimates.

“Methodology for U.S. Direct Investment Abroad” (*U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results* (1998))

“A Guide to BEA Statistics on U.S. Multinational Companies” (March 1995 SURVEY)

“Methodology for Foreign Direct Investment in the United States” (*Foreign Direct Investment in the United States: 1992 Benchmark Survey, Final Results* (1995))

“A Guide to BEA Statistics on Foreign Direct Investment in the United States” (February 1990 SURVEY)

Surveys of international services

U.S. International Transactions in Private Services: A Guide to the Surveys Conducted by the Bureau of Economic Analysis (1998) provides information on the 11 surveys that BEA conducts on these transactions—including classifications, definitions, release schedules, and methods used to prepare the estimates—and samples of the survey forms.

Regional

Personal income

State Personal Income, 1929–97 (1999) includes a description of the methodology used to prepare the estimates of State personal income. [Also available on the CD-ROM *State Personal Income, 1929–97*]

Local Area Personal Income, 1969–92 (1994) includes a description of the methodology used to prepare the estimates of local area personal income. [Also available on the CD-ROM *Regional Economic Information System, 1969–97*]

Gross state product

“Comprehensive Revision of Gross State Product by Industry, 1977–94” (June 1997 SURVEY) summarizes the sources and methods for BEA’s estimates of gross state product.

“Gross State Product by Industry, 1977–96” (June 1998 SURVEY) and “Gross State Product by Industry, 1995–97” (June 1999 SURVEY) present the most recent revisions to the estimates of gross state product by industry and briefly describe changes in methodology. 